



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 919 505 184  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: GLACE HOLDCO AS  
Forretningsadresse: c/o Triton Advisers (Norway) AS  
Kronprinsesse Märthas plass 1  
0160 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Joachim Solbakken Espen  
Dato for fastsettelse av årsregnskapet: 20.08.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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

Brønnøysundregistrene, 15.07.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Annen driftskostnad	1	299 000	196 000
<b>Sum kostnader</b>		<b>299 000</b>	<b>196 000</b>
<b>Driftsresultat</b>		<b>-299 000</b>	<b>-196 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt	8	143 000	346 000
<b>Sum finansinntekter</b>		<b>143 000</b>	<b>346 000</b>
Annen rentekostnad	8	73 430 000	69 920 000
Annen finanskostnad	8	2 000	2 000
<b>Sum finanskostnader</b>		<b>73 432 000</b>	<b>69 922 000</b>
<b>Netto finans</b>		<b>-73 289 000</b>	<b>-69 576 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-73 588 000</b>	<b>-69 772 000</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>-73 588 000</b>	<b>-69 772 000</b>
<b>Årsresultat</b>		<b>-73 588 000</b>	<b>-69 772 000</b>
Minoritetsinteresser		0	0
<b>Årsresultat etter minoritetsinteresser</b>		<b>-73 588 000</b>	<b>-69 772 000</b>
Andre resultatkomponenter for IFRS-foretak		0	0
<b>Totalresultat</b>		<b>-73 588 000</b>	<b>-69 772 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-73 588 000	-69 772 000
<b>Sum overføringer og disponeringer</b>		<b>-73 588 000</b>	<b>-69 772 000</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	11	1 600 366 000	1 600 366 000
<b>Sum finansielle anleggsmidler</b>		<b>1 600 366 000</b>	<b>1 600 366 000</b>
<b>Sum anleggsmidler</b>		<b>1 600 366 000</b>	<b>1 600 366 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Andre fordringer		109 000	62 000
<b>Sum fordringer</b>		<b>109 000</b>	<b>62 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	7	23 386 000	23 623 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>23 386 000</b>	<b>23 623 000</b>
<b>Sum omløpsmidler</b>		<b>23 495 000</b>	<b>23 685 000</b>
<b>SUM EIENDELER</b>		<b>1 623 861 000</b>	<b>1 624 051 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	6	1 535 000	1 000 000
Overkurs	6	844 665 000	799 153 000
<b>Sum innskutt egenkapital</b>		<b>846 200 000</b>	<b>800 153 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		-211 170 000	-137 582 000



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Sum opptjent egenkapital</b>		<b>-211 170 000</b>	<b>-137 582 000</b>
<b>Sum egenkapital</b>		<b>635 030 000</b>	<b>662 571 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Interest bearing liabilities	3,4,5	984 515 000	933 298 000
<b>Sum annen langsiktig gjeld</b>		<b>984 515 000</b>	<b>933 298 000</b>
<b>Sum langsiktig gjeld</b>		<b>984 515 000</b>	<b>933 298 000</b>
<b>Kortsiktig gjeld</b>			
Kortsiktig konserngjeld	3,4,5	0	24 059 000
Other short term liabilities	2	4 316 000	4 123 000
<b>Sum kortsiktig gjeld</b>		<b>4 316 000</b>	<b>28 182 000</b>
<b>Sum gjeld</b>		<b>988 831 000</b>	<b>961 480 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 623 861 000</b>	<b>1 624 051 000</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2.1,2.2	3 435 506 000	3 005 333 000
Annen driftsinntekt	2.2	54 042 000	92 311 000
<b>Sum inntekter</b>	1.4	<b>3 489 548 000</b>	<b>3 097 644 000</b>
<b>Kostnader</b>			
Varekostnad		1 673 305 000	1 427 347 000
Lønnskostnad	2.4	1 124 175 000	930 208 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	3.1,3.3 ,4.2	234 189 000	181 783 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3.1	7 996 000	
Annen driftskostnad	2.5	310 774 000	332 459 000
<b>Sum kostnader</b>		<b>3 350 439 000</b>	<b>2 871 797 000</b>
<b>Driftsresultat</b>	1.4	<b>139 109 000</b>	<b>225 847 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt	5.11	9 418 000	10 809 000
Annen finansinntekt	5.11	87 125 000	108 296 000
<b>Sum finansinntekter</b>		<b>96 543 000</b>	<b>119 105 000</b>
Annen rentekostnad	5.11	213 492 000	189 966 000
Annen finanskostnad	5.11	107 097 000	91 253 000
<b>Sum finanskostnader</b>		<b>320 589 000</b>	<b>281 219 000</b>
<b>Netto finans</b>		<b>-224 046 000</b>	<b>-162 114 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-84 937 000</b>	<b>63 733 000</b>
Skattekostnad på ordinært resultat	6.1	21 607 000	54 204 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-106 544 000</b>	<b>9 529 000</b>
<b>Årsresultat</b>		<b>-106 544 000</b>	<b>9 529 000</b>
Minoritetsinteresser		19 719 000	43 001 000
<b>Årsresultat etter minoritetsinteresser</b>		<b>-126 263 000</b>	<b>-33 472 000</b>



## Konsernets resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Gain/loss from remeasurement on defined benefit plans	7.2	-3 509 000	-6 348 000
Tax effect on remeasurement on defined benefit plans	7.2	517 000	718 000
Currency translation differences		50 459 000	-952 000
Net gain/loss on hedge of foreign subsidiaries	5.5	-51 026 000	4 272 000
Tax effect from hedge of foreign subsidiaries	6.1	11 226 000	-940 000
Minority share of other comprehensive income		-1 829 000	776 000
Sum resultatkomponenter for IFRS-foretak		5 838 000	-2 474 000
<b>Totalresultat</b>		<b>-120 425 000</b>	<b>-35 946 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling	3.3	104 071 000	126 911 000
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	3.3	1 150 074 000	1 197 168 000
Utsatt skattefordel	6.1	72 345 000	56 898 000
Goodwill	3.2	1 700 737 000	1 700 266 000
<b>Sum immaterielle eiendeler</b>		<b>3 027 227 000</b>	<b>3 081 243 000</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger og annen fast eiendom	3.1	231 569 000	256 294 000
Maskiner og anlegg	3.1	89 595 000	118 607 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	3.1	67 224 000	69 927 000
Right-of-use assets	4.2	198 091 000	179 652 000
<b>Sum varige driftsmidler</b>		<b>586 479 000</b>	<b>624 480 000</b>
<b>Finansielle anleggsmidler</b>			
Other non-current assets		15 472 000	2 777 000
Non-current financial assets	5.1		3 317 000
<b>Sum finansielle anleggsmidler</b>		<b>15 472 000</b>	<b>6 094 000</b>
<b>Sum anleggsmidler</b>		<b>3 629 178 000</b>	<b>3 711 817 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	2.3	611 045 000	587 244 000
<b>Sum varer</b>		<b>611 045 000</b>	<b>587 244 000</b>
<b>Fordringer</b>			
Kundefordringer	5.9	431 801 000	525 045 000
Andre fordringer	5.9	87 413 000	114 230 000
<b>Sum fordringer</b>		<b>519 214 000</b>	<b>639 275 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	5.8	588 148 000	405 922 000



### Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum bankinnskudd, kontanter og lignende		588 148 000	405 922 000
Sum omløpsmidler		1 718 407 000	1 632 441 000
<b>SUM EIENDELER</b>		<b>5 347 585 000</b>	<b>5 344 258 000</b>

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Selskapskapital	5.7	1 535 000	1 000 000
Overkurs		844 665 000	799 153 000
<b>Sum innskutt egenkapital</b>		<b>846 200 000</b>	<b>800 153 000</b>

##### Opptjent egenkapital

Annen egenkapital		-251 328 000	-130 903 000
<b>Sum opptjent egenkapital</b>		<b>-251 328 000</b>	<b>-130 903 000</b>

Minoritetsinteresser		389 109 000	401 184 000
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<b>Sum egenkapital</b>		<b>983 981 000</b>	<b>1 070 434 000</b>
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#### Gjeld

##### Langsiktig gjeld

Pensjonsforpliktelser	7.2	74 233 000	65 575 000
Utsatt skatt	6.1	330 068 000	353 785 000
Andre avsetninger for forpliktelser	4.1	47 788 000	34 257 000
<b>Sum avsetninger for forpliktelser</b>		<b>452 089 000</b>	<b>453 617 000</b>

##### Annen langsiktig gjeld

Obligasjonslån	5.1,5.2	1 339 184 000	1 335 527 000
Gjeld til kredittinstitusjoner	5.1,5.2	744 878 000	634 894 000
Other long-term loans	5.1	287 000	1 621 000
Long-term lease liabilities	4.2	148 115 000	133 167 000
Long-term loan	5.1,5.2	984 515 000	933 298 000
<b>Sum annen langsiktig gjeld</b>		<b>3 216 979 000</b>	<b>3 038 507 000</b>

<b>Sum langsiktig gjeld</b>		<b>3 669 068 000</b>	<b>3 492 124 000</b>
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## Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	5.10	264 719 000	284 656 000
Betalbar skatt	6.1	15 106 000	13 777 000
Skyldige offentlige avgifter	5.10	116 469 000	93 494 000
Provision and other liabilities	4.1	232 257 000	296 200 000
Short term lease liabilities	4.2	51 204 000	46 744 000
Short-term interest bearing liabilities	5.1, 5.2	14 781 000	46 829 000
<b>Sum kortsiktig gjeld</b>		<b>694 536 000</b>	<b>781 700 000</b>
<b>Sum gjeld</b>		<b>4 363 604 000</b>	<b>4 273 824 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>5 347 585 000</b>	<b>5 344 258 000</b>
<b>POSTER UTENOM BALANSEN</b>			
Pantstillelser	5.2	406 018 000	471 870 000



## Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	07.03.2018	13.04.2018
Telefon	Deres referanse	Vår referanse
90076012	G. Backemar/ J. Espen	2018/525086

GLACE HOLDCO AS  
c/o Triton Advisers (Norway) AS Olav Vs gate 1  
0161 OSLO

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Glace HoldCo AS, org.nr. 919 505 184

Vi viser til deres brev av 7. mars 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Glace HoldCo AS.

Skattedirektoratet gir på bakgrunn av en konkret vurdering Glace HoldCo AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

### Bakgrunn

Glace Holdco AS er heleid av det Luxemburgbaserte selskapet Glace MidCo S.á.r.l, og inngår i et internasjonalt investeringsfond (Triton fond IV). Selskapets virksomhet er å eie 100 % av aksjene i GLX Holding AS. Selskapene inngår i Glamox konsernet som er et norsk industrikonsern som utvikler, produserer og leverer belysningsløsninger globalt til profesjonelle aktører. Selskapet har ingen ansatte eller ekstern finansiering. Arbeidsspråket er engelsk.

Det er vurdert slik at det ikke finnes andre regnskapsbrukere som negativt vil påvirkes av at årsregnskap og årsberetning utarbeides på engelsk språk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

### Skattedirektoratets vurdering

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

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

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som*

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post:  
[skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er heleid av et utenlandsk selskap. Selskapet inngår i et norsk konsern som inngår i porteføljen til et utenlandsk investeringsfond. Konsernet opererer internasjonalt mot profesjonelle aktører, og arbeidsspråket er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jeanette Munkvold Skovholt

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



## **Glace HoldCo AS**

org.nr. 919 505 184

### **Board of Directors Annual Report 2020**

#### **1. The company's business**

The company was formed August 14, 2017 and registered in the Register of Business Enterprises, September 6, 2017.

The company's business is to own shares in GLX Holding AS. The business of GLX Holding AS is to own shares in Glamox AS. The operations of Glace HoldCo AS are run from the Oslo municipality. At December 11, 2017, GLX Holding AS became parent company of Glamox AS with a 75.16% ownership. During 2018 and 2019 GLX Holding AS increased its ownership in Glamox AS to 76.17%. During 2020 GLX Holding AS purchased additional 14 shares in Glamox AS and has an ownership of 76.17% per year end. Glamox AS registered address is in Molde, Norway. Headquarter is located in Oslo. Glamox AS has subsidiaries in 16 countries in Europe, Asia, North and South-America.

Glamox is a Norwegian industrial group that develops, manufactures and distributes professional lighting solutions for the global market. Glamox has approximately 2,300 employees and the Group's operations are divided between four operational divisions: Professional Building Solutions (PBS), Global Marine & Offshore (GMO), Sourcing Production Logistics (SPL) and ES-SYSTEM. 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 PBS business area provides total lighting solutions to the professional building market. The most important markets served by this division are Central and Northern Europe. It is also operating in the other markets in collaboration with distributors. The level of activity in the new construction, restoration and modernisation within the professional building sectors drives developments in the individual markets. The GMO business area delivers professional lighting solutions to the global marine and offshore markets. The activity level within new-build, rebuilding and refurbishment of all types of maritime vessels and offshore installations controls market growth for this business. ES-SYSTEM is the largest manufacturer and distributor of lighting solutions in Poland with an increasing international presence. The company's portfolio includes a full range of modern and specialist products for architectural, industrial, commercial, and urban environments. From the beginning of 2021, ES-SYSTEM is integrated into the PBS and SPL divisions and will report as part of the PBS business area.

For further information about Glamox AS's operations, see Glamox AS's annual report.

Glace HoldCo AS does not own shares in any other companies than GLX Holding AS, which only own shares in Glamox AS.

#### **2. Continued operation**

In accordance with Section 3-3a of the Norwegian Accounting Act, cf. § 4-5, it is confirmed that the assumption of continuation of operations has been used in the preparation of the accounts.

#### **3. Statement of the financial statements**

The company reports a loss for the year of NOK 74m. The company's equity capital per December 31, 2020 was NOK 635m (39.1%) compared with NOK 663m (40.8%) per December 31, 2019.

The operating profit in 2020 for the consolidated accounts was NOK 139m compared to NOK 226m in 2019. The accounts in 2020 were charged with NOK 120m in net special items, compared to NOK 72m in net special items in 2019. The adjusted operating profit in 2020 was NOK 259m, down from NOK 298m in 2019. The decrease in adjusted operating result is mainly due to lower achieved



sales margins explained by a combination of price pressure and product mix in the PBS business area and a negative product mix effect in the GMO business area. Increased depreciations and amortisations also had a negative impact on adjusted operating profit compared to 2019. These negative effects were partly offset by reduced permanent and temporary operational cost reductions like temporary and permanent lay-offs, salary reductions and other cost reducing measures. The loss for the year in the consolidated accounts was NOK 107m compared to a profit for the year of NOK 10m in 2019.

The consolidated equity capital per December 31, 2020 was NOK 984m (18.4%) compared to NOK 1 070m (20.0%) per December 31, 2019.

The Group directly expensed NOK 32m related to research and development activities and capitalised NOK 3m related to development cost in 2020.

The consolidated cash flow of Glace HoldCo in 2020 was NOK 195m, an increase from NOK 58m in 2019. Net cash flows from operating activities amounts to NOK 409m in 2020 compared to NOK 212m in 2019. Profit before tax adjusted for depreciation and amortisation and the profit from sale of assets was NOK 158m, taxes paid was NOK -62m while the effect of working capital and other operating changes was NOK 313m. Compared to last year, lower operating profit was offset by a large positive effect from changes in working capital and other operating changes. Net cash flow from investing activities was NOK -81m while net cash flow from financing activities amounts to NOK -134m.

The Board believes the company's equity and liquidity as of 31.12.2020 to be satisfactory.

In the opinion of the Board, the presented income statement and balance sheet and accompanying notes for the company and the consolidated accounts provide a satisfactory statement of earnings in 2020 and the financial position at year-end.

#### 4. Financial risk management

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 use of financial instruments.

In June 2018 GLX Holding AS entered into a 3-year floating-to-fixed interest rate swap with DNB and Danske Bank for the nominal amount of NOK 1 350m in order to remove interest rate risk on its senior secured notes. For more detailed information, see note 5.5 in the Annual Accounts.

#### 5. Development by business areas

Professional Building Solutions (PBS) is a leading supplier of lighting solutions to the European non-residential building market. PBS develops complete solutions for educational and healthcare institutions, commercial and industrial buildings. PBS reported an order intake of NOK 2 298m in 2020, an increase of 4.9% compared to 2019 (NOK 2 190m). In the same period, revenue was NOK 2 245m, an increase of 3.6% from 2019 (NOK 2 167m). The business area achieved an adjusted EBITDA result in 2020 of NOK 321m (14.3%) compared to NOK 359m (16.6%) in 2019. The main explanation for the fall in adjusted EBITDA is lower achieved sales margins explained by a combination of price pressure and product mix, and slightly higher operating expenses.

Global Marine & Offshore (GMO) is responsible for lighting solutions for the maritime and offshore-related markets, plus onshore energy, and the petrochemical industry. GMO achieved an order intake of NOK 754m in 2020, a decrease of 15.2% (NOK 889m). In the same period, revenue was NOK 813m, a decrease of 4.8% (NOK 853m). The adjusted EBITDA result in 2020 was NOK 78m (9.5%) compared to NOK 91m (10.6%) in 2019. Lower revenue and a negative product mix effect are the main reasons for the decrease in adjusted EBITDA, partly offset by lower operating cost.

ES-SYSTEM is the largest manufacturer and distribution of lighting solutions in Poland with an increasing international presence. ES-SYSTEM achieved an order intake of NOK 432m, total



revenue of NOK 433m and adjusted EBITDA of NOK 38m (8.9%) in 2020. In 2019, ES-SYSTEM was part of the Group from 10th December and contributed with an order intake of NOK 21m, total revenue of NOK 31m and adjusted EBITDA of NOK 2m.

## 6. Acquisitions

The Group has an ambitious growth strategy supported by both organic growth initiatives and acquisitions. The Group did not complete any acquisition in 2020 but has made two acquisitions during the first four months of 2021.

- LiteIP is located in the UK and designs, manufactures and supplies wireless lighting control systems. The acquisition of LiteIP will provide the Group 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 AS signed an agreement to acquire Luminell on 19th April 2021 and the acquisition was closed on 28th April 2021. Luminell will be part of the GMO division.

See note 9.3 Events after the reporting period for more details on the acquisitions.

## 7. Proposal for allocation of profit

The Board of directors proposes that the year's loss of Glace HoldCo AS of NOK 73.6m is allocated from other equity capital.

## 8. Environment, Social and Governance

ESG is increasingly important among our stakeholders and the Group has further strengthened its focus on ESG during 2020. 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, whistleblowing policy, crisis management policy, sanctions and export control procedure and a health safety and environmental (HSE) policy.

## 9. Focus on sustainability

In 2020 the Group launched a project to establish a holistic sustainability strategy. The project aims 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. We aim to be among the leading players within our industry – our goal with the strategy is to set high ambitions and identify the sustainability aspects which are synergistic with our core business in order to be a responsible corporate citizen. The strategy will be finalized and implemented in 2021, and carried out, evaluated, and adapted continuously onward.

The first steps were already taken in 2020 with; (i) ISO 14001 and ISO 50001 certifications of our production units in Wilkasy, Poland and Keila, Estonia respectively, (ii) ensuring 100% renewable energy supply in the Norwegian (Molde and Kirkenær) and Estonian (Keila) production units from 2021, (iii) solidifying a sustainable value chain by increasing our supply chain transparency, and (iv) becoming fully CO2 neutral in 2020 via a combination of energy efficiency measures as well as obtaining quotas to offset the remaining emissions.



## 10. Responsible business partner

The Group is committed to responsible business practices and conducting business with the highest ethical standards. The Group wants to maintain stable and honest business relationships with all its business partners, including, but not limited to, suppliers, advisers, agents, and clients.

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. In 2020, the Group has initiated a project to increase our supply chain transparency, to ensure responsible business practices throughout our value chain.

## 11. Environment, health and safety

The Group's goal is to produce energy-efficient products, manufactured through energy-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. LED technology combined with sensors and light management systems can reduce the energy consumption in many application areas up to 90% compared to conventional solutions. A broad range of products enables the Group to offer high-quality and energy-efficient lighting solutions within the majority of application areas.

In 2020 the Group's production unit in Wilkasy, Poland was certified in accordance with EN ISO 14001, while the production unit in Keila, Estonia was certified in accordance with EN ISO 50001. The Group's production units in Norway (Molde and Kirkenær), Sweden, the UK, and Estonia have already been certified in accordance with EN ISO 14001. During 2020 the Group took actions to ensure that the Norwegian and Estonian production units will have 100% renewable energy supply from 2021.

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. Seventeen lost time accidents were reported in 2020. This gave an accident ratio in the Group (H-value) of 4.5 accidents per 1 million worked hours, which is an increase from 0.9 in 2019. Twelve of the lost time accidents in 2020 were reported in ES-SYSTEM. As part of our integration activities, we are implementing new routines and processes in ES-SYSTEM to decrease lost time accidents.

Absenteeism due to illness in the Group was 2.7% in 2020, compared to 4.9% in 2019. In Glamox AS it was 4.5% in 2020, compared to 6.1% in 2019.

## 12. Equal opportunities and working environment

The company has no employees. The board consists of three people, all men. The number of full-time employee equivalents (FTEs) in the Group was 2,174 at the end of 2020, down from 2,366 at the end of 2019.

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.

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 41.8% of the Group's workforce at the end of 2020.

The Group strongly believes in providing the opportunity to qualify for all types of work and opportunities for promotion regardless of ethnic background.

We are working to further develop our understanding of diversity, while implementing measures related to our strategy for social sustainability. These concepts will receive increased focus in 2021 and we will investigate how we can express this into specific targets.

The Group currently has no reports from employees, safety representative or union representatives that discrimination has been experienced as part of our work processes. We have a long and strong tradition for cooperation with our working environment committee (AMU) through formal forums that we will continue in 2021 with a specific focus on equality and discrimination.

### **13. Outlook**

Glamox is the main asset of the Glace HoldCo group.

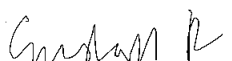
The Group's fundamental long-term growth prospects are positive. The demand for Glamox' products is driven by activities within new-build and modernisation of non-residential buildings and the activity level within new build, refurbishment, and rehabilitation of all types of maritime vessels and offshore installations. The demand is supported by mega trends such as an increased focus on energy efficiency and digitalization. The development of new products and systems including Light Management Systems also creates attractive growth opportunities.

The Group is entering 2021 from a strong position. In the PBS business area, the market situation has stabilized in most geographies, and we have managed to increase the market share in most of the target markets during 2020. We expect a gradual improvement in the PBS business area in 2021. In the GMO business area, we expect to see a recovery in our largest market segments during 2021. However, there is still high uncertainty in both business areas related to the effects of the development of the Covid-19 infection rates and the consequences of the infection-reducing measures still being implemented and maintained.

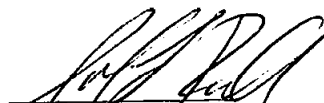
The Group's financial position is strong with solid equity and liquidity. The Group will continue to improve its strong position within the lighting industry by making investments in new products and systems, as well as increasing the capacity, competence, and efficiency of the organization. The Group's strategy is supported by organic growth initiatives, continuous cost focus and acquisitions.



Oslo, August 20, 2021

  
Gustaf Erik David Backemar  
Chairman of the Board

  
Joachim Solbakken Espen  
Board member

  
Carl Johan Jörgen Ulf Renvall  
Board member



# **Glace HoldCo Group**

**Annual financial statements**

**2020**



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## Glacé HoldCo AS - Group

### Consolidated statement of profit and loss

For the year ended 31 December

NOK 1000	Notes	2020	2019
Revenue	2.1, 2.2	3 435 506	3 005 333
Other operating income	2.2	54 042	92 312
<b>Total revenues</b>	<b>1.4</b>	<b>3 489 548</b>	<b>3 097 644</b>
Raw materials and consumables used		1 673 305	1 427 347
Payroll and related costs	2.4	1 124 175	930 208
Depreciation and amortisation	3.1, 3.3, 4.2	234 189	181 783
Impairment of non-current assets	3.1	7 996	-
Other operating expenses	2.5	310 775	332 460
<b>Total operating expenses</b>		<b>3 350 439</b>	<b>2 871 798</b>
<b>Operating profit</b>	<b>1.4</b>	<b>139 109</b>	<b>225 847</b>
Financial income	5.11	96 543	119 105
Financial expenses	5.11	320 589	281 218
Net financial items		224 046	162 114
<b>Profit before tax</b>		<b>-84 937</b>	<b>63 733</b>
Taxes	6.1	21 608	54 203
<b>Profit for the year</b>		<b>-106 544</b>	<b>9 529</b>
Profit/loss attributable to equity holders of the parent		-126 263	-33 472
Profit/loss attributable to non controlling interests		19 719	43 001
<b>Other comprehensive income</b>			
<b>Profit for the year</b>		<b>-106 544</b>	<b>9 529</b>
<i>Items that subsequently will not be reclassified to profit or loss:</i>			
Gain/loss from remeasurement on defined benefit plans	7.2	-3 509	-6 348
Tax effect on remeasurements on defined benefit plans	7.2	517	718
<b>Total items that subsequently will not be reclassified to profit or loss</b>		<b>-2 993</b>	<b>-5 629</b>
<i>Items that subsequently may be reclassified to profit or loss:</i>			
Currency translation differences		50 459	-952
Net gain/loss on hedge of foreign subsidiaries	5.5	-51 026	4 272
Tax effect from hedge of foreign subsidiaries	6.1	11 226	-940
<b>Total items that subsequently may be reclassified to profit or loss</b>		<b>10 658</b>	<b>2 380</b>
<b>Other comprehensive income for the period</b>		<b>7 665</b>	<b>-3 249</b>
<b>Total comprehensive income for the period</b>		<b>-98 879</b>	<b>6 280</b>
Total comprehensive income attributable to equity holders of the parent		-120 425	-35 946
Total comprehensive income attributable to non controlling interests		21 546	42 227




## Glace HoldCo AS - Group

## Consolidated statement of financial position

NOK 1000	Notes	31.12.2020	31.12.2019
<b>ASSETS</b>			
Intangible non-current assets			
Goodwill	3.2	1 700 737	1 700 266
Intangible assets	3.3	1 254 144	1 324 080
<b>Total intangible non-current assets</b>		<b>2 954 881</b>	<b>3 024 346</b>
Tangible non-current assets			
Land, buildings and other property	3.1	231 569	256 294
Machinery and plant	3.1	89 595	118 607
Fixtures and fittings, tools, office equipment etc.	3.1	67 225	69 926
Right-of-use assets	4.2	198 091	179 652
<b>Total tangible non-current assets</b>		<b>586 479</b>	<b>624 480</b>
Deferred tax assets	6.1	72 345	56 898
Non-current financial assets	5.1		3 317
Other non-current assets		15 472	2 777
<b>Total non-current assets</b>		<b>3 629 178</b>	<b>3 711 817</b>
Current assets			
Inventories	2.3	611 045	587 244
Trade receivables	5.9	431 801	525 045
Other receivables	5.9	87 413	114 229
Cash and cash equivalents	5.8	588 148	405 922
<b>Total current assets</b>		<b>1 718 407</b>	<b>1 632 439</b>
<b>TOTAL ASSETS</b>		<b>5 347 585</b>	<b>5 344 258</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Share capital	5.7	1 535	1 000
Share premium reserve		844 665	799 153
Paid in capital		846 200	800 153
Other equity		-251 327	-130 902
Non-controlling interests		389 109	401 184
<b>Total equity</b>		<b>989 981</b>	<b>1 070 434</b>
Non-current liabilities			
Pension liabilities	7.2	74 233	65 575
Long-term loan	5.1, 5.2	984 515	933 298
Bond	5.1, 5.2	1 339 184	1 335 527
Interest bearing liabilities to financial institutions	5.1, 5.2	744 878	634 894
Long-term lease liabilities	4.2	148 115	133 167
Other long-term loans	5.1	288	1 621
Deferred tax liabilities	6.1	330 088	353 785
Provisions and other liabilities	4.1	47 788	34 257
<b>Total non-current liabilities</b>		<b>3 669 068</b>	<b>3 492 124</b>
Current liabilities			
Trade payables	5.10	264 719	284 656
Income tax payable	6.1	15 106	13 777
Other payables	5.10	116 469	93 494
Short-term interest bearing liabilities	5.1, 5.2	14 781	46 829
Short-term lease liabilities	4.2	51 204	46 744
Provisions and other liabilities	4.1	232 257	296 201
<b>Total current liabilities</b>		<b>694 536</b>	<b>781 701</b>
<b>Total liabilities</b>		<b>4 363 604</b>	<b>4 273 824</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5 347 585</b>	<b>5 344 258</b>

Oslo, 20 August 2021



Gustaf Erik David Backeemar  
Chairman of the Board



Joachim Solbakken Espen  
Board member



Carl Johan Høgen Lill Rønnevall  
Board member



## Glace HoldCo AS - Group

## Consolidated statement of cash flows

For the years ended 31 December

	Notes	2020	2019
<b>Cash flows from operating activities</b>			
Profit before tax		-84 937	63 733
Taxes paid		-61 580	-83 833
Depreciation, amortisation and impairment	3.1, 3.3, 4.2	242 185	181 783
Profit from sale of assets	3.1	423	-36 783
Changes in working capital		49 505	-9 961
Other operating changes		263 458	97 046
<b>Net cash flows from operating activities</b>		<b>409 054</b>	<b>211 984</b>
<b>Cash flows from investing activities</b>			
Interests received		9 418	10 809
Proceeds from sale of tangible fixed assets and intangible assets		1 282	61 504
Purchase of tangible fixed assets and intangible assets	3.1, 3.3	-54 220	-81 554
Acquisition of subsidiary, net of cash acquired*		-37 865	-355 369
Other cash flow from investments		513	1 229
<b>Net cash flow from investing activities</b>		<b>-80 872</b>	<b>-363 381</b>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of debt	5.2	350 000	405 137
Lease principal	4.2	-54 895	-32 206
Lease interest paid	4.2	-5 492	-3 655
Dividend paid		-33 621	-33 622
Interests paid		-130 697	-116 153
Repayment of long-term debt	5.2	-250 547	-12 166
Other cash flow from financing activities		-8 531	1 970
<b>Net cash flow from financing activities</b>		<b>-133 782</b>	<b>209 305</b>
<b>Net change in cash and cash equivalents</b>		<b>194 400</b>	<b>57 907</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>405 922</b>	<b>341 852</b>
<b>Effect of change in exchange rate</b>		<b>-12 173</b>	<b>6 162</b>
<b>Cash and cash equivalents, end of period</b>		<b>588 149</b>	<b>405 922</b>

\*On 30 April 2019, Glamox AS acquired all the shares in Luxonic. An earn-out of up to GBP 6.75m was agreed conditional on the company's performance in 2019 and 2020. NOK 37.9m was paid in 2020 based on the performance in 2019.



## Glace HoldCo AS - Group

### Consolidated statement of changes in equity

NOK 1000	Share capital	Share premium	Other equity	Total shareholders equity	Non-controlling interests	Total equity
<b>Balance as of 31 December 2018</b>	<b>1 000</b>	<b>799 153</b>	<b>-94 956</b>	<b>705 197</b>	<b>392 585</b>	<b>1 097 781</b>
Profit (loss) for the year			-33 472	-33 472	43 001	9 530
Other comprehensive income			-2 475	-2 475	-775	-3 249
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-35 946</b>	<b>-35 946</b>	<b>42 227</b>	<b>6 280</b>
Dividends					-33 628	-33 628
<b>Balance as of 31 December 2019</b>	<b>1 000</b>	<b>799 153</b>	<b>-130 902</b>	<b>669 251</b>	<b>401 184</b>	<b>1 070 434</b>
Profit (loss) for the year			-126 263	-126 263	19 719	-106 544
Other comprehensive income			5 838	5 838	1 827	7 665
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-120 425</b>	<b>-120 425</b>	<b>21 546</b>	<b>-98 879</b>
Capital increase	535	45 512		46 047		46 047
Dividends					-33 621	-33 621
<b>Balance as of 31 December 2020</b>	<b>1 535</b>	<b>844 665</b>	<b>-251 327</b>	<b>594 873</b>	<b>389 109</b>	<b>983 981</b>



## 1.1 Corporate information

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Glace HoldCo AS was established in 2017, with the purpose to own shares in GLX Holding AS. As of 31.12.2020 Glace HoldCo AS owns 100% of the shares of GLX Holding AS. Glace HoldCo AS is a holding company and have no other activities or investments, than the ownership of GLX Holding AS. Glace HoldCo AS is a Norwegian company and the registered address is c/o Triton Advisors (Norway) AS, Kronprinsesse Märthas plass 1, 0161 OSLO. The ultimate parent and beneficial owner of Glace HoldCo AS is Triton Fund IV, located at Jersey.

At 11 of December 2017, GLX Holding AS became the parent company of Glamox AS, with a 75.16% ownership. End of 2020 the ownership is 76.17%. GLX Holding AS is a holding company and have no other activities or investments, than the ownership of Glamox AS. GLX Holding AS is a Norwegian company and the registered address is c/o Triton Advisors (Norway) AS, Kronprinsesse Märthas plass 1, 0161 OSLO.

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. Glamox is organised with three divisions: Professional Building Solutions (PBS), Global Marine & Offshore (GMO) and Sourcing, Production and Logistics (SPL). In addition, ES-System, acquired 10th December 2019, has been operating as an independent division since the acquisition date. 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 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, in addition to ES-System. See note 2.1 for more information.



## 1.2 Basis of preparation

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The consolidated financial statements of Glace HoldCo AS 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 indicated. 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 Glace HoldCo AS and its subsidiaries as at 31 December 2020. 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, Glace HoldCo's 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**

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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 capitalized. 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 obsolescence rates to be used.



## 1.4 Adjusted profit and special items

	2020	2019
Total revenues	3 489 548	3 097 644
Total revenues - Adjusted	3 488 654	3 050 625
EBITDA <sup>1</sup>	381 294	407 629
EBITDA margin	10,9 %	13,2 %
Adjusted EBITDA <sup>2</sup>	492 919	479 621
Adjusted EBITDA margin	14,1 %	15,7 %
Operating profit (EBIT)	139 109	225 847
Operating profit (EBIT) margin	4,0 %	7,3 %
Adjusted Operating profit (EBIT)	258 730	297 839
Adjusted Operating profit (EBIT) margin	7,4 %	9,8 %
<b>EBITDA</b>	<b>381 294</b>	<b>407 629</b>
Special items:		
Profit from sale of property	-	-36 638
Restructuring cost	48 489	52 675
Claim cost related to specific product	4 057	23 683
Acquisition and integration cost	29 708	25 807
ERP Integration	16 894	-
ESG Compliance	3 544	-
Order cancellation	-	8 366
Reversal of provision	-	-6 750
Other	8 933	4 849
<b>Total Special Items excluding impairment of non-current assets</b>	<b>111 625</b>	<b>71 992</b>
<b>Adjusted EBITDA</b>	<b>492 919</b>	<b>479 621</b>
Impairment of non-current assets	7 996	-
<b>Total Special items</b>	<b>119 621</b>	<b>71 992</b>
<b>Adjusted Operating profit (EBIT)</b>	<b>258 730</b>	<b>297 839</b>

<sup>1</sup> Operating profit/loss before income taxes, net financial items, depreciation, amortisation and impairment charges.

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

Special items represents profit and loss items that are material and outside ordinary business of the 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 the Group

In 2020, the group has the following operating segments (business areas);

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

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. As ES-System was organized as a complete value chain, only minor group functions has been allocated to this segment.

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 restaurants mainly in Europe. Their main sales channels are direct to installers and wholesalers. ES-System have much of the same segments and sales channels as PBS, but differs geographically. During 2021 ES-System will be integrated into the PBS segment. 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 management 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 liabilities. None of the operating segments had sales to a single customer that exceeded 10 % of revenues in 2020.

Year ended 31 December 2020	Professional		ES-System	Other	Total
	Building Solutions (PBS)	Global Marine & Offshore (GMO)			
Revenues	2 245 137	812 697	432 607	-894	3 489 548
EBITDA	321 000	77 509	38 395	-55 610	381 294
in %	14,3 %	9,5 %	8,9 %		10,9 %

Year ended 31 December 2019	Professional		Other	Total
	Building Solutions (PBS)	Global Marine & Offshore (GMO)		
Revenues	2 166 801	853 323	77 520	3 097 644
EBITDA	358 885	90 532	-41 788	407 629
in %	16,6 %	10,6 %		13,2 %

EBITDA for PBS, GMO and ES-System, presented in the table above is adjusted for special items.

Other item in 2020 refers to operating expenses in Glace HoldCo AS, GLX Holding AS, special items and IFRS 16 effects.

In 2019, PBS includes Luxonic from 30. April 2019, which corresponds to the owner period. Other item in 2019 refers to operating expenses in Glace HoldCo AS, GLX Holding AS, special items, IFRS 16 effects and ES-System from 10. December 2019.

See note 1.4, 2.2, 2.4, 2.5, and 4.2 for further information.

Reconciliation of profit	2020	2019
EBITDA	381 294	407 629
Depreciation and amortisation	242 185	181 783
<b>Operating profit</b>	<b>139 109</b>	<b>225 847</b>

Geographic information	2020	2019
<b>Revenues from external customers</b>		
Nordics	1 563 165	1 548 340
Europe, excl. Nordics	1 616 682	1 192 762
North America	131 055	126 605
Asia	148 812	197 140
Other	29 834	32 797
<b>Total</b>	<b>3 489 548</b>	<b>3 097 644</b>

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.

<b>Revenues from sales</b>	<b>2020</b>	<b>2019</b>
Sale of goods	3 435 506	3 005 333
<b>Total revenues from sales</b>	<b>3 435 506</b>	<b>3 005 333</b>

<b>Other operating income</b>	<b>2020</b>	<b>2019</b>
Other operating income	54 042	92 312
<b>Total other operating income</b>	<b>54 042</b>	<b>92 312</b>

Other operating income mainly consist of freight invoiced to customers.

In 2019, Other operating income includes profit from sale of property of NOK 36.8 million and reversal of provision of NOK 6.8 million.



## 2.3 Inventories

<b>Inventories</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Raw materials	335 512	298 595
Work in progress	44 133	43 937
Finished goods	231 400	244 711
<b>Total inventories</b>	<b>611 045</b>	<b>587 244</b>

<b>Provision for obsolete inventories</b>	<b>2020</b>	<b>2019</b>
<b>At January 1</b>	<b>98 561</b>	<b>67 821</b>
Currency effect	2 879	-92
Provision used	-23 128	-6 164
Provision reversed	-2 634	-2 459
Addition through acquisition of subsidiary	-	20 054
Additional provision	31 010	19 401
<b>At December 31</b>	<b>106 688</b>	<b>98 561</b>

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. The increase is mainly related to phase out of many product families produced in Germany. In addition, over the past 2-4 years, we have had to stock up on a number of components as some suppliers have stopped producing conventional components. Many of these components are now on the list of slow movers and obsolete. In Sweden some product families are finally phased out from assortment due to the closing of the factory.

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



## 2.4 Employee benefit expenses

<b>Payroll and related costs</b>	<b>2020</b>	<b>2019</b>
Salaries	893 869	738 276
National insurance	148 224	121 021
Pension costs	45 209	42 411
Other remuneration	36 873	28 501
<b>Total payroll and related costs</b>	<b>1 124 175</b>	<b>930 208</b>
Average number of Full Time Employee (FTE)	2 208	1 502

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 million is related to ERP integration and NOK 3.7 million related to other items.

In 2019, salaries and national insurance include items of NOK 17.0 million related to restructuring.

See note 7.1 for management remuneration.



## 2.5 Other operating expenses

<b>Other operating expenses</b>	<b>2020</b>	<b>2019</b>
Sales and marketing expenses	18 807	29 918
Energi and housing	74 199	61 651
Repair and maintenance	23 135	18 790
Travel and transport	36 210	51 037
Claim	18 340	12 562
Special items	63 430	75 430
Other	70 809	84 266
Bad debts	5 845	-1 194
<b>Total other operating expenses</b>	<b>310 775</b>	<b>332 460</b>

<b>Auditor</b>	<b>2020</b>	<b>2019</b>
Fee for statutory audit	5 449	4 022
Audit-related fees	905	1 367
Tax compliance services	578	353
Other fees	621	98
<b>Total</b>	<b>7 553</b>	<b>5 841</b>

### Special 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 million is related to ERP integration, NOK 4.0 relates to claim towards specific products and NOK 10.4 million related to other items.

Total operating expenses for 2019 includes special items of total NOK 75.4 million. Of this, NOK 25.8 million relates to acquisition cost, NOK 23.6 relates to restructuring and NOK 20.7 relates to claim towards specific products.

Some of the transactions included in Other operating expenses are towards related parties, see note 9.1.



## 3.1 Property, plant and equipment

	Land/ Buildings	Machinery	Fixtures and Fittings	Total
<b>Acquisition cost 31.12.2018</b>	<b>192 722</b>	<b>117 596</b>	<b>68 800</b>	<b>379 118</b>
Additions	1 371	25 207	22 255	48 833
Disposals	-27 340	-10 053	-3 735	-41 127
Additions through acquisition of subsidiary	125 801	39 309	6 863	171 973
Adjustment for change in accounting policies	-	-9 048	-	-9 048
Reclassifications	1 329	-12 113	7 113	-3 671
Currency translation effects	-2 186	-3 080	-887	-6 153
<b>Acquisition cost 31.12.2019</b>	<b>291 697</b>	<b>147 817</b>	<b>100 409</b>	<b>539 924</b>
Additions	1 964	7 739	9 767	19 470
Disposals	19	-2 179	1 683	-477
Additions through acquisition of subsidiary	-	-	-	-
Reclassifications	-423	-5 082	-4 133	-9 638
Currency translation effects	4 771	3 146	3 807	11 725
<b>Acquisition cost 31.12.2020</b>	<b>298 027</b>	<b>151 441</b>	<b>111 535</b>	<b>561 003</b>
<b>Accumulated depreciation and impairment 31.12.2018</b>	<b>18 127</b>	<b>19 624</b>	<b>16 966</b>	<b>54 717</b>
Depreciation for the year	20 274	19 960	17 315	57 549
Impairment for the year	-	-	6	6
Disposals	-2 272	-9 229	-3 310	-14 811
Currency translation effects	-727	-1 143	-494	-2 365
<b>Accumulated depreciation and impairment 31.12.2019</b>	<b>35 403</b>	<b>29 211</b>	<b>30 483</b>	<b>95 096</b>
Depreciation for the year	21 426	33 459	19 507	74 392
Impairment for the year*	7 996	-	-	7 996
Disposals	30	-2 097	-1 291	-3 359
Reclassifications	29	1 391	-4 956	-3 536
Currency translation effects	1 576	-117	567	2 026
<b>Accumulated depreciation and impairment 31.12.2020</b>	<b>66 459</b>	<b>61 847</b>	<b>44 309</b>	<b>172 615</b>
<b>Carrying amount 31.12.2019</b>	<b>256 294</b>	<b>118 607</b>	<b>69 926</b>	<b>444 827</b>
<b>Carrying amount 31.12.2020</b>	<b>231 569</b>	<b>89 595</b>	<b>67 225</b>	<b>388 388</b>

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

The Group assesses, 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. No such indicators were identified in 2019 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, Måilla. No other indicators were identified in 2020 for property, plant and equipment.



## 3.2 Goodwill

	Goodwill
<b>Acquisition cost 31.12.2018</b>	<b>1 643 911</b>
Additions through acquisition of subsidiary	53 640
Currency translation effects	2 715
<b>Acquisition cost 31.12.2019</b>	<b>1 700 266</b>
Additions through acquisition of subsidiary	-
Adjustment of purchase price allocation	-2 248
Currency translation effects	2 719
<b>Acquisition cost 31.12.2020</b>	<b>1 700 737</b>
<b>Accumulated Impairment 31.12.2018</b>	<b>-</b>
Impairment for the year	-
<b>Accumulated Impairment 31.12.2019</b>	<b>-</b>
Impairment for the year	-
<b>Accumulated Impairment 31.12.2020</b>	<b>-</b>
<b>Carrying amount 31.12.2019</b>	<b>1 700 266</b>
<b>Carrying amount 31.12.2020</b>	<b>1 700 737</b>
<b>Carrying amount of goodwill allocated to the cash-generating units</b>	<b>Goodwill</b>
Professional Building Solution (PBS) segment	1 260 855
Global Marine & Offshore (GMO) segment	346 533
O. Küttel AG	40 021
Luxonic	53 321
ES-System	8
<b>Total goodwill - carrying amount 31.12.2020</b>	<b>1 700 737</b>

### Impairment of Goodwill

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 2020 is NOK 1 701 million and is derived from acquiring of Glamox AS in 2017, Glamox's acquisition of Küttel in 2018, Luxonic and ES-System in 2019. 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 2019 or 2020.

For the 2020 impairment testing, the cash flows in the calculations are based on budgets for 2021 and assumption used in the strategy plan for the period 2021 to 2024, both approved by the Board of Directors of Glamox AS. Cash flows after year 2024 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 assumptions 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 management'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 7.8% and 9.8%.



## Cash generating units and assessments made by management

Goodwill related to the acquisition of Glamox AS is allocated to the two operating segments;

- Professional building solutions ("PBS")
- Global Marine and Offshore ("GMO")

### PBS

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 1.3 % would lead to an impairment loss. A decrease in EBITDA margin of 2.2 % in the 10 years of the analyse period would lead to an impairment loss.

### GMO

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 6.2 % would lead to an impairment loss. A decrease in revenues of 11.5 % in the 10 years of the analyse period 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 1.6% and a WACC of 9.8% has been utilized. The sensitivity analysis show that an increase in WACC of 11.1 %-p would lead to an impairment loss. A decrease in revenues for the whole period of 70 % would lead to an impairment loss.

### Glamox Luxonic

Luxonic was acquired 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 7.8% has been utilized. The sensitivity analysis show that an increase in WACC of 5.4 %-p would lead to an impairment loss. A decrease in revenues for the whole period of 65 % would lead to an impairment loss, or a decrease in revenue of 25% combined with a decrease of profit margin of 3.0 %-p would lead to an impairment loss.

### Acquisition of ES-SYSTEM and adjustments of the purchase price allocation

On 10th December 2019, Glamox AS acquired the polish company, ES-SYSTEM. The total purchase consideration was NOK 355.0 millions all paid by cash.

The process of identifying the fair value of assets acquired was performed in 2019 and completed during 2020. The provisionally estimated fair value of assets and liabilities as well as final amounts are included in the table below. Adjustments relates to recalculation of liabilities towards employees and tax credits. Further the valuation of intangible non-current assets, like Brand, Customer relationship and Product development are completed. The value of deferred tax and goodwill have been updated following adjustments to valuation of other items. Amortisations are updated with these changes.

### Fair value at acquisition date:

<i>All figures in tNOK</i>	<b>2019-estimates</b>	<b>Adjustments</b>	<b>Fair value</b>
<b>Assets</b>			
Goodwill	2 323	-2 316	8
Other intangible non-current assets	57 077	-11 090	45 987
Deferred tax assets	9 104	1 703	10 807
Tangible non-current assets	155 327	15 223	170 550
Inventories	86 541		86 541
Trade and other receivables	125 046		125 046
Cash and cash equivalents	60 596		60 596
<b>Total assets</b>	<b>496 015</b>	<b>3 521</b>	<b>499 536</b>
<b>Liabilities</b>			
Deferred tax	9 663	-2 096	7 567
Long term liabilities	52 745	5 613	58 358
Current liabilities	78 654		78 654
<b>Total liabilities</b>	<b>141 061</b>	<b>3 521</b>	<b>144 579</b>
<b>Total identifiable net assets at fair value</b>	<b>354 954</b>		<b>354 954</b>



## 3.3 Product development and other intangible assets

	Product Development	Other intangible assets	Total
<b>Acquisition cost 31.12.2018</b>	<b>128 974</b>	<b>1 244 522</b>	<b>1 373 497</b>
Additions	6 249	26 471	32 721
Additions through acquisition of subsidiary	33 231	58 685	91 916
Disposals	-0	0	-0
Reclassifications	136	26	161
Currency translation effects	145	-216	-71
<b>Acquisition cost 31.12.2019</b>	<b>168 734</b>	<b>1 329 488</b>	<b>1 498 223</b>
Additions	2 896	31 854	34 751
Adjustment of purchase price allocation	-1 694	-9 068	-10 762
Disposals	-	-	-
Reclassifications	-	6 263	6 263
Currency translation effects	106	5 302	5 408
<b>Acquisition cost 31.12.2020</b>	<b>170 043</b>	<b>1 363 839</b>	<b>1 533 883</b>
<b>Accumulated amortisation and impairment 31.12.2018</b>	<b>21 191</b>	<b>65 011</b>	<b>86 201</b>
Amortisation for the year	20 453	70 105	90 558
Impairment for the year	-	-	-
Reclassifications	135	-2 764	-2 629
Currency translation effects	45	-31	14
<b>Accumulated amortisation and impairment 31.12.2019</b>	<b>41 823</b>	<b>132 320</b>	<b>174 143</b>
Amortisation for the year	24 172	79 742	103 913
Impairment for the year	-	-	-
Disposals	-	-	-
Reclassifications	-	-	-
Currency translation effects	-22	1 706	1 684
<b>Accumulated amortisation and impairment 31.12.2020</b>	<b>65 972</b>	<b>213 768</b>	<b>279 740</b>
<b>Carrying amount 31.12.2019</b>	<b>126 911</b>	<b>1 197 168</b>	<b>1 324 080</b>
<b>Carrying amount 31.12.2020</b>	<b>104 071</b>	<b>1 150 072</b>	<b>1 254 144</b>

Net Capitalised development costs as of the year ended December 31, 2020 were NOK 104 071 thousand. Of this amount, NOK 66 545 thousand relates to acquired product portfolio through the acquisition of Glamox AS, NOK 12 065 thousand relates to acquired product development through the acquisition of Luxonic and NOK 13 526 thousand relates to acquired product development through the acquisition of ES-System. The economic life of the product development is estimated to 3-7 years, and the amortisation plan is stright-line. The rest is capitalised product development related to internal 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 31 842 thousand related to research and development activities in 2020 (2019: NOK 36 003 thousand).

Carrying amount of other intangible assets per 31.12.2020 is NOK 1 150 million and consists of the brand name "Glamox" amounting to NOK 800 million, customer relations from the aquisition of Glamox AS in 2017 amounting to NOK 198 million, as well as other customer relations, brand names and IT-systems and rights.

The economic life of the brand name "Glamox" and "Küttel" are assumed to be indefinite. These trademarks are well incorporated in their respective markets and there are no plans of rebranding. Based on this, the trademarks are assessed to be indefinite and therefore not amortised. The trademarks are 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.

As of 31 December 2020, no impairment indicators were identified.



## 4.1 Provisions and other liabilities

<b>Provisions and other liabilities</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Non-current provisions and other liabilities</b>		
Warranties	38 470	34 132
Other liabilities	9 318	124
<b>Total non-current provisions and other liabilities</b>	<b>47 788</b>	<b>34 257</b>
<b>Provision for warranties</b>	<b>2020</b>	<b>2019</b>
<b>At January 1</b>	<b>34 132</b>	<b>36 098</b>
Currency effect	1 025	-193
Addition through acquisition of subsidiary	-	522
Provision used	-4 665	-8 188
Provision reversed	-2 721	-3 040
Additional provision	10 699	8 934
<b>At December 31</b>	<b>38 470</b>	<b>34 132</b>
<b>Current provisions and other liabilities</b>		
Derivatives (currency forward contracts - note 5.1)	1 960	766
Derivatives (interest rate swap - note 5.1)	8 868	-
Prepayments from customers	20 246	22 596
Restructuring/Severance payment	5 276	973
Accruals for employee benefits	110 279	109 309
Product claim	25 659	46 861
Contingent liabilities	1 312	41 737
Pension liabilities	1 202	984
Accrued interest	10 287	9 803
Other liabilities	47 168	63 172
<b>Total current provisions and other liabilities</b>	<b>232 257</b>	<b>296 201</b>

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 one product 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 Luxonic. An earn-out of up to GBP 6.75m was agreed conditional on the company's performance in 2019 and 2020. NOK 37.9m was paid in 2020 based on the performance in 2019.

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
<b>Carrying amount 01.01.2019</b>	<b>106 921</b>	<b>18 880</b>	<b>3 001</b>	<b>128 801</b>
Additions	14 090	16 244	673	31 006
Additions through acquisition of subsidiaries	49 867	5 592	2 959	58 419
Remeasurement	-1 769	-1 004	-250	-3 023
Depreciations	-21 675	-10 780	-1 221	-33 676
Termination	-54	-451	-3	-507
Currency translation effects	-1 226	-129	-13	-1 368
<b>Carrying amount 31.12.2019</b>	<b>146 153</b>	<b>28 351</b>	<b>5 147</b>	<b>179 652</b>
Additions	50 265	15 478	72	65 815
Additions through acquisition of subsidiaries	-	-	-	-
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
<b>Carrying amount 31.12.2020</b>	<b>166 821</b>	<b>27 455</b>	<b>3 815</b>	<b>198 091</b>

Amounts recognised in profit and loss	2020	2019
Depreciation from right-of-use assets <sup>1)</sup>	55 886	33 676
Interest expense from lease liabilities <sup>2)</sup>	5 481	3 655
Expenses relating to short term leases and leases of low-value assets <sup>3)</sup>	4 992	6 110
Variable lease payments not included in the measurement of lease liabilities	-	-
<b>Total</b>	<b>66 359</b>	<b>43 441</b>

1) Presented as Depreciations and amortisations

2) Presented as interest expenses

3) Presented as Other operating expenses

Amounts recognised in cash flow	2020	2019
Principal portion of lease payments on lease liabilities <sup>1)</sup>	54 895	32 206
Interest portion of lease payments on lease liabilities <sup>2)</sup>	5 492	3 655
Payments relating to short term leases and leases of low-value assets <sup>2)</sup>	4 992	6 110
<b>Total payments on lease liabilities</b>	<b>65 378</b>	<b>41 971</b>

1) Presented as cash flow from financing activities.

2) Presented as cash flow from operating activities.

Lease liabilities	2020	2019
Lease liabilities, non-current	148 115	133 167
Lease liabilities, current	51 204	46 744

Maturity schedule lease liabilities - contractual undiscounted cash flows	2020	2019
0-1 years	52 923	51 915
1-5 years	112 237	123 969
5 years and later	49 124	35 819
<b>Total undiscounted lease liabilities as of 31.12</b>	<b>214 284</b>	<b>211 703</b>

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



## 5.1 Financial instruments

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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 – Currency forward contracts and interest rate swap (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 2020 NOK 575.0 millions of the interest bearing liabilities have been designated as hedging instrument (2019: 564.8 MNOK). 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 currency 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 (FVTPL).

In June 2018, GLX Holding AS entered into a 3-year floating-to-fixed interest rate swap with DNB and Danske Bank for the nominal amount of NOK 1,350 million in order to remove interest rate risk on the senior secured notes. Hedge accounting is not applied on the interest rate swap and the derivative is measured at fair value through profit and loss (FVTPL).

For further information, see note 5.5 and 10.1.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI 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.



<b>31.12.2020</b>	<b>Amortised cost</b>	<b>Fair value through profit or loss (FVTPL)</b>	<b>Total</b>
<b>Assets</b>			
Trade receivables (note 5.9)	431 801		431 801
Other receivables (note 5.9)	87 413		87 413
Cash and cash equivalents (note 5.8)	588 148		588 148
<b>Total financial assets</b>	<b>1 107 362</b>	<b>-</b>	<b>1 107 362</b>
<b>Liabilities</b>			
Derivatives (currency forward contracts)		1 960	1 960
Derivatives (interest rate swap)		8 868	8 868
Long-term loan	984 515		984 515
Bond	1 350 000		1 350 000
Interest bearing liabilities to financial institutions (note 5.2)	762 454		762 454
Lease liabilities (non-current and current, note 4.2)	199 319		199 319
Other long-term loans (including current part)	288		288
Trade and other payables (note 5.10)	264 719		264 719
<b>Total financial liabilities</b>	<b>3 561 294</b>	<b>10 828</b>	<b>3 572 122</b>

<b>31.12.2019</b>	<b>Amortised cost</b>	<b>Fair value through profit or loss (FVTPL)</b>	<b>Total</b>
<b>Assets</b>			
Derivatives (interest rate swap)		3 317	3 317
Trade receivables (note 5.9)	525 045		525 045
Other receivables (note 5.9)	114 229		114 229
Cash and cash equivalents (note 5.8)	405 922		405 922
<b>Total financial assets</b>	<b>1 045 196</b>	<b>3 317</b>	<b>1 048 512</b>
<b>Liabilities</b>			
Derivatives (currency forward contracts)		766	766
Long term loan	933 298		933 298
Bond	1 350 000		1 350 000
Interest bearing liabilities to financial institutions (note 5.2)	637 958		637 958
Lease liabilities (non-current and current, note 4.2)	179 910		179 910
Other long-term loans (including current part)	1 621		1 621
Short-term interest bearing liabilities (note 5.2)	46 829		46 829
Trade and other payables (note 5.10)	284 656		284 656
<b>Total financial liabilities</b>	<b>3 434 273</b>	<b>766</b>	<b>3 435 039</b>



## 5.2 Interest bearing liabilities

Non-current interest bearing loans and borrowings	Company	Interest rate	Maturity	31.12.2020	31.12.2019
Long-term loan	Glacé HoldCo AS	Fixed rate	2037	984 515	933 298
Callable Open Bond	GLX Holding AS	NIBOR + margin	2023	1 350 000	1 350 000
Revolving facility - utilised amount (NOK)	Glamox AS	NIBOR + margin	2022	165 500	65 500
Revolving facility - utilised amount (EUR)	Glamox AS	EURIBOR + margin	2022	230 347	217 004
Revolving facility - utilised amount (PLN)	Glamox AS	WIBOR + margin	2022	344 675	347 812
Other long term loans (GBP)	Glamox Luxonic Ltd.	LIBOR + margin	2023	7 151	7 643
<b>Total non-current interest bearing loans and borrowings</b>				<b>3 082 187</b>	<b>2 921 257</b>

Change of non-current interest bearing loans and borrowings	2020	2019
Opening balance	2 921 257	2 448 528
Acquired debt due to acquisition of subsidiary	-	8 726
Increase of utilised amount	350 000	405 137
Accrued interest	73 204	69 133
Repayment	-250 547	-1 377
Capital increase - conversion of long-term loan	-21 988	-
Effect of changes in foreign exchange rates	10 261	-8 890
<b>Closing balance</b>	<b>3 082 187</b>	<b>2 921 257</b>

Current interest bearing loans and borrowings	31.12.2020	31.12.2019
Short-term shareholder loan	-	24 059
Other long term loans (GBP) - current part	2 783	2 922
Bank overdraft*	11 998	19 848
<b>Total current interest bearing loans and borrowings</b>	<b>14 781</b>	<b>46 829</b>

\*Glamox Luxonic Ltd. can withdraw cash based on outstanding accounts receivable.

### Long-term loan

Glacé HoldCo AS has received a long-term loan from related parties within the Triton Group.

The interest rate is fixed at 8% per annum. According to the agreement any accrued interest shall not be required to be paid out in cash. On each anniversary of the loan agreement, the accrued interest for the previous year, that is not paid out in cash, will be added to the principal amount of the loan and will bear interest at 8% per annum.

Glacé HoldCo AS may repay the principal amount, in whole or in part together with all accrued but unpaid interest, before final maturity day. Final maturity day is 22.12.2037.

In 2020, Glacé HoldCo AS completed a capital increase, where NOK 21.988 million of the long-term loan was converted to equity. See note 5.7 for more information.

### Short-term shareholder loan

The short-term shareholder loan was converted to equity in 2020, see note 5.7 for more information.

### Bond

GLX Holding AS issued a Bond on the 8 December 2017. The initial issued amount is NOK 1 350 million and the maximum issued amount of the bond is NOK 2 000 million. The initial nominal amount on each bond is NOK 0.5 million. The bond has an interest margin of 5.25%. The interest period is 8 March, 8 June, 8 September and 8 December. The maturity date is 08.12.2023. The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent of the Nominal Amount. The Bond has a Call Option that may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least 10 Business Days prior to the proposed Call Option Repayment Date for the call.

An arrangement fee of NOK 10.8 millions related to the refinancing is booked against the bond. The arrangement fee is expensed over the availability period of the facility.

The Bond was listed at Oslo Stock Exchange during second quarter 2018.

### Callable Open Bond - Covenant requirement:

Financial covenants requirement for the bond is Net interest bearing debt (NIBD)/ EBITDA (Last Twelve Months) less than 4.5.

### Bond - assets pledged as security

The shares in both GLX Holding AS and Glamox AS is pledged as security for the Bond. There have been no breaches of covenants in 2020 or 2019.



## Revolving facility

Glamox holds a multi-currency revolving facility. The multi-currency revolving facility has a credit limit of NOK 1,400m. In Q1-2020 the utilized amount was increased by NOK 350m and in Q3-2020 the utilized amount was decreased by NOK 250m.

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

An arrangement fee related to the financing is booked against non-current interest bearing liabilities and is expensed over the availability period of the facility.

## Revolving facility - Covenant requirements:

Glamox' loan agreements includes the following financial covenants requirements:

- Equity ratio minimum 20%
- Net interest bearing debt (NIBD)/EBITDA (Last Twelve Months) less than 4,0

There have been no breaches of covenants in 2020 or 2019.

## Revolving facility - assets pledged as security and guarantee liabilities

	31.12.2020	31.12.2019
<b>Secured balance sheet liabilities:</b>		
Interest bearing liabilities to financial institutions	2 090 522	1 980 316
Secured pension liability	13 820	13 820
<b>Balance sheet value of assets pledged as security for secured liabilities:</b>		
Land, buildings and other property	31 297	36 927
Machinery and plant	32 641	45 494
Fixtures and fittings, tools, office equipment etc.	15 776	20 160
Inventories	134 905	143 357
Account receivable	191 399	225 932
<b>Total</b>	<b>406 018</b>	<b>471 870</b>



## 5.3 Ageing of financial liabilities

31.12.2020	Less than 12			Total
	months	1 to 3 years	Over 3 years	
Derivatives	10 828	-	-	10 828
Long term loan*	-	-	3 642 723	3 642 723
Callable Open Bond**	93 420	1 510 110	-	1 603 530
Interest bearing liabilities to financial institutions (note 5.2)**	27 292	757 799	2 384	787 474
Other long-term loans	288	-	-	288
Trade and other payables (note 5.10)	264 719	-	-	264 719
<b>Totals</b>	<b>396 546</b>	<b>2 267 909</b>	<b>3 645 106</b>	<b>6 309 561</b>

31.12.2019	Less than 12			Total
	months	1 to 3 years	Over 3 years	
Derivatives	766	-	-	766
Long term loan*	-	-	3 729 478	3 729 478
Callable Open Bond**	93 420	189 878	1 445 445	1 728 743
Interest bearing liabilities to financial institutions (note 5.2)**	36 963	664 730	9 823	711 516
Other long-term loans	464	261	896	1 621
Short-term shareholder loan	24 059	-	-	24 059
Trade and other payables (note 5.10)	284 656	-	-	284 656
<b>Totals</b>	<b>440 328</b>	<b>854 868</b>	<b>5 185 642</b>	<b>6 480 838</b>

\* Figures include estimated interest payable, and assumes that there will be no payment of principal amount or interest before the final maturity date of December 2037.

\*\* figures include estimated interest payable.



## 5.4 Fair value measurement

The table below disclose information about all financial instruments that are either measured at fair value or where information about fair value is disclosed. The Bond was listed at Oslo Stock Exchange during second quarter of 2018 and transferred to level 1 in the fair value hierarchy. There were no transfers between levels in the fair value hierarchy in 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
<b>Liabilities measured/disclosed at fair value</b>							
Long term loan	31.12.2020	31.12.2020	984 515	984 515		x	
Long term loan	31.12.2019	31.12.2019	933 298	933 298		x	
Interest-bearing liability	31.12.2020	31.12.2020	762 454	762 454		x	
Interest-bearing liability	31.12.2019	31.12.2019	684 787	684 787		x	
Callable Open Bond	31.12.2020	31.12.2020	1 350 000	1 333 125	x		
Callable Open Bond	31.12.2019	31.12.2019	1 350 000	1 388 813	x		
Derivative financial liabilities	31.12.2020	31.12.2020	10 828	10 828		x	
Derivative financial liabilities	31.12.2019	31.12.2019	766	766		x	
<b>Assets measured/disclosed at fair value</b>							
Derivative financial assets	31.12.2019	31.12.2019	3 317	3 317		x	

An arrangement fee of NOK 10.8 millions related to the Callable Open Bond, is booked against the bond. Interest-bearing liabilities also includes arrangement fees of NOK 2.8 million related to the revolver credit facility, which is booked against the liabilities. The arrangement fees are expensed over the availability period of the facility.

### 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 2020, the marked-to-market value of derivative asset positions is net of a debit 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. The Group applies input from its respective bank relations in performing the fair value calculations.

The fair value of the Group's interest-bearing liability are assessed to be in all material aspects similar to carrying amount.

Fair value of the Callable Open Bond is calculated by using the OSE trading price at year-end.



## 5.5 Financial risk management

The 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.

GLX Holding AS has hedged the interest on the bond by entering into a floating-to-fixes interest rate swap in order to remove interest rate risk on the senior secured notes, see note 5.1.

The main part of the deposit is organised in a Multi Currency Cash pool. The interest-bearing liability relates to a Callable Open Bond and a Revolving Credit Facility (RCF). As of 31.12.2020 it is utilised NOK 165.5 million, EUR 22.0 million and PLN 150.1 million 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 the Group'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
31.12.2020	+/- 100	- 2.4 mNOK / -0.1 mNOK
31.12.2019	+/- 100	- 3.7 mNOK / 1.6 mNOK

The long term loan of Glace HoldCo AS has a fixed interest rate of 8%, and will not be affected by changes in the interest rate.

### Foreign currency risk

The Group 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).

The Group uses forward contracts as an economic instrument to hedge cash flow. As of 31.12.2020, the Group hold forward contracts for both sale and purchase of currencies. Forward contracts as of 31.12.2020 amounts to NOK 153 million in currency sales and NOK 133 million in currency purchase based on 31.12.2020 exchanges rates. The Group's forward contracts had a market value of NOK -0.8 million as of 01.01.2020 and NOK -2.0 million as of 31.12.2020. Glamox has not applied hedge accounting in accordance with IFRS 9 for cash flow hedging.

The Group 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/hedged by loans and overdrafts in the same currency. The following tables demonstrates the Group's total exposure to foreign currency risk related to its net debt and equity in foreign subsidiaries:

Currency (in currency million)	Equity in foreign subsidiaries		Net debt and overdraft in foreign currency	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
EUR/DKK	36.8	38.4	34.7	46.3
SEK	118.0	103.8	127.7	83.7
GBP	12.2	12.4	11.7	10.9
CHF	15.9	15.9	16.3	15.1
PLN	149.4	145.4	155.3	150.3
SGD	4.9	5.6	5.0	4.8
CAD	4.0	2.9	4.4	2.8
USD	6.7	5.2	6.2	4.8

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 126.3 million as of 31.12.2020, where equity in EUR represents NOK 37.6 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 the Group will not be able to meet its financial obligations as they fall due. The Group has a limited exposure to liquidity risk on the basis of a strong cash flow in addition to a solid balance sheet, as of 31.12.2020 the equity rate is 18.4 %. 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 the Group's 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. The Group 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 the 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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing in the current period. Reference is made to note 5.2 for disclosed information regarding interest bearing liabilities and financial covenants.

	31.12.2020	31.12.2019
Interest bearing liabilities	3 296 575	3 149 617
Less: cash and bank deposit excl. restricted cash	-573 645	-391 921
<b>Net interest bearing debt</b>	<b>2 722 930</b>	<b>2 757 696</b>
<b>Net interest bearing debt excl. IFRS 16</b>	<b>2 529 106</b>	<b>2 588 330</b>

*Net interest bearing debt excludes arrangement fees of NOK 13.6 million in 2020 (2019: NOK 17.5 million).*

Total Assets	5 347 585	5 344 258
Total Equity (see note 5.7)	983 981	1 070 434
<b>Equity ratio</b>	<b>18 %</b>	<b>20 %</b>
<b>Equity ratio excl. IFRS 16</b>	<b>19 %</b>	<b>21 %</b>



## 5.7 Equity and shareholders

Share capital in Glace HoldCo AS at 31.12.2020	Number	Nominal Value	Balance Sheet
A-shares ("Ordinary shares")	40 000 000	0.015	600 000
B-shares ("Preference shares")	60 000 000	0.015	900 000
C-shares ("Preference shares")	2 345 664	0.015	35 185
<b>Total</b>	<b>102 345 664</b>		<b>1 535 185</b>

### Capital increase by contribution in kind:

In february 2020, Glace HoldCo AS increased its share capital and share premium by contribution in kind. The share capital was increased by tNOK 535 from tNOK 1 000 to tNOK 1 535 by increasing the nominal value of the A- and B-shares by NOK 0.005 from NOK 0.01 to NOK 0.015 and issuing 2 345 664 C-shares, each with nominal value of NOK 0.015.

The aggregate capital contribution for the A- and B-shares was tNOK 24 059, of which tNOK 500 is share capital and tNOK 23 559 is share premium. The contribution was settled by Glace MidCo S.å.r.l. through conversion of the short-term shareholder loan.

The aggregate capital contribution for the C-shares was tNOK 21 988, of which tNOK 35 is share capital and tNOK 21 953 is share premium. The capital contribution was settled by Glace MidCo S.å.r.l. through set-off against the long-term loan.

### Ownership structure:

Shareholders in Glace HoldCo AS at 31.12.2020	A-shares	B-shares	C-shares	Total shares	Shareholding/ Voting
Glace MidCo S.å.r.l.*	35 958 103	59 901 738	2 345 664	98 205 505	95,95 %
GLX MipCo AS	4 000 001	-	-	4 000 001	3,91 %
Rune Edvin Marthinussen	41 896	62 826	-	104 722	0,10 %
Aromi Invest Oy	-	35 436	-	35 436	0,03 %
<b>Total shareholders</b>	<b>40 000 000</b>	<b>60 000 000</b>	<b>2 345 664</b>	<b>102 345 664</b>	<b>100 %</b>

\*Glace MidCo S.å.r.l. owns 0.73 % (2019: 0.87 %) of the shares in Glace HoldCo AS through 18.57 % (2019: 21.76%) ownership in GLX Mipco AS. In total, Glace MidCo S.å.r.l. have a directly and indirectly ownership of 96.68 % (2019: 96.84 %) in Glace HoldCo AS.

Holders of the A-shares, B-shares and C-shares are entitled to one vote per share at general meetings of the Company.

There has been no distribution of dividend during 2020 or 2019.

Owners of preference shares are entitled to an annual return of 8 %, calculated on the (1) basis of the invested amount of NOK 8.0015288 per B-share and NOK 8.6795310752094 per C-share and (2) any unpaid return for previous periods.

Distribution to shareholders is allocated in the following order:

- 1) For each outstanding preference share, earned and unpaid returns
- 2) After point 1, the invested amount of each outstanding preference share
- 3) After point 1 and 2, remaining balances should be distributed and allocated equally to each outstanding ordinary share

Overview of accumulated return on B-shares (NOK 1000):	B-shares	31.12.2020	31.12.2019
Glace MidCo S.å.r.l.	59 901 738	123 256	78 704
Rune Edvin Marthinussen	62 826	129	0
Aromi Invest Oy	35 436	73	47
<b>Sum</b>	<b>60 000 000</b>	<b>123 458</b>	<b>78 751</b>

Overview of accumulated return on C-shares (NOK 1000):	C-shares	31.12.2020	31.12.2019
Glace MidCo S.å.r.l.	2 345 664	3 388	1 629
<b>Sum</b>	<b>2 345 664</b>	<b>3 388</b>	<b>1 629</b>

There has been no distribution to the owners of the preference shares in 2020 or 2019.



## 5.8 Cash and cash equivalents

<b>Cash and cash equivalents</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Bank deposits, unrestricted	573 645	391 921
Bank deposit, restricted, employee taxes in Glamox AS	14 503	14 001
<b>Total cash and cash equivalents</b>	<b>588 148</b>	<b>405 922</b>
<b>Liquidity reserve</b>	<b>1 193 869</b>	<b>1 106 191</b>

The liquidity reserve is the total overdraft and revolving facilities 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. In addition Glace holdCo AS and GLX Holding AS has bank deposit.

The bond may be extended by additional NOK 650 million. This is not included in the liquidity reserve.

Legally, Glamox AS is the counter party towards the Bank regarding the Multi Currency Cash pool within the Group. The net position of the cash pool is presented as cash and cash equivalents.

Restricted deposits in the Group amounted to NOK 14.5 million in 2020.



## 5.9 Trade and other receivables

Trade and other receivables	31.12.2020	31.12.2019
Trade receivables	431 801	525 045
<b>Total trade receivables</b>	<b>431 801</b>	<b>525 045</b>

Provision for impairment of receivables	2020	2019
At January 1	31 146	18 440
Currency effect	-192	71
This years loss	-5 154	-758
Payments received against previous losses	-	-1 295
Addition through acquisition	-	12 202
Provision this year	5 084	2 486
<b>At December 31</b>	<b>30 884</b>	<b>31 146</b>

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
2020	431 801	348 368	58 765	10 713	4 664	9 291
2019	525 045	426 213	62 468	17 575	8 813	9 976

Other receivables	31.12.2020	31.12.2019
Prepaid rent	1 785	2 225
Prepaid other expenses	17 795	11 113
Prepaid VAT	20 960	23 056
Other - Retention fees due	1 143	5 858
Withholding tax	9 320	29 138
Prepaid tax	13 767	-
Other	22 642	42 839
<b>Total other receivables</b>	<b>87 413</b>	<b>114 229</b>

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



**5.10 Trade and other payables**

<b>Trade and other payables</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Trade payables</b>		
Trade payables	264 719	284 656
Trade payables to related parties	-	-
<b>Total trade payables</b>	<b>264 719</b>	<b>284 656</b>
<b>Other payables</b>		
Public duties payables	116 469	93 494
<b>Total other payables</b>	<b>116 469</b>	<b>93 494</b>

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



## 5.11 Financial income and expenses

Financial income and expenses	2020	2019
<b>Financial income</b>		
Currency gain	83 666	87 005
Interest income	9 418	10 809
Unrealised gain financial derivatives	-	3 317
Realised gain financial derivatives	-	-
Other financial income	3 458	17 974
<b>Total financial income</b>	<b>96 543</b>	<b>119 105</b>
<b>Financial expenses</b>		
Currency loss	86 698	80 583
Interest expenses*	213 492	189 966
Unrealised loss financial derivatives	13 379	766
Realised loss financial derivatives	3 476	2 048
Other financial expenses	3 543	7 856
<b>Financial expenses</b>	<b>320 589</b>	<b>281 218</b>

\* Interest expenses include interest on lease liabilities.

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 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).



## 6.1 Taxes

	2020	2019
<b>Current income tax expense:</b>		
Tax payable	45 055	62 628
Change deferred tax/deferred tax assets	-39 164	-10 193
Currency effects	2 642	1 618
Deferred tax charged to OCI	11 743	-222
Tax related to previous years	1 332	371
<b>Total income tax expense</b>	<b>21 608</b>	<b>54 203</b>
Effect of changed tax rate (in Norway)	-	-
<b>Deferred tax related to items recognised in OCI during the year:</b>		
Net gain/loss on hedge of foreign subsidiaries	-11 226	940
Tax effect on remeasurements on defined benefit plans	-517	-718
<b>Deferred tax charged to OCI</b>	<b>-11 743</b>	<b>222</b>
<b>Total tax for the year on group level:</b>		
Norwegian companies	-22 423	3 387
Foreign companies	44 031	50 816
<b>Total tax for the year</b>	<b>21 608</b>	<b>54 203</b>
<b>Current tax liabilities consist of:</b>		
Current tax liability	45 055	62 628
- of which paid in fiscal year	-46 853	-50 206
- payment of withholding tax	-777	-701
- tax provision related to previous years	2 057	2 057
<b>Current tax liabilities 31.12</b>	<b>-517</b>	<b>13 777</b>
<b>Deferred tax liabilities (assets):</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Property, plant and equipment	45 700	55 056
Intangible assets	1 181 416	1 275 584
Other current assets	-25 522	-32 725
Liabilities	-67 170	-50 897
Net pension reserves/commitments	-69 123	-60 746
Derivates	-8 868	2 551
Losses carried forward (including tax credit)	-276 453	-254 241
Untaxed profit <sup>2)</sup>	276 186	309 171
Restricted interest deduction carried forward	-421 999	-229 166
<b>Basis for deferred tax liabilities (assets):</b>	<b>634 166</b>	<b>1 014 586</b>
<b>Calculated deferred tax assets</b>	<b>203 407</b>	<b>146 325</b>
- Deferred tax assets not recognised	-131 062	-89 427
<b>Net deferred tax assets recognised in balance sheet</b>	<b>72 345</b>	<b>56 898</b>
<b>Deferred tax liabilities recognised in balance sheet</b>	<b>330 068</b>	<b>353 785</b>

<sup>2)</sup> Untaxes profit relates to profit in Estonia, that is taxed when dividend is distributed.

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 14% to 30%, 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:

	2020	2019
<b>Reconciliation of income tax expense</b>		
Profit before taxes	-84 937	63 733
Tax expense (Norway tax rate)	-18 686	14 021
Permanent differences	3 719	8 088
Effect of deferred tax asset not recognised	41 149	34 045
Reversal of tax liability provision	-	-
Tax related to previous years	1 332	371
Effects of changes in tax rate	-	-
Effects of foreign tax rates	-5 906	-2 322
<b>Recognised income tax expense</b>	<b>21 608</b>	<b>54 203</b>
<b>Effective tax rate</b>	<b>-25,4 %</b>	<b>85,0 %</b>



## 7.1 Management remuneration

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### Glace HoldCo AS

Glace HoldCo AS has no employees, and there has been no remuneration to board members during 2020.

### GLX Holding AS

GLX Holding AS has no employees.

The Board of GLX Holding AS has proposed a remuneration of NOK 50 thousand to board member, Torfinn Kildal, for the twelve month period ending in June 2021 at the General meeting.

### Glamox

The CEO of Glamox is a member of a defined contribution pension scheme for salaries up to 12G (approx NOK 1.2million). 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.

The CEO of Glamox has a performance related bonus agreement which can give up to seven months' additional salary. The financial statements of 2020 are charged with NOK 1.764 thousand related to the performance related bonus agreement.

Upon termination from the company, the CEO is entitled to 12 months severance pay.

Remuneration to CEO		Salary	Performance-related bonus	Pension	Other remuneration
Rune Marthinussen - CEO	2020	3 601	1 764	52	126
Rune Marthinussen - CEO	2019	3 235	811	51	134



## 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 37.2 million in 2020 (2019: NOK 37.7 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 62% of the net liability in the Group, Glamox AS accounts for approximately 18% of the net liability in the Group and ES-System accounts for approximately 12% of the net liability in the Group. The remaining 9 % of the net liability consist of several minor defined benefit pension plans in other

On Group level, 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) as at 31 December 2020. As of 31.12.2019 total net pension liabilities were NOK 66.6 million (net of the pension liability of NOK 140.3 million and reserve of NOK 73.7 million). Actuarial gains/losses recognised in the net pension liabilities amounted to NOK 3.5 million in 2020 (2019: NOK 6.3 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	2020	2019
Net Service Cost	6 998	3 827
Interest cost including tax	820	1 164
Interest income	-217	-472
Administration expenses	399	236
<b>Total recognized in profit and loss</b>	<b>8 000</b>	<b>4 755</b>
<b>Changes in pension plan assets during the year</b>	<b>2020</b>	<b>2019</b>
Pension plan assets (fair value) 1 January	73 723	67 498
Contributions and benefits paid during the year	10 442	3 501
Interest income	291	559
Administration expenses	-399	-236
Return on assets excl. interest income	-842	629
Currency translation	4 194	1 772
<b>Pension plan assets (fair value) 31 December*</b>	<b>87 409</b>	<b>73 723</b>
<b>Changes in the present value of pension obligations during the year</b>	<b>2020</b>	<b>2019</b>
Pension obligations 1 January	140 282	117 825
Additions through acquisitions of subsidiaries	-	7 953
Net service cost	6 998	3 827
Contributions and benefits paid during the year	5 109	-356
Interest cost including tax	894	1 251
Actuarial gains and losses	2 668	6 977
Currency translation	6 893	2 804
<b>Pension obligations 31 December</b>	<b>162 843</b>	<b>140 282</b>
<b>Net pension obligations 31 December</b>	<b>75 434</b>	<b>66 559</b>
<b>Reconciliation of net defined benefit liability/(asset)</b>	<b>2020</b>	<b>2019</b>
Net defined liability/(asset) , 1 January	66 559	50 327
Additions through acquisitions of subsidiaries	-	7 953
Defined benefit cost recognized in P&L	8 000	4 755
Defined benefit cost recognized in OCI	3 509	6 348
Contributions and benefits paid during the year	-5 333	-3 857
Currency translation	2 699	1 032
<b>Net defined liability/(asset) , 31 December</b>	<b>75 434</b>	<b>66 559</b>



## O. Kütte AG

The net pension liabilities consists of a defined benefit plan for 56 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 43.84 as of 31 December, 2020.

Financial conditions:	2020	2019
Mortality table	BVG 2015 GT	BVG 2015 GT
Discount rate	0.20%	0.30%
Expected return on plan assets	1.00%	1.00%
Salary increase	0.70%	1.00%
Pension increase	0.00%	0.00%
	<b>Change (NOK 1000)</b>	<b>Change %</b>
<b>Sensitivity analysis of pension obligations</b>		
DBO end of period discount rate + 0.25%	-7 611	-6 %
DBO end of period discount rate - 0.25%	3 204	3 %
DBO end of period salary increase + 0.25%	-1 649	-1 %
DBO end of period salary increase - 0.25%	-3 301	-3 %

Currency rate (CHF/NOK) as of 31 December 2020 have been used in the sensitivity analysis.

Expected future contributions	NOK 1000
Expected employer contributions next year	2 798
Expected employee contributions next year	2 798
Expected benefits payments next year	-4 439

Currency rate (CHF/NOK) as of 31 December 2020 have been used to calculate expected future contributions and benefit payments.

## 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 1,5% was used to determine the discount rate. The long-term annual salary growth rate was assumed to be from 2.0% to 3.5% 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

Financial conditions:	2020	2019
Mortality table	PTTZ 2019 wg GUS	PTTZ 2016 wg GUS
Discount rate	1.50%	2.00%
Expected return on plan assets	n.a	n.a
Salary increase	2.00 - 3.50%	3.00%
Pension increase	n.a	n.a
	<b>Change (NOK 1000)</b>	<b>Change %</b>
<b>Sensitivity analysis of pension obligations</b>		
DBO end of period discount rate + 0.25%	-131	-1 %
DBO end of period discount rate - 0.25%	135	2 %
DBO end of period salary increase + 0.25%	180	2 %
DBO end of period salary increase - 0.25%	-130	-1 %

Currency rate (PLN/NOK) as of 31 December 2020 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:	2020	2019
Mortality table	K2013	K2013
Discount rate	1.70%	2.30%
Expected return on plan assets	1.70%	2.30%
Salary increase	2.25%	2.25%
Pension increase	2.00%	2.00%



## 8.1 Interests in subsidiaries

Glaxo AS owns 100% of the shares in GLX Holding AS, this is also the voting share. The head office of GLX Holding AS is in Norway. Share capital of GLX Holding AS is NOK 1.0 million and share premium reserve of NOK 1 599.3 million. Carrying amount of GLX Holding AS shares in the Glaxo AS accounts is 1,600.4 million.

GLX Holding AS owns 76.17% of the shares in Glamox AS, this is also the voting share. The head office of Glamox is in Norway. Share capital of Glamox AS is NOK 66 million. Carrying amount of Glamox shares in the GLX Holding accounts is NOK 2 735.3 million.

Glamox AS has following subsidiaries as of December 31, 2020:

Name of company	Office	CUR	Share Capital	Shareholding in	Carrying amount	Glamox Group's
				Glamox AS	in Glamox AS	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%
Glamox 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%
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%	0	100.0%
Glamox Pte Ltd.	Singapore	SGD	6 100	100.0%	23 666	100.0% 1)
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%	0	100.0%
Glamox Co. Ltd.	South Korea	KRW	775 020	100.0%	4 483	100.0%
Luxo Corporation	USA	USD	0	100.0%	0	100.0%
Glamox Brasil Iluminacao LTDA	Brazil	BRL	50	100.0%	130	100.0% 2)
Birger Hatlebakk 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 Lighting Ltd.	England	GBP	246	100.0%	128 238	100.0%
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	63 742	0.0%	0	100.0%
ES-SYSTEM NT sp. z o.o.	Poland	PLN	24 050	0.0%	0	100.0%
ES-SYSTEM Projekty sp. z o.o.	Poland	PLN	500	0.0%	0	100.0%
ES-SYSTEM Lighting UK Ltd.	England	GBP	50	0.0%	0	100.0%
<b>Total carrying amount in Glamox AS of shares in subsidiaries</b>					<b>888 633</b>	

1) In 2020, Glamox AS bought the remaining 1.27% shares in Glamox Pte Ltd. and owns 100% of the shares as of December 31, 2020.

2) Glamox Brasil Iluminacao LTDA owns 1 share of totally 50 000 shares, corresponding to non-controlling interest of 0.002%.

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



## 9.1 Related party transactions

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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.

Glace HoldCo AS has a long term loan agreement towards related parties within the Triton Group. See note 5.2 for more information.

GLX Holding AS has agreements with Triton Advisers Limited and Triton Investment Management Limited for counseling and success fee related to the acquisition of businesses respectively. Expenses during 2020 were NOK 3.6 million (2019: 5.0 million).

## 9.2 Covid-19

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The Covid-19 pandemic and the infection-reducing measures implemented by governments around the world has impacted the demand in most of the Group's markets negatively in 2020. 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.

During 2020, the Group has taken action to offset the negative impact of reduced demand by both permanent and temporary cost reductions like temporary and permanent lay-offs, salary reductions and other cost reducing measures. In this very challenging environment, the Glamox Group has performed well, has managed to keep a high delivery capability, and has managed to increase its market share in most of its target markets.

Although we have seen a stabilization of the market situation in most geographies towards the end of 2020, there is still a high degree of uncertainty related to the effects of the development of the pandemic and measures being implemented and maintained by governments. We continue to monitor the situation closely and will take necessary actions to reduce our cost position if the situation deteriorates. The Glamox Group's financial position is strong with solid equity and liquidity.

## 9.3 Events after the reporting period

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### Acquisition of Lite IP Ltd.

On 1st of March 2021, the subsidiary of Glamox AS, Glamox Luxonic Ltd, acquired 100% of the shares in Lite IP Ltd. Lite IP Ltd is a UK Limited Company that designs, manufactures and supplies wireless lighting control systems to four different segments: industrial, commercial, public sector and retail. The company was established in 2012, has 12 employees and is located in Hampshire.

The Lighting Control Systems market is fast growing, and attractive to combine with luminaire supply to meet customers' expectations. Lite IP Ltd has an attractive and proven lighting control system and technology which is highly valued by its customers. Over the last decade the company has developed a strong position within lighting controls in the UK lighting market. The ability to make simple intuitive solutions for the customers has made them able to compete with larger companies within the lighting industry.

Lite IP had revenues of GBP 2.6 million (app. NOK 31.9 million) in 2020 and GBP 2.7 million (app. NOK 29.6 million) in 2019. The company has been a supplier of Glamox Group for several years. Around 30% of Lite IP's revenues relates to Glamox products. If Lite IP had been included in Glamox Group for financial year 2020, revenues in 2020 for the Glamox Group would have been approximately NOK 26.5 million higher and Profit before interest and tax would have been approximately NOK 5.7 million higher. Lite IP Ltd had an equity of GBP 1.1 million (app. NOK 12.3 million) as of 31.12.2020.

The purchase consideration consists of a cash consideration paid of NOK 30.6 million and contingent consideration of maximum NOK 21.0 million. The contingent consideration relates to future financial key figures, and integration and development of technology.

### Acquisition of Luminell Group AS

On 19th of April 2021, Glamox AS has signed an agreement to acquire 100% of the shares in the Norwegian company Luminell Group AS ("Luminell"). Established in 2010, Luminell 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.

Luminell reported total revenue of NOK 108.5m and EBITDA of 16.5m in 2020. Total revenue increased by 33% in the period 2018-2020. Glamox pays NOK 139m on a cash and debt free basis as an initial payment for the shares in Luminell. An additional earn-out of up to NOK 42.5m can be paid conditional on financial performance criteria in the period 2022-23. The acquisition was closed on 28 April 2021.



## 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 transferred 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. The group'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. 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 separately 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 implies 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 location, 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 fulfilment of the delivery and not considered to be a distinct performance obligation. 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 implementing a new ERP system in the group, the accounting principle for inventory was changed from standard cost to moving average unit cost (MAUC).

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 and 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 assesses 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.

The Group 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.

The Group 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.

#### **Dividend distribution to shareholders**

A group company 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**

The Groups' financial instruments are grouped in the following categories:

- Fair value with changes in 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:

<i>FVTPL:</i>	Derivative instruments – Forward contracts and interest rate swap (notes: 5.1)
<i>Financial assets (AC):</i>	Trade receivables and other current receivables (notes: 5.1 and 5.9)
<i>Financial liabilities (AC):</i>	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 is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

#### *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 financial assets*

At each reporting date, the Group assesses 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 occurred.

Evidence that a financial asset 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 interest rate swap and forward currency contract 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 profit or loss as financial income or financial expense. The Group does not apply hedge accounting related to its interest rate swap and forward currency contracts.

## **Hedge of net investment in foreign operations**

The Group 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 derivative 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 and 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 and 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 and 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 recognised in the same year as the government grant are received. Grants are recognised 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 and 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**

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

Effective for annual period beginning on or after 1 January 2020:

### **Amendments to IFRS 3 Definition of a Business**

The amendments will help companies determine whether an acquisition made is of a business or a group of assets. When the definition of business is not met, the transaction will be recognised according to the relevant standards, e.g. for inventories or fixed assets. The standard applies from 01.01.2020 and must be applied to transactions which take place after this date.

### **Amendments to IAS 1 and IAS 8 - Definition of Material**

The International Accounting Standards Board has issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material, an important accounting concept in IFRS Standards, helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The new definition makes it clear that information in the financial statements will be material if the omission, mis-statement or concealment of information could be expected to influence decisions that the primary users make based on the financial statements.

## **10.3 Standards issued but not yet effective**

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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 amendments published at the balance sheet date are expected to have significant effect on the group.



# **Glace HoldCo AS**

**Annual financial statements**

**2020**



## Glace HoldCo AS

### Statement of profit and loss

For the years ended 31 December

<b>NOK 1000</b>	<b>Notes</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Revenue			
Other operating income			
<b>Total revenues</b>		-	-
Raw materials and consumables used		-	-
Payroll and related costs		-	-
Depreciation and amortisation		-	-
Other operating expenses	1	299	196
Total operating expenses		299	196
<b>Operating profit</b>		-299	-196
Net financial items	8	73 288	69 576
<b>Profit before tax</b>		-73 588	-69 772
Taxes	9	-	-
<b>Profit for the year</b>		-73 588	-69 772
<b>Other comprehensive income</b>			
<b>Profit for the year</b>		-73 588	-69 772
<b>Other comprehensive income for the period</b>		-	-
<b>Total comprehensive income for the period</b>		-73 588	-69 772



## Glace HoldCo AS


## Statement of financial position

NOK 1000	Notes	31.12.2020	31.12.2019
<b>ASSETS</b>			
Shares in Subsidiary	11	1 600 366	1 600 366
<b>Total non-current assets</b>		<b>1 600 366</b>	<b>1 600 366</b>
<b>Current assets</b>			
Other receivables		109	62
Cash and cash equivalents	7	23 987	23 623
<b>Total current assets</b>		<b>23 496</b>	<b>23 685</b>
<b>TOTAL ASSETS</b>		<b>1 623 861</b>	<b>1 624 051</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6	1 535	1 000
Share premium	6	844 665	799 153
Retained earnings		-211 170	-137 582
<b>Total equity</b>		<b>635 030</b>	<b>662 571</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	3/4/5	984 515	933 298
<b>Total non-current liabilities</b>		<b>984 515</b>	<b>933 298</b>
<b>Current liabilities</b>			
Short-term interest bearing liabilities	3/4/5		24 059
Other short term liabilities	2	4 316	4 122
<b>Total current liabilities</b>		<b>4 316</b>	<b>28 182</b>
<b>Total liabilities</b>		<b>988 831</b>	<b>961 480</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 623 861</b>	<b>1 624 051</b>

Oslo, 20 August 2021



Gustaf Erik David Beckemar  
Chairman of the Board



Carl Johan Argen Ut Rensdal  
Board member



Joachim Solbakken Espen  
Board member



## Glace HoldCo AS

## Statement of cash flows

For the years ended 31 December

Cash flows from operating activities	Notes	31.12.2020	31.12.2019
Profit before tax		-73 588	-69 772
Changes in other balance sheet items		73 208	69 543
<b>Net cash flows from operating activities</b>		<b>-379</b>	<b>-229</b>
<b>Cash flows from investing activities</b>			
Interests received	8	143	346
<b>Net cash flow from investing activities</b>		<b>143</b>	<b>346</b>
<b>Cash flow from financing activities</b>			
Repayment of debt	2/3	-	-
Proceeds from issuance of equity		-	-
<b>Net cash flow from financing activities</b>		<b>0</b>	<b>0</b>
<b>Net change in cash and cash equivalents</b>		<b>-236</b>	<b>117</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>23 623</b>	<b>23 506</b>
<b>Cash and cash equivalents, end of period</b>		<b>23 387</b>	<b>23 623</b>

## Statement of changes in equity

NOK 1000	Share capital	Share premium	Retained earnings	Total equity
<b>Balance as of 31 December 2018</b>	<b>1 000</b>	<b>799 153</b>	<b>-67 811</b>	<b>732 342</b>
Profit (loss) for the year	-	-	-69 772	-69 772
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-69 772</b>	<b>-69 772</b>
Dividends	-	-	-	-
<b>Balance as of 31 December 2019</b>	<b>1 000</b>	<b>799 153</b>	<b>-137 583</b>	<b>662 571</b>
Profit (loss) for the year	-	-	-73 588	-73 588
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-73 588</b>	<b>-73 588</b>
Capital increase	535	45 512	-	46 047
Dividends	-	-	-	-
<b>Balance as of 31 December 2020</b>	<b>1 535</b>	<b>844 665</b>	<b>-211 170</b>	<b>635 030</b>



## Note 1 - Other operating expenses

Other operating expenses	2020	2019
Consultancy	-	-
Other	299	196
<b>Total other operating expenses</b>	<b>299</b>	<b>196</b>

Auditor	2020	2019
Fee for statutory audit	97	144
Audit-related fees	10	41
Tax compliance services	-	-
Other fees	193	-
<b>Total</b>	<b>299</b>	<b>185</b>

## Note 2 - Other short term liabilities

	Balance 31.12.2020	Balance 31.12.2019
Accrued interest cost	4 316	4 091
Other short term liabilities	-	31
<b>Total other short term liabilities</b>	<b>4 316</b>	<b>4 122</b>

## Note 3 - Interest bearing liabilities

Non-current interest bearing loans and borrowings	Interest rate	Maturity	31.12.2020	31.12.2019
Long term loan	8,0 %	2037	984 515	933 298
<b>Total non-current interest bearing loans and borrowings</b>			<b>984 515</b>	<b>933 298</b>

Current interest bearing loans and borrowings	31.12.2020	31.12.2019
Short-term shareholder loan	-	24 059
<b>Total non-current interest bearing loans and borrowings</b>	<b>-</b>	<b>24 059</b>

### Long term loan

Glacé HoldCo AS has received a long term loan from related parties within the Triton Group. The interest rate is fixed at 8% per annum. According to the agreement any accrued interest shall not be required to be paid out in cash. On each anniversary of the loan agreement, the accrued interest for the previous year, that is not paid out in cash, will be added to the principal amount of the loan and will bear interest at 8% per annum. This year's change at carrying amount relates to this year's interest.

Glacé HoldCo AS may repay the principal amount, in whole or in part together with all accrued but unpaid interest, before final maturity day. Final maturity day is 22.12.2037.

In 2020, Glacé HoldCo AS completed a capital increase, where NOK 21.988 million of the long-term loan was converted to equity. See note 6 for more information.

### Short-term shareholder loan

The short-term shareholder loan was converted to equity in 2020, see note 6 for more information.

## Note 4 - Aging of financial liabilities

31.12.2020	Less than 12 months	1 to 3 years	Over 3 years	Total
Long term loan*	-	-	3 642 723	3 642 723
<b>Totals</b>	<b>-</b>	<b>-</b>	<b>3 642 723</b>	<b>3 642 723</b>

31.12.2019	Less than 12 months	1 to 3 years	Over 3 years	Total
Long term loan*	-	-	3 729 478	3 729 478
Short-term shareholder loan	24 059	-	-	24 059
<b>Totals</b>	<b>24 059</b>	<b>-</b>	<b>3 729 478</b>	<b>3 753 537</b>

\* Figures include estimated interest payable, and assumes that there will be no payment of principal amount or interest before the final maturity date of December 2037.



## Note 5 - Fair value measurement

The table below disclose 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 2020 and 2019. For related accounting policies, reference is made to note 14.

	Carrying amount at	Date of valuation	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Liabilities measured/disclosed at fair value</b>							
Long term loan	31.12.2020	31.12.2020	984 515	984 515		X	
Long term loan	31.12.2019	31.12.2019	933 298	933 298		X	
Short term loan	31.12.2019	31.12.2019	24 059	24 059		X	

## Note 6 - Equity and shareholders

Share capital in Glace HoldCo AS at 31.12.2020	Number	Nominal Value	Balance Sheet
A-shares ("Ordinary shares")	40 000 000	0.015	600 000
B-shares ("Preference shares")	60 000 000	0.015	900 000
C-shares ("Preference shares")	2 345 664	0.015	35 185
<b>Total</b>	<b>102 345 664</b>		<b>1 535 185</b>

### Capital increase by contribution in kind:

In february 2020, Glace HoldCo AS increased its share capital and share premium by contribution in kind. The share capital was increased by tNOK 535 from tNOK 1 000 to tNOK 1 535 by increasing the nominal value of the A- and B-shares by NOK 0.005 from NOK 0.01 to NOK 0.015 and issuing 2 345 664 C-shares, each with nominal value of NOK 0.015.

The aggregate capital contribution for the A- and B-shares was tNOK 24 059, of which tNOK 500 is share capital and tNOK 23 559 is share premium. The contribution was settled by Glace MidCo S.å.r.l. through conversion of the short-term shareholder loan.

The aggregate capital contribution for the C-shares was tNOK 21 988, of which tNOK 35 is share capital and tNOK 21 953 is share premium. The capital contribution was settled by Glace MidCo S.å.r.l. through set-off against the long-term loan.

Total capital contribution from Glace MidCo S.å.r.l. was tNOK 46 047.

### Ownership structure:

Shareholders in Glace HoldCo AS at 31.12.2020	A-shares	B-shares	C-shares	Total shares	Shareholding/ Voting
Glace MidCo S.å.r.l.*	35 958 103	59 901 738	2 345 664	98 205 505	95,95 %
GLX MipCo AS	4 000 001	-	-	4 000 001	3,91 %
Rune Edvin Marthinussen	41 896	62 826	-	104 722	0,10 %
Aromi Invest Oy	-	35 436	-	35 436	0,03 %
<b>Total shareholders</b>	<b>40 000 000</b>	<b>60 000 000</b>	<b>2 345 664</b>	<b>102 345 664</b>	<b>100 %</b>

\*Glace MidCo S.å.r.l. owns 0.73 % (2019: 0.87 %) of the shares in Glace HoldCo AS through 18.57 % (2019: 21.76%) ownership in GLX Mipco AS. In total, Glace MidCo S.å.r.l. have a directly and indirectly ownership of 96.68 % (2019: 96.84 %) in Glace HoldCo AS.

Holders of the A-shares, B-shares and C-shares are entitled to one vote per share at general meetings of the Company.

There has been no distribution of dividend during 2020 or 2019.

Owners of preference shares are entitled to an annual return of 8 %, calculated on the (1) basis of the invested amount of NOK 8.0015288 per B-share and NOK 8.6795310752094 per C-share and (2) any unpaid return for previous periods.

Distribution to shareholders is allocated in the following order:

- 1) For each outstanding preference share, earned and unpaid returns
- 2) After point 1, the invested amount of each outstanding preference share
- 3) After point 1 and 2, remaining balances should be distributed and allocated equally to each outstanding ordinary share

Overview of accumulated return on preference shares (NOK 1000):	B-shares	31.12.2020	31.12.2019
Glace MidCo S.å.r.l.	59 901 738	123 256	78 704
Rune Edvin Marthinussen	62 826	129	-
Aromi Invest Oy	35 436	73	47
<b>Sum</b>	<b>60 000 000</b>	<b>123 458</b>	<b>78 751</b>

Overview of accumulated return on preference shares (NOK 1000):	C-shares	31.12.2020	31.12.2019
Glace MidCo S.å.r.l.	2 345 664	3 388	1 629
<b>Sum</b>	<b>2 345 664</b>	<b>3 388</b>	<b>1 629</b>

There has been no distribution to the owners of the preference shares in 2020 or 2019.



## Note 7 - Cash and cash equivalents

Cash and cash equivalents amounts to NOK 23,387 thousand as of 31.12.2020. Glace HoldCo AS has no restricted bank deposit. The liquidity reserve equals the cash and cash equivalent amount.

## Note 8 - Financial income and expenses

Financial income and expenses	2020	2019
Interest income	143	346
Interest expenses	73 429	69 920
Other financial expenses	2	2
<b>Net Financial items</b>	<b>73 288</b>	<b>69 576</b>



## Note 9 - Tax

	2020	2019
<b>Tax payable</b>		
Ordinary profit before tax	-73 588	-69 772
Permanent differences	-	-
Change in temporary differences	73 588	69 772
<b>Bases for tax payable</b>	<b>0</b>	<b>0</b>
Tax base	22 %	22 %
<b>Tax payable this years profit</b>	<b>0</b>	<b>0</b>
<b>Current tax liabilities 31.12</b>	<b>0</b>	<b>0</b>
<b>Deferred tax liabilities (assets):</b>		
Liabilities	-	-
Losses carried forward (including tax credit)	2 470	2 168
Restricted interest deduction carried forward	208 717	135 431
<b>Basis for deferred tax liabilities (assets):</b>	<b>211 187</b>	<b>137 599</b>
<b>Calculated deferred tax assets</b>	<b>46 461</b>	<b>30 272</b>
- Deferred tax assets not recognised	-46 461	-30 272
<b>Net deferred tax assets recognised in balance sheet</b>	<b>0</b>	<b>0</b>



## Note 10 - Management remuneration

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Glace HoldCo AS has no employees.

There has been no remuneration to board members during 2020 or 2019.

## Note 11 - Interest in subsidiaries

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### GLX Holding AS

As of 31.12.2020, Glace HoldCo AS owns 100% of the shares in GLX Holding AS.  
The book value of the shares in GLX Holding AS is tNOK 1,600,366 as of 31.12.2020.

The total Share capital of GLX Holding AS is tNOK 1,000 as of 31.12.2020.

GLX Holding AS is a holding company of the Glamox shares. As of 31.12.2020 GLX Holding AS owns 76.17% of the shares in Glamox AS, which also represents the voting share.

### Glamox AS

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. Glamox AS is the parent company of Glamox Group. Glamox AS registered address is Birger Hatlebaks veg 15 in Moide, Norway. Glamox AS has 25 subsidiaries located in Europe, Asia and America. Total revenue of Glamox Group in 2020 is NOK 3 489.6 million (2019: NOK 3 097.6 million). Operating profit in 2020 is NOK 218.1 million (2019: NOK 307.2 million). Average number of full time employees in Glamox Group was 2 208 in 2020 (2019: 1 502).

The book value of the Glamox shares is NOK 2 735.3 million as of 31.12.2020.

The total Share capital in Glamox AS is NOK 66.0 million as of 31.12.2020.

## Note 12 - Events after the reporting period

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### Acquisition of Lite IP Ltd.

On 1st of March 2021, the subsidiary of Glamox AS, Glamox Luxonic Ltd, acquired 100% of the shares in Lite IP Ltd. Lite IP Ltd is a UK Limited Company that designs, manufactures and supplies wireless lighting control systems to four different segments: industrial, commercial, public sector and retail. The company was established in 2012, has 12 employees and is located in Hampshire.

The Lighting Control Systems market is fast growing, and attractive to combine with luminaire supply to meet customers' expectations. Lite IP Ltd has an attractive and proven lighting control system and technology which is highly valued by its customers. Over the last decade the company has developed a strong position within lighting controls in the UK lighting market. The ability to make simple intuitive solutions for the customers has made them able to compete with larger companies within the lighting industry.

Lite IP had revenues of GBP 2.6 million (app. NOK 31.9 million) in 2020 and GBP 2.7 million (app. NOK 29.6 million) in 2019. The company has been a supplier of Glamox Group for several years. Around 30% of Lite IP's revenues relates to Glamox products.

The purchase consideration consists of a cash consideration paid of NOK 30.6 million and contingent consideration of maximum NOK 21.0 million. The contingent consideration relates to future financial key figures, and integration and development of technology.

### Acquisition of Luminell Group AS

On 19th of April 2021, Glamox AS has signed an agreement to acquire 100% of the shares in the Norwegian company Luminell Group AS ("Luminell"). Established in 2010, Luminell 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.

Luminell reported total revenue of NOK 108.5m and EBITDA of 16.5m in 2020. Total revenue increased by 33% in the period 2018-2020. Glamox pays NOK 139m on a cash and debt free basis as an initial payment for the shares in Luminell. An additional earn-out of up to NOK 42.5m can be paid conditional on financial performance criteria in the period 2022-23. The acquisition was closed on 28 April 2021.

## 13 Related party transactions

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Related parties are Group companies, major shareholders, board and senior management in the parent company and the group subsidiaries. Note 11 provides information about the subsidiary of Glace HoldCo AS.

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

Glace HoldCo AS has a long term loan agreement towards related parties within the Triton Group. See note 3 for more information.



## Note 14 - Significant accounting policies

Glace HoldCo AS is a company incorporated and domiciled in Norway. Glace HoldCo AS was established in 2017, with the purpose to own shares in GLX Holding AS. The registered address is c/o Triton Advisors (Norway) AS, Kronprinsesse Märthas plass 1, 0160 Oslo. The parent company is Glace MidCo S.à.r.l. The ultimate parent of Glace HoldCo AS is Triton Fund IV, which is located at Jersey.

The financial statements of the company comprise of statements of profit and loss, other comprehensive income, financial position, cash flows, changes in equity, and related notes. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by The European Union (EU). The financial statements have been prepared on a historical cost basis, and the financial statements are prepared based on the going concern assumption.

### Subsidiaries in parent company

'Subsidiaries' refers to companies in which Glace HoldCo AS normally has a shareholding of more than 50%, and in which the company has a controlling interest. Investments in subsidiaries are accounted for using the cost method. The investments are valued at cost less impairment losses. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of investment.

### Current versus non-current classification

The Company 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

### Provisions

Provisions are recognised when the Company 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.

### Dividend distribution to shareholders

Glace HoldCo AS recognises a liability to make distributions to equity holders 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

The Company's financial instruments are grouped in the following categories:

- Fair value with changes in 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 company. This category generally applies to interest-bearing loans and other financial liabilities.

The company has the following financial instruments:

*Financial liabilities (AC):* Includes the company's other non-current interest bearing liabilities and current liabilities.



## *Initial recognition and subsequent measurement*

**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 is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

## *Derecognition of financial instruments*

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.

## **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.

## **Fair value measurement**

The Company 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 Company.

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 Company 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 derivative financial instruments. Involvement of external valuers is decided upon annually. For the purpose of fair value disclosures, the Company 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 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. Current income tax relating to items recognised directly in equity is recognised in equity (OCI) and not in the statement of profit and 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.

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.

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.

### ***Statements of cash flow***

The consolidated statements of cash flows are prepared using the indirect method.



**Note 15 - Changes in accounting policies**

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

Effective for annual period beginning on or after 1 January 2020:

**Amendments to IAS 1 and IAS 8 - Definition of Material**

The International Accounting Standards Board has issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material, an important accounting concept in IFRS Standards, helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The new definition makes it clear that information in the financial statements will be material if the omission, mis-statement or concealment of information could be expected to influence decisions that the primary users make based on the financial statements.



**KPMG AS**  
Sørkedalsveien 6  
Postboks 7000 Majorstuen  
0308 Oslo

Telephone +47 45 40 40 63  
Fax  
Internet [www.kpmg.no](http://www.kpmg.no)  
Enterprise 935 174 627 MVA

To the General Meeting of Glace Holdco AS

## Independent auditor's report

### Report on the Audit of the Financial Statements

#### Opinion

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

- The financial statements of the parent company Glace Holdco AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Glace Holdco AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement, 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.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



*Glace Holdco AS*

## Other information

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

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

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

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

## Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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



Glace Holdco AS

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.

#### Report on Other Legal and Regulatory Requirements

##### Opinion on the Board of Directors' report

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

##### Opinion on Registration and Documentation

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

Oslo, 20 August 2021  
KPMG AS

Lone Brith Frogner  
State Authorised Public Accountant  
(This document is signed electronically)