

# GLX Holding

Fourth quarter results 2019

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

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



# Highlights 4<sup>th</sup> quarter 2019

- **Order intake** ended at NOK 842m, up 10% from NOK 763m in the fourth quarter last year.

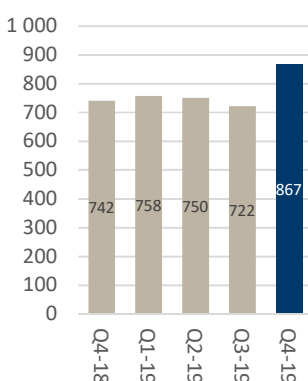
**Total revenue** ended at NOK 867m, up 17% from NOK 742m in the fourth quarter last year or 12% up adjusted for non-recurring revenue of NOK 43m in Q4-2019 and NOK 3m in Q4-2018.

- **Adjusted EBITDA** was NOK 123m, up NOK 12m from NOK 111m in the fourth quarter 2018. The effect of IFRS16 reclassifications of financial lease agreements on EBITDA in Q4-2019 is NOK 11m. No IFRS16 adjustments have been made to historical figures.
- **Operating cash flow** was NOK 102m, up from NOK 99m in the fourth quarter last year.
- On 10<sup>th</sup> December 2019, Glamox completed **the acquisition of ES-System**. The acquisition will further diversify the Glamox Group in terms of geography and provide exposure to an attractive market with high growth supported by an overall healthy macro economy and strong construction activity.

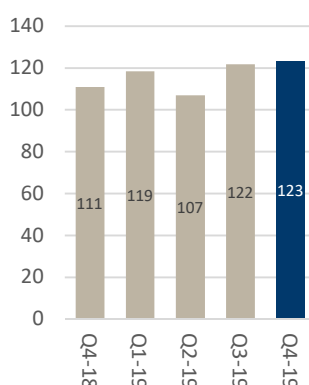
## Key figures

	Q4 2019	Q4 2018 <sup>2</sup>	YTD 2019	YTD 2018 <sup>2</sup>	FY 2018 <sup>2</sup>
Orders received	842	763	3,100	2,935	2,935
Total revenue	867	742	3,098	2,773	2,773
EBITDA	101	66	408	328	328
<i>EBITDA margin (%)</i>	<i>11.7 %</i>	<i>8.9 %</i>	<i>13.2 %</i>	<i>11.8 %</i>	<i>11.8 %</i>
Adjusted EBITDA	123	111	480	420	420
<i>Adjusted EBITDA margin (%)</i>	<i>15.0 %</i>	<i>15.1 %</i>	<i>15.7 %</i>	<i>15.2 %</i>	<i>15.1 %</i>
Adjusted EBIT	72	77	299	285	285
<i>Adjusted EBIT margin (%)</i>	<i>8.7 %</i>	<i>10.4 %</i>	<i>9.8 %</i>	<i>10.3 %</i>	<i>10.3 %</i>
Profit for the period, after tax	23	2	78	66	66
Net cash from operations	102	99	211	215	215
Net interest-bearing debt <sup>1</sup>	1,663	1,288	1,663	1,288	1,288

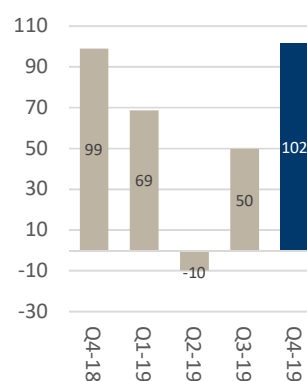
**Revenue development<sup>2</sup>**  
NOK million



**Adjusted EBITDA<sup>2</sup>**  
NOK million



**CF from operations<sup>2</sup>**  
NOK million



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

<sup>2</sup> No IFRS 16 adjustment made to 2018 figures

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

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

## Management comments

The Glamox Group continue to report strong growth in both order intake and revenue compared to the same period last year, driven by improved results in the GMO business area and the acquisition of Luxonic Lighting and ES-System. The PBS business area experienced softer market conditions in several geographies in the fourth quarter compared to the fourth quarter last year, impacting our results negatively.

The Group order intake ended at NOK 842m, an increase of 10% from NOK 763m in the fourth quarter 2018. Total revenue in the fourth quarter 2019 was NOK 867m, an increase of 17% from NOK 742m in the same period last year. On a comparable basis, adjusted for acquisitions and currency effect, order intake in the fourth quarter 2019 was 8% behind while total revenue ended 3% behind the fourth quarter 2018.

The GMO business area reports a year-on-year increase in order intake of 8% in the quarter mainly driven by strong growth in the Offshore Energy segment. Total revenue in the GMO business area is 26% above the same period last year with both the Offshore Energy and the Commercial Marine segment reporting strong year-on-year growth. The PBS business area reports a year-on-year increase in order intake of 8% in the fourth quarter 2019 while comparable order intake is 13% below the fourth quarter 2018. Total revenue in the PBS business area in the quarter is 1% above the fourth quarter last year, 11% behind on a comparable basis.

The adjusted EBITDA in the Glamox Group<sup>1</sup> was NOK 114m in the quarter, slightly above NOK 112m in the fourth quarter last year. Weaker results in the PBS business area is offset by strong growth in the GMO business area compared to the same period last year. The adjusted EBITDA margin ended at 13.8% in the fourth quarter 2019, down from 15.2% in the fourth quarter 2018.

On 10<sup>th</sup> December 2019, Glamox completed the acquisition of ES-System. ES-System is a leading lighting solutions provider in the Polish market with a good strategic fit for Glamox' PBS business area. Glamox will support ES-System's current strategy to seek further growth in the Polish market, strengthen operations and continue to deliver market leading service for customers.

During 2019 the Glamox Group has made significant investments, including the acquisition of Luxonic and ES-System, to improve its long-term competitive position. The integration of the two companies into the Group will be an important focus area in the next quarters and we are confident that this will further strengthen the Glamox Group and generate valuable synergies. The Glamox Group will continue to follow its strategy focusing on profitable growth and financial strength.

Rune Marthinussen

President & CEO Glamox AS

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<sup>1</sup> Excluding IFRS16 reclassification effects and overhead cost in GLX Holding AS

# Financial review

## Group results

### Quarter

The order intake in Q4-2019 ended at NOK 842m, an increase of 10% from NOK 763m in Q4-2018. Both the GMO business area and the PBS business area reports higher order intake. Adjusted for acquisitions and currency effects, the Group had a comparable year-on-year decline in order intake of 8% in the fourth quarter 2019.

The Group had adjusted total revenue of NOK 824m in Q4-2019, up 12% from NOK 739m in Q4-2018. The fourth quarter is positively impacted by the acquisition of Luxonic and ES-System compared to the same period last year. The Group recorded non-recurring revenue of NOK 43m related to a property sale in Germany and the reversal of a provision in Q4-2019. On a comparable basis, total revenue decreased by 3% vs. the same period last year. The PBS business area reports lower comparable revenue, partly offset by higher comparable revenue in the GMO business area.

The adjusted EBITDA for GLX Holding ended at NOK 123m in Q4-2019, an increase of 11% from NOK 111m in Q4-2018. The adjusted EBITDA margin in the quarter is 15.0% vs. 15.1% in the same period last year. Excluding the effect of IFRS16 reclassification, the adjusted EBITDA in the quarter is NOK 112m (13.6%), up 1% from NOK 111m (15.1%) in the fourth quarter last year.

Non-recurring items with a net negative EBITDA effect of NOK 22m was reported in the quarter.

In Q4-2019 the Group reports a net profit after tax of NOK 23m, up from NOK 2m in Q4-2018.

### Year to date

The Group reports total order intake of NOK 3,100m YTD 2019, up 6% from NOK 2,935 in the same period last year, down 4% on a comparable basis. Total revenue YTD 2019 amounted to NOK 3,098m, up 12% from NOK 2,773m YTD 2018 or 1% above the same period last year on a comparable basis.

The adjusted EBITDA YTD 2019 is NOK 480m. Excluding IFRS16 reclassification effects, the adjusted EBITDA ended at NOK 444m YTD 2019, an increase of 6% from NOK 420m YTD 2018 driven by higher volume. Excluding IFRS16 reclassification effects, the adjusted EBITDA margin YTD 2019 is 14.6% compared to 15.2% YTD 2018.

## Cash flow

### Quarter

Cash flow from operations equaled NOK 102m in Q4-2019 compared to cash flow from operations of NOK 99m in Q4-2018. Higher cash flow is mainly explained by higher operating profit and a positive working capital effect, partly offset by higher taxes paid and other operating changes. Other operating changes include provisions for holiday pay, net financial items and other provisions.

Net cash flow from investing activities in the quarter equaled NOK -259m of which NOK -29m is related to investments in existing business, NOK -294m is related to the acquisition of ES-System, net of cash acquired, NOK 62m is related to the sale of real estate in Germany and NOK 3m of other items. Investments in existing business is in line with the same period last year.

Net cash flow from financing was NOK 325m in Q4-2019. This includes a NOK 355m drawdown of new debt in connection with the acquisition of ES-System. Interest paid was NOK -32m, lease payments was NOK -11m, and other cash flow from financing of NOK 12m. Total cash flow for the period was NOK 168m increasing the cash balance to NOK 382m.

## Year to date

Cash flow from operations was NOK 211m YTD 2019, in line with NOK 215m YTD 2018. Higher operating profit than last year is offset by a lower positive effect from other operating changes.

## Financial position

As of 31 December 2019, GLX Holding's equity amounts to NOK 2,006m. The equity ratio as of 31 December 2019 was 38%. Net interest-bearing debt as of 31 December 2019 is NOK 1,663m (adjusted for the IFRS 16 effect), which is up from NOK 1,288m as at 31 December 2018. Increased net interest-bearing debt is mainly explained by dividend payment, the acquisition of Luxonic in Q2-2019 and ES-System in Q4-2019.

The Groups borrowings consist of long-term senior secured notes of NOK 1,350m and a revolving credit facility (RCF). In connection with the acquisition of ES-System, the RCF was increased from NOK 1,000m to NOK 1,400m. As of 31 December 2019, the total liquidity reserve is NOK 1,083m.

In June 2018 GLX Holding entered into a 3-year floating-to-fixed interest rate swap for the nominal amount of NOK 1,350 in order to remove interest rate risk on the senior secured notes.

## Segments

ES-System is currently reporting as a separate segment. In Q4-2019 ES-System contributed with NOK 21m in order intake, NOK 31m in total revenue and EBITDA of NOK 2m.

## Professional Building Solutions (PBS)

NOKm	Q4 2019	Q4 2018	YTD 2019	YTD 2018
Order intake	593	552	2,190	2,125
Adjusted Total revenue	552	546	2,167	2,024
Adjusted EBITDA <sup>1</sup>	80	99	359	360
Adjusted EBITDA margin <sup>1</sup>	14.4 %	18.1 %	16.6 %	17.8 %

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

## Quarter

The Professional Building Solutions (PBS) business areas reports total order intake of NOK 593m in Q4-2019, an increase of 8% from NOK 552m in Q4-2018. Total revenue ended at NOK 552m in Q4-2019, 1% above NOK 546m in Q4-2018. Luxonic, acquired in Q2-2019, contributed with NOK 95m in order intake and NOK 48m in revenues in Q4-2019. The comparable year-on-year order intake is down 13%, while comparable revenue fell by 11% mainly explained by negative order intake and revenue growth in the Nordic region, UK & Ireland.

The adjusted EBITDA in Q4-2019 was NOK 80m, 20% behind NOK 99m in Q4-2018. The adjusted EBITDA margin ended at 14.4%, down from 18.1% in Q4-2018. This is partly explained by a negative margin effect from the consolidation of Luxonic in addition to lower comparable revenue in the quarter.

## Year to date

The PBS business area reported total order intake of NOK 2,190m YTD 2019, an increase of 3% from NOK 2,125m YTD 2018. Total revenue is NOK 2,167m YTD 2019, up 7% from NOK 2,024m YTD 2018. The comparable year-on-year order intake is down 7%, while comparable year-on-year revenue decreased by 1%. Adjusted EBITDA is NOK 359m YTD 2019, in line with NOK 360m YTD 2018.

## Global Marine & Offshore (GMO)

NOKm	Q4 2019	Q4 2018	YTD 2019	YTD 2018
Order intake	228	211	889	810
Adjusted Total revenue	242	192	853	745
Adjusted EBITDA <sup>1</sup>	33	13	90	65
Adjusted EBITDA margin <sup>1</sup>	13.7 %	7.0 %	10.6 %	8.8 %

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

### Quarter

The Global Marine & Offshore (GMO) business area reports total order intake of NOK 228m in Q4-2019, an increase of 8% from NOK 211m in Q4-2018. Total revenue ended at NOK 242m in Q4-2019, 26% above NOK 192m in Q4-2018. A strong quarter for the Offshore Energy segment is the main driver for the increase in both order intake and revenue year-on-year, in addition higher revenue in the Commercial Marine segment also impacts the results in the quarter positively.

The adjusted EBITDA was NOK 33m, 153% above NOK 13m in Q4-2018. The adjusted EBITDA margin in Q4-2019 was 13.7% compared to 7.0% in Q4-2018. The most important driver for the higher EBITDA margin is the volume growth compared to the same period last year.

### Year to date

The GMO business area had total order intake of NOK 889m YTD 2019, up 10% from NOK 810m YTD 2018. Total revenue ended at NOK 853m YTD 2019, an increase of 14% from 745m YTD 2018. The adjusted EBITDA is NOK 90m YTD 2019, 38% ahead of NOK 65m YTD 2018.

## Outlook

The Glamox Group is continuing its investments in new products and systems, as well as increasing the capacity and competence in the organisation in order to improve its long-term competitive position and continue its strategy focusing on profitable growth and financial strength.

# Condensed consolidated interim financial statements

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

NOK 1000	Q4		YTD		FY
	2019	2018	2019	2018	2018
Revenue	813 177	727 869	3 005 333	2 731 296	2 731 296
Other operating income	54 090	13 751	92 303	41 422	41 422
<b>Total revenues</b>	<b>867 267</b>	<b>741 619</b>	<b>3 097 635</b>	<b>2 772 718</b>	<b>2 772 718</b>
Raw materials	(394 092)	(353 656)	(1 427 364)	(1 285 180)	(1 285 180)
Payroll and related cost	(245 731)	(235 035)	(930 208)	(879 380)	(879 380)
Other operating expenses	(126 314)	(87 017)	(331 577)	(280 024)	(280 025)
<b>EBITDA</b>	<b>101 130</b>	<b>65 911</b>	<b>408 487</b>	<b>328 133</b>	<b>328 134</b>
Depreciation	(28 445)	(13 720)	(93 664)	(52 680)	(52 680)
Amortization	(22 908)	(21 111)	(88 206)	(82 406)	(82 406)
<b>Operating profit / EBIT</b>	<b>49 777</b>	<b>31 080</b>	<b>226 617</b>	<b>193 048</b>	<b>193 048</b>
Net financial items	(12 644)	(21 958)	(95 965)	(97 620)	(97 620)
<b>Profit before tax</b>	<b>37 134</b>	<b>9 121</b>	<b>130 652</b>	<b>95 428</b>	<b>95 428</b>
Taxes	(14 555)	(6 885)	(52 749)	(28 967)	(28 967)
<b>Profit for the period</b>	<b>22 579</b>	<b>2 236</b>	<b>77 903</b>	<b>66 461</b>	<b>66 461</b>
Profit/loss attributable to owners	11 130	(4 106)	34 445	25 558	25 558
Profit/loss attributable to non-controlling interest	11 449	6 344	43 459	40 904	40 903

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

NOK 1000	Q4		YTD		FY
	2019	2018	2019	2018	2018
<b>Profit for the period</b>	<b>22 579</b>	<b>2 236</b>	<b>77 903</b>	<b>66 461</b>	<b>66 461</b>
<i>Other comprehensive income that will not be reclassified to profit or loss:</i>					
Gain/loss from re-measurement on defined benefit plans	(6 023)	(781)	(6 023)	(781)	(781)
Tax effect on re-measurements on defined benefit plans	943	(244)	943	(244)	(244)
Total items that subsequently will not be reclassified to profit or loss	(5 079)	(1 025)	(5 079)	(1 025)	(1 025)
<i>Other comprehensive income that may be reclassified to profit or loss:</i>					
Currency translation differences	2 378	35 338	(2 606)	19 556	19 556
Net gain/loss on hedge of foreign subsidiaries	928	(33 713)	4 272	(18 963)	(18 963)
Tax effect from hedge of foreign subsidiaries	(204)	7 753	(940)	4 361	4 361
Total items that subsequently may be reclassified to profit or loss	3 102	9 378	727	4 954	4 954
<b>Other comprehensive income for the period</b>	<b>(1 978)</b>	<b>8 352</b>	<b>(4 353)</b>	<b>3 929</b>	<b>3 929</b>
<b>Total comprehensive income for the period</b>	<b>20 601</b>	<b>10 588</b>	<b>73 551</b>	<b>70 390</b>	<b>70 390</b>
Total comprehensive income attributable to owners	9 624	2 216	31 130	28 550	28 550
Total comprehensive income attributable to Non-Controlling interest	10 977	8 374	42 421	41 840	41 840

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

<b>NOK 1000</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2018</b>
<b>ASSETS</b>			
Intangible non-current assets	2 978 709	2 931 207	2 931 207
Tangible non-current assets	663 386	324 402	324 402
Other non-current assets	61 237	52 567	52 567
<b>Total non-current assets</b>	<b>3 703 332</b>	<b>3 308 176</b>	<b>3 308 176</b>
Inventory	596 971	462 384	462 384
Receivables	635 237	451 088	451 088
Cash and cash equivalents	382 299	318 346	318 346
<b>Total current assets</b>	<b>1 614 507</b>	<b>1 231 817</b>	<b>1 231 817</b>
<b>TOTAL ASSETS</b>	<b>5 317 839</b>	<b>4 539 994</b>	<b>4 539 994</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	1 604 349	1 573 218	1 573 218
Non-controlling interests	401 378	392 586	392 586
<b>Total equity</b>	<b>2 005 727</b>	<b>1 965 804</b>	<b>1 965 804</b>
Deferred tax liabilities	321 928	344 627	344 627
Long-term interest-bearing liabilities	1 983 548	1 562 145	1 562 145
Long-term lease liabilities	137 089	-	-
Long-term provision and other liabilities	91 955	92 509	92 509
<b>Total non-current liabilities</b>	<b>2 534 520</b>	<b>1 999 281</b>	<b>1 999 281</b>
Short-term interest-bearing liabilities	19 848	-	-
Trade payables	284 680	203 949	203 949
Tax payable	40 915	35 847	35 847
Short-term lease liabilities	47 268	-	-
Other short-term liabilities	384 880	335 113	335 113
<b>Total current liabilities</b>	<b>777 592</b>	<b>574 910</b>	<b>574 910</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5 317 839</b>	<b>4 539 994</b>	<b>4 539 994</b>

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

<b>NOK 1000</b>	<b>Share capital</b>	<b>Share premium reserve</b>	<b>Retained earnings</b>	<b>Total shareholders' equity</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
<b>Balance as of 31 December 2018</b>	<b>1 000</b>	<b>1 599 346</b>	<b>(27 125)</b>	<b>1 573 220</b>	<b>392 585</b>	<b>1 965 804</b>
Current period profit and loss			34 445	34 445	43 459	77 904
Other comprehensive income (loss)			(3 315)	(3 315)	(1 038)	(4 353)
Total comprehensive income (loss)			31 130	31 130	42 421	73 551
Dividends				-	(33 628)	(33 628)
<b>Balance as of 31 December 2019</b>	<b>1 000</b>	<b>1 599 346</b>	<b>4 004</b>	<b>1 604 348</b>	<b>401 378</b>	<b>2 005 727</b>



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

NOK 1000	Q4		YTD		FY
	2019	2018	2019	2018	2018
Profit before tax	37 134	9 121	130 652	95 429	95 428
Taxes paid	(23 790)	(14 924)	(90 585)	(82 163)	(82 163)
Depreciation and amortization	51 352	34 831	181 869	135 085	135 086
Profit from sale of assets	(36 783)	-	(36 783)	-	-
Changes in working capital	56 108	43 909	(9 938)	(31 985)	(31 985)
Other operating changes	17 957	25 867	35 597	98 384	98 384
<b>Net cash flow from operating activities</b>	<b>101 977</b>	<b>98 805</b>	<b>210 811</b>	<b>214 750</b>	<b>214 750</b>
Purchase of tangible fixed assets and intangible assets	(29 279)	(27 285)	(76 871)	(67 098)	(67 098)
Proceeds from sale of tangible fixed assets	61 504	-	61 504	-	-
Acquisition of subsidiary, net of cash acquired	(294 357)	-	(356 837)	(129 915)	(129 915)
Other cash flow from investments	3 322	676	11 691	4 790	4 790
<b>Net cash flow from investing activities</b>	<b>(258 810)</b>	<b>(26 609)</b>	<b>(360 513)</b>	<b>(192 224)</b>	<b>(192 223)</b>
Down payment	(451)	-	(12 166)	-	-
Lease payment	(10 798)	-	(36 517)	-	-
Proceeds from borrowings	355 137	-	405 137	112 680	112 680
Dividend paid	-	-	(33 622)	(30 700)	(30 700)
Interest paid	(32 025)	(27 497)	(116 153)	(104 871)	(104 871)
Other cash flow from financing activities	12 814	-	1 970	-	-
<b>Net cash flow from financing activities</b>	<b>324 675</b>	<b>(27 497)</b>	<b>208 649</b>	<b>(22 890)</b>	<b>(22 890)</b>
<b>Total cash flow for the period</b>	<b>167 842</b>	<b>44 700</b>	<b>58 947</b>	<b>(364)</b>	<b>(363)</b>
Effect of change in exchange rate	(6 308)	12 450	5 006	11 645	11 645
Cash and cash equivalents, beginning of period	220 765	261 196	318 346	307 064	307 064
<b>Cash and cash equivalents, end of period</b>	<b>382 299</b>	<b>318 346</b>	<b>382 299</b>	<b>318 346</b>	<b>318 346</b>

# Notes to the condensed consolidated interim financial statements

## Note 1 - General information and accounting principles

GLX Holding AS is a company incorporated and domiciled in Norway. GLX Holding AS is a holding company and has no other activities or investments than the ownership of 76,17% of Glamox AS. The registered address is c/o Triton Advisors (Norway) AS, Kronprinsesse Märthas plass 1, 0161 OSLO. The ultimate parent of GLX Holding AS is Triton Fund IV.

GLX Holding AS has applied the same accounting policies as in the IFRS consolidated financial statement for 2018, except for the implementation of IFRS 16 Leases (see note 7 below). 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 2018. 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 2018.

## Note 2 - Operating segments

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

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

	<b>PBS Q4-2019</b>	<b>GMO Q4-2019</b>	<b>Other Q4-2019</b>	<b>Group Q4-2019</b>
Revenues	558	278	31	867
EBITDA	61	30	11	101
in %	10.9%	10.7%	35.5%	11.6%

	<b>PBS YTD-2019</b>	<b>GMO YTD-2019</b>	<b>Other YTD-2019</b>	<b>Group YTD-2019</b>
Revenues	2,174	894	31	3,098
EBITDA	323	54	31	408
in %	14.9%	6.0%	100.0%	13.2%

## Note 3 - Items affecting comparability

In Q4-2019 the Group recorded net non-recurring items of NOK 22m. NOK 23m is related to acquisition cost, integration cost and severance pay. NOK 24m is related to provision for potential claim cost. NOK 14m is related to ongoing restructuring activities. Further is NOK 5m related to other items. In Q4-2019 the Group had income items that is recorded as non-recurring items of NOK 43m. Of this NOK 36m relates to sale of office in Bremen and NOK 7m relates to reversal of provision.

In Q4-2018 the Group recorded net non-recurring cost of NOK 35m. Of this NOK 38m is related to a provision for potential claim cost and NOK -3m was related to reversal of a provision for potential expenses connected to the sale of a property in Molde, Norway.

For 2019 the Group has recorded net non-recurring cost of NOK 72m. Of this NOK 32m is related to acquisition cost, integration cost and severance pay. NOK 24m is related to provision for potential claim cost. NOK 46m is related to the ongoing restructuring activities. NOK 8m is related to cancellation of orders to Russia and Iran. Due to the sanction regime against Russia and Iran requiring severe compliance procedures on deliveries and banks not forwarding payments from US sanctioned parties, the Group has decided to withdraw from these two markets. Further is NOK 5m related to other items. In 2019 the Group had income items that is recorded as non-recurring items of NOK 43m. Of this NOK 37m relates to sale of office in Bremen and NOK 7m relates to reversal of provision.

In 2018 the Group had recorded net non-recurring cost of NOK 92m. Of this NOK 44m was related to restructuring activities. NOK 41m is related to a provision for potential claim cost, and NOK 2m is related to other items. NOK -3m was related to reversal of a provision for potential expenses connected to the sale of a property in Molde, Norway. Further NOK 8m was related to extraordinary bonus.

#### **Note 4 - Dividend**

In June 2019, Glamox AS distributed dividend of total NOK 141.1m (NOK 2.138 per share). Of this, NOK 107.4m was distributed to the parent company GLX Holding AS, and NOK 33.7m to non-controlling interests.

#### **Note 5 – Interest bearing liabilities to financial institutions**

The Group holds a bond and a revolving facility. In December 2019, the credit limit of the revolving facility was increased by NOK 400 million, up to 1,400 million. As of December 31, 2019 the utilized amount was NOK 686m. The liquidity reserve was NOK 1,083m by year end 2019.

By year end 2018 the revolving facility had a credit limit of NOK 1,000m and the utilized amount was NOK 248m.

Net interest-bearing debt according to new accounting principles is NOK 1,837m. Adjusted for the IFRS 16 effect of NOK 174m, net interest-bearing debt according to old accounting principles is NOK 1,663m as of 31.12.2019.

#### **Note 6 - 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 counselling. For the period ended 31 December 2019, the company has expensed NOK 5m.

#### **Note 7 - Changes in accounting policies 2019 - IFRS 16 Leases**

The Group implemented IFRS 16 Leases from 1 January 2019. The new accounting standard has replaced IAS 17 Leases and covers the recognition, measurement and presentation of leases and related disclosures in the financial statement. IFRS 16 requires that all leases, except from short term leases and leases of low value assets are reflected in the balance sheet of a lessee as a lease liability and a Right of use (RoU) asset. The GLX Holding Group has implemented the standard according to the modified retrospective method with no restatement of comparable figures for 2018, which are still presented in accordance with IAS 17.

Reference is made to note 10.3 in GLX Holding Group's annual financial statement 2018 for detailed description of accounting principles, implementation effects and method for implementation. There have been no changes to these elements compared to the description in the 2018 annual financial statements, and the 2018 note on implementation of IFRS 16 Leases therefore describes the accounting policy applied for balances and transactions in 2019.

The tables below show impact from IFRS 16 on lines in condensed profit and loss statement and condensed cash flow statement for YTD 2019, and on condensed balance sheet per 31 December 2019.

## Condensed profit and loss

NOK 1000	Old principles 31.12.2019	Effects from IFRS 16	New principles 31.12.2019
<b>Total revenues</b>	<b>3 097 635</b>		<b>3 097 635</b>
Raw materials	1 427 364		1 427 364
Payroll and related cost	930 208		930 208
Other operating expenses	368 094	(36 517)	331 577
<b>EBITDA</b>	<b>371 970</b>		<b>408 487</b>
Depreciation	60 071	33 593	93 664
Amortization	88 206		88 206
<b>Operating profit / EBIT</b>	<b>223 693</b>	<b>2 924</b>	<b>226 617</b>
Net financial items	92 156	3 809	95 965
<b>Profit before tax</b>	<b>131 537</b>	<b>(885)</b>	<b>130 652</b>
Taxes	52 943	(195)	52 749
<b>Profit for the period</b>	<b>78 594</b>	<b>(690)</b>	<b>77 903</b>

## Condensed balance sheet lines

NOK 1000	Old principles 31.12.2019	Effects from IFRS 16	New principles 31.12.2019
Tangible non-current assets	491 016	172 370	663 386
Other non-current assets	61 042	195	61 237
<b>Total non-current assets</b>	<b>3 530 767</b>	<b>172 565</b>	<b>3 703 332</b>
<b>TOTAL ASSETS</b>	<b>5 145 274</b>	<b>172 565</b>	<b>5 317 839</b>
Equity	1 605 300	(952)	1 604 349
Non-controlling interests	401 676	(298)	401 378
<b>Total equity</b>	<b>2 006 976</b>	<b>(1 249)</b>	<b>2 005 727</b>
Long-term lease liabilities	6 335	130 754	37 089
<b>Total non-current liabilities</b>	<b>2 403 766</b>	<b>130 754</b>	<b>2 534 520</b>
Short-term lease liabilities	4 209	43 060	47 268
<b>Total current liabilities</b>	<b>734 532</b>	<b>43 060</b>	<b>777 592</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5 145 274</b>	<b>172 565</b>	<b>5 317 839</b>

## Condensed cash flow statement

NOK 1000	Old principles 31.12.2019	Effects from IFRS 16	New principles 31.12.2019
Net cash flow from operating activities	174 294	36 517	210 811
Net cash flow from investing activities	(360 513)		(360 513)
Net cash flow from financing activities	245 166	(36 517)	208 649
<b>Total cash flow for the period</b>	<b>58 947</b>		<b>58 947</b>
Effect of change in exchange rate	5 006		5 006
Cash and cash equivalents, beginning of period	318 346		318 346
<b>Cash and cash equivalents, end of period</b>	<b>382 299</b>		<b>382 299</b>

### Note 8 – Acquisitions

On 10<sup>th</sup> December 2019, Glamox acquired the polish company, ES-SYSTEM. The company was established in 1990 with headquarters in Cracow, Poland. Today, ES-SYSTEM has nearly 900 employees and two manufacturing plants located in Wilkasy and Dobczyce. ES-SYSTEM had revenues of approximately NOK 440m in 2018.

#### Preliminary Purchase Price Allocation

The Purchase Price Allocation is preliminary and will be updated in connection with the completion of the annual report for 2019.

NOK million	Carrying amount	Fair value Adj	Fair value
Goodwill		11.3	11.3
Other intangible non-current assets	1.5		1.5
Tangible non-current assets	199.0		199.0
Inventories	96.5		96.5
Receivables	125.0		125.0
Cash and cash equivalents	60.6		60.6
Long term liabilities	(52.7)		(52.7)
Deferred tax	(7.6)		(7.6)
Current liabilities	(78.7)		(78.7)
<b>Total</b>	<b>343.7</b>	<b>11.3</b>	<b>355.0</b>
<b>Purchase consideration</b>			
Cash consideration paid			355.0
<b>Total consideration for the shares</b>			<b>355.0</b>
<b>Net cash flow</b>			
Cash consideration paid			355.0
Cash acquired			60.6
<b>Net cash flow from acquisition</b>			<b>294.4</b>

### Note 9 - Significant risk and uncertainties

For information regarding the most significant risks and uncertainty factors, please read the description in the annual report for 2018. 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. The recent developments around the COVID-19 virus may have an impact on our supply chain and business activities in 2020.

### Note 10 - Forward-looking statements / Legal disclaimer

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

# Definitions

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

This report has not been subject to audit.

Order intake	Orders received measured at gross value before deduction of commissions and other sales reductions
Total revenue	Revenue and other operating income net of commissions and other sales reductions
Adjusted total revenue	Revenue and other operating income net of commissions, other sales reductions and non-recurring items
Comparable growth	Growth adjusted for acquisitions, non-recurring Items and currency effects
EBITDA	Earnings before net financial items, tax, depreciation, amortization
Adjusted EBITDA	Earnings before net financial items, tax, depreciation, amortization and non-recurring items
EBITDA-margin	EBITDA as a percentage of total revenue
Adjusted EBITDA-margin	Adjusted EBITDA as a percentage of total adjusted revenue
Net financial items	Financial income minus financial expenses including exchange rate differences related to financial assets and liabilities
Net debt	Interest-bearing debt minus cash and cash equivalents
Non-Recurring 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
MRO	Maintenance, repair and operations



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