GLX Holding

Second quarter results 2018

General information GLX Holding AS (parent company)

GLX Holding AS is a special purpose vehicle incorporated 14th August 2017 by Triton to acquire Glamox AS which is the parent company of the Glamox Group. GLX Holding holds 75.26% of the shares in Glamox AS. GLX Holding consolidates 100% of the Glamox Group in its financial accounts from 11th December 2017.

Highlights in the quarter

[Financial figures for 2017 are Glamox Group financial figures]

- **Order intake** ended at NOK 815m, up from NOK 689m (18%) in the second quarter last year.

- **Total revenues** ended at NOK 708m, up from NOK 662m (7%) in the second quarter last year.

- **Adjusted EBITDA** ended at NOK 105m. On a comparable basis (excluding NOK 0.6m in operating cost in GLX Holding AS), the adjusted EBITDA for the Glamox Group ended at NOK 106m, up from NOK 99m (7%) in the second quarter last year.

- **Operating cash flow** was NOK 50m, an increase from a negative operating cash flow of NOK 28m in the second quarter last year.

- **Acquisition of O. Küttel AG:** On 3rd April Glamox AS completed the acquisition of 100% of the shares in O. Küttel AG, a leading Swiss provider of lighting for the professional building market, from Regent Beleuchtungskörper AG.

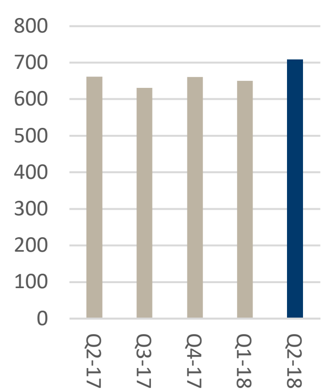
- **Restructuring in GMO:** The GMO business area is restructuring parts of its value chain. The Group will discontinue the metal production and outsource the warehouse service in Bremen, Germany. Some product families will be moved from production facilities in Germany to the factory in China. The focus on LED products and the technical organization will be strengthened in Germany. The restructuring is expected to improve the cost position of the GMO business area. The Group recorded non-recurring items of NOK 39m related to the restructuring in the quarter.

Key figures

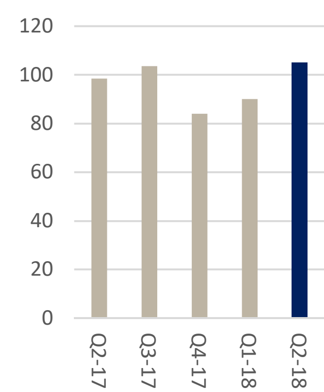
	Q2 2018	Q2 2017*	YTD 2018	YTD 2017*	FY 2017*
Orders received	815	689	1 499	1 381	2 653
Total revenues	708	662	1 358	1 322	2 615
EBITDA	62	90	152	178	369
EBITDA margin	*8.8 %*	*13.6 %*	*11.2 %*	*13.5 %*	*14.1 %*
Adjusted EBITDA	105	99	195	204	393
Adjusted EBITDA margin	*14.8 %*	*14.9 %*	*14.4 %*	*15.4 %*	*15.0 %*
Profit for the period	(2)	55	30	113	258
Net cash from operations	50	(28)	55	20	197
Net interest-bearing debt**	(1 302)	152	(1 302)	152	(29)

** Glamox Group financial figures only*
*** Excluding restricted cash*

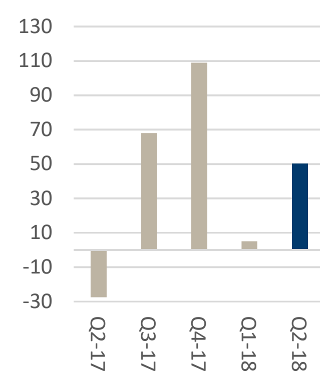
Revenue development*
NOK million



Adjusted EBITDA*
NOK million



CF from operations*
NOK million



**Based on GLX Holding consolidated figures from Q1-2018*

General information GLX Holding AS (parent company)
GLX Holding AS is a special purpose vehicle incorporated 14th August 2017 by Triton to acquire Glamox AS which is the parent company of the Glamox Group. GLX Holding holds 75.26% of the shares in Glamox AS. GLX Holding consolidates 100% of the Glamox Group in its financial accounts from 11th December 2017. Below are quarterly comments from Glamox CEO Rune Marthinussen.

Management comments

The Glamox Group reports a second quarter with growth in both order intake and revenue compared to the same period last year. We are especially pleased with the strong growth in order intake, which is 11% above the second quarter last year on a comparable basis (adjusted for Küttel's order intake in Q2-2018). The order backlog has been developing positively for both business areas with GMO being particularly strong in the second quarter.

Overall the market is developing cautiously but we have been able to keep our momentum. Most of our geographical markets in PBS reported second quarter revenue ahead of last year and year-to-date the PBS business area is now in line with last year in terms of revenue. In GMO, we continue to experience weak markets in both the Commercial Marine and Offshore Energy segments with lower revenue than the same period last year. Good performance in the Cruise and Ferry segment in the quarter has compensated somewhat and we are not far behind last year in terms of revenue for the GMO business area year-to-date.

The adjusted EBITDA for the Glamox Group ended at NOK 106m in the second quarter, an improvement from NOK 99m in the same period last year. A good performance by the PBS business area, driven by strong growth in both revenue and margin in most core markets compared to last year, is the main positive driver.

We have pushed forward with the restructuring of parts of the GMO business area. We are discontinuing our metal production and outsourcing the warehouse service in Bremen, Germany. We are also moving some product families from our production facilities in Germany to our factory in China and at the same time strengthening the focus on LED products and the technical organization in Germany. This is an important project that will improve the cost position of the GMO business area. We are pleased to see that it is progressing according to plan.

The integration of Küttel in PBS is also progressing well, and we are confident that we will be able to realize valuable synergies from the acquisition. By entering Switzerland, we have broadened PBS' growth base outside the Nordics in line with our strategy. Küttel has already started to receive orders on Glamox products and services in the Swiss market.

The Glamox Group has developed a healthy position in the lighting market over the years and will continue to strengthen and improve this position. The Glamox Group's long-term strategy continues to focus on growth and financial strength.

Rune Marthinussen

President & CEO Glamox AS

Financial review

Group results
The order intake in the quarter ended at NOK 815m corresponding to an increase of 18% from NOK 689m in the same period last year. Both business areas reported strong growth in order intake compared to Q2-2017. The Group and PBS business area are positively impacted by the acquisition of Küttel which contributed with 7% of Group order intake. Adjusted for this, the PBS business area had comparable growth in order intake of 8% vs. Q2-2017, while the GMO business area had a growth in order intake of 17%.

GLX Holding reports total revenue of NOK 708m in Q2-2018, up by 7% from NOK 662m in Q2-2017. The main explanation for the revenue growth compared to last year is the acquisition of Küttel which was completed on the 3rd April. Küttel contributed with 6% of Group revenue in Q2-2018.

The adjusted operating profit before depreciations and amortization (adjusted EBITDA) ended at NOK 105m in Q2-2018 compared to NOK 99m in Q2-2017. The adjusted EBITDA margin in the quarter is 14.8% compared to 14.9% for the Glamox Group in Q2-2017. The EBITDA in the quarter is negatively impacted by NOK 0.6m in operating cost in GLX Holding AS. Excluding this, the adjusted EBITDA is 7% higher than the Glamox Group in Q2-2017.

The Group recorded non-recurring items (NRIs) of NOK 43m in Q2-2018 related to the restructuring in GMO (NOK 39m) and the acquisition of Küttel (NOK 3m). The Group will discontinue the metal production and outsource the warehouse service in Bremen, Germany. Some product families in GMO will be moved from production facilities in Germany to the factory in China. The focus on LED products and the technical organization will be strengthened in Germany. The restructuring is expected to improve the cost position of the GMO business area and lead to positive scale effects in our factory in China. In addition, it will increase the proximity to the important Asian market. We expect further NOK 8-10m to be booked in 2018 related to the restructuring.

The net result in Q2-2018 was a loss of NOK 2m, down by NOK 57m from a net profit of NOK 55m in Q2-2017. Compared to Glamox Group's Q2-2017 result, increased net financial expenses and amortizations are impacting the net result negatively. The increased net financial expense is related to the bond issued in Q4-2017, while increased amortization cost is an effect of GLX Holding AS' acquisition of Glamox AS.

Cash flow
Cash flow from operations equaled NOK 50m in Q2-2018 compared to negative cash flow from operations of NOK 28m in Q2-2017. Profit before tax adjusted for depreciations and amortizations is NOK 50m lower than last year. In Q2-2017 there was a large tax payment of NOK 82m impacting operating cash flow negatively compared to NOK 9m this quarter. Changes in working capital in Q2-2018 has a negative effect of NOK 53m, while other operating changes has a positive effect of NOK 75m. The provisions for restructuring cost of NOK 39m in addition to provisions for holiday pay, accrued interest not paid and other provisions are included in other operating changes.

Net cash flow from investing activities in the quarter was NOK 109m negative of which NOK 93m is related to the acquisition of Küttel and NOK 16m is related to investments in the existing business.

Net cash flow from financing was positive by NOK 56m in Q2-2018. The Group has increased its borrowings by NOK 113m, paid dividend of NOK 31m to minority shareholders and paid interest of NOK 25m.

Total cash flow in Q2-2018 was negative by NOK 2m, but a positive effect of change in exchange rates keeps the cash balance flat at NOK 274m.

Financial position
As of 30 June 2018, GLX Holding's equity amounts to NOK 1 912m. The net interest-bearing debt as of 30 June 2018 is NOK 1 302m.

The Groups borrowings consist of long-term senior secured notes of NOK 1 350m and a revolving credit facility (RCF) of NOK 800m of which NOK 225m is utilized. In June GLX Holding entered into a 3-year floating-to-fixed interest rate swap with DNB and Danske Bank for the nominal amount of NOK 1 350 in order to remove interest rate risk on the senior secured notes. In July the credit limit of the RCF was increased by NOK 200m, up to NOK 1 000m.

Segments

Professional Building Solutions (PBS)

NOKm	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Order intake	592	499	1 094	985	1 866
Total revenues	524	469	982	934	1 859
Adjusted EBITDA	94	81	169	157	321
Adjusted EBITDA margin	18.0 %	17.2 %	17.2 %	16.8 %	17.3 %

The Professional Building Solutions (PBS) business areas reported total order intake of NOK 592m in Q2-2018, NOK 92m higher than in Q2-2017. Total revenues in the division ended at NOK 524m in Q2-2018, NOK 55m higher than Q2-2017. The acquisition of Küttel in Q2-2018 is an important factor behind the increase in both order intake and revenue. Küttel contributed with NOK 53m in order intake and NOK 43m in revenue in Q2-2018.

The adjusted EBITDA margin in Q2-2018 was 18.0%, an improvement from 17.2% in Q2-2017. While the price pressure in PBS has increased slightly during the quarter, improved product mix contributes positively.

Global Marine & Offshore (GMO)

NOKm	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Order intake	224	191	405	396	778
Total revenues	184	192	377	388	738
Adjusted EBITDA	11	18	27	47	72
Adjusted EBITDA margin	6.2 %	9.4 %	7.2 %	12.2 %	9.8 %

The Global Marine & Offshore (GMO) business area reported total order intake of NOK 224m in Q2-2018, NOK 33m higher than Q2-2017. The order intake was positively impacted by some large orders with the Navy segment being particularly strong compared to last year. After strong order intake in the second quarter, YTD order intake in GMO is NOK 10m above last year. Total revenues ended at NOK 184m in Q2-2018, NOK 8m lower than Q2-2017. While revenue has increased in several of GMO's smaller market segments compared to Q2-2017, the two largest segments Commercial Marine and Offshore Energy has seen a decrease in revenue compared to last year.

The adjusted EBITDA margin in Q2-2018 was 6.2% compared to 9.4% in Q2-2017. Lower volume in the Commercial Marine segment, in addition to a slight negative development in GMO's cost base, has a negative impact on the adjusted EBITDA margin compared to the same period last year.

Outlook
The demand for lighting solutions in PBS' markets is expected to remain on the same level in 2018 as in 2017. PBS is continuing its investments in new products and systems, as well as increasing the capacity and competence in the organisation in order to make Glamox lighting solutions even more competitive.

For GMO we expect our main markets to improve towards the end of 2018. We have seen the global number of new-building orders in the commercial marine segment increase in 2018 while the activity in the offshore segment is still cautious. The positive development in the commercial marine segment could lead to some improved demand towards the end of 2018 and 2019 for GMO.

Condensed consolidated interim financial statements

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

NOK 1000	Q2 2018	Q2 2017*	YTD 2018	YTD 2017*	FY 2017*	14.08-31.12.2017
Revenue	696 219	652 167	1 338 065	1 302 724	2 559 148	87 320
Other operating income	11 555	9 443	20 224	18 930	55 387	1 812
Total revenues	**707 774**	**661 610**	**1 358 289**	**1 321 654**	**2 614 535**	**89 132**
Raw materials	(326 443)	(307 146)	(618 105)	(614 417)	(1 195 809)	(39 158)
Payroll and related cost	(234 735)	(200 491)	(455 535)	(402 482)	(802 614)	(36 741)
Other operating expenses	(84 148)	(64 064)	(132 198)	(126 487)	(247 567)	(57 545)
EBITDA	**62 448**	**89 909**	**152 451**	**178 268**	**368 544**	**(44 312)**
Depreciation	(13 185)	(11 263)	(25 801)	(21 939)	(43 363)	(2 038)
Amortization	(20 374)	(2 911)	(40 485)	(5 504)	(32 445)	(3 795)
Operating profit / EBIT	**28 889**	**75 734**	**86 165**	**150 825**	**292 736**	**(50 144)**
Net financial items	(26 117)	(3 951)	(45 520)	(2 704)	10 034	(7 987)
Profit before tax	**2 772**	**71 784**	**40 644**	**148 121**	**302 770**	**(58 131)**
Taxes	(4 765)	(16 935)	(10 643)	(34 991)	(44 581)	(1 666)
Profit for the period	**(1 994)**	**54 849**	**30 001**	**113 130**	**258 189**	**(56 465)**
Profit/loss attributable to owners	(7 423)	54 862	10 948	113 157	258 197	(55 676)
Profit/loss attributable to non-controlling interest	5 429	(13)	19 054	(27)	55 159	87 320

**Glamox Group financial figures only*

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

NOK 1000	Q2 2018	Q2 2017*	YTD 2018	YTD 2017*	FY 2017*	14.08-31.12.2017
Profit for the period	**(1 994)**	**54 849**	**30 001**	**113 130**	**258 189**	**(56 465)**
Other comprehensive income that will not be reclassified to profit or loss:						
Gain/loss from re-measurement on defined benefit plans	-	-	-	-	5 766	-
Tax effect on re-measurements on defined benefit plans	-	-	-	-	(1 389)	-
Total items that subsequently will not be reclassified to profit or loss	-	-	-	-	4 377	-
Other comprehensive income that may be reclassified to profit or loss:						
Currency translation differences	2 973	28 211	(17 532)	8 179	43 306	-
Net gain/loss on hedge of foreign subsidiaries	(1 102)	(26 879)	15 862	(7 851)	-36 007	-
Tax effect from hedge of foreign subsidiaries	423	6 451	(3 648)	1 884	8 642	-
Total items that subsequently may be reclassified to profit or loss	2 294	7 783	(5 318)	2 212	15 941	-
Other comprehensive income for the period	**2 294**	**7 783**	**(5 318)**	**2 212**	**20 319**	**-**
Total comprehensive income for the period	**300**	**62 632**	**24 684**	**115 342**	**278 508**	**(56 465)**
Total comprehensive income attributable to owners	(5 697)	62 645	6 946	115 369	278 516	(55 676)
Total comprehensive income attributable to Non-Controlling interest	5 997	(13)	17 737	(27)	(8)	(789)
Earnings per share attributed to owners						
Earnings per share	(5.70)		6.95			
Diluted earnings per share	(5.70)		6.95			

**Glamox Group financial figures only*

GLX Holding Group statement of financial position (unaudited)

NOK 1000	30.06.2018	31.12.2017
ASSETS		
Intangible non-current assets	2 856 209	2 854 282
Tangible non-current assets	317 646	309 074
Other non-current assets	18 456	18 773
Total non-current assets	**3 192 311**	**3 182 129**
Inventory	437 767	389 128
Receivables	472 084	412 430
Cash and cash equivalents	274 383	307 064
Total current assets	**1 184 235**	**1 108 622**
TOTAL ASSETS	**4 376 546**	**4 290 751**
EQUITY AND LIABILTIES		
Equity	1 551 615	1 544 671
Non-controlling interests	360 003	374 323
Total equity	**1 911 618**	**1 918 994**
Deferred tax liabilities	288 938	332 009
Long-term interest-bearing liabilities	1 551 581	1 439 840
Long-term provision and other liabilities	64 648	64 974
Total non-current liabilities	**1 905 168**	**1 836 822**
Trade payables	168 698	176 775
Tax payable	28 534	34 302
Short-term interest-bearing liabilities	-	-
Other short-term liabilities	362 529	323 857
Total current liabilities	**559 760**	**534 935**
TOTAL EQUITY AND LIABILTIES	**4 376 546**	**4 290 751**

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

NOK 1000	Share capital	Share premium reserve	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
Balance as of 31 December 2017	**1 000**	**1 599 346**	**(55 676)**	**1 544 670**	**374 323**	**1 918 993**
Current period profit and loss			10 948	10 948	19 054	30 001
Other comprehensive income (loss)			(4 001)	(4 001)	(1 316)	(5 318)
Total comprehensive income (loss)			6 946	6 946	17 737	24 684
Movement in non-controlling interests					(1 358)	(1 358)
Dividends					(30 700)	(30 700)
Balance as of 30 June 2018	**1 000**	**1 599 346**	**(48) 730**	**1 551 616**	**360 003**	**1 911 619**

GLX Holding Group consolidated statement of cash flow (unaudited)

NOK 1000	Q2 2018	Q2 2017*	YTD 2018	YTD 2017*	FY 2017*	14.08.-31.12.2017
Profit before tax	2 772	71 784	40 645	148 121	302 770	(58 131)
Taxes paid	(8 801)	(81 943)	(60 923)	(97 609)	(103 038)	-
Depreciation and amortization	33 559	14 174	66 286	27 442	75 808	5 833
Changes in working capital	(52 771)	(47 020)	(80 876)	(110 051)	(95 574)	-
Other operating changes	75 320	15 499	90 123	52 226	17 224	52 178
Net cash flow from operating activities	**50 078**	**(27 508)**	**55 254**	**20 129**	**197 190**	**(120)**
Cash flow from (purchase)/sales of shares in subsidiaries	(93 039)	-	(96 415)	-	-	(2 621 376)
Purchase of tangible fixed assets and intangible assets	(16 434)	(11 161)	(29 316)	(18 566)	(46 740)	-
Other cash flow from investments	587	346	3 471	703	22 606	-
Net cash flow from investing activities	**(108 886)**	**(10 815)**	**(122 260)**	**(17 863)**	**(24 134)**	**(2 621 376)**
Down payment	-	(2 708)	-	(6 727)	(120 737)	(109 902)
Proceeds from borrowings	112 680	2 717	112 680	2 717	116 620	1 438 116
Dividend paid	(30 700)	(95 024)	(30 700)	(95 024)	(375 023)	-
Interest paid	(25 497)	(413)	(49 253)	(505)	(3 885)	-
Share capital increase	-	-	-	-	-	1 600 306
Net cash flow from financing activities	**56 484**	**(95 427)**	**32 727**	**(99 538)**	**(383 025)**	**2 928 520**
Total cash flow for the period	**(2 324)**	**(133 749)**	**(34 279)**	**(97 272)**	**(209 969)**	**307 024**
Effect of change in exchange rate	2 435	1 863	1 598	246	329	-
Cash and cash equivalents, beginning of period	274 273	414 935	307 064	380 074	380 074	40
Cash and cash equivalents, end of period	**274 383**	**283 049**	**274 383**	**283 049**	**170 435**	**307 064**

**Glamox Group financial figures only*

Notes to the condensed consolidated interim financial statements

Note 1 - General information and accounting principles
GLX Holding AS is a company incorporated and domiciled in Norway. GLX Holding AS is a holding company and has no other activities or investments than the ownership of 75.26% of Glamox AS. The registered address is c/o Triton Advisors (Norway) AS, Olav Vs 1, 0161 OSLO. The ultimate parent of GLX Holding AS is Triton Fund IV, located at Jersey.

This interim report has been prepared in accordance with IAS34 for interim financial reporting. GLX Holding AS has applied the same accounting policies as in the IFRS consolidated financial statement for 2017. The interim financial statements do not include all the information required for a full financial report and should therefore be read in conjunction with the IFRS consolidated financial statement for 2017. The quarterly report has not been audited.

The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognized as assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant estimates and judgements made by management in preparing these condensed consolidated interim financial statements, in applying the Group's accounting policies and key sources of estimation of uncertainty, were based on the same underlying principles as those applied to the IFRS consolidated financial statement for 2017.

IFRS 9 Financial Instruments (effective from 1 January 2018 and approved by the EU). The standard replaces IAS 39. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The standard will be implemented retrospectively, except for hedge accounting, although preparing comparative figures is not a requirement. The rules for hedge accounting should mainly be implemented prospectively but with some exceptions. The Group has made an initial assessment of the impact of IFRS 9 and do not anticipate any significant effects on the financial statements.

IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018). IFRS 15 establish a new five-step model that will apply to revenue arising from contracts with customers. The core principle of IFRS 15 is that revenue is recognized to reflect the transfer of contracted goods or services to customers, and then at an amount that reflects the consideration the company expects to be entitled to in exchange for those goods or services. With a few exceptions, the standard applies to all income-generating contracts with customers and provides a model for the recognition and valuation of the sale of certain non-financial assets (e.g. sale of property, plant and equipment). The new standard has only minor effect on the amount and pattern of revenue recognition in the Group.

IFRS 16 Leases (effective from 1 January 2019). IFRS 16 replaces existing IFRS leases requirements, IAS 17. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’). The new leases standard requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying assets has low values. The Group has performed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed a detailed assessment. The impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate, the composition of the lease portfolio and the extent to which the Group chooses to use recognition exemptions. So far, the most significant impact identified is that Glamox will recognize new assets and liabilities for its operating leases. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the ordinary operating lease expense with a depreciation charge, and interest expense on lease liabilities.

Note 2 - Operating segments
The Group operates with two different business areas, Professional Building Solution (PBS) and Global Marine & Offshore (GMO). These two business areas have to a large extent different products and solutions they provide to their markets. Further they operate in strategically different markets and therefore have different sales channels, marketing strategies and risk. PBS offers products to office, industry, health, education, retail, hotels and restaurants mainly in Europe. Their main sales channels are direct to customer and wholesalers. GMO offers its products in the global market within commercial marine, oil and gas (offshore and onshore), navy, recreational, cruise and ferry. The customer base of GMO consists of vessel owners, yards, electrical installers, engineering companies and oil companies.

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

	PBS		GMO		Other		Total	
	Q2-2018	**Q2-2017**	**Q2-2018**	**Q2-2017**	**Q2-2018**	**Q2-2017**	**Q2-2018**	**Q2-2017**
Revenues	523.8	468.8	184.0	192.3			707.8	661.1
EBITDA	91.3	80.6	-27.5	18.1	-0.6	-8.8	63.2	90.0
in %	17.4 %	17.2 %	-14.9 %	9.4 %			8.9 %	13.6 %

	PBS		GMO		Other		Total	
	1H-2018	**1H-2017**	**1H-2018**	**1H-2017**	**1H-2018**	**1H-2017**	**1H-2018**	**1H-2017**
Revenues	981.6	934.1	376.7	387.5			1358.3	1321.6
EBITDA	166.0	156.9	-12.3	32.9	-1.3	-11.8	152.4	178.1
in %	16.9 %	16.8 %	-3.3 %	8.5 %			11.2 %	13.5 %

In 2018 Other items regards operational expenses in the holding company, GLX Holding AS. In 2017 Other items regards exceptional items in Glamox Group that is not allocated to the segments.

Note 3 - Restructuring
The Group recorded non-recurring items (NRIs) of NOK 39m in Q2-2018 related to the restructuring in GMO where the Group is discontinuing the metal production and outsourcing the warehouse service in Bremen, Germany. Some product families will be moved from our production facilities in Germany to our factory in China. The focus on LED products and the technical organization will be strengthened in Germany. The restructuring is expected to improve the cost position of the GMO business area and lead to positive scale effects in our factory in China. In addition, it will increase the proximity to the important Asian market for the non-LED product families. We expect further NOK 8-10m to be booked in 2018 related to the restructuring.

Note 4 - Dividend
In June 2018, Glamox AS distributed dividend of total NOK 124.1m (NOK 1.88 per share). Of this, NOK 30.7m was distributed to non-controlling interests, and NOK 93.5m to the parent company GLX Holding AS.

Note 5 – Interest bearing liabilities to financial institutions
The Group holds a bond and a revolving facility. The revolving facility has a credit limit of NOK 800m and by year end 2017 the utilized amount was NOK 115.6m. In June 2018, the utilized amount was increased by EUR 11.8m (approximately NOK 112.7m) and the total utilized amount is NOK 225m by end June.

In July 2018, the credit limit of the revolving facility was increased by NOK 200 million, up to NOK 1,000 million.

Note 6 - Acquisition of Küttel
Glamox AS acquired 100% of the shares of O. Küttel AG, which is a leading Swiss provider of lighting for the professional building market. For the financial year 2017, Küttel had a revenue of CHF 21.2m (NOK 176.3m) and EBIT of CHF 0.7m (NOK 5.8m). For 2016 the revenue was CHF 19.4m (NOK 164.1m) and EBIT of CHF 1.2m (NOK 10.2m). Küttel employs 53 man-years.

The total purchase consideration was CHF 14.75m (NOK 119.8m) all paid by cash. Total transaction cost related to the acquisition was NOK 3.2m and is expensed as other operating expenses.

Table: Preliminary Purchase Price Allocation

NOK million	Carrying amount	Fair value adj.	Fair value
Goodwill		14.6	14.6
Other intangible non-current assets		12.6	12.6
Tangible non-current assets	16.8	8.9	25.7
Inventories	11.8		11.8
Receivables	39.8		39.8
Cash and cash equivalents	26.8		26.8
Deferred tax		-3.0	-3.0
Current liabilities	-8.5		-8.5
Total	**86.7**	**33.1**	**119.8**
Net cash outflow:			
Cash consideration paid			119.8
Cash acquired			26.8
Net cash outflow			**93.0**

The acquired goodwill is assumed to mainly relate to synergies to be realized over time and a positive market development.

The activities of Küttel are reported as a part of the business areas, Professional Building Solution (PBS). In Q2-2018 Küttel contributed with NOK 43m in revenue.

Note 7 - Related party transactions
Related parties are Group companies, major shareholders, board and senior management in the parent company and the group subsidiaries. All transactions within the Group or with other related parties are based on the principle of arm's length.

GLX Holding AS has agreements with Triton Advisers Limited and West Park Management Services Limited for counseling. During the first six months of 2018 the company has expensed NOK 0.2m.

Note 8 - Significant risk and uncertainties
For information regarding the most significant risks and uncertainty factors, please read the description in the annual report for 2017. The company does not consider that there have been any material changes during the reporting period in the risks and uncertainty factors presented in the annual report.

Note 9 - Forward-looking statements / Legal disclaimer
Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, fluctuations in exchange rates and interest rates and political risks.

Statement by the board of directors

Today, the board of directors reviewed and approved the half-yearly board of directors' report and the unaudited condensed consolidated half-yearly financial statements for GLX Holding AS as of 30 June 2018 and for the six-month period ended 30 June 2018 (half-yearly financial report 2018). The half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the Norwegian additional requirements in the Securities Trading Act.

To the best of our knowledge

• the half-yearly financial statements for 2018 have been prepared in accordance with applicable financial reporting standards

• the half-yearly financial statements give a true and fair view of the assets, liabilities, financial position and profit (or loss) as a whole as of 30 June 2018.

• the half-yearly board of directors' report includes a fair review of

- important events that have occurred during the first six months of the financial year, and their impact on the half-yearly financial statements

- the principal risks and uncertainties for the remaining six months of the financial year

- major related party transactions

29 August 2018

Gustaf Backemar	Joachim Espen	Carl Johan Renvall
(sign)	(sign)	(sign)
Chairman	Board member	Board member

Definitions

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

This report has not been subject to audit.

Order intake	Orders received measured at gross value before deduction of commissions and other sales reductions
Total revenue	Revenue and other operating income net of commissions and other sales reductions
EBITDA	Earnings before interest, tax, depreciation and amortization
Adjusted EBITDA	Earnings before interest, tax, depreciation, amortization and exceptional items
EBITDA-margin	EBITDA as a percentage of total revenue
Adjusted EBITDA-margin	Adjusted EBITDA as a percentage of total revenue
Net financial expenses	Financial income minus financial expenses including exchange rate differences related to financial assets and liabilities
Net debt	Interest-bearing debt minus cash and cash equivalents
Exceptional items	Any items (positive or negative) of a one off, non-recurring, unusual, non-operational or exceptional nature including restructuring expenses
LED	Light-emitting diode
LMS	Light Management Systems

GLAMOX

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