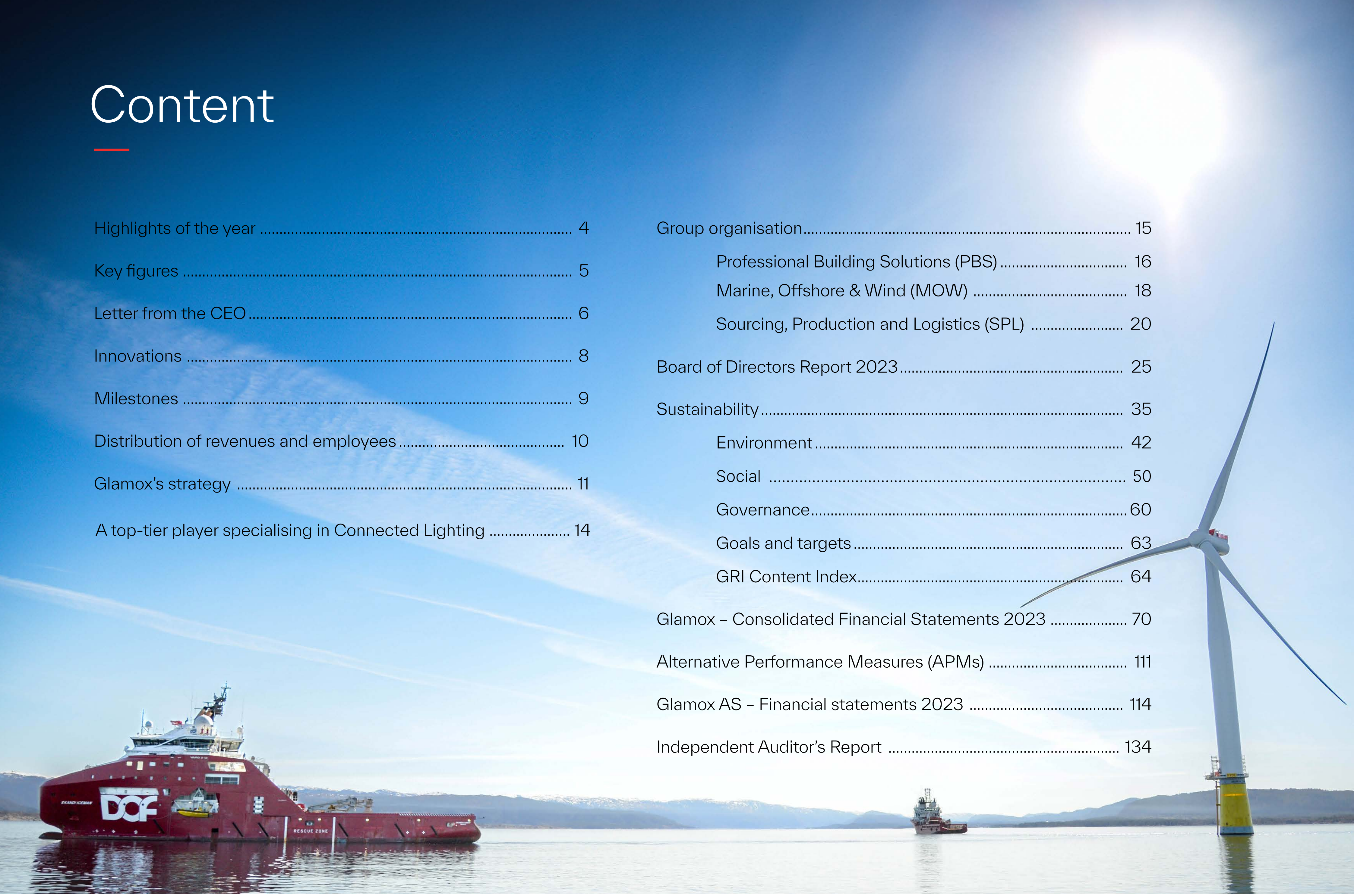
Glamox

Annual report 2023



Content

About Glamox

Glamox Group is a leading lighting company. We provide quality energy-efficient lighting solutions for professional buildings in Europe and to the world's marine, offshore and wind markets.

Headquartered in Oslo, Norway, Glamox AS is privately owned by Triton through GLX Holding AS and Fondsavanse. We employ around 2,100 professionals, with sales and production in Europe, Asia, and North America. In 2023, our annual revenues were NOK 4,266 million.

The Glamox Group operates two segments - Professional Building Solutions division (PBS) and Marine, Offshore & Wind division (MOW). Each of the two segments are served by our Sourcing, Production & Logistics division (SPL), which operates factories and plays a central role in the procurement of components and delivery of finished goods.

Vision

Creating light for a better life

Our mission

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

Our values

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

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

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

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

Highlights of the year

Increased share of **Light Management Systems** - particularly beneficial to reduce energy consumption

Launch of **Digital customer** portal and **Inspection App** for enhanced customer experiences

Successful **Human Centric Lighting Europe Tour** of events across 12 cities, fostering customer knowledge of HCL

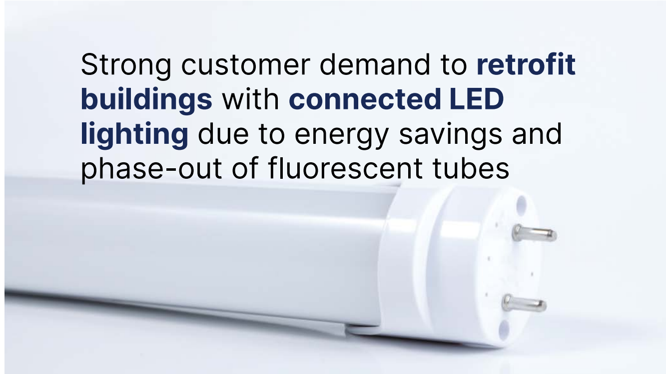
Red Dot: **Best of the Best** award for Product Design in 2023 to Luxo Adapt

Glamox lands contracts to **light next-generation wind turbine** installation vessels and turbine platforms

Glamox illuminates **Finnish Navy** Corvettes and **US Navy** support ships

Strengthening **Light Management Systems** adoption for customers by offering luminaires with **integrated sensors and software**

Placement of **sustainability-linked** credit facillity, and bond in our holding company, GLX Holding AS



Strong customer demand to **retrofit buildings** with **connected LED lighting** due to energy savings and phase-out of fluorescent tubes

Key figures

Financial Key figures

		2023	2022	2021	2020	2019
Order intake[2]	MNOK	4,315	3,860	3,758	3,484	3,100
Total revenue and other operating income	MNOK	4,266	3,772	3,377	3,490	3,098
Adjusted EBITDA[2]	MNOK	625	547	450	497	487
Adjusted EBITA[2]	MNOK	502	430	330	375	403
Adjusted EBIT[2]	MNOK	433	364	275	338	379
Operating profit	MNOK	377	294	-7	218	307
CASH FLOW						
Net cash flow from operating activities	MNOK	619	167	174	416	221
MARGINS & RATIOS						
Adjusted EBITDA margin[2]	%	14.7	14.7	13.3	14.3	15.9
Adjusted EBITA margin[2]	%	11.8	11.6	9.8	10.7	13.2
Adjusted EBIT margin[2]	%	10.2	9.8	8.2	9.7	12.4
Equity ratio	%	21.9	23.3	21.5	31.0	31.7
Turnover from Connected lighting	%	40.4	37.2	36.6	28.1	18.8
Earnings per share	NOK	2.15	2.57	-1.58	2.14	3.62
Order stock	MNOK	1,342	1,256	1,114	785	772

Non-financial Key figures

		2023	2022	2021	2020	2019
CLIMATE AND NATURE						
Co_2 reduction (scope 1 & 2)	%	-6.2	-24.3	-15.2	NA	NA
Waste to landfill reduction	%	-73.4	-41.3	6.9	NA	NA
Share of renewable electricity	%	91.0	93.0	69.0	NA	NA
OUR EMPLOYEES						
Full-time equivalents, average	Number	2,086	2,194	2,221	2,208	1,502
Gender distribution women/men	%	37/63	40/60	40/60	42/58	41/59
Number of injuries resulting in Lost Time (LTI)	Number	7	11	19	17	NA
Annual turnover, total[1]	%	8.6				

[1] New HR-system implemented in 2023, no corresponding figures for previous years
2020 is the baseline year for CO_2 reduction, waste to landfill reduction and share of renewable electricity.

[2] Please refer to APM section for further explanations and details on APM measures.

Revenue growth

+ 13%

Total revenue and other operating income

Order intake growth

+ 12%

Order intake

Adjusted EBITDA growth

+ 14%

Adjusted EBITDA margin

15%

Connected lighting

40%

of our turnover came from connected lighting

Waste reduction

73%

Waste to landfill reduction

CO_2 reduction

6%

(scope 1 and 2)

Renewable electricity

91%

Share of renewable electricity

Letter from the CEO

2023 was a remarkable year and I would like to begin by thanking our customers, partners, suppliers, and last but by no means least, our employees, for their service and commitment throughout the year.

The Glamox Group performed strongly despite mixed market conditions and continued geopolitical uncertainties. Our total revenue and operating income grew 13.1% on the previous year to a record NOK 4,266 million. Our adjusted EBITA was up 14.4%, benefitting from increased prices and efficiency initiatives that offset inflationary pressures.

It was a year in which we further positioned ourselves for the future. Firstly, by the company-wide execution of our Green Light Strategic Aspirations Plan, which is our roadmap to accelerate growth and develop our people, culture, and leadership. Secondly, by the successful placement of a NOK 1,350 million four-year senior secured sustainability-linked floating rate bond in our holding company. This bond was listed on the Oslo Børs in May 2023.

Retrofit wave

To accelerate growth in our existing markets, we addressed major industry growth trends. Most notable was the retrofit of buildings with energy-efficient LED lighting due to continued high energy prices and environmental directives that phase out fluorescent lighting across Europe. For example, we provided 34,000 replacement LED luminaires for the UNN Hospital in Tromsø, Norway, and assisted Stena Line in retrofitting 15 of its ferries with our energy-efficient lighting.

Also, we saw a significant increase in the uptake of our light management systems as customers seized on the opportunity to retrofit their buildings and achieve up to 90% electricity savings by adding smart controls. Our Glamox Wireless Radio solution performed particularly well, becoming popular with installers and customers for its ease of use and industry-leading fast commissioning time.

Our MOW business captured market share for lighting offshore wind farms and their support vessels and capitalised on an uptick in shipbuilding, with our naval sub-segment benefitting from increased defence spending.

Innovate and connect

I am delighted that we continued to innovate with market-driven human-centric and sustainable lighting solutions. During the year we launched several new products: from tuneable luminaires for human-centric lighting applications to the second generation of our popular MIR water-resistant luminaire family. Another highlight came in June when our stylish Luxo Adapt free-standing desk lamp won the prestigious Best of the Best Red Dot Award for Product Design.

Environmental excellence & efficiency improvements

The pursuit of environmental excellence is core to our strategy. How far we have come was underlined by our factory in Keila which was awarded a Gold Label in Estonia's Responsible >

Business Index 2023 – the country's highest sustainability award. Other highlights included a 63% reduction in the emissions of CO_2 equivalents for purchased aluminium by switching to recycled aluminium, submission of our Science Based Targets, and an increase in Environmental Product Declarations (EPDs) that certify and detail the whole-life environmental impact of our products. Most pleasing of all is that we are on track to Net Zero operations by 2030.

In the year we began new initiatives to simplify our operations and increase our levels of productivity. Initiatives included the launch of a digital HR platform and the rollout of a digital self-service portal to enhance the customer experience. In addition we invested in plant automation and in digital systems and tools to improve ERP and inventory control. These and additional initiatives are essential components of our strategy to enhance our competitiveness.

We also embrace circular economy design principles in our product development. These extend the lifespan of our products and enable us to recycle materials.

Fit for more growth

With growth in mind, we took steps during the year to strengthen our organisational design so that we are in shape to deliver on our aspirations. A key component was the investment in our people, culture, and leadership.

The Glamox Group Leadership Team was further strengthened by four new appointments, two of which were women. Rounding off the year we announced our first-ever Chief Digital Officer whose task is to lead and unite our digital technology, innovation, and IT functions.

Having the right plan, structure, and people in place was essential to our performance in 2023. We demonstrated our ability to adapt to mixed market conditions and performed well – helped in part by having businesses with diverse revenue streams that delivered robust financial performances across different cycles.

We continued on our mission to provide sustainable lighting solutions that improve the performance and well-being of people. It's a mission backed by a clear strategy for growth and I want to thank everyone who worked tirelessly on its execution.

Going forward, I believe we are in a stronger position to capitalise on the demand for our energy-saving lighting products and systems and create value by addressing high-growth sectors such as connected lighting, human-centric lighting, and the transition to offshore wind.

Astrid Simonsen Joos
Group CEO

> "I am delighted that we continued to innovate with market-driven human-centric and sustainable lighting solutions.

Innovations

As a leading lighting company committed to pushing boundaries, we are constantly pioneering new technologies and solutions to illuminate the world in innovative ways. The following are some examples from 2023 of how we illuminate the path forward with groundbreaking innovations in lighting technology.

Motus & C94 Pendant

Pendant high-end luminaires for open-plan offices and receptions, exceeding market demands on light performance in the architectural category.

Wireless sensor

Our newly developed "One for all" wireless sensor makes Glamox very competitive in all of our main segments (office, education, health and industry). This is the only sensor in this category that can also monitor emergency lighting wireless.

DL70 family

New innovative marine downlight series, with superior efficiency and lifetime, replacing DL60. DL70 is designed for various commercial marine vessels, and perfectly complements the interior design of ship cabins, corridors, public areas, staircases, control rooms, and bridges.

AL40-R family

This is a new, innovatively designed marine recessed linear light that fits nearly all marine ceiling types, is easy to install, and has a B0 and B15 fire rating. It is designed for the Glamox Light Management System (LMS) to control the light for optimal performance.

MIR G2 (M) family

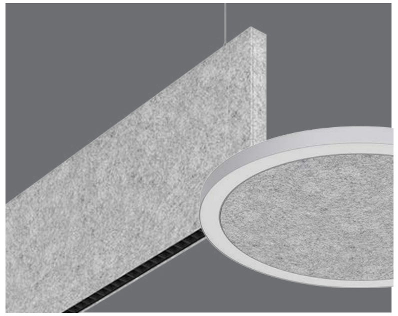
The linear LED luminaires are designed to withstand the harshest marine environments. Our most popular marine technical fitting – now in a slimmer package and equipped with cutting-edge energy-efficient technology.

C77

Comfortable lighting for offices and schools enabling a highly versatile product family in the commercial category.

Wired E2D solution

Ethernet2Dali (E2D) allows customers to plan the light management system that not only meets today's requirements, but can also accommodate future upgrades and expansion.



FX Silence

Acoustic Luminaires offering real sound dampening performance without compromising on light output in the indoor category.

Milestones

Our milestones, a journey highlighting key achievements and significant moments that have shaped our history and trajectory, reflecting on our journey of growth, innovation, and success.

Glamox Founded in Molde, Norway by Birger Hatlebakk

1947

Fluorescent tubes for marine applications

1968

Glamox goes international

1970-1980

Launching luminaires with LED

2009

Human Centric Lighting and Light Management Systems

2014-2016

2014 - Delivering first Human Centric Lighting project

2016 - Accelerated development of Light Management Systems

Acquisitions

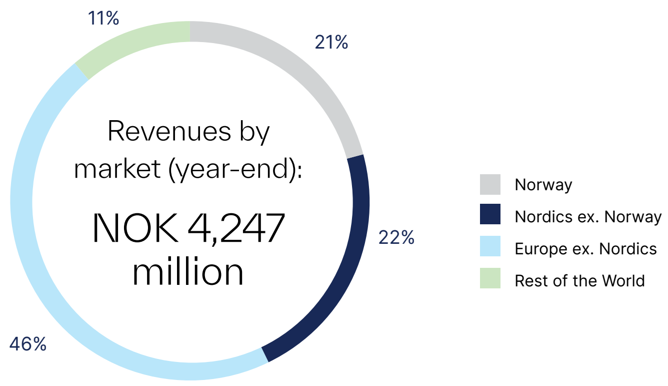
2016-2021

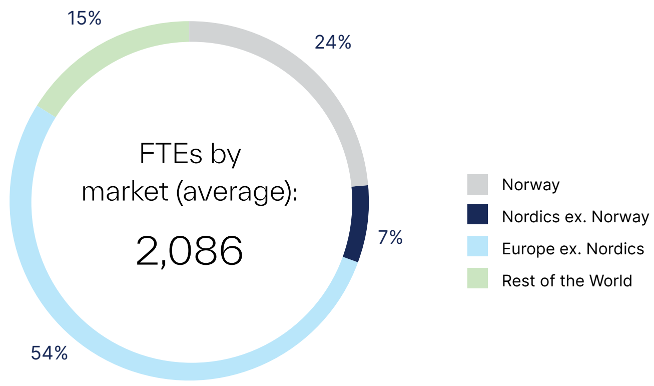
2016 - LINKSrechts
2018 - KÜTTEL
2019 - LUXONIC
2019 - ES-SYSTEM
2021 - LUMINELL
2021 - WASCO
2021 - LITEiP

Green Light Strategic Aspirations Plan and Fit for Growth project

2022-2023

Distribution of revenues and employees





Glamox's strategy

In a world where macro-economic pressures are pushing us to think about innovation and artificial intelligence, geo-political relations, and creating a better world for the future, companies need to be fast on their feet while innovating, but also remaining robust and trustworthy. The lighting industry is no exception.

2023 was a strong year for the Glamox Group, both in terms of financial performance and strategic drive. The 'Green Light Strategic Aspirations' have continued to pave the way forward. These initiatives encompass all areas of the business; a people focused culture, growth and commercial excellence, operational efficiency and a desire to act in a sustainable manner to protect the world for future generations.

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

Green Light Strategic Aspirations 2024 / Creating light for a better life

Accelerate growth in existing markets

Innovate market driven, human centric, sustainable lighting solutions

Accelerate market penetration within light systems

Environmental excellence, simplification and digitalisation across the value chain

Grow people, culture and leadership

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

/ Glamox shall be the preferred project partner by offering a superior customer experience

Green Light Strategic Aspirations

1. Accelerate growth in existing markets

- Continue to grow in our core markets and segments within Professional Business Solutions and Marine, Offshore and Wind.
- Stronger environmental regulation (such as EU's RoHS directive) provides opportunities for Glamox Group, shifting our customers over to energy efficient lighting.
- A strong focus on energy efficiency has yielded strong activity in retrofit and refurbishments across all our markets.

2. Innovate market driven human centric and sustainable lighting solutions

- Continue to be an early mover in providing Human Centric Lighting (HCL) by growing sales in Light Management Systems (LMS). A long-standing history and reputation of delivering quality luminaires to hospitals, care homes and schools, but also innovation and product development in general, has allowed Glamox Group to innovate and deliver new solutions to these markets. As a result, there are over 120, 000 tunable luminaires in place.
- The growing markets within Navy and Offshore Wind are illuminating opportunities for larger projects than ever before in this segment.

3. Accelerate market penetration within light systems

- A key part of our strategy is to further strengthen our leadership position in providing LMS.
- Deliver value to customers through combining wireless technologies, connected luminaires, services and data analytics.
- Integrate LMS offering with system for smart buildings.

4. Environmental excellence, simplification and digitalisation across the value chain

- Continued focus on attaining productivity improvements from digitalising operations and analytical tools. Execute on digital roadmap and continous improvement programs (such as customer experience, HR, inventory management, and procurement).
- Our operations strive towards environmental excellence, reducing emissions, waste, and consciously selecting materials to support a circular economy. Furthermore we actively engage with our suppliers to ensure responsible practices and transparency across our supply chain.

5. Grow people, culture and leadership

- Founded in our values, we want to recruit the right talent and develop our employees, providing them with training and the required skills.

Scalable and flexible business model

As a leading lighting company, Glamox Group provide quality energy-efficient lighting for professional buildings in Europe and to the world's marine, offshore and wind markets. With our strong geographical footprint, we are dedicated to serving our customers with excellence, regardless of their location.

The Glamox Group has a sustainable, technology independent business model, with a flexible value chain.

Our business model consists of:

• Professional Building Solutions (PBS) and Marine, Offshore & Wind (MOW). These customer focused divisions cover multiple geographies. Their focus is on developing products and customer relationships.

• Sourcing Production & Logistics (SPL) serves PBS and MOW in delivering the solutions to our customers. The focus is optimised and sustainable production, delivery, quality as well as cost efficiency.

Our business model means that our two commercial divisions (PBS & MOW) are close to customers, both in terms of geography and segment, while our SPL division can take advantage of scale and other efficiencies. This is an important part of the competitive advantage of the Glamox Group.

Glamox (Luminaires, Lighting systems & services) | Glamox (Commissioning, Added services)

Components	Luminaires	Lighting systems & services	Installation	Commissioning	Added services
• Light sources • Gateways • Drivers • Electrical components • Non-electrical components	• Design • Customisation • Processing • Assembly	• Software • Controllers • Panels / luminaires • Sensors	• Installation • Electrical infrastructure	• Customisation • Optimisation	• Software • Monitoring • Data • IoT

- Glamox operates in the B2B project market – limited wholesaler business reduces competition against low-cost providers.
- The ongoing shift towards connected lighting increases demand for commissioning and other added services.
- An asset light assembly business model, with limited production of inhouse electrical components where there historicaly has been significant price pressure.

Case study

Enabling sustainability for clients

The need to reduce electricity costs, shrink carbon footprints, and comply with the EU's Restriction of Hazardous Substances (RoHS) directive, are driving many enterprises to upgrade their existing lighting installations. The RoHs directive phases out the sale of the most common forms of fluorescent tube lighting across the 27-member countries. Upgrading to energy-efficient LED and connected lighting from Glamox gives extensive energy savings in retrofit projects.

85%

85% energy savings for Axian offices

Glamox completed an energy-saving retrofit project for ICT solutions and services company Axians, at its offices in Capelle aan den IJssel in the Netherlands. It switched from traditional fluorescent tube luminaires to connected LED lighting. Glamox provided 800 LED luminaires, including ceiling and surface-mounted luminaires, downlights, and elegant pendant luminaires. The lighting is controlled wirelessly by a Glamox Wireless Radio light management system using a tablet. Light switches are not needed as the luminaires are fitted with 'presence detection sensors' so that they switch on and off automatically. For this project, the control technology, in combination with energy-efficient LED luminaires, reduces the use of electricity by up to 85% compared with the previous lighting installation.

90%

National Oilwell Varco Inc reduced electricity used on lighting by more than 90%

NOV Inc, the global energy technology and services company, has used the phase-out of fluorescent lighting across Europe as an opportunity to completely upgrade its lighting in its offices in Kristiansand and its offices and warehouse in Stavanger, Norway. NOV is replacing its fluorescent luminaires with around 750 LED luminaires from Glamox at each location. Nearly all the luminaires are controlled using a Glamox Wireless Radio light management system and are equipped with presence sensing and daylight harvesting capabilities so that the lights are only activated when needed. This has the benefit of reducing energy consumption further. The combination of energy-efficient luminaires with sensors and light management systems made for impressive energy savings. In the offices, the electricity use was reduced by more than 90%.

A top-tier player specialising in Connected Lighting

Connected lighting refers to luminaires that are addressable, can be networked, remotely controlled, and capable of extracting data. At Glamox, connected lighting includes all products that can be networked, as well as revenue generated from network commissioning.

Enhanced connectivity and adaptability of lighting solutions result in energy savings, leading to reduced emissions (also known as Scope 4 emissions). Lighting consumes about 20% of energy consumption in non-residential buildings in the EU.

Recognising that the majority of environmental and climate impacts associated with lighting solutions occur during the use phase, the Glamox Group leverages its experience and expertise to deliver the most energy-efficient and sustainable solutions for its customers.

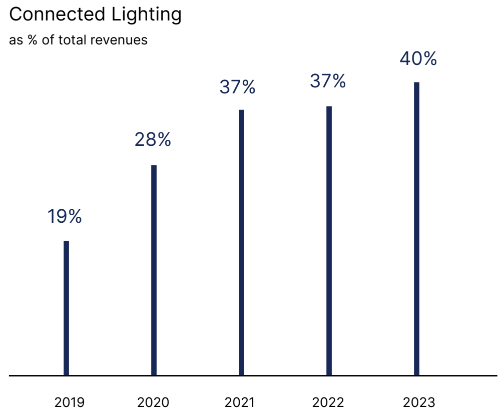
In 2023, Glamox Group sales of connected lighting as a percentage of external revenues was 40%, compared to 37% in 2022. As part of the sustainability linked financing framework Glamox has committed to achieving 45% in 2025.

Key efforts to achieve the 2025 target include ensuring that our product offering, which already consists almost entirely of LED luminaires, is 'connected ready' and available for the complete product portfolio. We will raise awareness about the advantages of connected lighting, internally through sales communications, marketing materials, and engagements with customers and other stakeholders. For instance, we support green building standards and ensure alignment with pertinent guiding principles. Collaborating with our customers, we aim to develop the optimal and most sustainable solutions tailored to their specific needs.

1. Switching to LED reduces energy usage by up to 50% compared to conventional lighting.

2. Adding smart controls, like daylight harvesting and presence controls potentially increases the energy saving by up to 90%[1], making connected lighting an important lever to reduce energy consumption.

3. Connected lighting reduces emissions and is a key enabler to deliver on our customers' sustainability ambitions.



[1] The savings achieved vary depending on local conditions and by project type, but Glamox has amassed several reference cases measuring energy usage before and after installation, confirming these numbers across different types of projects.

Group organisation

The Glamox Group's operations are organised in three divisions: Professional Building Solutions; Marine, Offshore and Wind; and Sourcing, Production and Logistics.

Professional Building Solutions
PBS manages sales, development, testing, and certification of top-tier energy-efficient LED and connected lighting for European professional buildings, aiding various sectors in cost and carbon reduction. Additionally, Glamox excels in Human Centric Lighting, aligning with individuals' circadian rhythms to enhance sleep, well-being, and performance.

Marine, Offshore and Wind
MOW is responsible for the development, sale, and distribution of high-calibre LED luminaires and connected lighting solutions tailored to the commercial marine industry, cruise- and ferry liners, naval and coast guard operations, and offshore energy (including offshore wind) sectors.

Sourcing, Production and Logistics
SPL oversees production across eleven sites, managing procurement, manufacturing, warehousing, and distribution for the Glamox Group. As a vital part of Glamox's value chain, SPL ensures efficient end-to-end supply chain operations, delivering high-quality products to customers promptly and cost-effectively. Additionally, SPL offers technical support to the sales teams of PBS and MOW.

Group CEO
Astrid Simonsen Joos

Finance
Geir Haukedal
Chief Financial Officer (CFO)

Marketing & Communications
Nina Hol
Chief Marketing & Communications Officer (CMCO)

People & Culture
Natalie Wintermark
Chief People and Culture Officer (CPCO)

Technology & Data
Terje Løken
Chief Digital Officer (CDO)

Business Development
Viktor Söderberg
Chief Growth Officer (CGO)

Marine, Offshore & Wind (MOW)
Tommy Stranden
Chief Sales & Commercial Officer MOW (CSCO)

Professional Building Solutions (PBS)
Knut Rusten
Chief Sales & Commercial Officer PBS (CSCO)

Sourcing, Production and Logistics (SPL)
Meelis Peterson
Chief Operations Officer (COO)

Group organisation as of April 2024

Professional Building Solutions

Professional Building Solutions (PBS) provides quality energy efficient LED and connected lighting for non-residential buildings in Europe.

Office and commercial buildings

Industrial buildings

Educational establishments

Health institutions

Retail and shopping centers

Hotels and restaurants

Our quality lighting extends across sectors including schools, hospitals, offices, warehouses, industry, and stores, enabling clients to significantly cut energy costs and reduce their carbon footprint. We have leading positions both within Light Management Systems (LMS) and Human Centric Lighting (HCL), both fast growing markets.

Accelerating retrofit activities

We hold a leading positon in professional lighting in Europe, and with particularly strong positions in the Nordics, as well as Estonia and Poland. Our customer centricity is marked by the 'preferred partner' approach with partnerships that extend to building owners, installers, architects, electrical consultants, contractors, and wholesalers. Geographically, PBS has sales operations in Norway, Denmark, Sweden, Finland, Estonia, Great Britain, Ireland, Germany, the Netherlands, Switzerland, and Poland. For other markets, we partner with selected value-added distributors.

PBS recognises and builds on the immense potential and market opportunities presented by retrofitting buildings, replacing fluorescent technologies with LED and connected lighting. Businesses and organizations can modernize their lighting infrastructure while reaping substantial energy and cost savings by a retrofit. This shift from outdated fluorescent systems to our advanced LED luminaires, seamlessly integrated with LMS, enhances energy efficiency and reduces operational expenses significantly. The market potential for replacing old fluorescent technology is vast going forward, as businesses across various sectors increasingly recognise the long-term benefits of adopting cutting-edge lighting solutions.

Light Management Systems

Glamox aims to be the preferred project partner for our customers. Over the last years we have focused on making LMS easy to use for our customers. The share of LMS is increasing year on year, and we will now make it even easier for customers to adopt LMS by providing luminaires with integrated sensors and software. These sensors and wireless systems will gather useful data and create additional value for the customer. By adding the Glamox Connect service we open up the world of big data – where it acts as a hub and a central monitoring system, with dashboards where customers can integrate and combine different light management systems. Glamox Connect LMS enables real-time monitoring, maintenance and other value-added services. Furthermore, our LMS system has the capability of integrating with most building management systems making it an integrated part of a smart building.

The adoption of HCL is accelerating. HCL is used to sync with people's circadian rhythms to suppress or stimulate hormone production. Studies have proven this lighting helps people focus better and can increase productivity by up to 12%. It can also help patients in hospital or care homes to sleep better and energises shift workers.

Digitalisation

In the past few years, we have invested significantly in our digital platforms. By creating seamless user experiences and easy-to-use solutions we also focus on giving customers the information they require when they need it. Glamox offers a self-service customer portal, where customers now can easily access their orders, quotes, deliveries and other relevant information.

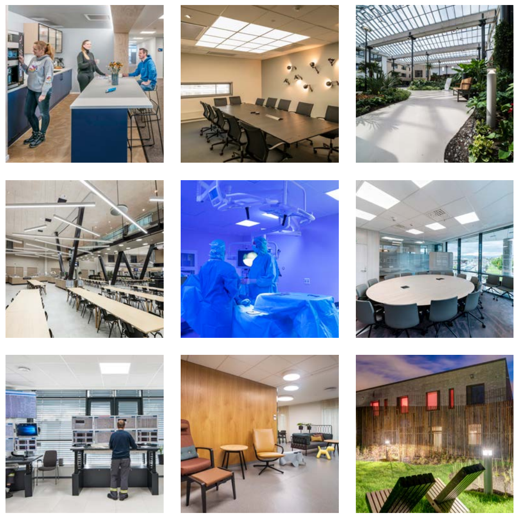
We also have invested in new interfaces internally, smoothing workflows by using data effectively and making it more understandable for internal users. These interfaces not only improve operational efficiency but also data transparency and understanding. With a strategic approach to data collection and the digital platform, Glamox has a great starting point to explore artificial intelligence and embed the technology into processes to unleash further efficiency gains. This holds significant potential benefits for both our customers and us as a company.

PBS has a comprehensive role in the development, testing, certification, and product management of lighting solutions in the manufacturing units organised under our Sourcing, Production & Logistics division.

In 2023, PBS had total revenues of NOK 3,171 million (NOK 2,808 million), an increase of 12.9%. At year-end 2023, the number of full-time employees in PBS was 577 (583), of which 82% were employed in businesses outside of Norway.

> "By creating good user experiences and easy-to-use solutions we focus on giving customers the information they need when they need it.

More than 300 HCL projects delivered in Europe



Marine, Offshore & Wind

Marine, Offshore & Wind (MOW) offers marine-grade lighting and smart solutions to global maritime markets including offshore wind, navy & defence, commercial marine, offshore energy, and cruise and ferry sectors.

Commercial Marine

Cruise & Ferries

Navy & Coastguard

Offshore Energy

Offshore Wind

Onshore Energy

International influence

A “close to the customer and closest to the user” philosophy, coupled with sustainable, long-lasting, and quality lighting solutions, has built a strong foundation for Glamox’s comprehensive and leading solutions portfolio. MOW’s keen insight into marine lighting trends, global regulations, and customer demands has secured its leading position and frequent first-mover advantage across various market sub-segments.

MOW’s global presence extends beyond the borders of Europe, reaching into Asia, Canada, the United States of America, and Brazil, with an ever-growing arm of distributors, agents, and partners to cover every corner of the globe.

Steady proliferation

In 2023, the Marine Offshore & Wind team experienced significant growth across all segments, particularly in commercial marine retrofits, navy & coast guard vessels, and offshore wind. Offshore wind emerged as one of Europe’s fastest-growing markets.

The persistent influence of the RoHS directive led to a surge in retrofit opportunities driven by sustainability, LED technology, reduced energy consumption, and emissions concerns for owners, operators and yards. Additionally, the uncertain geopolitical climate saw ongoing new build orders and retrofit opportunities for naval and defence vessels, with this market still on the rise.

The cruise and ferry market took a foothold within ferry and passenger vessel retrofits, seeing MOW secure numerous fleet retrofits. This trend is anticipated to persist across all targeted sectors in the foreseeable future.

New build, retrofit and renewables

In the midst of the offshore wind and renewable energy transformation, the traditional offshore energy sector is set to see a renewed emphasis on offshore oil and gas, with a focus on greener operations, decreased carbon emissions, and the adoption of upgraded, more intelligent technology as its central objectives.

Significant activity is anticipated in the oil and gas sectors, which holds positive future prospects regarding expected investment decisions. Pressures and tensions regarding climate goals will drive retrofit opportunities, while MOW also focuses on capitalising on the expanding offshore wind sector. The MOW offshore wind team has been enhanced to handle the rising influx of projects, with projections indicating continued growth into the next decade.

Digitalisation

Digitalisation is at the forefront of the Glamox Group Green Light Strategic Aspirations, where an Inspection app, online portal and web-shop are near completion. These tools will enhance customer processes, provide greater insight, accessibility, and transparency to daily operations.

Light Management Systems and Human Centric Lighting are now being introduced to MOW customers, with expectations for their increased adoption in the years to come. The initial projects include outfitting a Norwegian hybrid ferry and offshore rig control rooms, prioritising operational alertness, energy efficiency, and general comfort. Continued global pressure and tensions concerning climate goals will help to advance these retrofit opportunities, whilst in parallel, MOW continues to capitalise on the growing offshore wind business.

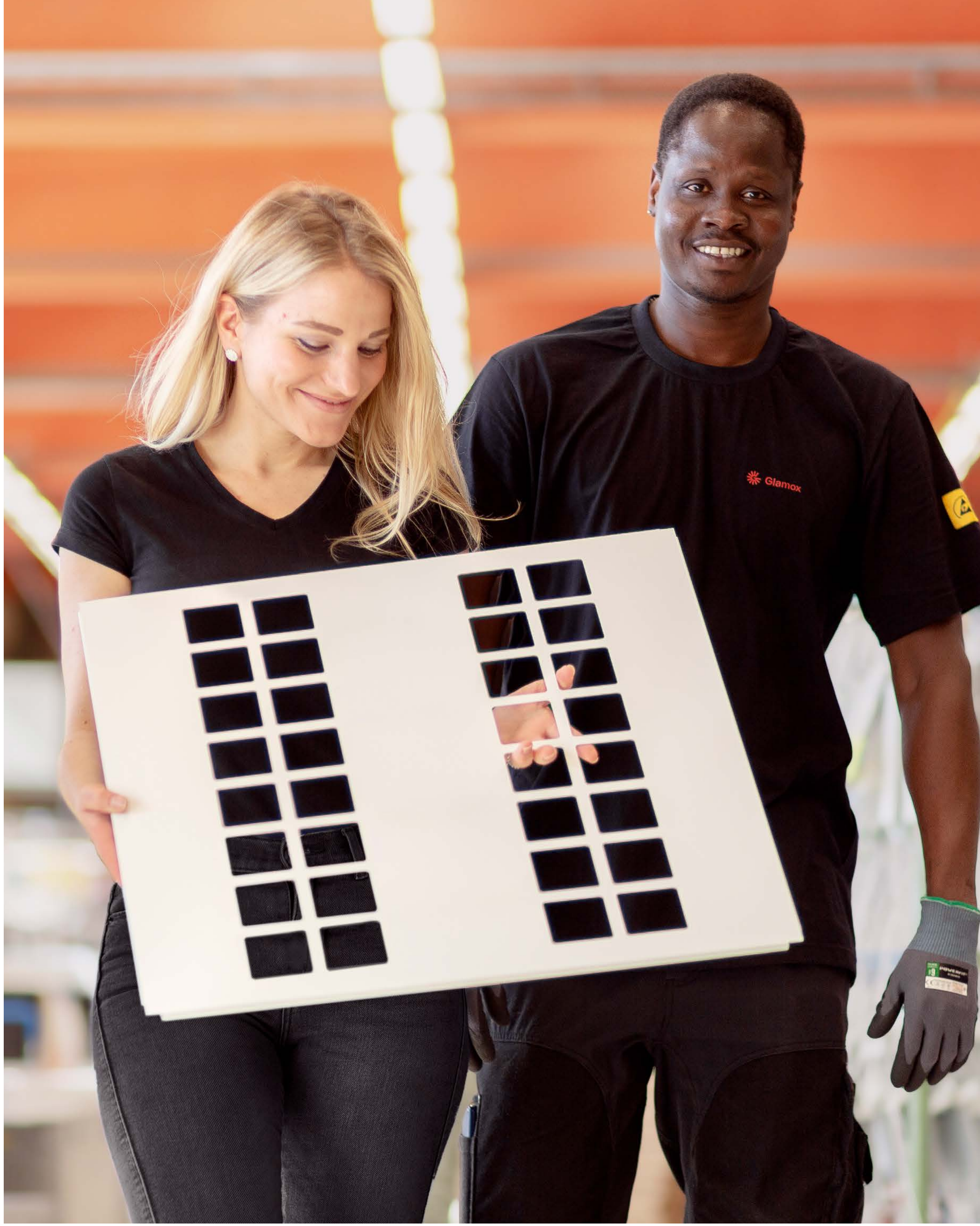
In 2023, MOW achieved a total revenue of NOK 1,090 million, marking a 20% increase from the previous year. The highest sales growth occurred in the commercial marine and navy & defence segments, followed by offshore wind.

At year-end 2023, the number of full-time employees in MOW was 209 (208), of which 72% were employed in businesses outside of Norway.

> “These tools will enhance customer processes, provide greater insight, accessibility, and transparency to daily operations.

Sourcing, Production & Logistics

The Sourcing, Production & Logistics (SPL) division makes up a pivotal part of the Glamox value chain, serving sales units and our customers with high-quality services and products. The division operates four main production units, located in Norway, Estonia and Poland, and seven smaller production units for special applications elsewhere. SPL plays a central role in the procurement of components and finished goods.



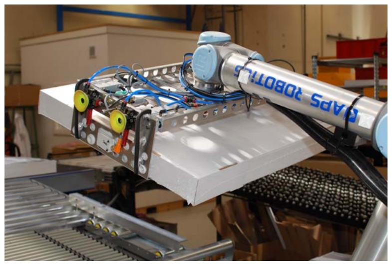
Inventories optimisation

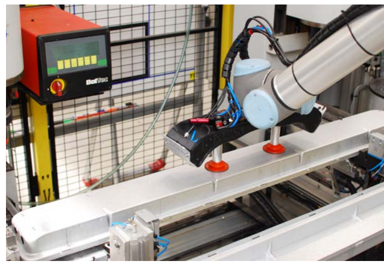
SPL responsibilities include procurement, order handling, manufacturing of goods, warehousing and distribution. The division operates production units and warehouses at a number of locations in Europe, and elsewhere, closely serving our customers. A dedicated logistics team ensures smooth deliveries in and out of the factories. Glamox Group has recently invested in logistics hubs at the European continent, primarily deriving benefits from their capacity to enhance efficiency. By centralising operations, Glamox Group has reduced transportation costs, streamlined our supply chain, improved inventory management and increased customer satisfaction with delivery precision. The logistics hubs have an important role in supporting further growth in our main markets.

Our focus includes working to minimise the carbon footprint of Glamox by improving packaging materials and methods, improving diversity and inclusion in the workplace, ensuring ethical supply chains with our IntegrityNext tool, and thus increasing transparency in our overall reporting.

During all of 2023, SPL was highly focused on inventory optimisation, improving our recycling rate and reducing waste to landfill, with appreciable progress. We also made strides on improving work safety with measurably lower Lost Time Injury (LTI). During the year, we included two more factories onto the Glamox ERP platform to allow us to focus on further digitalization of our processes. We have an agile production set up, and continuously adapt our production units in line with market development and customer demand.

At year-end, the number of full-time employees in SPL was 1,173 (1,286) of which 76% were employed outside Norway.





> “During 2023, SPL was highly focused on inventory optimisation, improving its recycling rate and reducing waste to landfill, with appreciable progress.

Board of Directors

Mikael Aro
Chairman of the Board

Joachim S. Espen
Member of the Board

Torfinn Kildal
Member of the Board

Lars Ivar Røiri
Member of the Board

Arild Nysæther
Member of the Board

Helene Egebøl
Member of the Board

Henny O.S. Eidem
Employee-elected member of the Board

Sigmund M. Johansen
Employee-elected member of the Board

Espen Ytterstad
Employee-elected member of the Board

Group Leadership Team

Astrid Simonsen Joos

Group **Chief Executive Officer** (CEO)

Joined Glamox in August 2022, born 1973

Experience from Signify & Microsoft in digitalisation, transformation & leadership. Member of the Board of Directors of Telenor ASA (Norway) and Nordea Invest (Denmark).

Geir Haukedal

Chief Financial Officer (CFO)

Joined Glamox in March 2022, born 1973

Experience from Azets (Formerly Visma) as CFO, Orkla & EY within various areas of finance.

Knut S. Rusten

Chief Sales & Commercial Officer PBS (CSCO)

Joined Glamox in August 1991, born 1963

Experienced with several positions in Glamox, including Marketing Director & SVP Marketing & R&D.

Tommy Stranden

Chief Sales & Commercial Officer MOW (CSCO)

Joined Glamox in January 2018, born 1977

Experienced managing international projects and extensive techninal experience Managed commercial operations globally across Glamox and previously at National Oilwel Varco.

Viktor Söderberg

Chief Growth Officer (CGO)

Joined Glamox in March 2022, born 1982

Experience from Scandza, Orkla & Norgesgruppen, within M&A, strategic development & corporate finance.

Nina A. Hol

Chief Marketing & Communications officer (CMCO)

Joined Glamox in March 2008, born 1971

Experienced with several leading positions in Glamox, including Marketing Director in the PBS division.

Meelis Peterson

Chief Operations Officer (COO)

Joined Glamox in October 1998, born 1974

Experienced with several positions in Glamox, including Factory Manager & Managing Director among others.

Natalie Wintermark

Chief People and Culture Officer (CPCO)

Joined Glamox in April 2023, born 1979

Experience from Yara, ABB & Capgemini within digital and strategic HR, learning & development & leadership.

Terje Løken

Chief Digital Officer (CDO)

Joined Glamox in February 2024, born 1975

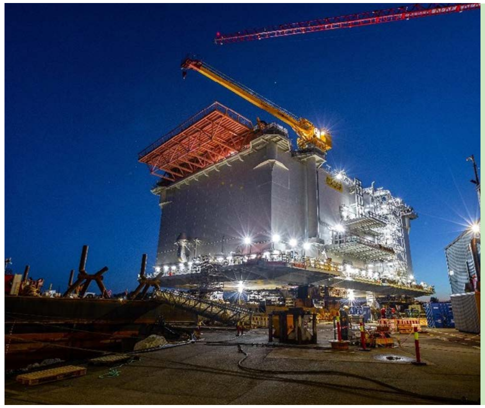
Experience in industrial SaaS products, AI, and digitalisation from Cognite & Storebrand.

Case study

Growth in offshore wind power

Offshore wind power is a fast-growing global market as countries transition from fossil fuels to renewable energy. The Glamox Group has provided offshore lighting since the 1970s. Today, it operates globally with the most comprehensive technical lighting portfolio for wind turbines, substations, and the different vessels needed to construct and maintain them.

Construction & support vessels
Glamox is providing energy-efficient LED marine lighting for four wind turbine commissioning and service operation vessels for Integrated Wind Solutions (IWS) Fleet AS of Norway. These zero-emission 'Skywalker Class' vessels, each with 2,500 Glamox light points, will support offshore wind farm construction, operation, and maintenance. Also, contracts were won to light two new state-of-the-art wind turbine installation vessels for Cadeler A/S, each with 2,300 light points, including searchlights, floodlights, and emergency lighting.



Substations
The first of three giant offshore substations lit by Glamox for Dogger Bank, the world's largest offshore wind farm. The substation converts AC electricity produced by the wind turbines to high-voltage DC electricity for transmission to land. The interior and exterior of Dogger Bank A is fitted with 640 LED luminaries. These marine-certified energy-saving luminaires include tough, anticorrosive, water-resistant linear luminaires and floodlights for lighting gantries, walkways, cranes, doors, stairwells, corridors, and machine rooms.

Wind turbines
Dutch engineering company Bakker Sliedrecht contracted Glamox to provide specialist marine LED lighting for the foundation platforms for 100 14 MW offshore wind turbines. These are for the RWE-owned Sofia Offshore Wind Farm, Dogger Bank. The luminaires include indoor and water-resistant outdoor linear LED luminaires and floodlights. The customer demanded a partner with a proven record in lighting offshore structures.

Board of Directors Report 2023

In 2023, the Glamox Group recorded high order intake and total revenue and other operating income. Order intake ended at NOK 4,315 million (NOK 3,860 million), an increase of 11.8%, whereas total revenue and other operating income were NOK 4,266 million (NOK 3,772 million), an increase of 13.1%. Looking ahead, the Glamox Group's fundamental growth prospects are positive, based on a robust business model, clear strategy, and positive long-term market drivers in both its operating segments.

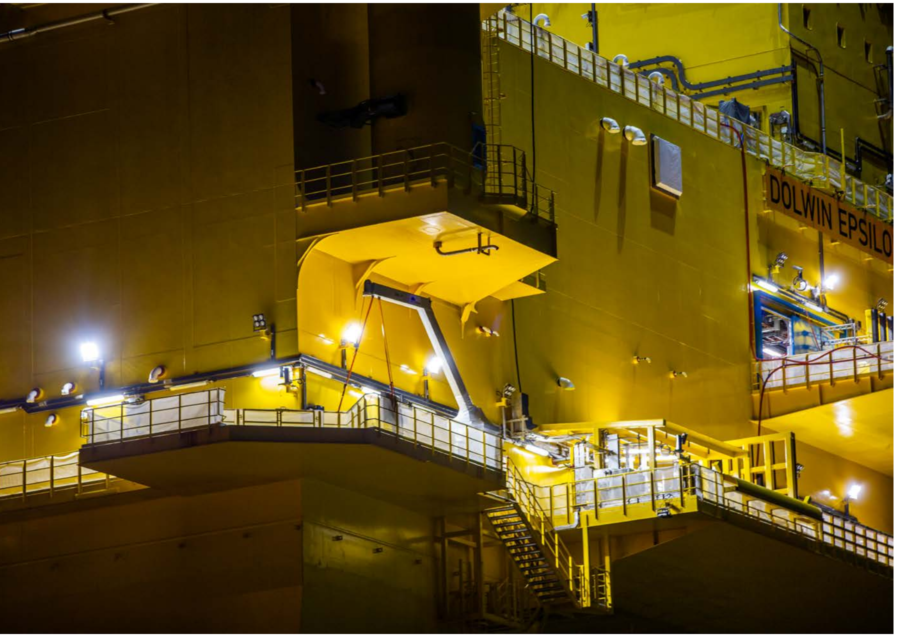
During the year, the lighting business was influenced by a mix of factors, including recovery from the Covid-19 pandemic, geopolitical tensions, energy prices and general economic uncertainty. Despite the heightened uncertainty in the world economy, Glamox operations in 2023 were not significantly affected by the increased market volatility. In fact, the current business environment, driven by regulatory changes, bolstered demand for energy-efficient lighting solutions in local markets.

Throughout the year, market demand for Glamox products has remained robust. The retrofit market benefited from continued high energy prices and EU initiatives promoting energy-efficient buildings. Additionally, new environmental regulations like the EU's RoHS directive, banning fluorescent tubes, have driven demand and are expected to spur further opportunities in Human Centric Lighting (HCL). The diversified revenue stream inherent in our business model, along with its countercyclicality, contributed to the strong financial performance. This scalable model was reinforced by the Green Light Strategic Aspirations Plan, emphasising lighting solutions and data-driven value creation. MOW has made significant progress in providing HCL solutions to challenging environments. We achieved flagship sales of HCL systems in both ferry, offshore wind, and offshore energy sectors. The digital light management solutions for reference projects have been specifically tailored to enhance the well-being

of individuals in these environments, utilizing digital tools to demonstrate the benefits of switching to Glamox HCL solutions.

In line with its growth aspirations, Glamox will continue to optimise its organisational model so that it can further maximise value creation with an asset light assembly. The organisational model will be improved with a structure and capabilities that support the refined Green Light group strategy. In the work related to developing the organisational set-up, a wide range of topics will be explored. The continuous improvement efforts will range from strengthening our HR model to attract the best talent in line with our ambition, to how we organise ourselves to keep pace with evolving technologies and new digital services to better serve our customers.

Market development within the Professional Building Solutions (PBS) sector is shaped by new construction projects and the modernisation of non-residential buildings. Significant opportunities arose in the retrofit market for both new and existing customers, driven by the level of energy prices and EU energy efficiency initiatives. Across the main markets served by the PBS division, 2023 witnessed stronger conditions compared to historical levels. This increase in activity was driven by a significant demand for energy-efficient lighting. PBS successfully expanded its market share across most target markets.



The Marine, Offshore, & Wind (MOW) division is influenced by the level of activity in new-build construction, refurbishment and rebuild across various maritime vessels and offshore installations. In all marine segments, there was a notable increase in retrofits and renovations, particularly with LED upgrades for existing vessels. The demand for construction of vessels continued at same level as 2022 in terms of total investments driven by good outlook within new ship segments such as vehicle carriers, tanker vessels and smaller special vessels. Accelerating emission reduction requirements and the fueling transition within shipping helped to drive investments in building new vessels with the trend set to continue.

In the expanding offshore wind market, Glamox leads as the primary lighting provider. This growth is fueled by global demand for renewable energy, driving investments in wind farms, fixed offshore substations, and construction and support vessels. Increased defence spending due to geopolitical tensions also boosted the Navy and Commercial Marine subsegments, prompting refurbishments of short-term vessels and long-term programs for new vessels. Offshore wind has become the cornerstone of the energy transition from oil and gas to renewables. Glamox is leading the way in facilitating this green transition. With current and projected investment levels, the offshore wind market presents highly attractive opportunities in both the short and long term.

In 2023, supply chain disturbances eased compared to previous years, but still various factors such as continued geopolitical tensions, and transportation disruptions have resulted in delays, shortages, increased costs, and challenges in sourcing materials and components for businesses across industries, including the lighting sector. The Glamox Group has implemented strategies such as diversifying suppliers, optimising inventory management, and leveraging technology to mitigate risks and address disruptions to its supply chains.

Financial results

The Group's operating profit was NOK 377 million (NOK 294 million). Operating margin was 8.8% (7.8%). The accounts were negatively impacted by special items in the magnitude of NOK 56 million (NOK 70 million). The special items were mainly related to initiatives supporting future growth and efficiency improvement projects. Furthermore, the special items included an ERP implementation project, which is about to be finalised. The restructuring, integration and relocation activities were embarked upon to further enhance the long-term competitiveness of the Glamox Group and will have a positive effect entering into 2024 and onwards. Adjusted for special items, the Group's operating profit was NOK 433 million (NOK 364 million), representing an increase of 19.0%. Adjusted operating margin was 10.2% (9.8%).

The increase in adjusted operating profit was largely a result of increased prices, in combination with cost savings initiated over previous years, somewhat offset by inflationary pressures on cost items. Revenue growth was supported by an increase in Light Management Systems (LMS) of 40% with Glamox continuing to benefit from the ongoing market shift from the supply of lighting products to lighting solutions. Increased depreciations and amortisations and impairments of NOK 196 million (NOK 192 million) had a slightly negative impact on adjusted operating profit.

The Group had net financial expenses of NOK 141 million (NOK 80 million). The increase is mainly explained by higher interest expenses, partly offset by decreased levels of net currency loss. Contingent considerations related to acquisitions remained consistent at NOK 8.6 million (NOK 8.6 million). Profit/loss before tax was NOK 237 million (NOK 214 million). Profit/loss for the year ended at NOK 142 million (NOK 170 million).

Cash flow

The Group generated a cash flow of NOK 217 million (NOK -38 million). Cash flow from operating activities was NOK 619 million (NOK 167 million). The increase is mainly explained by a more normalised level of working capital elements and increased operating profit, partly offset by trade payables and higher taxes paid. Net cash flow from investing activities was NOK -52 million (NOK -80 million). Investments in tangible fixed assets and intangible assets totalled NOK -53 million (NOK -58 million). Strategic investments in digitisation initiatives and implementation of a new ERP system continued according to plan. Payment of contingent consideration totalled NOK -6 million (NOK -49 million) and is related to earn out agreements.

Net cash flow from financing activities was NOK -351 million (NOK -125 million) including NOK -44 million (NOK -4 million) of net repayment of debt, bank fee paid (refinancing RCF) of NOK 18 million (NOK 0 million), a dividend distribution of NOK 150 million (NOK 110 million), lease principal of NOK 67 million (NOK 59 million), interest paid of NOK 166 million (NOK 77 million), interests received of NOK 54 million (NOK 22 million).

Financial position

At the end of the year, the Group's total equity was NOK 647 million (NOK 682 million). The equity ratio was 21.9% (23.3%). Leverage ratio decreased from 1.9x adjusted EBITDA at the end of 2022 to 1.4x adjusted EBITDA at the end of 2023.
The net interest-bearing debt was NOK 861 million (NOK 1,044 million) as of 31 December 2023. In February 2023, the Group refinanced its multi-currency revolving facility of NOK 1,400 million. Please refer to note 5.2 Interest bearing liabilities to financial institutions in the Annual Accounts for details. Cash and cash equivalents amounted to NOK 511 million (NOK 266 million) while the total liquidity reserve in the Group was NOK 717 million (NOK 542 million). The liquidity reserve is the total overdraft and revolving facilities of all Group companies with Danske Bank and DNB, minus all utilised overdraft and revolving facilities, and all added cash on hand and deposits. The Board of Directors confirms that the accounts have been prepared on a going concern basis and that this assumption is appropriate at the date for the accounts, and that the Glamox Group, after the proposed dividend of NOK 165 million, corresponding to NOK 2.50 per share, has sufficient equity and liquidity to fulfil its obligations.

Financial risk

The Group is exposed to credit risk, interest risk, and exchange risk in its day-to-day business operations and aims to keep risk at an acceptable level in these areas. The underlying loan contracts are instrumental for managing interest risk. Currency risk is managed through internal invoicing rules, matching income against expenses in the same currency and loans against equity in the same currency, as well as the use of financial instruments. For further details, see note 5.5 Financial risk management in the Annual Accounts.

Development by segments

The Group has two segments, PBS and MOW. They operate in strategically different markets, have different sales channels, marketing strategies and are therefore subject to different types and magnitude of risks. Each of the two segments are supported by the Sourcing, Production & Logistics (SPL) division.

Professional Building Solutions

PBS is a leading supplier of lighting solutions to the European non-residential building market. PBS develops and supplies complete lighting solutions for educational and healthcare institutions, office and industrial buildings. PBS achieved an order intake of NOK 3,150 million (NOK 2,882 million), an increase of 11.6%. Order intake recorded in SPL in 2022 is allocated to PBS with NOK 56 million in 2022. In the same period, total revenue was NOK 3,171 million (NOK 2,808 million), an increase of 12.9%.

Adjusted EBITDA improved by 6.7% to NOK 382 million (NOK 358 million). The adjusted EBITDA margin decreased by 0.7 percentage points to 12.0% (12.7%). The decrease was mainly related to increased costs for raw materials and consumables used and personnel costs, but was somewhat offset by pricing initiatives and product mix effects. The most important markets for PBS are Northern- and Central Europe.

The market demand across almost all main geographies in the PBS business had a positive development in 2023. We believe the business has also managed to continue to increase its market share in most target markets.

Marine, Offshore & Wind

MOW is responsible for the development, sales and distribution of sustainable lighting solutions to commercial marine, offshore energy, wind energy, and navy segments. Total order intake improved by 12.3% to NOK 1,166 million (NOK 1,038 million). Sales activity, driven by increased defence spending was a major driver in the Navy sub-segment, whereas demand for energy-efficient solutions in the largest sub-segment Commercial Marine was strong. A combination of retrofit activities and new build projects have been beneficial for both Commercial Marine and Offshore Energy, as the industries strive to comply with emission reduction targets.

Total revenue was NOK 1,090 million (NOK 913 million), an increase of 19.4%. The sub-segments of Commercial Marine, Offshore Energy and Navy saw strong development. Adjusted EBITDA improved by 38.7% to NOK 172 million (NOK 124 million). The adjusted EBITDA margin improved by 2.1 percentage points to 15.7% (13.6%). The margin improvement was mainly a result of a changed product and segment mix, scale benefits on cost items, and cost savings programs initiated during the last few years.

Glamox AS

Glamox AS is the parent company of the Glamox Group. The company's accounts have been presented in accordance with the Norwegian Accounting Act and generally accepted accounting practices in Norway. Total revenue and other operating income in Glamox AS was NOK 2,066 million (NOK 1,679 million), representing an increase of 23.0%. Operating profit was NOK 222 million (NOK 133 million), corresponding to growth of 66.9%. The increase in operating profit is mainly due to increased revenue and less special items related to restructuring and integration activities affecting 'Payroll and related costs', partly offset by more special items included in 'Other operating expenses'. Depreciations and amortisations increased 12.5% compared to 2022. Profit before tax was NOK 194 million (NOK 203 million). The profit before tax was negatively impacted by an increase in other financial expenses which ended at NOK 281 million (NOK 122 million), whereas Dividend and group contribution from subsidiaries increased to NOK 209 million (NOK 164 million). In accordance with the Group's currency policy, the parent company takes currency exchange positions to hedge exchange rate

exposure arising at Group level, primarily as a result of equity values in subsidiary companies.

Net change in cash and cash equivalents amounted to NOK 285 million (NOK 1 million). Glamox AS' equity was NOK 659 million (NOK 703 million), a decrease of NOK 44 million from the end of 2022. The equity ratio was 25% (29%) at the end of 2023. Cash and cash equivalents amounted to NOK 274 million (NOK 47 million).

Environment, Social and Governance

ESG considerations are gaining significance among our stakeholders, and in 2023, the Glamox Group intensified its focus on ESG. We aim to to be at the forefront in our industry in this regard, with our Sustainability Report being an integral part of our Annual Report.

The Glamox Group operates an established ESG program with a focus on compliance and risk management to protect the business's value and align with ESG market expectations for value creation. The Code of Conduct, our moral compass to preserve integrity and promote standards of accepted business ethics, is approved by the Board. The Board has delegated responsibility for managing Glamox's sustainability efforts to the Group CEO. The Glamox Leadership Team is headed by the Group CEO and is responsible for implementing these commitments to policies and procedures. The Head of Sustainability within the Glamox Leadership Team is responsible for the ESG goals are embedded in our strategy.

The Legal and Compliance department drafts policies and procedures and has oversight of the governance model and compliance with legal requirements. In that relation, a compliance management system has been implemented, that encompasses various components including values, corporate social responsibility policies, code of conduct, responsible business partner policy, anti-corruption policy, privacy policy, whistle-blowing policy, crisis management policy, sanctions and export control procedure, and health, safety, and environmental (HSE) policy. This system is continuously evolving and forms a vital part of our operations. During the reporting period, there were no notable instances of non-compliance with laws and regulations.

Governance

The Board of Directors of Glamox AS serves as the highest governance body within the Glamox Group, responsible for developing, reviewing and approving the company's purpose, strategy, policies, goals, and reports related to sustainable development, including material topics. The Board oversees the due diligence to identify Glamox's sustainable development through updates from the Glamox Leadership Team every six months with a comprehensive overview of the work done during the period, including impacts. The topics are also frequently part of the CEO update to the Board. The Board's knowledge, skills and experience of sustainable development are advanced through biannual briefings.

According to Glamox AS articles of association, the Board comprises nine members, with the right for employees to elect up to three members. In 2023, the Board consisted of nine members, including two women and seven men. The Chairman and two members represent the largest shareholders, two members are independent of Glamox's owners, and three are elected by employees and represent diverse organisational competencies: sales, office staff, and factory personnel. None of the Board members are part of the Glamox Leadership Team.

The nomination and selection process for Board positions are directed by Glamox's main owners, without the presence of a nomination committee, and considers diversity, independence and the views of stakeholders for the positions. Employee representation on the Board safeguards their right to participate in decision-making. As such, the members of the Board bring a diverse set of experience, competence, and insight from different business roles to ensure that the interests of all stakeholders are attended to.
Regular updates are provided by the Glamox Leadership Team, with six Board meetings held in 2023.

Glamox AS, on behalf of the Group, holds a Director & Officers Insurance provided by AIG, covering past, present, and future Board members and company officers for personal legal liability, including defense costs.

Remuneration

Glamox AS' Board of Directors receives a fixed remuneration. Starting in 2023, senior executives was assessed on sustainability-related key performance indicators (KPIs) alongside existing financial

and personal KPIs to determine their remuneration. However, Glamox did not assess the performance of its highest governing body in overseeing the company's impacts on the economy, environment, and people.

Glamox has not established an independent remuneration committee and therefore does not disclose its remuneration policies or the process for determining remuneration. The company does not publish a remuneration policy reflecting stakeholder views or clawback policies for Board members or senior executives. Retirement benefits for the Group CEO are outlined in Note 7.1 Management- and Board remuneration, with Norway-based senior executives receiving the same benefits as other employees. The Board does not receive retirement benefits.

The ratio or percentage increase of the highest-paid individual's annual total compensation to the median annual total compensation for all employees in the Glamox Group was 6.8% in 2023.

Conflicts of interest

Openness and transparency are essential in managing real, potential, or perceived conflicts of interest, all of which are treated seriously and addressed accordingly. The Board adheres to the Code of Conduct, which aims to prevent and mitigate conflicts of interest. Within the Glamox Group, individuals can report critical concerns to the Board through various channels, including a whistleblowing channel managed by an external service provider and overseen by the Group Legal & Compliance department in accordance with a Whistleblower policy. This allows for anonymous whistleblowing if desired. Less significant concerns are included in semi-annual reports provided to the Board. In 2023, there were no conflicts of interest that required disclosure to stakeholders.

Responsible business partner

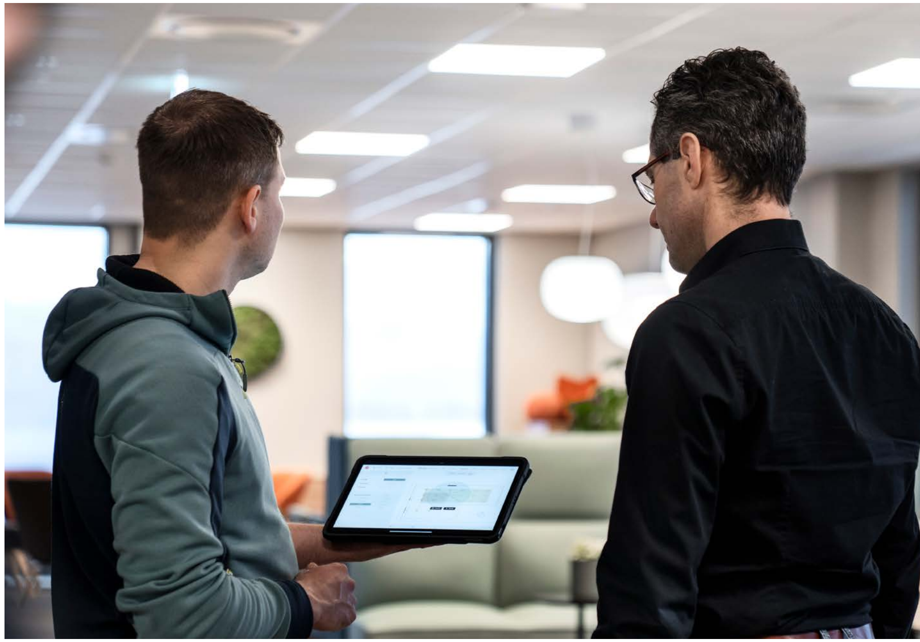
The Group is dedicated to upholding responsible business practices and adhering to the highest ethical standards in all business operations. These standards are outlined in the Glamox Code of Conduct, supported by various policies and guidelines including the Responsible Business Partner Policy and the anti-corruption policy. The Procurement department is responsible for the day-to-day management of human and labour rights in the supply chain and for maintaining a sustainable sourcing cycle.

We communicate our expectations regarding respect for human rights, decent working conditions, and ethical business conduct to our suppliers. Utilising digital tools, we transparently qualify and monitor them, thereby promoting transparency in the industry and raising awareness globally. For more details on the Glamox Group's initiatives in 2023, please refer to the Sustainability Chapter, starting from page 35.

Environmental impact

Glamox is dedicated to minimising its own and its customers' environmental footprint. Our mission is to provide sustainable lighting solutions that improve the performance and well-being of people. To achieve our ambition of becoming a sustainability leader, we have integrated our sustainability strategy into our Glamox Green Light Strategic Aspirations Plan.

We are committed to assisting our customers in reducing electricity usage and carbon emissions through our energy-efficient



lighting products, control systems, and services. Over 98% of our luminaires utilise energy-efficient LED technology. By simply replacing conventional luminaires with our LED alternatives, electricity consumption can be reduced by up to 50%. This figure increases to 90% when our luminaires are integrated with our light management systems.

In addition, we embrace circular economy design principles in our product development, which extends the lifespan of our products and enables us to recycle materials such as plastics and aluminum.

For further details on the Glamox Group's sustainability efforts in 2023, please refer to the Sustainability Chapter, beginning on page 35.

Social impact

The most valuable asset of the Glamox Group is its employees, and we are committed to fostering a human-centric workplace that is both attractive and safe for our colleagues. In 2023, the average number of full-time equivalents (FTEs) stood at 2,086 representing a decrease from 2,194 in 2022.

Health & Safety

The Glamox Group is committed to achieving zero accidents, and our dedication to maintaining a safe working environment is an ongoing effort. We have established a reporting procedure that mandates the reporting, investigation, and mitigation of all lost time injuries. In 2023, a total of 7 lost time injuries were reported, resulting in an accident ratio (H-value) of 1.8 accidents per 1 million worked hours, a decrease from 3.4 in 2022.

Equal opportunities and working environment

The Glamox Group is dedicated to fostering an inclusive work culture that promotes equal opportunities and fair treatment for all employees. We recognise the unique value of each individual and believe in appreciating individuals based on their skills and abilities. The Glamox Group strictly prohibits any form of harassment or discrimination based on race, color, religion, gender, sexual orientation, national origin, age, disability, or veteran status, as outlined in our Code of Conduct and supported by our Whistleblower Policy.

Our policy ensures that equal skills and length of service are rewarded regardless of gender. Women and men in all job categories are given equal opportunities for assignments and career advancement. At the end of 2023, female employees accounted for 39.3% of the Group's workforce. In Glamox AS, 34.2% of employees were female, with women holding 29.7% of leadership positions. Additionally, 45.5% of part-time employees and 33.3% of temporary hires in Glamox AS were female.

Glamox AS and Norwegians Activity Duty

We have conducted a pay equality analysis for employees in Glamox AS ("likelønnskartlegging") in compliance with the requirements of the Equality of Opportunity and Treatment Act ("Likestillings- og diskrimineringsloven").

For details on the shareholder situation, please refer to note 5.7 Equity and shareholders in the Annual Accounts.

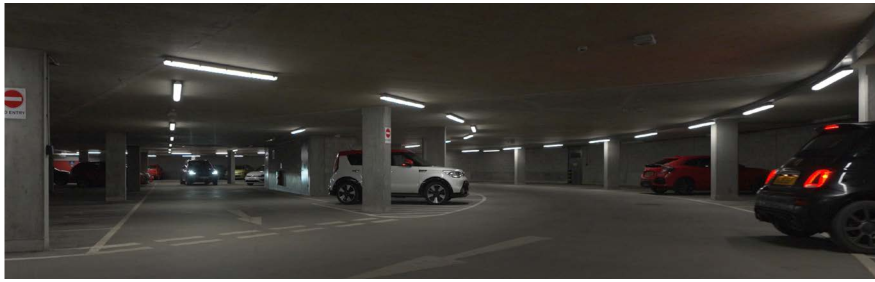
Proposal for allocation of profit

The Board proposes that the year's profit in Glamox AS of NOK 165 million is allocated as follows:

Proposed ordinary dividend of (NOK 2.50 per share):
NOK 165 million
Transferred from other equity:
NOK 44 million
The parent company has interest cost obligations associated with its bond that align with the dividend amount expected to be received.

Outlook

The Glamox Group's fundamental growth prospects are positive and based on a robust business model, clear strategy, and positive long-term market drivers in both its operating segments. Increased demand for energy-efficient lighting solutions, driven by high energy prices and stricter environmental regulations, along with investments in offshore energy and wind sectors, present promising growth opportunities, both in new-build and retrofit projects. We continue to believe that Glamox remains well-positioned to capitalise on growth opportunities through implementation of our Green Light Strategic Aspirations Plan.



Oslo, 23 April 2024

Mikael Aro Chairman of the Board	Helene Egebøl Board member	Joachim Espen Board member	Torfinn Kildal Board member	Arild Nysæther Board member
Lars Ivar Røiri Board member	Sigmund Monrad Johansen Board member	Henny S. Eidem Board member	Espen Ytterstad Board member	Astrid Simonsen Joos Group CEO

Sustainability report

Our ambitions

Light has a tremendous impact on people's lives, their health and well-being, as well as their performance, which is core to our business and products. At Glamox, we aim to create light for a better life. We provide sustainable lighting solutions that improve the performance and well-being of people.

However, our operations and our business as a provider of professional lighting solutions also come with a carbon footprint that impacts the planet[1]. This fact presents a challenge for our industry.

To counter this challenge, Glamox seeks to help our customers reduce their energy usage through sustainable products and solutions. We also aim to reduce emissions and any adverse impact on nature in production and sourcing of materials for our luminaires. Finally, Glamox works tirelessly to improve transparency on social and governance topics throughout the supply chain.

We work continuously with experts and stakeholders to ensure we are part of the solution in facing the sustainability challenges in our industry. We have set ambitious goals and track our ongoing progress on key topics such as environmental and climate sustainability, labour rights and business ethics.

Going forward we will do our utmost to:

- Enable our customers to reduce their CO_2 emissions from Scope 1 and Scope 2 activities related to lighting through our products and solutions
- Become net-zero in our own operations (Scope 1 and 2) by 2030
- Encourage, improve and drive forward respect for fundamental human rights and decent working conditions by taking a systematic approach throughout our entire value chain
- Eliminate the use of landfill for all non-hazardous waste in our operations
- Increase the share of products in our portfolio that contribute to a circular economy
- Improve our occupational health and safety data to better ensure a safe and inspiring working environment for our employees
- Improve data quality and reporting standards across all relevant ESG-metrics, for instance by calculating Scope 3 emissions data

[1] Whilst the exact percentage is still out for debate, certain sources point to that lighting contributes to around 15% of the world's electricity consumption, and accounts for up to 5% of the world's greenhouse gas emissions.

Sustainability highlights 2023

Glamox Group set out ambitious goals for 2023, with several important milestones achieved throughout the year.

Connected lighting

40%

of our turnover came from connected lighting

LED

98%

of total turnover from energy efficient LED luminaires

Increased the numbers of EPDs offered on our products by

+55 (#)

Complete reporting on Scope 3 emissions

In October 2023, Glamox submitted its Science Based Targets for validation

Reduced scope 1 and 2 CO_2 emissions by

6%

Decreased waste to landfill from

64 to 17

tons, equivalent to 73% and reached or 2025 target well ahead of time

Expanded scope of GRI reporting through a double materiality assessment

Reduced lost time injuries from

11 to 7

compared to 2022

About Glamox's sustainability reporting

This is our third sustainability report prepared in accordance with the GRI Standards. Approved on 23 April 2024 as part of the Glamox Annual Report for the reporting period from 1 January 2023 to 31 December 2023.

This report covers the entire group including all entities listed in Note 11 of the Financial Statements.

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

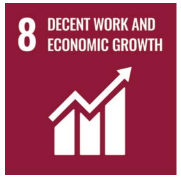
We appreciate feedback from our stakeholders on our sustainability reporting. For comments, questions or suggestions, please contact Viktor Söderberg, Chief Growth Officer & Head of Sustainability, at viktor.soderberg@glamox.com.

UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development was adopted by all United Nations Member States in 2015. At its heart are the 17 Sustainable Development Goals (SDGs), which Glamox supports. The following five SDGs relate to Glamox operations and represent significant areas where Glamox can contribute.

SDG 7 Affordable and clean energy

- 7.3: Double the global rate of improvement in energy efficiency by 2030



SDG 8 Decent work and economic growth

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

SDG 9 Industry, Innovation and Infrastructure

- 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes

SDG 12 Responsible consumption and production

- 12.6: Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
- 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse

SDG 13 Climate action

- 13.2: Integrate climate change measures into national policies, strategies and planning

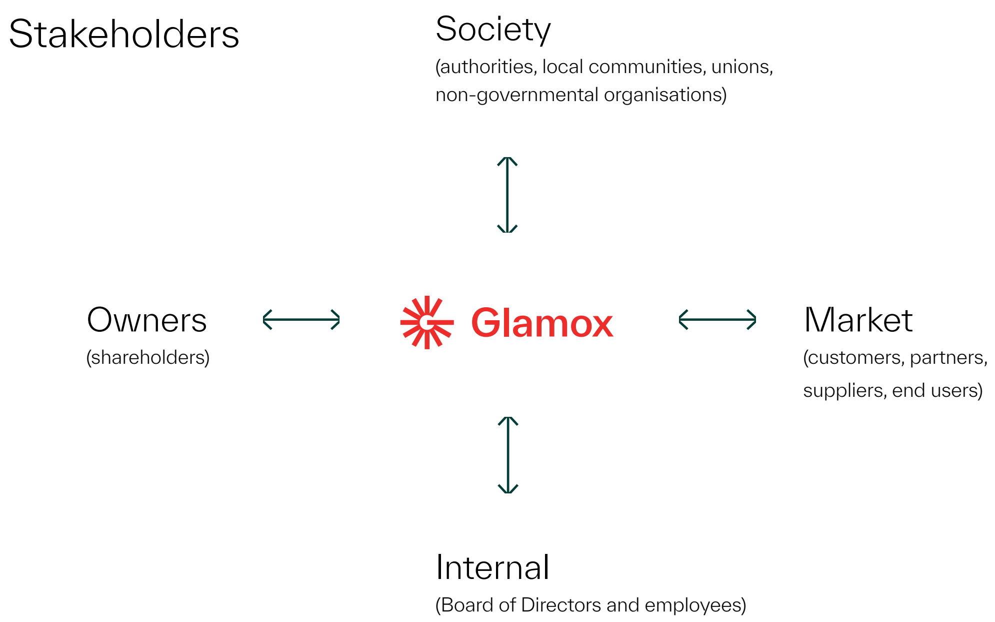
Stakeholder engagement and materiality assessment

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

Our sustainability priorities have always been determined in discussions with our internal and external stakeholders. Glamox's key stakeholder groups include our owners, Non-Governmental Organisations (NGOs), investors, customers, and employees as well as governments and regulators of the countries where we operate.

A key element of our implementation of these priorities has been to align ongoing initiatives across the Group into a coherent approach by sharing knowledge and best practices.

Organisations and initiatives
In addition to systematic stakeholder dialogue, we are active in several organisations and initiatives, including as a participant to the UN Global Compact, commitment to the Science Based Targets Initiative (SBTi) and the Triton network. Being partly owned by funds controlled by Triton Partners ensures that Glamox monitors its alignment with the EU taxonomy, which we elaborate on in the chapter on the environment, later in this report. To increase the available knowledge about light and its impact on well-being, we contribute to research projects with academic partners, such as the University in Bergen and the International Commission on Illumination. Furthermore, Glamox is a member of several national associations for producers of lighting solutions. We are also a member of Norsk Industri in the Confederation of Norwegian Enterprise (NHO).



Materiality assessment

Glamox has worked together with external sustainability advisors since 2020 to identify and map stakeholder expectations, our sustainability impact, as well as key topics for us to focus on going forward as a group. Our first materiality assessment was conducted in 2021 with regular reviews and continuous stakeholder engagement. In 2023, Glamox did a review of the material topics and completed a new materiality assessment in line with the principles of double materiality. Double materiality takes the concept of materiality one step further, meaning a company must both report on how its business is affected by sustainability issues, and its activities impact society and the environment.

By identifying future trends and understanding stakeholder perspectives, we were able to identify risks and opportunities that could influence our business and the type of impact we have on our surroundings. It guides our core business and helps us prioritise the areas our efforts can make the most impact.

The double materiality assessment was carried out in the following phases:

1. An assessment of Glamox's impact on sustainability factors, as well as how external sustainability impacts Glamox's business.
2. Formal interviews were conducted with internal and external key stakeholders. Most respondents have collaborated with Glamox for a long time – some for several decades. They consistently have high expertise in their fields, but varying familiarity with sustainability.
3. By conducting big data analysis identifying future trends and understanding stakeholder perspectives, we were able to pinpoint risks and opportunities that could influence Glamox and the type of impact the company has on its surroundings. Focus areas were identified and the actual approach to track material topics and report on performance was determined.

The 2023 materiality assessment did not result in any changes to our focus areas, hence there are no changes to the material topics in this year's report. The most significant material topics are described in more detail later in this report and are sorted under the categories Environment, Social and Governance, and reported on according to the following GRI Standards:

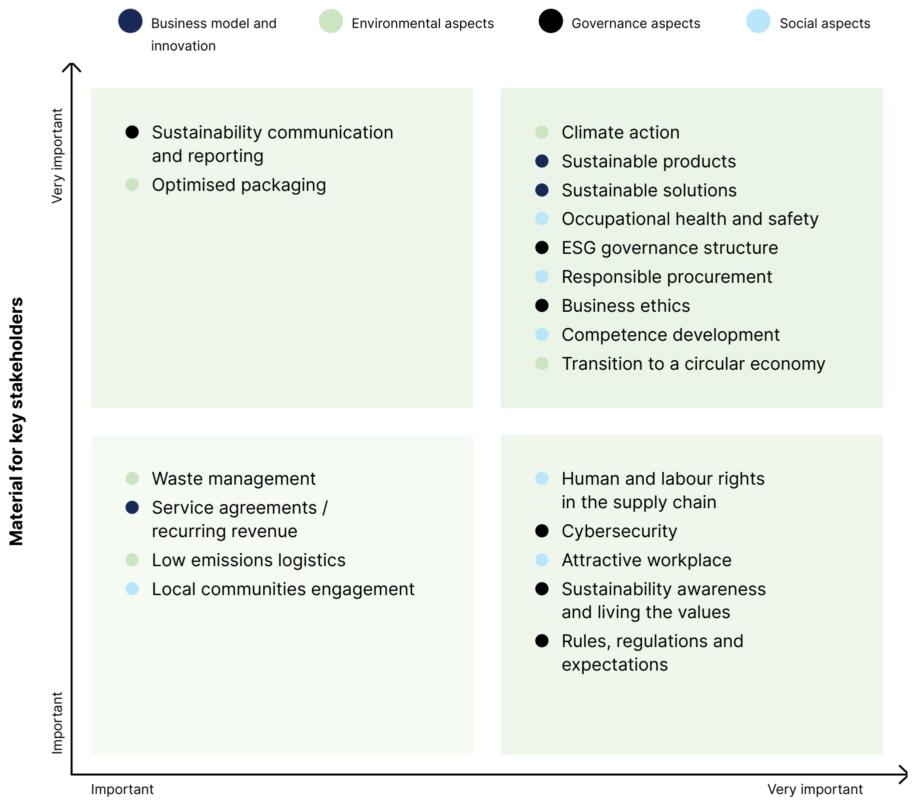
Environment:
- 302 Energy
- 305 Emissions
- 306 Waste

Social:
- 403 Occupation Health and Safety
- 416 Customer health and safety
- 401 Employment
- 405 Diversity and Equal Opportunity
- 406 Non-discrimination

Governance:
- 205 Anti-corruption
- 414 Supplier Social Assessment
- 308 Suppliers Environmental Assessment

A full GRI index is available on page 64.

The most material sustainability topics for our value chain



Financial impact of material topics

To manage risks from its material topics to ensure systematic improvement is of the utmost importance to Glamox. In addition, the risks have a direct or indirect effect on our financial performance.

Category	Risk/opportunity	Financial impact	Actual or potential impact	Time horizon
Environment	Energy prices	High energy prices could dramatically or suddenly increase production costs, either at our Nordic or European production facilities. This scenario indicates a financial risk for Glamox.	Actual	Short-term
	Climate change disruption	Glamox's production is primarily located in Europe and could be vulnerable to production disruption risk due to extreme weather or other climate change effects. Such scenarios both imply a physical risk to our facilities, but also to employees who for instance would have to stay at home due to transportation disruptions.	Potential	Short-, medium-, and long-term
	Trade conflict	Glamox imports some electronic components from Asia, which may contain metals originated from defined conflict minerals (tin, tantalum, tungsten and gold). Trade tensions between China, Europa and / or the United States could affect this supply, either through disruption or higher import costs. Minerals are a potential bargaining chip in a trade conflict due to its rarity and high value to different sectors, particularly electronics. As such, Glamox is exposed to financial risk through potential production disruptions.	Potential	Short-term
Social	Company culture and standards	In recent years, Glamox has expanded through several acquisitions in various geographical markets and segments. Building compliance and proper follow-up of employees, safety and production that meets our high standards, is an important task that must succeed in different cultures and labor markets that have other standards and traditions. This transition implies a potential reputational risk, and as a consequence, also a financial risk.	Potential	Short-term
	Health and safety	With a sizeable work force in manufacturing, spread across different geographic locations in facilities of differing standards, leaves us exposed to accidents or varying rates of sick leave. A spike in these indicators could for instance interrupt production or affect production levels.	Potential	Short-, medium-, and long-term
Governance	ESG regulations	As a Nordic-based company with a forward-looking approach to ESG, stricter regulations and requirements on the demand side, could present a competitive edge, especially against non-European competitors. This is particularly true in a market in which sustainability indicators will become an even more important differentiator than today.	Potential	Medium-term
	First mover's dilemma	Investing in production improvements and developments that further enhance ESG metrics is costly, and may allow competitors to later adopt similar technologies at a lower cost. An additional financial risk is that the market will not reward these investments at the expected rate, making the investments costly and unnecessary from a competition perspective.	Potential	Medium-term
	Supply chain risk	Glamox mostly uses European and some Asian suppliers. Both sources could potentially face short- and more long-term disruptions due to anything from geopolitical instability to climate change effects.	Potential	Medium-term

Environment

At Glamox, we work to utilise our considerable experience and expertise to find the most energy-efficient and sustainable solution for every project we deliver. Reducing our end customer's environmental impact is one of our central sustainability goals. This is because the biggest environmental impact arises when lighting solutions are in use and consuming energy.

We have two ways of achieving this:

1. Light management system (LMS) solutions and technology can reduce energy consumption by up to 90%.

2. By solely replacing conventional luminaires with high-quality LED manufactured by Glamox, where it is possible to achieve savings of 40-50%.

Energy efficient lighting solutions from Glamox are designed and built to last, which is the most sustainable feature of our products. Anything that lasts as long as possible means less wastage and better efficiency all around! We deliver high mechanical and optical quality, together with state-of-the-art LED modules and drivers which ensure a long life for the lighting installation. Importantly, even at the end of their service life, our products can be taken apart and sorted in clean fractions to be recycled.

Glamox offers solutions that meet the requirements for BREEAM, WELL, LEED and other market-specific environmental standards.

Environmental and climate management at Glamox is governed by our Code of Conduct, the Glamox Corporate Social Responsibility Policy and the Glamox Environmental Policy. Environmental Management Systems are currently implemented at site level.

Through obligations to comply with local and global requirements, as well as self-imposed rules, we will contribute to reduce our negative environmental impact. These support objectives related to:

- Reducing waste
- Increasing circularity
- Using environmentally efficient transport solutions as far as possible
- Reducing energy consumption
- Preventing emissions
- Developing products and solutions that have a lower impact on the environment

Risks

Glamox operations are exposed to environmental risks. Risks from climate change, such as rising temperatures that impact working conditions and increased prevalence of extreme weather, could affect the supply chain, production, logistics and suppliers. Emerging regional and international climate regulations could increase logistical, raw material, and component costs. Glamox offsets this somewhat with a balanced supplier portfolio and local production.

Certifications

Certifications are a priority at Glamox and in 2023 the factory in Molde, Norway and Wilkasy, Poland was certified according to ISO 45001. Molde was also certified according to the ISO 50001.

In addition, all Glamox business units (sales offices and production units) in the EU have conducted an Energy Efficiency Audit according to the EED directive.

Table: ISO certificates

ISO certificates	ISO 9001	ISO 14001	ISO 45001	ISO 50001	ISO 87079:34	ATEX	ISO 13485	MED
GPM (Glamox Production Molde)	x	x	x	x	x	x		
GPW (Glamox Production Wilkasy)	x	x	x			x		
GPD (Glamox Production Dobczyce)	x	x				x		x
GPE (Glamox Production Estonia)	x	x	x	x				
GPK (Glamox Production Kirkenær)	x	x					x	
GPC (Glamox Production China)	x	x						x
CDC (Central Distribution Centre)	x	x	x			x		
BU LINKSrechts	x					x		x
Luminell Norge	x				x	x		x
Luminell Sverige	x	x						
GCA (Glamox Production Canada)	x							
GPU (Luxonic production)	x	x						
Sales Poland	x	x	x					

Case study

Lighting mariners depend on Glamox

Photo: PGS

Today's marine customers face stringent international emission reduction targets, coupled with the need to replace fluorescent lighting and reduce operational costs. Glamox is a partner of choice to help them save energy, reduce costs, and shrink their carbon footprint while putting safety and reliability first.

From fishing vessels to navy destroyers, from the most sustainable car and truck carriers to coastguard vessels. If it's in the water, Glamox has a light for it, providing illumination for the softest to the harshest environments with highly reliable energy-saving lighting that vessel owners, operators, and crew can depend on.

Seismic waves
PGS ASA, the global geophysics company, aims to reduce by up to 60% the amount of electricity it uses to light eight of its ships that undertake seismic surveys of the seabed. In the first phase of a major retrofit project, Glamox provided approximately 2,500 marine-certified LED luminaires for the exterior and interior of the eight vessels. These replace fluorescent lighting, a technology that is being phased out around the world.

The interior lighting will cover areas such as the bridge, crew quarters, corridors, gangways, stairwells, ladders, and communal areas. Exterior lighting includes floodlights and emergency lighting. The specialist luminaires are marine-certified and can withstand the harshest conditions.

Eventually, PGS aims to retrofit each vessel with around 2,500 new luminaires. The project is being driven by its desire to comply with emission reduction targets, new regulations, and its own sustainability targets.

Energy Consumption

Using energy more efficiently and opting for renewable energy sources is essential for combating climate change and for lowering an organisation's overall environmental footprint. Energy consumption also occurs throughout the upstream and downstream activities connected with operations.

Our manufacturing processes are not energy intensive, but nonetheless, our factories track energy use and strive to reduce energy consumption. In 2023, we continued our investments in upgrading heating and lighting systems across several production units and reduced our total energy usage, primarily in production. For instance, our production unit in Estonia invested in a waste heat recovery system to capture excess heat from the powder coating process. The objective is to transfer warm air into the warehouse during winter, thereby avoiding energy wastage by preventing the direct expulsion of warm air outside. The production units in Norway, Poland, UK and Estonia source 100% renewable electricity.

Including the locations where Glamox operates (electricity grid mix) and where we purchase renewable electricity, the share of renewable electricity in our operations and sales offices declined to 91% of total consumption, compared to 93% in 2022. The decline is a result of higher share of the energy used coming from electricity grid mix.

Table: KPI - Energy consumption within the organization

KPI - Energy use	Units	2020	2021	2022	2023	% change from 2022
Renewable	kWh	6,760,734	12,119,136	13,220,562	12,300,295	-7.0 %
Non-Renewable	kWh	23,625,847	15,711,968	14,996,780	13,710,666	-8.6 %
Total energy usage	**kWh**	**31,386,581**	**27,831,104**	**28,217,342**	**26,016,674**	**-7.8 %**

KPI - Energy usage Scope 1	kWh	2020	2021	2022	2023	% change from 2022
Diesel*	kWh	-	-	2,510,690	1,699,887	-32.3 %
Gasoline*	kWh	-	-	2,268,493	2,777,487	22.4 %
LPG*	kWh	-	-	122,915	132,807	8.0 %
Natural gas*	kWh	-	-	6,412,776	5,295,185	-17.4 %
Bio oil*	kWh	-	-	115,200	42 ,924	-62.7 %
Burning oil*	kWh	-	-	47,304	629,890	1231.6 %
Propane*	kWh	-	-	108,282	122,150	12.8 %
Light fuel oil*	kWh	-	-	184,200	134,610	-26.9 %
Total energy usage	**kWh**	**11,861,524**	**12,465,327**	**11,769,860**	**10,834,940**	**-7.9 %**

Emissions

Greenhouse gas emissions are a major contributor to climate change and are governed by several United Nations (UN) frameworks. As previously noted, Glamox's footprint is part of the customer's negative climate footprint. We seek to reduce this impact and maximise the positive effects of our solutions. In addition to reduced energy consumption when solutions are in use, we also need to make sure the emissions from the complete product life cycle are as low as possible, and that our products are responsibly handled from sourcing of raw material to product end-of life.

Climate Accounting
The base year for our emission calculations is 2020, following two major acquisitions in 2019 that significantly impact historical numbers. To ensure data consistency and that we target the right emissions sources, we are working with the carbon accounting platform Normative to analyse and track all CO_2 emissions. This enables us to carry out data-driven improvement efforts. Emissions are consolidated by operational control and all climate gasses are included in our calculations. Glamox does not emit any significant amounts of ozone-depleting substances, nitrogen oxides (NOx) or sulphur oxides (SOx).

Glamox measures Scope 1 emissions through energy usage from fuel combustion in our operations. For our company, Scope 2 emissions pertain to energy usage from utilities. A combination of a market-based and location-based approach is used for calculating the emissions. GHG emissions are calculated in accordance with the GHG Protocol and reported according to the GRI 305 Emissions 2016 standard. Emission factors are sourced from recognised data providers through the Normative platform. Sources include DEFRA, AIB, and Exiobase.

As shown in Table 2, we reduced Scope 1 CO_2 emissions by 211 tonnes, equivalent to 8,6%, and Scope 2 CO_2 emission by 4 tonnes, equivalent to 0,4% in the reporting period.

Glamox aims to have net-zero operations by 2030. This includes taking steps to cut emissions and make better choices in our production. One important step is that Glamox has sent near-term company-wide emission reduction targets in line with climate science for validation by the Science Based Targets initiative (SBTi).

Table: KPI - Energy use, Scope 1 & 2 climate emissions

Energy use	in tonnes CO_2-eq	2020	2021	2022	2023	% change from 2022
Greenhouse gas emissions - Scope 1 (direct)	in tonnes CO_2-eq	2,103	3,134	2,462	2,251	-8.6 %
Greenhouse gas emissions - Scope 2 (indirect)	in tonnes CO_2-eq	3,340	1,483	1,033	1,029	-0.4 %
Total GHG emissions	**in tonnes CO_2-eq**	**5,443**	**4,617**	**3,496**	**3,280**	**-6.2 %**

Scope 3 climate emission

A significant part of Glamox emissions arises from Scope 3 activities. Using the Normative emissions calculation software, Glamox has established an inventory of Scope 3 emissions. Whilst initially relying on a spend-based approach we are increasingly shifting to an activity-based approach for the largest emission categories. The Group largely operates on a common software stack (including ERP) that supports continuous improvement in data quality.

Use of sold products accounts for the majority of Glamox Scope 3 emissions and reflects lifetime emissions from products sold during the reporting period, assuming the present-day electricity mix. This method of emission accounting means that emissions are sensitive to assumptions on product lifetime as well as the mix of renewable electricity in the markets where Glamox sells its products. The decrease is a result of Glamox selling a larger share of energy-efficient connected lighting, as well as changing end-user segments and customer energy mix.

The decline in Purchased goods and services is partly due to increasing share of activity-based reporting, but also a result of conscious action on behalf of Glamox, increasingly sourcing recycled materials as well as switching to more sustainable alternatives, for example with regards to packaging. Furthermore, the decline in Upstream transportation and distribution is primarily driven by Glamox actively directing inbound freight away from air and road, towards marine when possible.

The increase in Downstream transportation and distribution follows a need to compensate for supply chain disturbances, prioritizing faster freight options (including air freight).

In total scope 3 emissions went down by close to 20%.

Table: Scope 3 climate emissions

Climate emissions	Units	2022*	2023
Use of sold products	tCO2e	2,278,890	1,826,526
Purchased goods and services**	tCO2e	79,144	57,768
Upstream transportation and distribution	tCO2e	4,522	3,978
Fuel- and Energy-Related Activities	tCO2e	1,971	1,410
End-of life treatment of sold products	tCO2e	1,058	998
Business travel	tCO2e	669	493
Waste generated in operations	tCO2e	74	45
Capital goods	tCO2e	143	0
Downstream transportation and distribution	tCO2e	4,149	10,757
Employee commuting	tCO2e	1,830	1,952
Total Scope 3 emissions	**tCO2e**	**2,372,450**	**1,903,745**

*2022 Scope 3 emissions has been updated after the release of the 2022 annual report as part of the SBTi target setting process, incorporating more activity-based data.
** Part of the significant decline from 2022 to 2023 is a result of data collection and increasing use of activity data for 2023. Glamox is currently liaising with suppliers to procure more comparable data from 2022.

Waste and Circular economy

The quantity, type, and quality of waste generated by an organisation is a consequence of the activities involved in the production of its products and services and their subsequent consumption. An assessment of how materials eventually become waste gives a holistic overview of waste generation and its causes, which in turn can yield opportunities for waste prevention and for adopting circularity measures.

Glamox reports waste and recycling from its production units, in line with applicable GRI standards. Waste is defined as either hazardous or non-hazardous, and the definition in each production unit follows local regulations and may or may not be linked to permits.

Hazardous waste typically includes, but is not limited to the following:
Solvents, flammable/hazardous raw materials, chemical waste, batteries, acids (low pH liquids), strong bases or caustic (high pH liquids).

Glamox aims to eliminate the use of landfill for all types of waste and our waste handling is done in close dialogue with recycling partners to reduce levels of mixed waste and to ensure recyclable fractions. Best practices on handling waste are being shared across our production footprint.

Environmental impact is largely influenced by the choices made during the design phase. To manage and minimise this impact, Glamox has established circular design principles which are followed and evaluated during the development of new products. These principles are developed based on our extensive knowledge and experience in aspects that really impact the life cycle environmental footprint of our sustainable lighting solutions.

The results for 2023 show improvement in both waste to land fill and the share of waste being recycled.

We continuously look for new ways to reduce the impact from material use and packaging, maximise waste recycling, and to minimise or find alternatives to harmful chemicals.

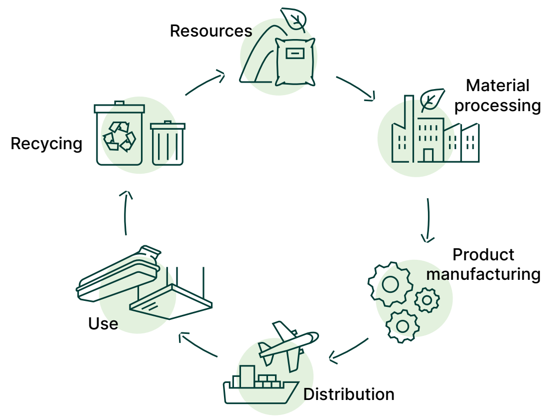


Table: KPI - Waste and recycling from Glamox production units

Waste type	Disposal method	Units	2020	2021	2022	2023	% change from 2022	Share of total
Total hazardous waste disposal	Landfills	Tons	27	31	9	-	-100.0 %	0.0 %
	Incinerated with energy recovery	Tons	21	16	20	14	-30.0 %	0.8 %
	Recycled	Tons	6	3	8	20	150.0 %	1.2 %
Total non-hazardous waste disposal	Landfills	Tons	75	78	55	17	-69.1 %	1.0 %
	Incinerated with energy recovery	Tons	174	251	288	214	-25.7 %	12.5 %
	Recycled	Tons	1,657	1,464	1,737	1,448	-16.6 %	84.5 %
	Landfills	Percentage of total	3.9 %	3.9 %	2.6 %	1.0 %		

The EU Taxonomy

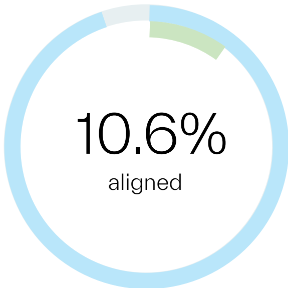
To meet the European Union's climate and energy targets for 2030 and reach the objectives of the European green deal, the EU seeks to direct investments towards sustainable projects and activities. To further this development, it has implemented The EU taxonomy, a classification system that provides companies, investors, and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable.

An economic activity is aligned with the EU taxonomy if it i) substantially contributes to one of the criteria in the taxonomy, ii) do no significant harm to the other objectives, and iii) is carried out according to Minimum Safeguards outlined in the Taxonomy.
We have assessed our compliance to the EU Taxonomy. Glamox is contributing to climate mitigation through "Manufacture of energy efficiency equipment for buildings". This includes all "Manufacture of electric lighting equipment", including for transportation. Glamox production sites have been assessed according to the Do No Significant Harm ("DNSH") criteria and our Code of Conduct and supplier screening process ensures that we operate in accordance with the Minimum Safeguards.

All Glamox production of LED lighting contributes to climate mitigation and all our operations are dedicated to manufacture of energy efficient lighting. As such, 95.6% of our net sales, and 100.0% of the taxonomy defined OpEx and CapEx are deemed eligible according to the taxonomy.

To make a substantial contribution to climate mitigation, the activity must be related to i) light sources rated in the highest two populated classes of energy efficiency (energy class A or B) or ii) lighting systems with presence and daylight controls. Glamox has a negligible share of turnover related to criteria i) (and therefore also OpEx and CapEx), but we have substantial sales of Connected Lighting aligned with criteria ii). As a result, the taxonomy alignment is 10.6% of net sales, 10.3% of OpEx and 0.0% of CapEx.

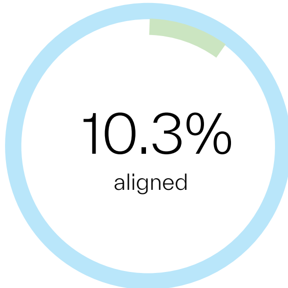
Turnover



NOK 4,247 million

Eligble, 95.6%
Aligned, 10.6%

OpEx



NOK 144 million

Eligble, 100.0%
Aligned, 10.3%

CapEx

NOK 42 million

Eligble, 100.0%
Aligned, 0.0%

Social

Our most important asset are our people. We do our utmost to co-create a safe and attractive workplace for all our people. We enable a good work culture from within and top-down with both local and global initiatives.

We take this dedication even further by embedding it into our product line with our Human Centric Lighting (HCL) for schools, healthcare facilities, offices and industrial buildings. What we mean by Human Centric Lighting is lighting that balances our circadian rhythms or inner human clock of rising with the sun and sleeping when it sets. This is specially important in the far northern climates where Glamox was founded. The right kind of light at the right time can influence everything from our sleep to how we feel and perform.

Employment and working environment

Attracting, developing, motivating, and retaining highly competent people is a key part of Glamox's strategy. We truly believe that engaged employees deliver better results. Feeling welcome, safe and respected at work is the right of every employee.

Group leadership at Glamox has the main responsibility of ensuring the best possible working environment for our employees. Where Health, Safety and Environment committees or councils are convened, they carry out the necessary actions to ensure that the working environment within their area of responsibility is in line with applicable laws and internal policies and procedures. Glamox operates according to the Norwegian Working Environment Act and according to local laws and regulations in other countries where we are present. We believe that we have a positive impact in the area of employment.

Glamox upholds the principles of freedom of association and collective bargaining, including respect for each employee's right to make an informed decision, free of coercion, on membership in associations or labour unions. The company engages in dialogue with local unions and has local agreements in place in several production units. Where employees are not covered by collective bargaining agreements, Glamox does not determine working conditions and terms of employment based on the terms from other union agreements.

Working environment
In 2023, we carried out our first Global Employee Engagement survey. This survey has provided useful insights into employee satisfaction at Glamox. We were proud to learn that more than three out of four employees confirmed (high) engagement in working at Glamox. According to the feedback, inclusion, co-worker relationships and the working environment are the top reasons our employees come to work every day.

We admittedly have a few areas we need to improve on, such as career development, cross department collaboration and recognition. Given that this was the first time that such survey was conducted, Global HR at Glamox has provided clear guidance to our managers on how to leverage the insights for their teams to drive concrete improvement actions.
As of 2024, employee engagement is included as one of the performance criteria ffor team managers in order to emphasise the importance placed on it in Glamox.

In line with our Greenlight Strategic Aspirations, Glamox recruited a Chief People & Culture officer in April 2023 to join our Global Leadership Team. As of 2024, we have in place a People & Culture roadmap including initiatives enabling our Green Light Strategy. This roadmap includes initiatives around Diversity, Equity & Inclusion, succession planning, and building leadership competencies.

Health and safety

Healthy and safe work conditions are recognised as a human right and addressed in authoritative intergovernmental instruments, including those of the International Labour Organization (ILO), the Organisation for Economic Cooperation and Development (OECD), and the World Health Organization (WHO). Prevention of harm and promotion of health requires an organisation to demonstrate commitment to workers' health and safety.

We have business units in varied geographical locations and differing governing rules, but we are committed to ensuring a high level of wellness, health and operational safety of our employees.

We have a zero-incident philosophy and work systematically and targeted to ensure that our employees have a safe workplace and feel protected. All our employees are covered by an occupational health and safety management system. From time to time, Glamox uses services from workers who are not employees but whose work and/or workplace is controlled by us. Employees who fit this category are usually covered by the occupational health and safety management system.

The responsibility for health, safety and environment goals within Glamox lies with the divisional managers, including a regular follow up on results. Health and safety KPIs find a place in the monthly business review. Actions to support lie within line management, HSE representatives and committees, and ultimately the individual employee.

In case employees in certain locations are not covered by a national public health system, Glamox facilitates access to non occupational medical or healthcare/well being programs. During 2024. Glamox will create a Global Rewards Philosophy to ensure a more consistent approach regarding benefits aimed at improving employees' well-being.

Where present and mandated, health, safety and environment committees and councils take a part in planning, discussing, developing and following up issues within this area of work. All employees are represented by such committees that have a mandated schedule of meetings.

We have established reporting routines for lost time accidents and require all lost time accidents to be reported, investigated, and mitigated. In 2023, seven Lost Time Injuries (LTIs) were reported, which are four less compared to 2022. This decrease was achieved by preventive measures like training of employees and safety walks conducted for visitors.

Customer health and safety
Protection of health and safety is a recognised goal of many national and international regulations. Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. Customers have a right to non-hazardous products. Where their health and safety are affected, customers also have the right to seek redress.

Glamox systematically works to address health and safety across the life cycle of a product or service and adheres to customer health and safety regulations and voluntary codes. To meet this goal, we regularly assess the health and safety impacts of product and services. In the reporting period, 100% of significant product and service categories were assessed for health and safety impact improvement. In 2023, there were no reported incidents of non-compliance from products in use concerning the health and safety impacts of Glamox's products and services.

Minimising Risk
Glamox periodically assesses risk from hazards according to applicable laws and regulations, international standards, and internal policies and procedures. Line management has the daily responsibility to assess and follow up risk related to health, environment, and safety at work. This also includes the practical responsibility for budgeting, carrying out and follow-up of actual measures. Risk assessments and any investigations of work-related incidents should be done together with safety representatives and occupational health services.

Glamox employees face a limited number of possible work-related injuries, mostly limited to minor cuts or bruises. In the reporting period, we have registered zero serious work-related injuries. Other work-related hazards that could pose a risk of ill health, mostly for administrative staff, include common ergonomic injuries like musculoskeletal disorders from office work or psychosocial illness from stress or a heavy workload.

Employees at our production facilities could potentially be exposed to work-related hazards that pose a risk of high consequence injury. The most common risks are possible exposure to fumes or hazardous substances, operating factory machinery or high voltage power connections, soldering, conducting electric functioning testing, working with noisy equipment or at heights. During the reporting period, Glamox has not registered any high consequence injuries relating to these hazards.

In the reporting period, there were no injuries among workers who are not employees, but whose work or workplace is controlled by Glamox. The possible types of work-related injuries among this group do not differ from regular employees. In the reporting period, there were zero high-consequence work-related injuries and zero fatalities among these workers.

Training
To minimise risks, all employees are subject to the same occupational health and safety regulations and undergo documented initial training and occupational health and safety training. Where relevant, Glamox trains personnel in the use of complex machinery and potentially hazardous situations at work. All employees are required to use personal protective equipment whenever necessary. Personal protective equipment is site specific and determined by the different risk factors on each site. In the reporting period, an average of 64% of all Glamox employees attended dedicated occupational health and safety training. In 13 out of 29 units, 100% of Glamox personnel underwent this training last year.

Reporting concerns
Any employee may report concerns on work-related hazards, either through their closest supervisor or anonymously through our whistleblower channel. Based on the reported concerns, mitigation actions are identified and assessed, and the improvement measures are identified and followed up during our monthly QHSE meetings and management reviews. Employees at Glamox would never face reprisals on account of their decision to either remove themselves from work situations that they believe could cause injury or ill health, or for reporting hazards or hazardous situations to their workers' representatives, to their employer, or to regulatory authorities.

Table: KPI - Occupational health and safety

All employees	2021	2022	2023
Number of hours worked during the reporting period (including compensated overtime)	3,071,312	3,188,938	3,858,067
Number of fatalities because of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	11*	14
Main types of work-related ill health	n/a	Fatigue, broken rib	Cuts & Lacerations and Falling followed by Slips/Trips/Falls
Days lost to injury	532	238	76
Number of injuries resulting in Lost Time (LTI)	19	11	7
Total number of work-related injuries	29	12	24

* Restatement of information: Last year's figure was reported at 4, but has been corrected in this year's version of the table

The data listed on Occupational health and safety has been compiled from Glamox's 29 units with an update of this sustainability report. The information gathered through the use of a survey sent to relevant personnel at the unit.

Table: KPI - Occupational health and safety

Workers who are not employees, but whose work or workplace is controlled by Glamox*	2022	2023
Number of hours worked during the reporting period	152,621	12,616
Number of fatalities because of work-related ill health	0	-
Number of cases of recordable work-related ill health	0	-
Main types of work-related ill health	n/a	-
Number of workers who are covered by the occupational health and safety management system	1128 (at various facilities. No workers have been excluded)	23
Number of workers who have been excluded in the data in this table*	0	-

* In 2021, Glamox did not report on comparable figures for this group

Diversity, Equity & Inclusion

Diversity, Equity and Inclusion ("DEI") plays an important role at Glamox. Our people are the most important factor for our success. We believe that valuing diversity, equity and inclusion in all aspects of our business is a competitive differentiator. It enables us to attract and retain top talent and fosters innovation and creativity whilst being more productive. It supports us to exceed our financial targets, outperform our peers, and to create unmatched value for our investors, shareholders, colleagues and business partners. We will work towards our commitment of creating a diverse, equal and inclusive culture as outlined in our Global DEI Policy and DEI Roadmap for 2024.

The lighting industry has traditionally been dominated by men in sales and leadership positions. Glamox aims to change these statistics by hiring more women in all parts of the company.

In 2023, one of the six shareholder-elected Board members in Glamox AS is a women. There are three Board members elected by the employees, of which one is a women.

At the end of 2023, our workforce consisted of 37% women and 63% men.

Table: KPI - Employees

All Countries Category	Total	Men	Women	Under 30 yrs (after 1994)	30-50 yrs	Over 50 yrs (Before 1973)
Employees	2 237	1 360	877	302	1 160	775
New employees	145	89	56	53	70	18
Employee turnover	175	105	70	61	81	33
Employees entiteled to parental leave	14	1	13	14	-	-
Permanent employees	2 119	1 291	829	231	1 122	767
Full-time employees	2 179	1 336	843	278	1 143	758
Temporarly hired employees	112	66	46	67	37	8
Non-guaranteed hrs employees	0	0	0	0	0	0

Norway	Total	Men	Women	Under 30 yrs (after 1994)	30-50 yrs	Over 50 yrs (Before 1973)
Employees	548	362	186	79	269	200
New employees	37	23	14	15	16	3
Employee turnover	41	28	13	20	16	5
Employees entiteled to parental leave	-	-	-	-	-	-
Permanent employees	498	327	172	39	262	198
Full-time employees	520	344	176	58	267	196
Temporarly hired employees	48	35	13	40	6	2
Non-guaranteed hrs employees	0	0	0	0	0	0

Rest of Europe (PL, DK, SE, FI, DE, CH, EE, UK, NL and IE but not NO)	Total	Men	Women	Under 30 yrs (after 1994)	30-50 y	Over 50 yrs (Before 1973)
Employees	1,593	953	640	213	843	537
New employees	104	63	41	38	52	14
Employee turnover	131	75	56	41	62	28
Employees entiteled to parental leave	-	-	-	-	-	-
Permanent employees	1,525	919	606	182	812	531
Full-time employees	1,563	946	617	210	828	525
Temporarly hired employees	64	31	33	27	31	6
Non-guaranteed hrs employees	0	0	0	0	0	0

Rest of the World (US, CA, CN, SG and KR)	Total	Men	Women	Under 30 yrs (after 1994)	30-50 y	Over 50 yrs (Before 1973)
Employees	96	45	51	10	48	38
New employees	4	3	1	-	2	1
Employee turnover	3	2	1	-	3	-
Employees entiteled to parental leave	2	-	1	1	-	-
Permanent employees	96	45	51	10	48	38
Full-time employees	96	45	51	10	48	38
Temporarly hired employees	-	-	-	-	-	-
Non-guaranteed hrs employees	-	-	-	-	-	-

Table: KPI - Breakdown of employees and Board members by gender:

	No. of men	Avg. period in years	No. of women	Avg. period in years
Executive members	7	6 yrs	2	6 yrs
Independent members*	2	6 yrs	-	6 yrs

* Glamox does not have non-executive members on its Board, and has therefore not reported in this category.

Table: KPI - Breakdown of employees and Board members by age:

	2022		
	Under 30	30-49	50+
Organisation total	298	1,157	773
Board of Directors		1	8
Executive level leadership		5	4

Non-discrimination and the Norwegian Activity Duty

The information tables with employee data from the 2022 report and the text in the following paragraphs should be considered as Glamox's response to the Activity Duty and the duty to issue a statement.

According to the International Labour Organisation (ILO), discrimination can occur on the grounds of race, colour, gender, religion, political opinion, national extraction, and social origin. Discrimination can also occur based on factors such as age, disability, migrant status, HIV and AIDS, gender, sexual orientation, genetic predisposition, and lifestyle, among others.

The presence and effective implementation of policies to avoid discrimination are a basic expectation of responsible business conduct.

As is listed in our Code of Conduct, Glamox does not condone any form of harassment, violence, discrimination, or other unacceptable behaviour.

We require that our managers keep an open mind, speak out against discrimination and set an example of respectful and inclusive behaviour. We believe that our policies can contribute positively to non-discrimination in the workplace.

To support our non-discrimination initiatives, sessions on "unconscious bias training" for the leadership groups were run in 2022. In addition, a plan for activities to be rolled out in 2024 was developed, to further our efforts on this topic. A few of the initiatives related to recruitment are as follows:

- It is required to have a solid gender balance amongst qualified candidates for a position.
- It is required that at least one qualified woman will be considered in the final round of all interviews.
- Review of language in our job advertisements to minimise gender and other biases with tools like Gender Decoder: find subtle bias in job advertisements (katmatfield.com).
- Review the 'must have' requirements for positions at Glamox to ensure flexibility, to open for fewer days of required travel, more flexible working methods, alternative locations, a greater variety of experience and educational backgrounds considered acceptable, and greater awareness for transferrable skills.
- Have a clear diversity, equality and inclusion statement in all job advertisements on our website
- Analyse the distribution of our job advertisements, see if we can add channels or enter into partnerships that will increase the diversity of the candidates who apply, first in Norway followed by other countries.

We have reviewed our career website to promote and highlight diversity in our current workforce via campaigns. The campaign 'Women of Glamox' ran for around 12 months and put the spotlight on women working in Glamox. Through this campaign we were able to showcase the amazing women we have in the business. We wanted to show the depth and breadth of female talent already available in Glamox worldwide, thus demonstrating the value we place on them and not least to showcase Glamox as an attractive employment destination for women.

Case study

At Glamox, we produce high-quality products with longevity

When developing and designing new products, we assess and balance the features in line with our design principles. All products launched during 2023 had different features and elements that can be routed back to the Glamox Circular Design criteria.

All Glamox products have the same foundation of superior technical quality whilst ensuring the best quality of light and longevity of the product.

Our **C80 G2, C81, C88, C94 and Motus Line** are all designed with different parts and elements where recycled aluminum is used, without compromising on quality. This means that 98% of the aluminum profiles in the Keila factory will be made out of recycled aluminum. When using recycled parts instead of virgin aluminum, the carbon footprint is significantly lower, and we ensure an extended lifecycle of materials used in production.

Our **Nordic Collection**, consisting of several different architectural pendants, is built on a very flexible and modular platform. It provides us with the opportunity to offer a wide range of designs on the products while sharing the same platform of main technical parts. The flexibility reduces the number of parts needed in production, decreases the risk of scrapping, and makes the logistics less complex, hence reducing the environmental footprint of these products.

The new range of **Multi G2** industrial luminaires is designed on a long heritage of repairability and upgradability. When developing the new generation of Multi G2, we continued to build around a flexible concept where the gear tray can be easily repaired or exchanged, if necessary, while the main body and the infrastructure can remain unchanged. This ensures that significant parts of these products can remain in the installation as long as possible.

Governance

Glamox aspires to be a role model for responsible leadership by delivering on governance and business ethics. Respecting, supporting and promoting human rights is embedded in our vision and values, policies and procedures. The Board of Directors Report on page 40 of this report, describes our governance structure, composition, role and development of the Board of Directors, the highest governance body in Glamox.

We support the principles underlying the Universal Declaration of Human Rights, are a signatory to the UN Global Compact, the UN Guiding Principles on Business and Human Rights and ILO's eight core conventions, and we expect our suppliers to do the same.

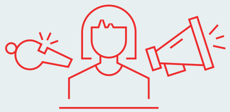
Anti-corruption

The lighting industry has previously seen practices related to payment of non-transparent commissions to lighting designers, architects and other roles that assist the property developers to specify the lighting requirements for a project. These practices have been discontinued in most of the countries where Glamox operates and Glamox has a strict commission policy. Owners benefit schemes have traditionally been operated in the shipping industry, but this is now less frequently requested. The main risks related to corruption are linked to entertainment, for example the giving and receiving of gifts.

In most of the countries where Glamox operates, there is a low risk of corruption. However, there is an increased risk of corruption due to a lack of enforcement of local laws that influences business practices in some locations like Poland, Asia and the Middle East. All Glamox operations have been assessed for risks related to corruption.

The Group CEO regularly emphasises our zero tolerance for corruption. Glamox has implemented a Group-wide anti-corruption policy since November 2020, available through the compliance management system and communicated to employees as part of the onboarding process. Further training is regularly provided to employees at the risk frontline. Annual anti-corruption training is conducted, specifically tailored to employees' tasks. Prior to the establishment of the anti-corruption policy, an assessment was undertaken of business practices with increased risk in the lighting industry, in addition to a geographical risk assessment using globally recognised corruption indexes.

There were no confirmed incidents of corruption in 2023. No employees were dismissed or disciplined for corruption, and no contracts with business partners were terminated or not renewed due to violations related to corruption. Glamox is not aware of any cases regarding corruption being brought against the company or its employees in the reporting period.



Supply chain and the Norwegian Transparency Act

Glamox publishes a statement including our expectations to our suppliers, due diligence on human rights and how we manage risk. This statement is based on the Norwegian Transparency Act. We also issue an annual Modern Slavery Statement, based on the UK Modern Slavery Act of 2015.

Conflict minerals

As a manufacturer of products containing electronic components we acknowledge that our products may contain metals that may have originated from minerals sourced from conflict affected and high-risk areas. There are no substitutes for these minerals at present, and we acknowledge that the extraction of these minerals contribute to human rights violations, political instability in the regions, or even be used to finance armed conflict. All our suppliers are therefore required to critically assess their own supply chain to ensure that no metals are derived from regulated conflict minerals or ensure that only certified smelters have supplied the metals.

We use the Conflict Minerals Reporting Form issued by the Responsible Minerals Initiative to gather information on our suppliers, the country of origin of minerals, the smelteries and refineries used for processing our raw materials like tungsten, tantalum, tin and gold.

The IntegrityNext platform allow us to track each supplier's compliance regarding regulated conflict minerals. Our suppliers either have to declare the absence of conflict minerals or state correctly and fully the source of any conflict minerals in their products, evidenced by a certificate. Suppliers who do not comply, send in incomplete forms are followed up individually to ensure compliance. Needless to say, our long term objective is to replace all components linked to conflict minerals.

Access to remediation

We have established actions to prevent or mitigate potential negative impacts, as well as routines for reporting and tracking the effectiveness of the actions taken.

Any and every individual, inside and outside our company, may use the whistleblowing channel established in 2022. This can be used to report wrongdoing, suspected wrongdoing, breaches or suspected breaches of laws of the land or the Glamox Code of Conduct. This could be anything that affects our employees, organisation, society, or the environment. This includes violations of human and labour rights such as the right to freedom of association, recognition of the right to collective bargaining, forced, compulsory and child labour.

Glamox Group Modern Slavery Statement for 2023 >

Transparency Act Statement for 2023 >

Goals and targets

Environment

- Reduce absolute Scope 1 and 2 GHG emissions 40 percent by 2025, from a 2021 base year
- Reduce Scope 3 emissions in line with our Science Based Target
- Make progress towards goal of reducing the share of non- hazardous waste sent to landfill to 1 percent by 2025
- Increase the share of turnover from connected lighting to 45 percent by 2025

Social

- Start reporting average number of training hours per employee
- Start measuring employee satisfaction using eNPS
- Maintain track record of zero fatal accidents
- Work to further decrease number of LTI
- Implement common group policies, ensuring a global standard for onboarding, follow-up and development plans for employees
- Further implement Diversity, Equity and Inclusion policy and training with focus on unconscious bias

Governance

- Create measurements for ethics, social and governance related issues in the supply chain and establish routines for follow-up
- Roll-out digital tools that enables trustworthy reporting of social and governance matters, and further improve the strategic KPIs to follow positive developments, including a global HR system
- 150 new suppliers in IntegrityNext during 2024

GRI Content Index

This report is prepared in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.

GRI 2: General Disclosures 2021	GENERAL DISCLOSURES	Reference	Page	Omissions
	2-1 Organizational details	About Glamox	3	
	2-2 Entities included in the organization's sustainability reporting	About Glamox's sustainability reporting	38	
	2-3 Reporting period, frequency and contact point	About Glamox's sustainability reporting	38	
	2-4 Restatements of information	Table: Occupational Health and Safety, Table: KPI - Occupational health and safety	53, 72	
	2-5 External assurance	About Glamox's sustainability reporting	38	
	2-6 Activities, value chain and other business relationships	About Glamox	3	
	2-7 Employees	Table: KPI - Employee	55-57	
	2-8 Workers who are not employees	Health and safety, Table: KPI - Occupational health and safety	52-53	
	2-9 Governance structure and composition	Governance	31	
	2-10 Nomination and selection of the highest governance body	Governance	31	
	2-11 Chair of the highest governance body	Governance	22, 31	
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance	31	
	2-13 Delegation of responsibility for managing impacts	Governance	31	
	2-14 Role of the highest governance body in sustainability reporting	Governance	40-42	
	2-15 Conflicts of interest	Conflict of interest	41	
	2-16 Communication of critical concerns	Conflict of interest, Reporting concerns, Access to remediation	32, 53, 62	
	2-17 Collective knowledge of the highest governance body	Governance	31	
	2-18 Evaluation of the performance of the highest governance body	Remuneration	32	
	2-19 Remuneration policies	Remuneration	32	
	2-20 Process to determine remuneration	Remuneration	32	
	2-21 Annual total compensation ratio	Remuneration	32	
	2-22 Statement on sustainable development strategy	Letter from the CEO	6	
	2-23 Policy commitments	Responsible business partner, Non-discrimination and the Norwegian Activity Duty, Supply chain and the Norwegian Transparency Act	32, 58, 62	
	2-24 Embedding policy commitments	Supply chain and the Norwegian Transparency Act	62	
	2-25 Processes to negative impacts	Access to remediation	62	
	2-26 Mechanisms for seeking advice and raising concerns	Access to remediation	62	
	2-27 Compliance with laws and regulations	Environment, Social and Governance	31	
	2-28 Membership associations	Organisations and initiatives	39	
	2-29 Approach to stakeholder engagement	Stakeholder engagement and materiality assessmen	39-40	
	2-30 Collective bargaining agreements	Employment and working environment	51	

GRI 3: Material topcis 2021	3-1 Process to determine material topcis	Materiality assessment	40	
	3-2 List of material topics	Materiality assessment	40	

GRI 3: Material topcis 2021	3-3 Management of material topics	Energy consumption	45	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Table: KPI - Energy consumption within the organization	45	

Environment

GRI 3: Material Topics 2021	3-3 Management of material topics	Emissions	46	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate accounting, Table: KPI - Energy use, Scope 1 & 2 climate emissions	46	
	305-2 Energy indirect (Scope 2) GHG emissions	Climate accounting, Table: KPI - Energy use, Scope 1 & 2 climate emissions	46	
	305-3 Other indirect (Scope 3) GHG emissions	Scope 3 climate emission	47	
	305-5 Reduction of GHG emissions	Climate Accounting	46	

GRI 3: Material Topics 2021	3-3 Management of material topics	Waste and Circular economy	48	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste and Circular economy	48	
	306-2 Management of significant waste-related impacts	Waste and Circular economy	48	
	306-3 Waste generated	Table: KPI - Waste and recycling from Glamox production units	48	

Social

GRI 3: Material Topics 2021	3-3 Management of material topics	Health and safety	52	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and safety	52	
	403-2 Hazard identification, risk assessment, and incident investigation	Reporting concerns	53	
	403-3 Occupational health services	Health & Safety	52	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety	52	
	403-5 Worker training on occupational health and safety	Training	53	
	403-6 Promotion of worker health	Health and safety	52	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Customer health and safety	52	
	403-8 Workers covered by an occupational health and safety management system	Health and safety	52	
	403-9 Work-related injuries	Health and safety, minimising risk, Table: KPI - Occupational health and safety	53	
	403-10 Work-related ill health	Table: KPI - Occupational health and safety	53	

GRI 3: Material Topics 2021	3-3 Management of material topics	Employment and working environment	51	
GRI 401: Employment	401-1 New employee hires and employee turnover	Table: KPI - Employees	55	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Health controls, service pension and health care allowance		
	401-3 Parental leave	Table: KPI - Employees	55	

GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, Equity and Inclusion	54	
GRI 405: Diversity and Equal Opportunity	405-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred in 2023		
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and equal opportunity		x

GRI 3: Material Topics 2021	3-3 Management of material topics	Non-discrimination and the Norwegian Activity Duty	58	
GRI 406: Non-discrimination 2016	405-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred in 2023		

GRI 3: Material Topics 2021	3-3 Management of material topics	Customer health and safety	52	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer health and safety	52	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer health and safety	52	

Governance

GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-corruption	61	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-corruption	61	
	205-3 Confirmed incidents of corruption and actions taken	Anti-corruption	61	

GRI 3: Material Topics 2021	3-3 Management of material topics	Governance	31	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply chain and the Norwegian Transparency Act	62	
	414-2 Negative social impacts in the supply chain and actions taken	Supply chain and the Norwegian Transparency Act	62	

GRI 3: Material Topics 2021	3-3 Management of material topics	Governance	31	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply chain and the Norwegian Transparency Act	62	
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply chain and the Norwegian Transparency Act	62	

Omissions

Omissions in disclosure	**GENERAL DISCLOSURES**	**Reference**	**Omissions**
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and equal opportunity	Not applicable: Glamox has not calculated the ratio of basic salary and remuneration of women to men, but plans to do this in future reporting.

Progress on Sustainability Linked Financing Framework KPIs

This is the first report on progress after Glamox launched the Sustainability Linked Financing Framework in January 2022 (the “Framework”). The Framework is used for Glamox AS bank financing as well as GLX Holding AS FRN Senior Secured NOK 2,000m (ISIN NO0012838970).

The Framework is developed in alignment with the Sustainability-Linked Bond Principles (SLBP) published in June 2020 by the International Capital Market Association (ICMA) and the Sustainability Linked Loan Principles (SLLP) published in March 2022 by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA).
The Framework was subject to a pre-issuance Second Party Opinion by Position Green.

KPI 1: Absolute Scope 1 and 2 GHG emissions in metric tonnes

Glamox should reduce absolute Scope 1 and 2 GHG emissions by 40% by 2025 from a 2021 base year.

	2021 (base year)	2022	2023	Target 2025
Scope 1	3,134	2,462	2,250	-
Scope 2	1,483	1,033	1,028	-
Total	4,617	3,496	3,280	2,770
Reduction vs 2021 (%)	-	24%	28%	40%

Numerous activities across the Group have supported the reductions achieved towards this goal, including initiatives to reduce energy consumption and increasing the use of renewable electricity.

Further to this target, Glamox has, in line with its commitment, submitted SBTi targets that are in line with the latest climate science and the requirements to meet the Paris Agreement. The submitted targets are currently being validated by the SBTi. The submitted targets are assumed to be in line with the SBTi framework and also includes a reduction of Scope 3 emissions.

KPI 2: Share of turnover from connected lighting

Glamox should increase the share of turnover from connected lighting to 45% by 2025.

As stated in the Framework, the percentage of our turnover from connected lighting was around 35% in 2021. Since January 2022, Glamox has worked to improve the quality of its product information data management. This has yielded a more granular view of connected lighting sales across all relevant business units.

	2021	2022	2023	Target 2025
Share of Connected lighting	36.6%	37.2%	40.4%	45%

The increase in connected lighting is primarily driven by Professional Building Solutions sales in Norway, Sweden and Germany, following successful marketing around the advantages of energy efficient lighting solutions. We also see increasing demand for connected lighting within marine applications, primarily in Europe.

Glamox has also recruited a Chief Digital Officer in 2023, to further accelerate our offering of connected lighting solutions.

KPI 3: Non-hazardous waste to landfill in metric tonnes

Glamox to reduce the share of non-hazardous waste sent to landfill to 1% by 2025.

	2021	2022	2023	Target 2025
Non-hazardous waste sent to landfill as percentage of total non-hazardous waste	4.4%	2.6%	1.0%	1.0%

In 2022 and 2023 Glamox has significantly reduced its waste to landfill and increased its recycling levels. This has been done through internal improvement of sorting practices as well as close dialogue with our recycling partners and careful consideration of production processes. The result of this work is that we have achieved the KPI well ahead of time. However, we continue to strive towards zero waste to landfill and increased recycling levels.

For more information, please refer to the Sustainability section of our Annual Report for 2023.

Position Green

April 2024

Verification

POST-ISSUANCE

KPI Performance and Sustainability Targets for Sustainability-Linked Bonds

Glamox AS

Position Green

Independent Verification of KPI reporting and SPT progress

Glamox AS ("Glamox") has commissioned Position Green AS (Position Green) to conduct an independent review of the company's Key Performance Indicators (defined in Glamox' 2023 Sustainability-Linked Bond Framework) as reported in the report "Progress report", dated March 2024, and the progress against Sustainability Performance Targets (as defined in Glamox' 2023 Sustainability-Linked Bond Framework).

BASIS FOR THE REVIEW

Reporting Period	01.01.2023 – 31.12.2023
Framework/Methodology	GHG Protocol, 2021 ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews.

From Glamox' Sustainability-Linked Bond Framework

	Key Performance Indicators (KPI)	Sustainability Performance Targets (SPT)
1	Absolute Scope 1 and 2 GHG emissions in metric tonnes	Reduce absolute Scope 1 and 2 GHG emissions by 40% by 2025 from a 2021 base year
2	Share of turnover from connected lightning	Increase in the share of turnover from connected lightning to 45% by 2025
3	Non-hazardous waste to landfill in metric tonnes	Reduce the share of non-hazardous waste sent to landfill to 1% by 2025

CRITERIA AND PROCEDURES

		Criteria applied	Verification procedures
KPI 1 and SPT I	i.	The data used and reported is transparent and has been calculated correctly in line with the KPI definition	• Review of processes for gathering fuel and energy consumption and reporting to Normative • Limited sample check of reported fossil fuel and electricity consumption and invoiced consumption • Limited sample check of Guarantee of origins certificates and coverage • Reconciliation of reported Scope 1 and 2 GHG emissions in Normative vs. progress report
	ii.	The performance is in line with a linear trajectory	
KPI 2 and SPT II	iii.	The data used and reported is transparent and has been calculated correctly in line with the KPI definition	• Review of criteria and process for tagging and reporting connected lighting products • Reconciliation of proportion of connected lighting vs. absolute figures in financial statement
	iv.	The performance is in line with the trajectory	
KPI 3 and SPT III	v.	The data used and reported is transparent and has been calculated correctly in line with the KPI definition	• Review of processes for gathering waste data and reporting to Normative • Limited sample check of reported waste tonnage and invoiced tonnage, both waste sent to landfill and total waste
	vi.	The performance is in line with the trajectory	

VERIFICATION ASSESSMENT

Following the review of Glamox' reporting based on the criteria above, Position Green consider the reporting to cover the elementary requirements, in addition, we would like to highlight the following:

SPT I Reduce absolute Scope 1 and 2 GHG emissions by 40% by 2025 from a 2021 base year

i. The reporting follows the KPI as defined in the SLB framework.
Nothing has come to our attention that causes us to believe that the data used is not transparent and calculated correctly.

ii. The decrease in GHG emissions is ahead of a linear trajectory.

SPT II Increase in the share of turnover from connected lightning to 45% by 2025

iii. The reporting follows the KPI as defined in the SLB framework.
Nothing has come to our attention that causes us to believe that the data used is not transparent and calculated correctly.

iv. The reported increase in connected lightning is ahead of the trajectory.

SPT III Reduce the share of non-hazardous waste sent to landfill to 1% by 2025

v. The reporting follows the KPI as defined in the SLB framework.
Nothing has come to our attention that causes us to believe that the data used is not transparent and calculated correctly.

vi. The reported share in non-hazardous waste sent to landfill is ahead of the trajectory.

Review Provider: **Date:**

Position Green AS **10.04.2024**

Position Green

DISCLAIMER

Position Green assumes no liability for any indirect, incidental, special or consequential damages, including, without limitation, loss of profits, loss of data, loss of purchase price or diminution in the value of a potential transaction, arising as a result of use of this review. The statement does not constitute any form of investment advice, or recommendation.

Glamox

– Consolidated Financial Statements 2023

Content

Glamox – Consolidated statement of profit and loss

Consolidated statement of profit and loss

For the years ended 31 December

NOK 1000	Notes	2023	2022
Revenue	2.1, 2.2	4 246 657	3 703 593
Other operating income	2.1	19 171	68 145
Total revenue and other operating income		**4 265 829**	**3 771 738**
Raw materials, consumables used and changes of finished goods		1 984 347	1 781 385
Payroll and related costs	2.4	1 331 521	1 193 874
Depreciation and amortisation	3.1, 3.3, 4.2	192 348	182 943
Impairment of non-current assets	3.1, 3.3, 4.2	3 368	9 274
Other operating expenses	2.5	376 910	310 569
Total operating expenses		3 888 494	3 478 044
Operating profit		**377 334**	**293 694**
Financial income	5.11	54 050	21 771
Financial expenses	5.11	194 578	101 834
Net financial items		-140 528	-80 063
Profit/loss(-) before tax		**236 806**	**213 631**
Income tax expense	6.1	95 132	43 946
Profit/loss(-) for the year		**141 674**	**169 685**
Profit/loss attributable to equity holders of the parent		141 674	169 685
Earnings per share (basic and diluted)		2.15	2.57

Consolidated statement of comprehensive income

NOK 1000	Notes	2023	2022
Profit/loss for the year		**141 674**	**169 685**
Items that subsequently will not be reclassified to profit or loss:			
Gain/loss from remeasurement on defined benefit plans	7.2	-15 145	27 746
Tax effect on remeasurements on defined benefit plans	6.1	2 266	-3 967
Total items that subsequently will not be reclassified to profit or loss		-12 879	23 779
Items that subsequently may be reclassified to profit or loss:			
Currency translation differences		141 416	38 855
Net gain/loss on hedge of foreign subsidiaries	5.5	-127 351	-33 442
Tax effect from hedge of foreign subsidiaries	6.1	28 017	7 357
Total items that subsequently may be reclassified to profit or loss		42 082	12 769
Other comprehensive income for the period		**29 203**	**36 549**
Total comprehensive income for the period		**170 877**	**206 234**
Total comprehensive income attributable to equity holders of the parent		170 877	206 234

Glamox – Consolidated statement of financial position

NOK 1000	Notes	31.12.2023	31.12.2022
ASSETS			
Intangible non-current assets			
Goodwill	3.2	278 579	261 870
Intangible assets	3.3	231 021	259 289
Total intangible non-current assets		**509 599**	**521 159**
Tangible non-current assets			
Land, buildings and other property	3.1	192 860	190 542
Machinery and plant	3.1	74 463	76 960
Fixtures and fittings, tools, office equipment etc.	3.1	43 511	55 632
Right-of-use assets	4.2	182 697	190 923
Total tangible non-current assets		**493 531**	**514 058**
Deferred tax assets	6.1	79 767	74 660
Other non-current assets		10 676	18 612
Total non-current assets		**1 093 573**	**1 128 489**
Current assets			
Inventories	2.3	784 176	820 202
Trade receivables	5.9	468 879	579 470
Other receivables	5.9	99 467	135 026
Cash and cash equivalents	5.8	511 001	265 811
Total current assets		**1 863 524**	**1 800 508**
TOTAL ASSETS		**2 957 097**	**2 928 996**

NOK 1000	Notes	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Equity			
Share capital	5.7	65 989	65 989
Share premium		27 253	27 253
Retained earnings and other reserves		554 253	588 376
Total equity		**647 495**	**681 618**
Non-current liabilities			
Pension liabilities	7.2	36 924	22 944
Interest bearing liabilities to financial institutions	5.1, 5.2, 9.3	1 145 537	-
Non-current lease liabilities	4.2	130 668	143 124
Deferred tax liabilities	6.1	109 787	105 981
Provisions and other liabilities	4.1	38 474	33 096
Total non-current liabilities		**1 461 390**	**305 145**
Current liabilities			
Trade payables	5.10	319 222	373 338
Other payables	5.10	122 504	138 538
Dividend	5.7	55 000	-
Income tax payable	6.1	35 099	26 782
Current interest bearing liabilities	5.1, 5.2, 9.3	0	1 085 222
Current lease liabilities	4.2	64 093	59 426
Provisions and other liabilities	4.1,5.1,7.2	252 296	258 926
Total current liabilities		**848 213**	**1 942 234**
Total liabilities		**2 309 602**	**2 247 379**
TOTAL EQUITY AND LIABILITIES		**2 957 097**	**2 928 996**

Oslo, 23. April 2024

Mikael Aro
Chairman of the Board

Helene Egebøl
Board member

Joachim Espen
Board member

Torfinn Kildal
Board member

Arild Nysæther
Board member

Lars Ivar Røiri
Board member

Sigmund Monrad Johansen
Board member

Henny S. Eidem
Board member

Espen Ytterstad
Board member

Astrid Simonsen Joos
Group CEO

Glamox – Consolidated statement of changes in equity

NOK 1000	Share capital	Share premium reserve	Retained earnings	Currency translation differences	Net investment hedge reserve	Total retained earnings and other reserves	Total share-holders equity
Balance as of 31 December 2021	**65 989**	**27 253**	**460 982**	**86 151**	**-54 991**	**492 142**	**585 383**
Profit (loss) for the year			169 685			169 685	169 685
Other comprehensive income			23 779	38 855	-26 085	36 549	36 549
Total comprehensive income			193 464	38 855	-26 085	206 234	206 234
Dividends			-110 000			-110 000	-110 000
Balance as of 31 December 2022	**65 989**	**27 253**	**544 446**	**125 006**	**-81 076**	**588 376**	**681 618**
Profit (loss) for the year			141 674			141 674	141 674
Other comprehensive income			-12 879	141 416	-99 333	29 203	29 203
Total comprehensive income			128 795	141 416	-99 333	170 877	170 877
Dividends			-205 000			-205 000	-205 000
Balance as of 31 December 2023	**65 989**	**27 253**	**468 241**	**266 421**	**-180 410**	**554 253**	**647 495**

Glamox – Consolidated statement of cash flows

For the years ended 31 December (NOK 1000)			
Cash flows from operating activities	**Notes**	**2023**	**2022**
Operating profit		377 334	293 694
Taxes paid		-69 450	-49 789
Depreciation, amortisation and impairment	3.1, 3.3, 4.2	195 716	192 217
Gain from sale of assets		-4 473	-898
Changes in inventory	2.3	36 026	-156 984
Changes in trade receivable	5.9	110 590	-130 246
Changes in trade payable	5.10	-54 117	66 421
Changes in pension scheme assets/liabilities	7.2	16 143	-24 323
Changes defined benefit plan recognised directly in equity	7.2	-15 145	27 746
Changes in other assets and liabilities		26 670	-50 433
Net cash flows from operating activities		**619 294**	**167 405**
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets and intangible assets		7 268	6 110
Purchase of tangible fixed assets and intangible assets	3.1, 3.3	-52 872	-57 784
Payment of contingent consideration	4.1	-6 173	-48 509
Payment (-) / proceeds (+) on other investments		-	20 035
Net cash flow from investing activities		**-51 777**	**-80 148**
Cash flow from financing activities			
Proceeds from issuance of debt	5.2	40 000	110 000
Bank fee paid (refinancing RCF)		-18 280	-
Lease principal	4.2	-66 676	-59 329
Lease interest paid	4.2	-6 456	-5 553
Interests paid		-160 010	-71 628
Interests received		54 119	21 604
Repayment of interest bearing debt	5.2	-43 684	-4 005
Payment of dividends to shareholders	5.7	-150 000	-110 000
Other cash flow from financing activities	5.2	-	-6 036
Net cash flow from financing activities		**-350 986**	**-124 946**
Net change in cash and cash equivalents		**216 530**	**-37 689**
Cash and cash equivalents, beginning of period		**265 811**	**306 454**
Effect of change in exchange rate		**28 660**	**-2 955**
Cash and cash equivalents, end of period		**511 001**	**265 811**

Notes

1.1 Corporate information

Glamox AS is a Norwegian public limited company. Its registered address is Birger Hatlebakksvei 15 in Molde, Norway.

GLX Holding AS owns 76.17% of Glamox AS. Beneficial owner of Glamox AS is Triton fond IV, registered at Jersey. A consolidated financial statement is prepared for the GLX Holding Group, and it may be obtained by contacting Glamox AS.

The Glamox Group consists of Glamox AS and its subsidiaries. It is a industrial group that develops, manufactures and distributes professional lighting solutions for the global market. The Glamox Group consists of the two segments 'Professional Building Solutions (PBS) and 'Marine, Offshore & Wind' (MOW).

1.2 Basis of preparation

The consolidated financial statements which include Glamox AS and all its subsidiaries, have been prepared in accordance with IFRS ® Accounting Standards as adopted by The European Union (EU).

Material accounting policies applied in the consolidated financial statements are descibed in note 10.1. The policies are applied consistently to similar transactions and to other events involving similar cricumstances.

The consolidated financial statements are presented in Norwegian kroner (NOK), which is also the functional currency of the parent company. All figures are rounded to the nearest thousand (000), except when otherwise specified.

The report is issued by the Board of Directors on 23 April 2024 and will be approved by the Annual General Meeting on 7 May 2024.

1.3 Significant judgements and estimates

Judgements is applied in assessing how to account for some business transactions and events. This is typically related to:

Business - and product development projects which may introduce complexity to assess how to account for costs during the project. The nature of the project will give guidance to either capitalise or charge costs directly over profit and loss. Only cost related to development of products for a new application and/or with new technology are capitialised. Capitalisation is dependent of a confirmation of the projects technological and economic feasibility, usually when a development project has reached a defined milestone.

Useful life of property, plant, equipment and intangible assets with effect on annual depreciations. The assessement is provided at least annually, is determined as the period over which the asset is expected to be available for use.

The following areas of accounting involve a degree of estimation uncertainty and may result in variation in amounts. Estimation uncertainty in these areas are partly related to the sources of uncertainty identified above and partly related to other sources of uncertainty discussed in the individual notes.

Development projects
In determining the amounts to be capitalised, management makes estimates regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. Details related to capitalised product developement are provided in note 3.3

Property, plant and equipment
Useful life of property, plant and equipment are provided in note 3.1.

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 estimates of the level of taxable profit, the expected timing of utilisation, expected temporary differences and strategies for tax planning. Details related treatment of taxes are provided in note 6.1.

Inventory
A provision for obsolence 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 estimates. 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 obsolence rates to be used. Details of treatment of inventory are provided in note 2.3.

2.1 Segment information

Operating segments within the Glamox Group

Glamox has the following operating segments:
- Professional Building Solutions (PBS)
- Marine Offshore & Wind (MOW)

Each of these segments represents a complete value chain. For the two segments, PBS and MOW, all cost of goods sold (COGS) and administration costs from the Sourcing, Production & Logistics (SPL) not allocated directely to the segments are 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.

The segments offer different products, operate in strategically different markets and therefore have different sales channels and marketing strategies, including associated risks. PBS offers products to office, industry, health, education, retail, hotels and restaurants mainly in Europe. Their main sales channels are directly to installers and wholesalers. MOW offers its products in the global market within commercial marine, energy (offshore and onshore), navy, cruise and ferry. The customer base of MOW 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). EBITDA on segment level includes all leases as operaing expenses. Effect of IFRS 16 is presented under Other in table below. Management believes this information is the most relevant in evaluating the results of the respective segments. Reconciliation from EBITDA to operating profit according to the statement of total comprehensive income is shown below. The Group's financing activities (including finance costs and finance income) and income tax expense are managed on a Group basis and are not allocated to the operating segments.

The internal managment reporting of operating segments does not include any balance sheet items. Consequently, the overview of financial information per operating segment does not include assets and liabilites.

No single customer purchase across segments in 2023 exceeded 10% of total revenues.

Year ended 31 December 2023	Professional Building Solutions (PBS)	Marine Offshore & Wind (MOW)	Other*	Total
Revenue	3 159 537	1 087 119		4 246 657
Other operating income	11 623	3 075	4 473	19 171
EBITDA	381 917	171 593	19 541	573 050
in %	12.1 %	15.8 %		13.5 %

Year ended 31 December 2022	Professional Building Solutions (PBS)	Marine Offshore & Wind (MOW)	Other*	Total
Revenue	2 794 613	908 980		3 703 593
Other operating income	13 073	4 250	50 822	68 145
EBITDA	357 978	124 061	3 873	485 911
in %	12.7 %	13.6 %		12.9 %

*Specification of Other	31.12.2023	31.12.2022
Insurance settlement related to specific products	-	43 699
Restructuring	-	6 564
Other	4 473	559
Total special items in Other operating income	**4 473**	**50 822**
Restructuring cost	42 220	70 326
Claim cost related to specific product	416	5 272
Acqusition and integration cost	0	4 953
ERP Integration	6 453	20 756
Other	7 532	10 427
Total special items in EBITDA	**52 148**	**60 912**
Adjusted EBITDA IFRS16	71 689	64 785
Total EBITDA	**19 541**	**3 873**

Reconciliation of profit	2023	2022
EBITDA	573 050	485 911
Depreciation, amortisation and impairment	195 716	192 217
Operating profit/loss	**377 334**	**293 694**

2.2 Revenues from contracts with customers

The Group is a global provider of lighting solutions for a wide variety of applications both onshore and offshore. All significant revenue streams relate 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.

The Group's revenue from contracts with customers has been disaggregated and presented in the tables below:

Segment information	2023	2022
Professional Building Solutions (PBS)	3 159 537	2 794 613
Marine, Offshore & Wind (MOW)	1 087 119	908 980
Total revenues from contracts with customers	**4 246 657**	**3 703 593**

Geographic information	PBS	MOW	2023
Norway	670 414	239 643	910 057
Sweden	470 575	52 917	523 492
Nordic Region ex. Norway and Sweden	361 085	51 467	412 552
Germany	469 380	52 675	522 055
Europe ex. Nordic Region and Germany	1 159 311	287 205	1 446 516
Rest of the world	28 773	403 212	431 985
Total revenues from contracts with customers	**3 159 537**	**1 087 119**	**4 246 657**

Geographic information	PBS	MOW	2022
Norway	586 252	226 891	813 144
Sweden	396 571	19 873	416 443
Nordic Region ex. Norway and Sweden	355 015	40 332	395 347
Germany	383 930	63 248	447 177
Europe ex. Nordic Region and Germany	1 040 424	254 192	1 294 616
Rest of the world	32 421	304 444	336 865
Total revenues from contracts with customers	**2 794 613**	**908 980**	**3 703 593**

The geographic split is based on the location of the customer.

2.3 Inventories

Inventories	31.12.2023	31.12.2022
Raw materials	426 621	457 949
Work in progress	71 658	56 896
Finished goods	285 896	305 357
Total inventories	**784 176**	**820 202**

Provision for obsolete inventories	2023	2022
At January 1	68 513	105 593
Currency effect	5 689	3 565
Provision used	-19 039	-44 756
Provision reversed	-8 126	-18 307
Additonal provision	24 285	22 417
At December 31	**71 321**	**68 513**

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.

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

2.4 Employee benefit expenses

Payroll and related costs	2023	2022
Salaries	1 054 967	949 707
National insurance	177 961	158 693
Pension costs	45 934	44 574
Other remuneration	52 659	40 900
Total payroll and related costs	**1 331 521**	**1 193 874**
Average number of Full Time Employee (FTE)	2 086	2 194

See note 7.1 for management remuneration.

2.5 Other operating expenses

Other operating expenses	**2023**	**2022**
Sales and marketing expenses	28 291	22 579
Energy and housing	67 262	56 236
Machines and equipment	70 321	64 021
Service fees and software	87 539	61 253
Travel and transport	43 720	41 340
Claim, replacement and insurance expenses	29 809	18 616
Other	49 968	46 522
Total other operating expenses	**376 910**	**310 569**

Auditor	**2023**	**2022**
Fee for statutory audit	7 778	6 141
Audit-related fees	933	826
Tax compliance services	462	546
Other fees	565	717
Total	**9 738**	**8 229**

Audit fee:

The amounts above are excluding VAT.

3.1 Property, plant and equipment

	Land/ Buildings	Machinery	Fixtures and Fittings	Total
Acquisition cost 31.12.2021	**338 719**	**455 497**	**222 548**	**1 016 764**
Additions	1 882	10 296	13 500	25 678
Disposals	-1 660	-27 438	-66 721	-95 819
Reclassifications	8 561	-22 855	14 171	-122
Currency translation effects	8 387	5 920	6 445	20 751
Acquisition cost 31.12.2022	**355 889**	**421 419**	**189 944**	**967 253**
Additions	454	17 187	6 621	24 262
Disposals	-2 357	-20 466	-22 954	-45 777
Reclassifications	1 899	9 625	-11 525	-0
Currency translation effects	26 612	10 721	9 178	46 511
Acquisition cost 31.12.2023	**382 496**	**438 487**	**171 265**	**992 248**
Accumulated depreciation and impairment 31.12.2021	**142 761**	**369 707**	**153 904**	**666 372**
Depreciation for the year	16 077	22 737	18 684	57 498
Impairment for the year*	-	-	6 334	6 334
Disposals	-322	-34 676	-61 089	-96 086
Reclassifications	4 045	-17 467	13 071	-352
Currency translation effects	2 786	4 159	3 408	10 353
Accumulated depreciation and impairment 31.12.2022	**165 347**	**344 459**	**134 312**	**644 119**
Depreciation for the year	16 914	24 490	15 498	56 901
Impairment for the year**	3 065	-	303	3 368
Disposals	-106	-16 058	-20 903	-37 067
Reclassifications	-1 093	6 979	-5 885	0
Currency translation effects	5 510	4 154	4 429	14 092
Accumulated depreciation and impairment 31.12.2023	**189 636**	**364 023**	**127 754**	**681 413**
Carrying amount 31.12.2022	**190 542**	**76 960**	**55 632**	**323 134**
Carrying amount 31.12.2023	**192 860**	**74 463**	**43 511**	**310 834**

	Land	Buildings	Machinery	Fixtures and Fittings
Useful life	Unlimited	Up to 20 yrs.	Up to 10 yrs.	Up to 10 yrs.
Depreciation plan	NA	Straight-line	Straight-line	Straight-line

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

**In 2023, the Group recorded an impairment of NOK 3.4 million related to Building and Fixtures and fittings at the German production unit. No other impairments were identified in 2023 for property, plant, and equipment.

*In 2022, the Group recorded an impairment of NOK 6.3 million related to Fixtures and Fittings at the German production unit. No other impairments were identified in 2022 for property, plant, and equipment.

3.2 Goodwill

	Goodwill
Acquisition cost 31.12.2021	**274 743**
Currency translation effects	7 088
Acquisition cost 31.12.2022	**281 831**
Currency translation effects	16 709
Acquisition cost 31.12.2023	**298 540**
Accumulated Impairment 31.12.2021	**19 961**
Accumulated Impairment 31.12.2022	**19 961**
Accumulated Impairment 31.12.2023	**19 961**
Carrying amount 31.12.2022	**261 870**
Carrying amount 31.12.2023	**278 579**

Carrying amount of goodwill allocated to the segments	**31.12.2023**	**31.12.2022**
Professional Building Solutions (PBS) segment	198 643	182 375
Marine, Offshore and Wind (MOW) segment	79 936	79 495
Total goodwill - carrying amount	**278 579**	**261 870**

The Group tests goodwill for impairment annually or more frequently if there are indications for impairments. Recognised goodwill in the Group as of 31 December 2023 is NOK 278.6 million, derived from acquisitions of Luxo in 2009, Glamox B.V. in 2015, LINKSrecht in 2016, Küttel in 2018, Luxonic and ES-System in 2019, LiteIP, Wasco and Luminell in 2021.
Based on continuing integration and synergies across the acquired companies goodwill are allocated to the two segments PBS and MOW for impairment testing purposes. Recoverable amounts have been determined based on value-in-use calculations for each segment.
The Group performs its annual impairment test at reporting date. There were no impairment losses in 2023 or 2022.

Key assumptions used in value in use calculations

For the 2023 impairment testing, the cash flows in the calculations are based on budgets for 2024 and assumption used in the strategy plan for the period 2025 to 2028, both approved by Group Management. Cash flows after year 2028 have been extrapolated using a long-term growth rate. The calculations of terminal value are based on Gordon's formula.

Growth rate
The historical sales growth rate in Glamox differs between the two segments, PBS and MOW. In the strategy plan the growth rates are based on published industry research with management adjustments. The growth rate applied in the impairment test is equal to the rate utilised in the strategy plan. The terminal growth rate is assumed 2% in both segments in 2023 and 2022.

EBITDA margin
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 EBITDA margin based on managment's experience.

Discount rates
The discount rates are based on the Weighted Average Cost of Capital (WACC) formula derived from the CAPM model. The discount rate is set individually for the two segments, post-tax 10.5% for PBS (2022: 9%) and post-tax 11% for MOW (2022: 10%). Pre-tax discount rates are 13.5% (11.5%) and 14.1% (12.8%) for PBS and MOW respectively.

Sensitivities

The impairment tests are sensitive to several factors, such as changes in WACC, revenue growth and EBITDA margins. Below are these factors listed with margins which may result in impairment losses stand alone.

	PBS	**MOW**
WACC increases with more than:	35%-points	30%-points
Revenue growth decreases with each year more than:	35%-points	30%-points
EBITDA margin decreases with each year more than:	12%-points	12%-points

Reasonably possible change in a key assumption on which management has based its determination of the unit's (group of units') recoverable amount would not cause the unit's (group of units') carrying amount to exceed its recoverable amount.

3.3 Product development and other intangible assets

	Product Development	Trademarks/ Brands	Customer relations	Technology	Other intangible assets*	Total
Acquisition cost 31.12.2021	**74 383**	**99 592**	**84 268**	**60 537**	**225 690**	**544 470**
Additions	4 728	-	-		27 377	32 105
Disposals	-	-	-		-2 284	-2 284
Reclassifications	156	-	-		675	831
Currency translation effects	36	2 729	1 768	979	379	5 892
Acquisition cost 31.12.2022	**79 303**	**102 321**	**86 036**	**61 516**	**251 838**	**581 014**
Additions	6 601	-	-	-	22 010	28 611
Disposals	-	-	-5 012	-3 227	-1 866	-10 105
Reclassifications	-	-	-	-	-	-
Currency translation effects	4 776	7 725	4 650	2 989	619	20 759
Acquisition cost 31.12.2023	**90 680**	**110 046**	**85 673**	**61 279**	**272 601**	**620 279**
Accumulated amortisation and impairment 31.12.2021	**27 959**	**28 062**	**36 524**	**27 968**	**132 376**	**252 888**
Amortisation for the year	10 916	8 454	13 276	9 674	23 607	65 924
Impairment for the year	2 353	-	-		-	2 353
Disposals	-	-	-		-1 673	-1 673
Reclassifications	93	-	-		459	552
Currency translation effects	70	202	846	568	-5	1 681
Accumulated amortisation and impairment 31.12.2022	**41 390**	**36 718**	**50 645**	**38 209**	**154 763**	**321 725**
Amortisation for the year	13 876	8 819	11 934	8 023	26 645	69 297
Disposals	-	-	-5 012	-3 227	-1 866	-10 105
Currency translation effects	2 133	1 612	2 653	1 674	267	8 340
Accumulated amortisation and impairment 31.12.2023	**57 400**	**47 149**	**60 220**	**44 679**	**179 810**	**389 258**
Carrying amount 31.12.2022	**37 913**	**65 604**	**35 391**	**23 307**	**97 074**	**259 289**
Carrying amount 31.12.2023	**33 281**	**62 897**	**25 453**	**16 599**	**92 791**	**231 021**
Economic life	3-5 years	7-10 years and indefinite	5-7 years	5-7 years	Up to 7 years	
Amortisation plan	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	

Net Capitalised development costs as of the year ended December 31, 2023 were NOK 33 281 thousand. 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 53 578 thousand related to research and development activities in 2023 (2022: NOK 46 670 thousand).
Trademark from the aquisition of Küttel amounting to NOK 19,150 thousand are well incorporated in the Swiss market and assessed to be indefinite and therefore not amortised.

*Other intangible assets mainly consist of capitalised software.

4.1 Provisions and other liabilities

	Note	31.12.2023	31.12.2022
Non-current provisions and other liabilities			
Warranties		26 727	26 584
Other liabilities		11 748	6 512
Total non-current provisions and other liabilities		**38 474**	**33 096**

Provision for warranties		**2023**	**2022**
At January 1		26 584	37 231
Currency effect		1 328	737
Provision used		-6 496	-7 807
Provision reversed		-1 904	-4 828
Additional provision		7 215	1 253
At December 31		**26 727**	**26 584**

	Note	31.12.2023	31.12.2022
Current provisions and other liabilities			
Restructuring/Severance payment		3 894	32 589
Product claims		9 510	6 550
Sum current provisions		**13 405**	**39 139**
Derivatives		-	1 588
Prepayments from customers		35 313	15 768
Contingent considerations		19 081	15 563
Accruals for employee benefits		141 642	115 554
Pension liabilities	7.2	1 057	1 133
Other liabilities		41 798	70 180
Sum current other liabilities		**238 892**	**219 787**
Total current provisions and other liabilities		**252 296**	**258 926**

Warranties relates to product warranty obligations to customers. Standard warranty time is between 2-5 years.

Restructuring/severance accruals relates mainly to laid off personnel due to organisational changes (2023) and severance payments to the former CEO (2023 and 2022), see note 7.1.

Product claims relate to concrete warranty cases. The provision is expected to cover cost involved in rectifying received and potential claims.

The contingent considerations relates to earn-out agreements from acquisitions of Wasco GmbH, LiteIP Ltd and Luminell Group AS. The accruals amount to NOK 19 081 thousand in total, wheras NOK 6 744 thousand, NOK 8 074 thousand and NOK 4 263 thousand are allocated to Wasco, Lite IP and Luminell Group, respectively. The accurals are based on best estimates of fair value conditional on certain performance measures to be achieved until 2023 for Wasco GmbH and Luminell and until 2024 for LiteIP Ltd. Remaining unsettled earn-outs, applicable for 2023 and 2024, will maximum amount to NOK 43 435 thousand if all measures achieved. Change in fair values is presented in net financial items at consolidated statement of profit and loss, see note 5.11.

Other liabilities contain accrued fee and general accrued expenses.

4.2 Leases

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

Right-of-use assets	Buildings	Machinery	Fixtures and Fittings	Total
Carrying amount 31.12.2021	**186 265**	**26 070**	**3 811**	**216 147**
Additions	1 920	15 511	300	17 731
Impairment	-571	-	-	-571
Remeasurement	10 367	750	425	11 543
Depreciations	-42 888	-14 890	-1 743	-59 521
Currency translation effects	4 883	679	34	5 595
Carrying amount 31.12.2022	**159 976**	**28 120**	**2 827**	**190 923**
Additions	5 959	18 219	659	24 837
Remeasurement	19 286	947	-51	20 182
Depreciations	-47 235	-17 165	-1 748	-66 148
Termination	-	-126	-1	-127
Currency translation effects	10 866	1 967	197	13 029
Carrying amount 31.12.2023	**148 852**	**31 961**	**1 883**	**182 697**

Amounts recognised in profit and loss	2023	2022
Depreciation from right-of-use assets[1]	66 148	59 521
Interest expense from lease liabilities[2]	6 456	5 553
Expenses relating to short term leases and leases of low-value assets[3]	2 194	2 883
Total	**74 798**	**67 957**

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

Amounts recognised in cash flow	2023	2022
Principal portion of lease payments on lease liabilities[1]	66 676	59 329
Interest portion of lease payments on lease liabilities[1]	6 456	5 553
Payments relating to short term leases and leases of low-value assets[2]	2 194	2 883
Total payments on lease liabilities	**75 325**	**67 764**

[1] Presented as cash flow from financing activities.
[2] Presented as cash flow from operating activities.

Lease liabilities	2023	2022
Lease liabilities, non-current	130 668	143 124
Lease liabilities, current	64 093	59 426

Maturity schedule lease liabilities - contractual undiscounted cash flows[1]	2023	2022
0-1 years	66 408	61 830
1-3 years	110 018	87 942
4 years and later	32 649	67 749
Total undiscounted lease liabilities as of 31.12.	**209 076**	**217 521**

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

5.1 Financial instruments

The Group has the following financial instruments:

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

Financial assets/liabilities at fair value through profit and loss (FVTPL):

- Derivative instruments – Forward contracts (see below)
- Contingent considerations

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 2023 NOK 749 million of the interest bearing liabilities have been designated as hedging instrument (2022: NOK 674 million). In the Group accounts, the underlying currency effects related to the hedging instruments are presented in other comprehensive income, to the extent that the hedging relationship is effective. At the end of the period, the hedging relationship is effective.

For further information, see note 5.5 and 10.1.

The table below shows the various financial assets and liabilities, grouped in the different categories of financial instruments according to IFRS 9.

31.12.2023	Amortised cost	Fair value through profit or loss (FVTPL)	Total
Financial assets			
Trade receivables (note 5.9)	468 879		468 879
Other receivables (note 5.9)	99 467		99 467
Cash and cash equivalents (note 5.8)	511 001		511 001
Total financial assets	**1 079 348**	**-**	**1 079 348**

31.12.2023			Total
Financial Liabilities			
Interest bearing liabilities to financial institutions (non-current and current, note 5.2)	1 145 537		1 145 537
Lease liabilities (non-current and current, note 4.2)	194 760		194 760
Trade payables (note 5.10)	319 222		319 222
Other payables (note 5.10)	122 504		122 504
Contingent considerations (note 4.1)		19 081	19 081
Total financial liabilities	**1 782 022**	**19 081**	**1 801 103**

31.12.2022			
Financial assets			
Trade receivables (note 5.9)	579 470		579 470
Other receivables (note 5.9)	135 026		135 026
Cash and cash equivalents (note 5.8)	265 811		265 811
Total financial assets	**980 306**	**-**	**980 306**

31.12.2022			
Financial Liabilities			
Derivatives (currency forward contracts)		1 588	1 588
Interest bearing liabilities to financial institutions (non-current and current, note 5.2)	1 085 222		1 085 222
Lease liabilities (non-current and current, note 4.2)	202 551		202 551
Trade payables (note 5.10)	373 338		373 338
Other payables (note 5.10)	138 538		138 538
Contingent considerations (note 4.1)		15 563	15 563
Total financial liabilities	**1 799 649**	**17 151**	**1 816 800**

5.2 Interest bearing liabilities to financial institutions

Non-current Interest bearing loans and borrowings	Interest rate	Maturity	31.12.2023	31.12.2022
Revolving facility - utilised amount (NOK)	NIBOR + margin	2026	410 500	-
Revolving facility - utilised amount (EUR)	EURIBOR + margin	2026	359 696	-
Revolving facility - utilised amount (PLN)	WIBOR + margin	2026	388 804	-
Arrangement fees			-13 463	
Total non-current interest bearing loans and borrowings			**1 145 537**	**-**

Current Interest bearing loans and borrowings	Interest rate	Maturity	31.12.2023	31.12.2022
Revolving facility - utilised amount (NOK)	NIBOR + margin	2023	-	410 500
Revolving facility - utilised amount (EUR)	EURIBOR + margin	2023	-	336 442
Revolving facility - utilised amount (PLN)	WIBOR + margin	2023	-	337 155
Other long term loans (GBP) - current part	LIBOR + margin	2023	-	3 556
Arrangement fees			-	-2 430
Total current interest bearing loans and borrowings			**-**	**1 085 222**

Change of non-current Interest bearing loans and borrowings	2023	2022
Opening balance	1 085 222	957 090
Increase of utilised amount	40 000	103 964
Repayment	-43 684	-4 005
Arrangement fee paid	-18 280	-
Amortisation of arrangement fee	7 247	286
Effect of changes in foreign exchange rates	75 032	27 887
Closing balance	**1 145 537**	**1 085 222**

Refinancing of debt

Glamox agreed in February 2023 to refinance its multi-currency revolving credit facility with a commitment amounting to NOK 1,400 million (sustainability-linked financing framework).Both the committed amount and lenders are the same as the previous loan agreement. The duration of the loan is 3.5 year (3 years plus 0.5 year option at lender's discretion). The interest rate is IBOR plus margins between 3.00-3.50% dependent of leverage ratio. An arrangement fee of NOK 13.5 million related to the refinancing is booked against the debt. The arrangement fee is expensed over the availability period of the facility.

Covenant requirements:

Glamox's loan agreements includes the following financial covenants requirements on Group level:
- Equity ratio minimum 15% until Q3 2024, 17.5% until Q3 2025 and 20% onwards.
- Leverage ratio, net interest bearing debt (NIBD)/ EBITDA Adjusted (Last Twelve Months), less than 4.0.

Year end equity ratio and leverage ratio for the covenant caluculations are presented in note 5.6.

There have been no breaches of covenants in 2023 or 2022.

5.2 Interest bearing liabilities to financial institutions (cont.)

Assets pledged as security and guarantee liabilities	31.12.2023	31.12.2022
Secured balance sheet liabilities:		
Interest bearing liabilities to financial institutions	1 145 537	1 084 096
Secured pension liability	11 341	10 941
Balance sheet value of assets pledged as security for secured liabilities:		
Land, buildings and other property	14 732	20 148
Machinery and plant	34 354	31 475
Fixtures and fittings, tools, office equipment etc.	6 636	10 277
Inventories	224 007	219 483
Account receivable	313 614	380 603
Total	**593 343**	**661 986**

5.3 Maturity analysis of financial liabilities

31.12.2023	Less than 12 months	1 to 3 years	Over 3 years	Total
Interest bearing liabilities to financial institutions (note 5.2)*	91 220	1 303 432	-	1 394 653
Lease liabilities (non-current and current, note 4.2)	66 408	110 018	32 649	209 076
Trade payables (note 5.10)	319 222			319 222
Other payables (note 5.10)	122 504			122 504
Contingent considerations (note 4.1)	17 464	1 617		19 081
Total financial liabilities	**616 818**	**1 415 068**	**32 649**	**2 064 535**

31.12.2022	Less than 12 months	1 to 3 years	Over 3 years	Total
Derivatives (currency forward contracts)	1 588			1 588
Interest bearing liabilities to financial institutions (note 5.2)*	1 150 773			1 150 773
Lease liabilities (non-current and current, note 4.2)	61 830	87 942	67 749	217 521
Trade payables (note 5.10)	373 338			373 338
Other payables (note 5.10)	138 538			138 538
Contingent considerations (note 4.1)	14 377	1 185		15 563
Total financial liabilities	**1 740 446**	**89 127**	**67 749**	**1 897 322**

* Figures included estimated interest payable.

5.4 Fair value measurement

The table below discloses information about all financial instruments that are either measured at fair value or where information about fair value is disclosed. There were no transfers between the levels during 2023 and 2022. For related accounting policies, reference is made to note 10.1.

	Carrying amount at	Date of valuation	Carrying amount	Fair value	Level 1	Level 2	Level 3
Liabilities measured/disclosed at fair value							
Interest-bearing loans and borrowings	31.12.2023	31.12.2023	1 145 537	1 145 537		x	
Interest-bearing loans and borrowings	31.12.2022	31.12.2022	1 085 222	1 085 222		x	
Contingent consideration	31.12.2023	31.12.2023	19 081	19 081		x	
Contingent consideration	31.12.2022	31.12.2022	15 563	15 563		x	
Derivative financial liabilities	31.12.2022	31.12.2022	1 588	1 588		x	

Fair value of financial instruments

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

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

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

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

5.5 Financial risk management

The Glamox Group is exposed to a range of risks affecting its financial performance, currency risk, interest rate risk, liquidity risk and credit risk. The Group seeks to minimise potential adverse effects of such risks through sound business practices, risk management and use of 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 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.

The main part of the deposit is organised in a Multi Currency Cash pool. The interest-bearing liability relates to a Revolving Credit Facility (RCF). As of 31 December 2023 NOK 410.5 million, EUR 32.0 million and PLN 150.1 million of the RCF is utilised.

The interest of the utilised amount of the RCF is payable at a rate of NIBOR/EURIBOR/WIBOR plus a margin, dependent on Glamox's NIBD/EBITDA ratio.

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

Interest rate sensitivity	**Increase / decrease in basis points**	**Effect on profit before tax**
31.12.2023	**+/- 100**	**- 6.5 mNOK / +6.5 mNOK**
31.12.2022	**+/- 100**	**- 8.2 mNOK / +8.2 mNOK**

Foreign currency risk

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

As of 31 December 2023, the Group holds no forward currency contracts.

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

	Equity in foreign subsidiaries		**Net debt and bank overdraft/deposits in foreign currency**	
Currency (in currency million)	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
EUR/DKK	26.7	26.6	28.2	27.3
SEK	79.1	38.1	80.8	35.2
GBP	15.8	16.9	15.1	16.7
CHF	13.4	13.7	13.0	12.8
PLN	195.9	209	182.3	202.2
SGD	3.9	3.4	3.8	3.4
CAD	5.6	6.3	5.4	6.2
USD	5.7	5.9	5.1	5.9

5.5 Financial risk management (cont.)

Hedging instruments consist of drawdown of Revolving Credit Facility (RCF) of EUR 32.0 million and PLN 150.1 million as well as bank accounts for Glamox AS in the multi currency facility. Net gain/loss on hedgings instruments in 2023 amounts to NOK -132.9 million (2022: NOK -41.8 million), of which the effective portion of the hedge of NOK -127.4 million (2022: NOK -33.4 million) are presented in other comprehensive income.

Without the hedge of the net investment in foreign subsidiaries, a 10% weakening/strengthening in the value of NOK would have increased/decreased equity by NOK 138.6 million as of 31 December 2023, where equity in EUR represents NOK 29.1 million of this increase/decrease. Such changes in value would have limited impact on Profit and Loss, as they are mainly booked as translation differences against equity.

Liquidity risk

Liquidity risk is the risk that Glamox will not be able to meet its financial obligations as they fall due. Volatile commodity prices and exchange rates as well as fluctuating business volumes and inventory levels can have a substantial effect on Glamox's cash positions and borrowing requirements. Glamox strives to decrease liquidity risk by focusing on profitable growth, lean levels of working capital and a satisfactory long-term leverage.

To fund cash deficits of a more permanent nature Glamox will normally raise bank loans and bank overdrafts.

See note 5.3 for an overview of the maturity profile on Glamox'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. Glamox trades only with recognised, creditworthy third parties. It is Glamox policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which include an assessment of theire credit rating, short-term liquidity and financial position. Glamox 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 Group, which comprise cash and derivative financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group limits its counterparty credit risk on these assets by dealing only with financial institutions with credit ratings of at least A or equivalent.

5.6 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of Glamox's capital management is to ensure that it maintains 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 Group 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 Glamox's financial covenants related to the interest-bearing financial liabilities that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There 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.

	31.12.2023	**31.12.2022**
Interest bearing liabilities to financial institutions (non-current and current)	1 159 000	1 087 652
Lease liabilities (non-current and current)	194 760	202 551
Less: Cash and bank deposit excl. restricted cash	-479 610	-246 564
Net interest bearing debt/(deposit)	**874 150**	**1 043 639**
Adjusted EBITDA last twelve months (calculation shown in APM section)	625 198	546 823
Leverage ratio	**1.4**	**1.9**
Total Assets	2 957 097	2 928 996
Total Equity	647 495	681 618
Equity ratio	**21.9 %**	**23.3 %**

5.7 Equity and shareholders

Share capital in Glamox AS at 31.12.2023	Number	Nominal Value	Balance Sheet
Shares	65 988 668	1	65 989
Total	**65 988 668**	**1**	**65 989**

All shares have the same voting rights.

There have been no changes in the number of shares in 2023 or 2022.

Dividends	2023	2022
Ordinary dividend paid in the period	150 000	110 000
Dividends per share in the period	2.27	1.67

On December 19, 2023, the Board of Directors of Glamox AS approved an additional dividend distribution of NOK 0.83 per share, corresponding to NOK 55 million.

Ownership structure:

The largest shareholders in Glamox AS at 31.12.2023	Total shares	Shareholding/ Voting
GLX Holding AS C/O Triton Advisers	50 260 558	76.17 %
Fondsavanse AS	14 558 635	22.06 %
Erik Must	639 388	0.97 %
Total 3 largest shareholders	**65 458 581**	**99.20 %**
Others (115 shareholders)	530 087	0.80 %
Total number of shares	**65 988 668**	**100.00 %**

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

Name	Position	Shares
Henny Eidem	Board member	14

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

5.8 Cash and cash equivalents

Cash and cash equivalents	31.12.2023	31.12.2022
Bank deposits, unrestricted	479 610	246 564
Bank deposit, restricted, employee taxes	31 391	19 247
Total cash and cash equivalents	**511 001**	**265 811**
Liquidity reserve	**717 310**	**542 216**

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

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

Glamox AS is the counter part towards the Bank in the Multi Currency Cash pool. The net position of the cash pool is presented as cash and cash equivalents.

5.9 Trade and other receivables

Trade and other receivables	31.12.2023	31.12.2022
Trade receivables		
Trade receivables	468 879	579 470
Total trade receivables	**468 879**	**579 470**

Provision for impairment of trade receivables	2023	2022
At January 1	**23 527**	**21 197**
Currency effect	1 842	817
This years loss	-10 671	-1 516
Payments received against previous losses	-616	
Provision this year	5 019	3 029
At December 31	**19 101**	**23 527**

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

Ageing analysis of trade receivables	Total	Not past due	Past due			
			< 30 days	31-60 days	61-90 days	> 90 days
2023	468 879	344 601	87 471	14 096	6 086	16 625
2022	579 470	471 392	57 703	25 025	9 716	15 633

Other receivables	31.12.2023	31.12.2022
Prepaid other expenses	42 195	41 097
VAT	23 951	54 673
Prepaid tax	19 279	13 192
Other	14 043	26 064
Total other receivables	**99 467**	**135 026**

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

5.10 Trade and other payables

Trade and other payables	31.12.2023	31.12.2022
Trade payables		
Trade payables	319 222	373 338
Total trade payables	**319 222**	**373 338**
Other payables		
Public duties payables	122 504	138 538
Total other payables	**122 504**	**138 538**

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

5.11 Financial income and expenses

Financial income and expenses	2023	2022
Financial income		
Interest income	54 119	21 604
Other financial income	-69	167
Total financial income	**54 050**	**21 771**
Financial expenses		
Net Currency loss	3 753	11 236
Interest expenses*	169 261	79 390
Contingent consideration	8 632	8 545
Other financial expenses	12 932	2 662
Financial expenses	**194 578**	**101 834**

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

The Group applies hedge accounting on net investments in foreign subsidiaries. Loans and bank deposits/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.

Contingent considerations consist of NOK 8.6 million (NOK 8.6 million) related to the acquisition of Wasco, LiteIP and Luminell.

6.1 Taxes

Income tax expense:	2023	2022
Tax payable	102 703	66 373
Change deferred tax/deferred tax assets	-6 160	-23 146
Tax related to previous years	-1 411	718
Total income tax expense	**95 132**	**43 946**
Income tax and deferred tax related to items recognised in OCI during the year:		
Tax effect of net gain/loss on hedge of foreign subsidiaries	-28 017	-7 357
Tax effect on remeasurements on defined benefit plans	-2 266	3 967
Income tax and deferred tax charged to OCI	**-30 283**	**-3 391**
Total tax for the year on Group level:		
Norwegian companies	16 349	15 230
Foreign companies	78 781	28 716
Total tax for the year	**95 132**	**43 946**
	31.12.2023	**31.12.2022**
Current tax liabilities consist of:		
Income tax payable for the year as above	102 703	66 373
- adjusted for tax effect of net gain/loss on hedge of foreign subsidiaries	-28 017	-7 357
- of which paid in fiscal year	-56 787	-44 432
- tax on Group contribution to subsidiaries	-	-
- payment of withholding tax	-2 079	-994
- tax provision related to previous years	-	-
Current tax liabilities 31.12	**15 820**	**13 589**
- Of which claissified as other receivables (prepaid tax - note 5.9)	-19 279	-13 192
- Of which claissified as income tax payable	35 099	26 782

Deferred tax liabilities (assets):	31.12.2023	31.12.2022
Property, plant and equipment	-518	-1 300
Intangible assets	125 730	132 467
Other current assets	-36 302	-33 674
Liabilities	-39 759	-34 754
Restricted interest deduction carried forward	-76 821	-15 632
Net pension reserves/commitments	-34 393	-17 390
Losses carried forward (including tax credit)	-524 109	-389 434
Untaxed profit[1]	359 677	325 281
Basis for deferred tax liabilities (assets):	**-226 494**	**-34 436**

[1] Untaxed profit relates to profit in the Estonian subsidiary, that is taxed when dividend is distributed. In consolidated accounts, taxes are booked as deferred tax liability based on profit generated in the Estonian subsidiary.

Calculated deferred tax assets	**159 790**	**133 826**
- Deferred tax assets not recognised	-80 023	-59 166
Net deferred tax assets recognised in balance sheet	**79 767**	**74 660**
Deferred tax liabilities recognised in balance sheet	**109 787**	**105 981**
Change deferred tax/deferred tax assets in balance sheet	-1 301	-16 569
Deferred tax charged to OCI	2 266	-3 967
Currency effects	-7 125	-2 610
Change deferred tax/deferred tax assets in current income tax expense	**-6 160**	**-23 146**

6.1 Taxes (cont.)

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 14% to 31%, which results in a difference between the statutory income tax rate in Norway and the average tax rate applicable to the Group. A reconciliation of the differences between the theoretical tax expense under the rate applicable in Norway and the actual tax expense is as follows:

Reconciliation of income tax expense	**2023**	**2022**
Profit before taxes	**236 806**	**213 631**
Tax expense (Norway tax rate)	52 097	46 999
Permanent differences	12 300	8 106
Effect of deferred tax asset not recognised	33 956	-4 784
Tax related to previous years	-1 413	718
Effects of foreign tax rates	-3 923	-7 295
Other taxes	2 114	202
Recognised income tax expense	**95 132**	**43 946**
Effective tax rate	**40.2 %**	**20.6 %**

7.1 Management - and Board remuneration

2023	Salary	Performance-related bonus paid	Pension	Other remuneration
Astrid Simonsen Joos - CEO *	6 647	1 578	665	388
Other members of Group Management	15 768	3 576	1 627	513

* currency conversion from DKK to NOK at average rate 1.52

Group CEO Astrid Simonsen Joos joined Glamox 1 August 2022. Her remuneration conditions include payment to a pension scheme amounting to 10% of the base salary and a performance bonus with maximum payment amounting to 75% of the base salary. The notice period is 6 months if she decides to resign and 12 months if Glamox terminates the employment contract. She is entitled to 12 months base salary as severance payment in the event of termination of her employment by the company. Her remuneration is paid in Danish kroner (DKK).

Other members of Group Management consist of Geir Haukedal, Nina Hol (from March), Meelis Peterson, Knut Rusten, Tommy Stranden (from November), Viktor Söderberg, Natalie Wintermark (from April), Monica Bårdseth (until May) and Håkon Helmersen (until October).

2022		Salary**	Performance-related bonus paid	Pension	Other remuneration
Astrid Simonsen Joos - CEO *	from 1 August 2022	2 406	-	241	146
Rune Marthinussen - former CEO	until 31 July 2022	2 168	542	379	93
Other members of Group Management		12 924	1 016	1 217	431

* currency conversion from DKK to NOK at average rate 1.38

** salary for the period employed as CEO

Other members of Group Management consist of Geir Haukedal (from March), Meelis Peterson, Knut Rusten, Viktor Söderberg, Monica Bårdseth and Håkon Helmersen.

		Board of Directors' fees
Remuneration to Board members	2023	2 338
Remuneration to Board members	2022	2 525

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

7.1 Management - and Board remuneration con.

Shareholdings

Management and Board members of Glamox AS own shares in GLX MipCo AS which indirectly owns Glamox AS through Glace HoldCo AS and GLX Holding AS. GLX Mipco AS has issued 4 million shares in total and owns 10% of the A-shares in Glace Holdco AS. Glace Holdco AS owns 76.17% of Glamox AS indirectly through GLX Holding AS.

Glamox Group CEO and Board members' holdings of shares in GLX MipCo AS per 31.12.2023:

	Shares
Astrid Simonsen Joos (CEO)	400 284
Board members*	585 424

* Board members own additional 35 436 B-shares and 771 124 D-shares in Glace HoldCo AS.

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 Group's contribution plans were NOK 39.9 million in 2023 (2022: NOK 38.0 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, Glamox AS and ES-System account for approximately 90% of the net liability in the Group. The remaining 10% of the net liability consist of several minor defined benefit pension plans in other subsidiaries.

On Group level, total net pension liabilities were NOK 38.0 million (net of the pension liability of NOK 129.1 million and pension plan assets of NOK 91.1 million) as at 31 December 2023. As of 31 December 2022 total net pension liabilities were NOK 21.9 million (net of the pension liability of NOK 109.2 million and pension plan assets of NOK 87.2 million). Actuarial gains/losses recognised in the net pension liabilities amounted to NOK 15.1 million in 2023 (2022: NOK -27.7 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	2023	2022
Net Service Cost	4 981	6 112
Interest cost inluding tax	2 941	999
Interest income	-2 023	-343
Administration expenses	159	132
Defined benefit cost recognised in profit and loss	**6 059**	**6 900**

Changes in pension plan assets during the year	2023	2022
Pension plan assets (fair value) 1.1.	87 261	99 821
Contributions and benefits paid during the year	-10 510	-10 207
Interest income	2 023	436
Administration expenses	-159	-132
Return on assets excl. interest income	1 898	-11 512
Currency translation	10 565	8 856
Pension plan assets (fair value) 31.12	**91 077**	**87 261**

Changes in the present value of pension obligations during the year	2023	2022
Pension obligations 1.1	109 175	145 313
Net service cost	4 981	6 112
Contributions and benefits paid during the year	-16 693	-15 533
Interest cost inluding tax	2 941	1 092
Actuarial gains and losses	17 043	-39 258
Currency translation	11 610	11 450
Pension obligations 31.12	**129 058**	**109 175**
Net pension obligations 31.12	**37 981**	**21 914**

Reconciliation of net defined benefit liability/(asset)	2023	2022
Net defined liability/(asset) , 1.1	21 914	45 492
Defined benefit cost recognised in P&L	6 059	6 900
Defined benefit cost recognised in OCI	15 145	-27 746
Contributions and benefits paid during the year	-6 183	-5 326
Currency translation	1 045	2 595
Net defined liability/(asset) , 31.12	**37 981**	**21 914**

7.2 Post-employment benefits (cont.)

O. Küttel AG

The net pension liabilities consists of a defined benefit plan for 55 employees. The pension plan are organised 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. The average age of the participants in the pension plan was 42.24 as of 31 December 2023.

Financial conditions:	**2023**	**2022**
Mortality table	BVG 2020GT	BVG 2020GT
Discount rate	1.50 %	2.30 %
Expected return on plan assets	1.25 %	1.00 %
Salary increase	1.10 %	2.00 %
Pension increase	0.00 %	0.00 %

Sensitivity analysis of pension obligations	**Change (NOK 1000)**	**Change %**
DBO end of period discount rate + 0.25%	-2 866	-3 %
DBO end of period discount rate - 0.25%	3 060	3 %
DBO end of period salary increase + 0.25%	883	1 %
DBO end of period salary increase - 0.25%	-913	-1 %

Pension obligation per 31.12.2023 is NOK 89.3 million. Currency rate (CHF/NOK) as of 31.12.2023 have been used in the sensitivity analysis.

Expected future contributions	**NOK 1000**
Expected employer contributions next year	2 958
Expected employee contributions next year	2 958
Expected benefits payments next year	-4 301

Currency rate (CHF/NOK) as of 31.12.2023 have been used to calculate expected future contributions and benefit payments.

7.2 Post-employment benefits (cont.)

ES-System

The pension liability in ES-System consists of retirements benefits, disability benefits, and death severance pay. Disability benefits and death severance pay make up approximately 17% of the pension liability, while 83% relates to retirement benefits. On the basis of IAS 19, the profitability of 10-year treasury bonds amounting to 5.1% was used to determine the discount rate. The long-term annual salary growth rate was assumed to be from 5% to 12% depending on site location in nominal terms. When determining the pension liability, the probability of obtaining additional benefit entitlements was taken into account. The probability of achieving rights to severance pay and death severance pay is understood as the probability of invalidity and death of an employee before reaching retirement age, provided that they remain in an employment relationship with their current employer. Retirement age means the age of 60 for women and 65 for men.

Financial conditions:	**2023**	**2022**
Mortality table	PTTZ 2022 wg GUS	PTTZ 2021 wg GUS
Discount rate	5.1 %	6.7 %
Expected return on plan assets	n/a	n/a
Salary increase	5.0 - 12.0%	4.0 - 12.0%
Pension increase	n/a	n/a

Sensitivity analysis of pension obligations	**Change (NOK 1000)**	**Change %**
DBO end of period discount rate + 0.25%	-390	-3 %
DBO end of period discount rate - 0.25%	416	3 %
DBO end of period salary increase + 0.25%	844	7 %
DBO end of period salary increase - 0.25%	-758	-6 %

Pension obligation per 31.12.2023 is NOK 11.9 million. Currency rate (PLN/NOK) as of 31.12.2023 has been used in the sensitivity analysis.

Glamox AS

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

Financial conditions:	2023	2022
Mortality table	K2013	K2013
Discount rate	3.10 %	3.00 %
Expected return on plan assets	3.10 %	3.00 %
Salary increase	3.50 %	3.50 %
Pension increase	3.25 %	3.25 %

8.1 Group companies

Glamox AS is the parent company in Glamox Group consisting of 29 companies. All are directly or indirectly 100% owned. They are listed in note 11 Shares in subsidaries to the separate accounts of Glamox AS.

9.1 Earnings per share

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

Glamox does not have any dilutive effects impacting the earnings per share calculations.

	2023	2022
Total profit/loss for the year attributable to equity holders of the parent	**141 674**	**169 685**
Earnings per ordinary share attributable to shareholders:		
Weighted average number of ordinary shares outstanding used for calculation:	65 989	65 989
Earnings per share in NOK (basic and diluted)	**2.15**	**2.57**

9.2 Related party transactions

Related parties are Group companies, major shareholders, Board and senior management in the parent company and the Group subsidiaries. Note 8.1 provides information about the Group's structure, including details of the subsidiaries and the holding company.

The agreements on remuneration for CEO and Group management appear in note 7.1

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

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

9.3 Events after the reporting period

Proposed dividend
After the reporting date, the Board of Glamox AS has proposed a dividend distribution amounting to NOK 165.0 million, corresponding to NOK 2.50 per share. The dividend shall be distributed in three tranches, of which NOK 55.0 million shall be distributed on or before 21 May 2024, NOK 55.0 million shall be distributed on or before 20 August 2024, and NOK 55.0 million shall be distributed on or before 21 October 2024. The Board assesses the level of proposed dividend to be justifiable based on the liquidity and solidity situation of the company.

Dividend payment
On 19 December 2023, the Board of Directors of Glamox AS approved an additional dividend distribution of NOK 55 million, corresponding to NOK 0.83 per share. A dividend of NOK 55 million was distributed on 2 February 2024.

10.1 Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

In addition, the Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of material, rather than significant, accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain circumstances.

Revenue from contracts with customers
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.

All significant revenue streams relate to the production and sales of goods. Glamox's main performance obligation is related to the sale of goods where the performance obligations are the delivery of an agreed volume of products within the agreed specification.

Sale of goods
Revenue is 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 MOW segment is Ex Works (EXW). EXW delivery terms implies that delivery is completed when the goods are made available, suitably packaged at a specified loaction, often at a Glamox factory or depot.

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.

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

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving average unit cost (MAUC). For finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity, but excluding borrowing costs.

Raw material mainly consists of metal parts, LED components, plastic modules, cables, electronic parts and packaging.

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.

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.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration liability is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss.

Goodwill is measured at cost less any accumulated impairment losses. Reference is made to note 3.2 for an overview over goodwill, allocation of goodwill per CGU and impairment testing.

Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project, which represent new applications/ technology, are recognised as intangible assets if the criteria for capitalisation are complied with, see note 1.3.

Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:
Property, plant and equipment - Note 3.1
Goodwill - Note 3.2
Other Intangible assets - Note 3.3

At each reporting date, the Group assess whether there is an indication that an asset may be impaired.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Provisions

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 revenue from previous years 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted or certain remeasurements of the lease liability.

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 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 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. Non-lease components will be identified and accounted for separately from the lease components in all arrangements.

Options to extend a lease 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 an exercise date many years down the line. As such, management has limited insight and they are not reasonable certain to exercise and no options have been taken into consideration.

Dividend distribution to shareholders

Glamox recognises a liability to make distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company.

Financial instruments

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

Classification of financial instruments
Glamox's financial instruments are grouped in the following categories:
Fair value through profit or loss (FVTPL)
Amortised cost (AC)

Impairment of financial assets
Under IFRS 9, financial assets valued at amortised cost are impaired based on the "Expected credit losses (ECL)" model.

Write off
The Group expects no significant recovery from the amount written off.

Hedge of net investment in foreign subsidiaries

Glamox aims to hedge its net investments in foreign subsidiaries. The Group uses its Revolving Credit Facility (RCF) and bank overdraft/deposits 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 consolidated statement of profit and 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.

Income taxes

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.

Pensions and other post-employment benefits

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

10.2 Changes in accounting policies

There are no changes in accounting policies which significantly affect current and future periods.

10.3 Standards issued but not yet effective

No published but not yet effective standards, interpretations or amendements are expected to significantly affect the Group accounts.

Alternative Performance Measures (APMs)

In order to enhance investors' understanding of the company's performance, the Glamox Group presents certain alternative performance measures (APMs) as defined by the European Securities and Markets Authority ("ESMA") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The company uses APMs to measure operating performance and is of the view that the APMs provide investors with relevant and specific operating figures which may enhance their understanding of Glamox's performance. The company uses the APMs: Adjusted EBIT, adjusted EBITA, adjusted EBITDA, adjusted EBIT margin, adjusted EBITA margin, adjusted EBITDA margin, adjusted total revenue and other operating income EBIT, EBITA, EBITDA, EBIT margin, EBITA margin, EBITDA margin, Leverage ratio, Net interest-bearing debt and Order intake as further defined below.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of Glamox Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the company's historical operating results, nor are such measures meant to be predictive of the Glamox Group's future results. The company believes that the APMs presented herein are commonly reported by companies in the markets in which the Glamox Group competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortisation and impairment, which can vary significantly depending upon accounting measures (in particular when acquisitions have occurred), business practice or non-operating factors. Accordingly, the Glamox Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods, and of the company's ability to service its debt. Because companies calculate the APMs presented herein differently, the Glamox Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The company has presented these APMs because it considers them to be important supplemental measures for prospective investors to understand the overall picture of profit generation in Glamox's operating activities. Adjustments are non-IFRS financial measures that the Group considers to be an APM, and these measures should not be viewed as a substitute for any IFRS financial measures.

The APMs used by the Glamox Group are set out below (presented in alphabetical order):

- **Adjusted EBITA** is defined as the profit/(loss) for the year before net financial income (expenses), income tax expense, amortisation and impairment of intangible assets, adjusted for special items.
- **Adjusted EBITDA** is defined as the profit/(loss) for the year before net financial income (expenses), income tax expense, depreciation, amortisation and impairment of non-current assets, adjusted for special items.
- **Adjusted EBIT margin** is defined as adjusted EBIT as a percentage of adjusted total revenue and other operating income.
- **Adjusted EBITA margin** is defined as adjusted EBITA as a percentage of adjusted total revenue and other operating income.
- **Adjusted EBITDA margin** is defined as adjusted EBITDA as a percentage of adjusted total revenue and other operating income.
- **Adjusted total revenue and other operating income** is defined as total revenue and other operating income adjusted for special items.
- **EBIT** is defined as the profit/(loss) for the year before net financial income (expenses) and income tax expenses.
- **EBITA** is defined as the profit/(loss) for the year before net financial income (expenses), income tax expense, amortisation and impairment of intangible assets.
- **EBITDA** is defined as the profit/(loss) for the year before net financial income (expenses), income tax expense, depreciation, amortisation and impairment of non-current assets.
- **EBIT margin** is defined as EBIT as a percentage of revenue and other operating income.
- **EBITA margin** is defined as EBITA as a percentage of revenue and other operating income.
- **EBITDA margin** is defined as EBITDA as a percentage of revenue and other operating income.
- **Leverage ratio** is a measure of net interest-bearing debt divided by adjusted EBITDA last twelve months.
- **Net interest-bearing debt** is defined as interest-bearing debt excluding arrangement fees minus cash and cash equivalents (excluded restricted cash) and interest-bearing investments.
- **Order intake** is measured at gross value before deduction of commissions and other sales reductions.

APM-reconciliation

Adjusted EBIT[1]

NOK 1000	31.12.2023	31.12.2022
EBIT	**377 334**	**293 694**
Special items	55 516	70 187
Adjusted EBIT[1]	**432 850**	**363 881**
Total revenue and other operating income	4 265 829	3 771 738
Adjustet total revenue and other operaing income[1]	4 261 355	3 720 916
EBIT margin	**8.8 %**	**7.8 %**
Adjusted EBIT margin[1]	**10.2 %**	**9.8 %**

Adjusted EBITA[1]

NOK 1000	31.12.2023	31.12.2022
EBITA[1]	**446 632**	**361 971**
Special items	55 516	67 834
Adjusted EBITA[1]	**502 148**	**429 805**
Total revenue and other operating income	4 265 829	3 771 738
Adjustet total revenue and other operaing income[1]	4 261 355	3 720 916
EBITA margin	**10.5 %**	**9.6 %**
Adjusted EBITA margin[1]	**11.8 %**	**11.6 %**

Adjusted EBITDA[1]

NOK 1000	31.12.2023	31.12.2022
Profit/loss for the period	**141 674**	**169 685**
Income tax	95 132	43 946
Net financial items	140 528	80 063
EBIT	**377 334**	**293 694**
Amortisation and impairment of intangible-assets	69 297	68 277
EBITA	**446 632**	**361 971**
Depreciation and impairment of tangible-assets	126 418	123 940
EBITDA	**573 050**	**485 911**
Special items	52 148	60 912
Adjusted EBITDA	**625 198**	**546 823**
Total revenue and other operating income	4 265 829	3 771 738
Adjustet total revenue and other operaing income[1]	4 261 355	3 720 916
EBITDA margin[1]	**13.4 %**	**12.9 %**
Adjusted EBITDA margin[1]	**14.7 %**	**14.7 %**

Adjusted Total revenues[1]

NOK 1000	31.12.2023	31.12.2022
Total revenue and other operating income	**4 265 829**	**3 771 738**
Special items in total revenue and other operating income	4 473	50 822
Adjustet total revenues and other operating income[1]	**4 261 355**	**3 720 916**

APM-reconciliation (cont.)

Special items

NOK 1000	31.12.2023	31.12.2022
Insurance settlement related to specific products	-	43 699
Restructuring	-	6 564
Other	4 473	559
Total special items in Other operating income	**4 473**	**50 822**
Restructuring cost	42 220	70 326
Claim cost related to specific product	416	5 272
Acqusition and integration cost	-	4 953
ERP Integration	6 453	20 756
Other	7 532	10 427
Total special items in EBITDA	**52 148**	**60 912**
Impairment of non-current assets	3 368	9 274
Total Special items in EBIT	**55 516**	**70 187**

Net debt and leverage ratio[1]

NOK 1000	31.12.2023	31.12.2022
Non-current interest-bearing liabilities	**1 145 537**	**-**
Non-current lease liabilities	130 668	143 124
Current interest-bearing liabilities	0	1 085 222
Current lease liabilities	64 093	59 426
Arrangement fees	13 463	2 430
Interest bearing debt	**1 353 760**	**1 290 203**
Cash and cash equivalents (excluded restricted cash)	-479 610	-246 564
Net interest-bearing debt[1]	**874 150**	**1 043 639**
Adjusted EBITDA[1] last twelve months	625 198	546 823
Leverage ratio[1]	**1.4**	**1.9**

Segment reconciliation

NOK 1000	31.12.2023	31.12.2022
Adjusted total revenue and other operating income[1] - PBS	3 171 161	2 807 686
Adjusted total revenue and other operating income[1] - MOW	1 090 194	913 230
Adjustet total revenue and other operating income[1]	**4 261 355**	**3 720 916**
Adjusted EBITDA[1] - PBS	381 917	357 978
Adjusted EBITDA margin[1] - PBS	12.0 %	12.7 %
Adjusted EBITDA[1] - MOW	171 593	124 061
Adjusted EBITDA margin[1] - MOW	15.7 %	13.6 %
Adjusted EBITDA IFRS16[2]	71 689	64 785
Adjusted EBITDA[1]	**625 198**	**546 823**
Adjusted EBITDA[1] margin	**14.7 %**	**14.7 %**

[1] Please refer to page 111 for explanations on the APM definitions

[2] IFRS 16 effect unallocated to segment.

Glamox AS

– Financial statements 2023

Glamox AS - Profit and loss account

NOK Thousands	Note	2023	2022
Revenue	2,3	1 791 936	1 483 547
Other operating income	2,3,4	274 189	195 548
Total Revenue and other operating income		**2 066 125**	**1 679 096**
Raw materials and consumables used	4,5	1 095 313	920 391
Payroll and related costs	4,6	512 192	440 232
Depreciation and amortisation	7	46 399	41 293
Other operating expenses	4,6	190 105	144 251
Operating profit/loss		**222 117**	**132 929**
Dividend and Group contribution from subsidiaries	3	209 142	163 548
Interest income from other Group companies	3	6 443	9 435
Other financial income	8	36 699	19 033
Other financial expenses	8	-280 521	-122 056
Profit/loss before tax		**193 880**	**202 889**
Tax	9	-17 598	-15 230
Profit/loss after tax		**176 282**	**187 659**
Profit/loss for the year		**176 282**	**187 659**
Allocation of profit/loss for the year			
Proposed dividends	15	165 000	150 000
Distributed additional dividends	15	55 000	0
Transfered to (+)/from (-) other equity	15	-43 718	37 659
Total allocation		**176 282**	**187 659**

Glamox AS - Statement of financial position

NOK Thousands	Notes	31.12.2023	31.12.2022
ASSETS			
Intangible non-current assets			
Intangible assets	7	113 118	107 648
Deferred tax assets	9	19 116	17 619
Total intangible non-current assets		**132 233**	**125 267**
Tangible non-current assets			
Land, buildings and other property	7,10	14 732	20 148
Machinery and plant	7,10	34 354	31 475
Fixtures and fittings, tools, office equipment etc.	7,10	6 636	10 277
Total tangible non-current assets		**55 721**	**61 900**
Investments in subsidiaries	11	1 325 101	1 207 178
Loan to Group companies	12,13	43 092	197 837
Other non-current assets		102	102
Total non-current assets		**1 556 250**	**1 592 284**
Current assets			
Inventories	4,10	224 007	219 483
Trade receivables	10,13	313 614	380 603
Other receivables	13	233 058	183 918
Cash and cash equivalents	13,14	274 376	46 671
Total current assets		**1 045 055**	**830 675**
TOTAL ASSETS		**2 601 305**	**2 422 959**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	65 989	65 989
Share premium	15	27 253	27 253
Retained earnings and other reserves	15	565 651	609 896
Total equity		**658 893**	**703 138**

NOK Thousands	Notes	31.12.2023	31.12.2022
Pension liabilities	6	13 006	12 702
Interest bearing liabilities to financial institutions	10,16	1 145 537	1 081 666
Other long-term loans		100	100
Provisions and other liabilities		10 432	12 933
Total non-current liabilities		**1 169 076**	**1 107 402**
Current liabilities			
Trade payables	13	224 846	232 854
Income tax payable	9	16 251	13 126
Public duty payable		48 487	52 255
Dividends	15	220 000	150 000
Other current liabilities	13	263 753	164 184
Total current liabilities		**773 337**	**612 419**
Total liabilities		**1 942 412**	**1 719 821**
TOTAL EQUITY AND LIABILITIES		**2 601 305**	**2 422 959**

Oslo, 23. April 2024

Mikael Aro
Chairman of the Board

Helene Egebøl
Board member

Joachim Espen
Board member

Torfinn Kildal
Board member

Arild Nysæther
Board member

Lars Ivar Røiri
Board member

Sigmund Monrad Johansen
Board member

Henny S. Eidem
Board member

Espen Ytterstad
Board member

Astrid Simonsen Joos
Group CEO

Glamox AS - Cash flow statement

NOK Thousands	Note	2023	2022
Cash flow from operating activities			
Operating profit/loss		222 117	132 929
Taxes paid		-12 375	-8 996
Amortisation and depreciation	7	46 399	41 293
Changes in inventory		-4 524	-71 452
Changes in accounts receivables		66 988	-131 282
Changes in account payables		-8 008	43 908
Changes in pension scheme assets/liabilities		304	-2 582
Changes defined benefit plan recognised directly in equity		-675	2 194
Changes in other balance sheet items		-44 057	76 887
Net cash flows from operating activities		**266 169**	**82 901**
Cash flow from investing activities			
Purchase of tangible fixed assets and intangible assets		-45 690	-47 838
Capital increase in subsidiary		-	-227 489
Payment of loan to/from Group-companies		19 191	15 917
Dividends received from subsidiaries		184 532	172 412
Net cash flow from investing activities		**158 033**	**-86 999**
Cash flow from financing activities			
Proceeds from issuance of new long-term debt		40 000	110 000
Repayment of long-term debt		-40 000	-
Bank fee paid (refinancing RCF)		-18 280	-
Payment of dividends to shareholders		-150 000	-110 000
Interest received		43 123	28 412
Interest paid		-136 873	-61 181
Change in cash pool for subsidiaries		123 138	37 613
Net cash flow from financing activities		**-138 892**	**4 844**
Net change in cash and cash equivalents		285 310	745
Cash and cash equivalents, beginning of period		46 671	52 906
Effect of change in exchange rate		-57 604	-6 981
Cash and cash equivalents 31.12		**274 376**	**46 671**

Notes

1. Accounting principles

Basic policies - incorporation and classification

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

The annual accounts comprise the profit and loss account, balance sheet, cash flow statement and notes and are prepared in accordance with the Accounting Act and generally accepted accounting policy in Norway (NGAAP) applicable as at 31st of December 2023.

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

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

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

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

Subsidiaries and associated companies in parent company

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

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

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

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

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

Accounting policy for significant account items

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

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

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

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

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

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

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

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

Receivables
Receivables are entered at nominal value minus anticipated loss.

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

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

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

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

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

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

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

From 2023, presentation of Net cash flows from operating activities starts with operating profit, compared to profit/loss before tax. Furthermore, Interest paid was previously presented under "Net cash flow from investing activities" and from 2023 presented under "Net cash flow from financing activities". Currency effect on cash and cash equivalents are now presented under "Effect of change in exchange rate". Comparable figures have been adjusted accordingly.

Note 2 - Segment information

Revenue and other operating income divided into geographical areas	2023	2022
Norway	907 277	812 485
Nordic region	240 928	291 836
Europe, excl. Nordic region	706 720	408 614
North America	86 000	70 083
Asia	94 929	87 908
Other	30 270	8 171
Total	**2 066 125**	**1 679 096**

Note 3 Related parties for parent company and Group

Related parties are Group companies, major shareholders, Board and senior management in the parent company and the Group subsidiaries. Agreements on remuneration for Management appear in note 6. All transactions with other related parties are based on the principle of arm's length.

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

Transactions between Glamox AS and other Group companies	2023	2022
Sales revenue	604 835	504 368
Services	268 426	184 577
Commision	-8 347	-6 789
Interest income	6 443	9 435
Dividend from subsidiaries	209 142	163 548
Cost of Goods	494 846	454 048
Personell expenses	63 267	40 830

There have been no transactions between related parties (outside the Group) for the relevant financial year 2023 and 2022.

Note 4 Gain on sales of assets, other operating expenses, restructuring expenses and other special expenses

In 2023, Payroll and related costs include special items of NOK 5.4 million, relating to restructuring / growth initiatives and severance pay.

Other operating expenses include special items of NOK 25.0 million, where NOK 14.2 million relates to restructuring / growth initiatives and NOK 6.2 million relates to ERP integration.

In 2022, Raw material and consumables used, containe special items of NOK 0.6 million.

Payroll and related cost, include special items of NOK 22.4 million, where NOK 9.9 million relates to restructuring and integration activities and NOK 7.3 million relates to ERP integration.

Other operating expenses include special items of NOK 13.5 million, where NOK 2.3 million relates to restructuring and integration activities and NOK 7.7 million relates to ERP integration.

Note 5 Inventory

Inventory	**2023**	**2022**	**Change**
Raw materials	90 505	104 525	-14 020
Work in progress	17 948	22 532	-4 584
Manufactured goods	115 553	92 426	23 127
Total inventory	**224 007**	**219 483**	**4 524**

Provision for obsolete inventory as of 31.12.2023 NOK 19.3 million (2022: NOK 19.2 million).

Note 6 Salary costs / Number of man-years / Remuneration / Loans to employees / Pensions etc.

Payroll and related costs	2023	2022
Salaries	417 198	360 835
National insurance	58 268	49 665
Pension costs	18 933	17 097
Other remuneration	17 793	12 633
Payroll and related costs	**512 192**	**440 232**
Average number of man-years	**522**	**496**

Remuneration to CEO		Salary	Performance-related bonus paid	Pension	Other remuneration
Astrid Simonsen Joos - CEO *	2023	6 647	1 578	665	388
Other members of Group Management	2023	15 768	3 576	1 627	513

* currency conversion from DKK to NOK at average rate 1.52

Group CEO Astrid Simonsen Joos joined Glamox 1 August 2022. Her remuneration conditions include payment to a pension scheme amounting to 10% of the base salary and a performance bonus with maximum payment amounting to 75% of the base salary. The notice period is 6 months if she decides to resign and 12 months if Glamox terminates the employment contract. She is entitled to 12 months base salary as severance payment in the event of termination of her employment by the company. Her remuneration is paid in Danish kroner (DKK).

Other members of Group Management consist of Geir Haukedal, Nina Hol (from March), Meelis Peterson, Knut Rusten, Tommy Stranden (from November), Viktor Söderberg, Natalie Wintermark (from April), Monica Bårdseth (until May) and Håkon Helmersen (until October).

Note 6 Salary costs / Number of man-years / Remuneration / Loans to employees / Pensions etc. (cont.)

Remuneration to CEO		**Salary****	**Performance- related bonus paid**	**Pension**
Astrid Simonsen Joos - CEO* (from 1 August 2022)	2022	2 406	-	241
Rune Marthinussen - former CEO (until 31 July 2022)	2022	2 168	542	379
Other members of Group Management	2022	12 924	1 016	1 217

* currency conversion from DKK to NOK at average rate 1.38

** salary for the period employed as CEO

Other members of Group Management consist of Geir Haukedal (from March), Meelis Peterson, Knut Rusten, Viktor Söderberg, Monica Bårdseth and Håkon Helmersen.

Remuneration to Board members		**Directors' fees**
Total remuneration	2023	2 338
Total remuneration	2022	2 525

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

Shareholdings

Management and Board members of Glamox AS owns shares in GLX MipCo AS which indirectly owns Glamox AS through Glace HoldCo AS and GLX Holding AS. GLX Mipco AS has issued 4 million shares in total and owns 10% of the A-shares in Glace Holdco AS. Glace Holdco AS owns 76.17% of Glamox AS indirectly through GLX Holding AS.

Glamox Group CEO and Board members' holding of shares in GLX MipCo AS per 31.12.2023:

	Shares
Astrid Simonsen Joos (CEO)	400 284
Board members*	585 424

* Board members own additional 35 436 B-shares and 771 124 D-shares in Glace HoldCo AS.

Note 6 Salary costs / Number of man-years / Remuneration / Loans to employees / Pensions etc. (cont.)

Auditor	2023	2022
Fee for statutory audit	1 584	1 091
Audit-related fees	699	576
Tax advisory service	14	456
Other fees	119	585
Total	**2 416**	**2 708**

Pensions and pension obligations

The company is obligated to keep an occupational pension scheme pursuant to the Mandatory Occupational Pensions Act. The company has a pension scheme that satisfies the requirements of this Act. The AFP scheme is recognised as a defined contribution plan.
The pension schemes are handled in the accounts according to NRS6/IAS19R. Estimated deviations from previous years are charged directly to equity.
The company has a contribution pension schemes that include all employees over the age of 20 years old and who hold more than a 20% position. The company has defined benefit pension schemes for the former CEO and some former employees.

Pension expenses	2023	2022
Interest cost of pension commitments	358	276
Defined contribution pension scheme	18 574	16 821
Net pension expenses / (income)	**18 933**	**17 097**

Reconciliation of pension scheme's financed against sum in balance sheet:	31.12.2023	31.12.2022
Calculated pension commitments	-18 488	-18 183
Pension reserves	5 481	5 481
Net pension liabilities	**-13 006**	**-12 702**

Financial conditions:	2023	2022
Mortality table	K2013	K2013
Discount rate	3.10%	3.00%
Expected return on plan assets	3.10%	3.00%
Salary increase	3.50%	3.50%
Pension increase	3.25%	3.25%

Standard conditions used in the insurance industry form the basis of the actuarial preconditions for demographic factors and retirement.
The discount rate as of 31.12.2023 is based on the rate of norwegian corporate bonds (Obligasjoner med fortrinnsrett - OMF).

Note 7 - Tangible fixed assets and intangible fixed assets

	Land / buildings	Machinery	Fixtures and Fittings	Total
Acquisition costs 31.12.2022	119 617	267 697	68 854	456 168
Additions	-	11 385	669	12 055
Reclassification	176	-381	205	0
Acquisition costs 31.12.2023	**119 794**	**278 701**	**69 728**	**468 223**
Accumulated depreciation 31.12.2022	99 470	236 221	58 578	394 267
This years depreciation	5 592	8 125	4 516	18 233
Accumulated depreciation 31.12.2023	**105 062**	**244 346**	**63 096**	**412 499**
Balance sheet value at 31.12.2022	**20 148**	**31 475**	**10 275**	**61 900**
Balance sheet value at 31.12.2023	**14 732**	**34 355**	**6 633**	**55 721**
Financial life	**Up to 20 yrs.**	**Up to 10 yrs.**	**Up to 10 yrs.**	
Depreciation plan	**Straight-line**	**Straight-line**	**Straight-line**	

Glamox AS has lease agreements on operating equipment and office facilities. These lease agreements are regarded as operational lease and annual lease payment in 2023 amounted to NOK 13.6 million (2022: NOK 13.1 million). The majority of the leasing contracts have a lease period of 3-5 years, while some office facilities have a lease period up to 10 years.

	Other intangible assets*	Total
Acquisition costs 31.12.2022	254 926	254 926
Additions	33 635	33 635
Acquisition costs 31.12.2023	**288 561**	**288 561**
Accumulated depreciation 31.12.2022	147 278	147 278
This years depreciation	28 166	28 166
Accumulated depreciation 31.12.2023	**175 444**	**175 444**
Balance sheet value at 31.12.2022	**107 648**	**107 648**
Balance sheet value at 31.12.2023	**113 118**	**113 118**
Financial life	**5 to 10 yrs.**	
Depreciation plan	**Straight-line**	

*Other intangible assets mainly consist of software and this year additions mainly relates to ERP system, other IT systems and customer relations.

Note 8 Specification of financial items

	2023	2022
Interest income	36 680	18 977
Other financial income	19	55
Total financial income	**36 699**	**19 033**
Net Currency loss	82 549	33 806
Interest expenses	144 397	61 178
Other financial expenses	53 575	27 073
Total financial expenses	**280 521**	**122 056**

In 2023, other financial expenses include a writedown of shares in Glamox Luxonic Ltd of NOK 17.1 million and writedown of shares in Luminell Group AS of NOK 27.8. Other financial expenses also include NOK 4.3 million in earn-out related to the aquisition of Luminell.
In 2022, other financial expenses include a writedown of shares in Glamox Luxonic Ltd of NOK 24.2 million.

Note 9 Tax

	2023	2022
Tax payable calculated as follows:		
Ordinary profit before tax	193 880	202 889
Permanent differences	-174 695	-132 865
Change in temporary differences	5 154	-8 414
Change in temporary differences not recognised	59 653	377
Change defined benefit plan recognised directly against equity	-675	2 194
Basis for tax payable	**83 317**	**64 182**
Tax rate	22 %	22 %
Tax payable on profit for the year	**18 330**	**14 120**
Tax for the year is calculated as follows		
Tax payable on profit for the year	18 330	14 120
Withholding tax	198	29
Change deferred tax/deferred tax assets in balance sheet	-1 134	839
Change in deferred tax booked directly against equity	149	-483
Correction tax related to previous years	56	725
Total tax for the year	**17 598**	**15 230**
Current tax liabilities consist of:		
Tax payable for the year as above	18 330	14 120
- tax on Group contribution to subsidiaries	0	0
- payment of withholding tax	-2 079	-994
- tax provosion related to previous years	0	0
Net current tax liabilities 31.12	**16 251**	**13 126**

Specification of basis for deferred tax:	**31.12.2023**	**31.12.2022**
Offsetting differences:		
Fixed assets	-42 590	-37 918
Other current assets	-2 817	-208
Liabilities	-11 193	-13 626
Restricted interest deduction carried forward	-76 821	-15 632
Net pension reserves/commitments	-13 006	-12 702
Gross basis for deferred tax	**-146 428**	**-80 085**
Restricted interest deduction carried forward not included in basis *	59 539	0
Basis for deferred tax liabilities/ (assets):	**-86 889**	**-80 085**
Net deferred tax assets posted in balance	**19 116**	**17 619**

The Group Management and Board does a continuous evaluation of the amount they consider to be secured to book in the companies' balance sheet, based on the expected future income and realistic tax adaptation. Based on these evaluations, NOK 19.1 million have been booked as deferred tax assets in the balance sheet.

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

* Temporary differences not included in basis for deferred tax relate to restricted interest deduction carried forward for which there is uncertainty if or when the differences will be reversed.

Note 10 Assets pledged as security, guarantee liabilities and factoring agreement

Secured balance sheet liabilities	**31.12.2023**	**31.12.2022**
Liabilities to financial institutions	1 145 537	1 084 096
Secured pension liability	11 341	10 941
Balance sheet value of assets pledged as security for secured liabilities:		
Land, buildings etc.	14 732	20 148
Machinery and plant	34 354	31 475
Fixture and fittings	6 636	10 277
Inventory	224 007	219 483
Accounts receivable	313 614	380 603
Total	**593 343**	**661 986**

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

Refinancing of debt

Glamox agreed in February 2023 to refinance its multi-currency revolving credit facility with a commitment amounting to NOK 1,400 million (sustainability-linked financing framework). Both the committed amount and lenders are the same as the previous loan agreement. The duration of the loan is 3.5 year (3 years plus 0.5 year option at lender's discretion). The interest rate is IBOR plus margins between 3.00-3.50% dependent of leverage ratio. An arrangement fee of NOK 13.5 millions related to the refinancing is booked against the debt. The arrangement fee is expensed over the availability period of the facility.

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

In Q2 2023, Glamox AS entered into an agreement in which some customers and receivables are sold to an external part. The amount of sold receivables will vary based on the customer relationships as well as the volume sold. Cost associated with the arrangement is presented as a financial cost in the profit and loss. As of 31 December 2023 the amount of sold receivables amount to NOK 95.5 million.

Note 11 Subsidiaries

Name of company	Office	Currency	Share Capital	Shareholding in Glamox AS	Carrying amount in Glamox AS	Group's voting ownership share
Glamox A/S	Denmark	DKK	4 900	100.0%	8 045	100.0%
Glamox AB	Sweden	SEK	600	100.0%	1 681	100.0%
Glamox Oy	Finland	EUR	100	100.0%	6 082	100.0%
GSU (Borehamwood) Ltd.	England	GBP	4	100.0%	680	100.0%
Glamox Ireland Ltd.	Ireland	EUR	169	100.0%	1 787	100.0%
Glamox GmbH	Germany	EUR	683	100.0%	129 409	100.0%
Wasco GmbH	Germany	EUR	26	100.0%	-	100.0%
AS Glamox	Estonia	EUR	166	100.0%	6 345	100.0%
Glamox Marine and Offshore GmbH	Germany	EUR	5 626	35.3%	64 603	100.0%
Glamox B.V.	The Netherlands	EUR	18	100.0%	20 346	100.0%
Glamox Aqua Signal Corporation	USA	USD	100	100.0%	443	100.0%
Glamox Inc.	Canada	CAD	2 208	100.0%	-	100.0%
Glamox Pte Ltd.	Singapore	SGD	6 000	100.0%	23 666	100.0%
Glamox (Suzhou) Lighting Co. Ltd	China	CNY	20 388	100.0%	4 050	100.0%
Suzhou Glamox Trade Co. Ltd	China	CNY	500	0.0%	-	100.0%
Glamox Co. Ltd.	South Korea	KRW	775 020	100.0%	4 483	100.0%
Glamox Brasil Iluminacao LTDA	Brazil	BRL	50	100.0%	130	100.0% [1]
Birger Hatlebakks veg 15 AS	Norway	NOK	100	100.0%	1 373	100.0%
O. Küttel AG	Switzerland	CHF	200	100.0%	92 520	100.0%
Luxonic Group Ltd.	England	GBP	47	100.0%	244 611	100.0% [2]
Glamox Luxonic Ltd.	England	GBP	11 653	0.0%	-	100.0% [2]
LiteIP Ltd.	England	GBP	0	0,0%	-	100.0%
ES-System sp. z o.o.	Poland	PLN	65 000	100.0%	592 620	100.0%
ES-SYSTEM Wilkasy sp. z o.o.	Poland	PLN	45 000	0.0%	-	100.0%
ES-SYSTEM NT sp. z o.o.	Poland	PLN	24 050	0.0%	-	100.0%
Luminell Group AS	Norway	NOK	48	100.0%	122 227	100.0% [3]
Luminell Norway AS	Norway	NOK	200	0.0%	-	100.0% [3]
Luminell Sweden AB	Sweden	SEK	114	0.0%	-	100.0%
Total book value of shares in subsidiaries					**1 325 101**	

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

[2] In 2023, NOK 157.7 million was converted from debt to equity in Glamox Luxonic Ltd. (capital increase by debt conversion). As part of the capital increase, Luxonic Group Ltd. (holding company of Glamox Luxonic Ltd) was liquidated (formally dissolved in January 2024). Furthermore, the carrying amount in Glamox AS has been written down by NOK 17.1 million.

[3] In 2023, the carrying amount in Glamox AS has been written down by NOK 27.8 million. Luminell Drone Light AS merged with Luminell Group AS (transferee company) in 2023.

Two dormant companies, ES-SYSTEM Lighting UK Ltd. (UK) and Luminell US Inc. (US) liquidated in 2023.

Note 12 Receivables due for payment later than one year

Balance sheet value of receivables due for payment later than one year:	31.12.2023	31.12.2022
Receivables, Group Companies	43 092	197 837
Total	**43 092**	**197 837**

Note 13 Outstanding accounts against Group companies

	31.12.2023	31.12.2022
Account receivables on Group companies	252 937	229 369
Short term receivables on Group companies	209 142	167 619
Long-term loans to Group companies	43 092	197 837
Total receivables on Group companies	**505 171**	**594 824**
Account payables to Group companies	102 571	94 320
Other short term liabilities to Group companies	165 042	73 370
Total payables to Group companies	**267 614**	**167 690**

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

In 2023, NOK 135.9 million of short-term liabilities on Group companies is the subsidiaries share of the parent's cashpool (net deposit).

In 2022, NOK 12.7 million of short-term liabilities on Group companies is the subsidiaries share of the parent's cashpool (net deposit).

Note 14 Cash etc.

	31.12.2023	31.12.2022
Liquidity reserve	360 657	347 292

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

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

Locked-up deposits in Glamox AS amounted to NOK 18.8 million.

Note 15 Equity and shareholders

	Share capital	Other reserves	Other equity	Total
Equity 31.12.2022	**65 989**	**27 253**	**609 896**	**703 138**
Change in equity for the year:				
Profit for the year			176 282	176 282
Additional dividend			-55 000	-55 000
Proposed dividends			-165 000	-165 000
Pension actuarial gain/loss recognised in equity			-675	-675
Tax on pension actuarial gain/loss recognised in equity			149	149
Equity 31.12.2023	**65 989**	**27 253**	**565 651**	**658 893**

On 19 December 2023, the Board of Directors of Glamox AS approved an additional dividend distribution of NOK 0.83 per share, corresponding to NOK 55 million.

Note 15 Equity and shareholders (cont.)

Share capital and shareholder information:

Share capital in Glamox AS at 31.12.2023 consist of:	**Number**	**Nominal Value**	**Balance Sheet**
Shares	65 988 668	1	65 989
Total	**65 988 668**	**1**	**65 989**

All shares have the same voting rights.

Ownership structure:

The largest shareholders in Glamox AS at 31.12.2023 were:	**Total shares**	**Shareholding/ Voting**
GLX Holding AS C/O Triton Advisers	50 260 558	76.17%
Fondsavanse AS	14 558 635	22.06%
Erik Must	639 388	0.97%
Total 3 largest shareholders	**65 458 581**	**99.20%**
Others (115 shareholders)	530 087	0.80%
Total number of shares	**65 988 668**	**100.00%**

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

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

Note 16 Liabilities due for payment more than five years after the financial year end

	31.12.2023	**31.12.2022**
Liabilities to financial institutions	0	0

Note 17 Financial market risk

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

a) Interest risk and control

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

b) Currency risk and control
Operational cash flow (transaction risk)

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

Glamox aims to 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).

As at 31.12.2023, Glamox had no currency forward contracts.

In 2023, realised gain/(loss) on forward contracts was NOK 1.6 million.

Note 18 Events after the reporting period

Proposed dividend
After the reporting date, the Board of Glamox AS has proposed a dividend distribution amounting to NOK 165.0 million, corresponding to NOK 2.50 per share. The dividend shall be distributed in three tranches, of which NOK 55.0 million shall be distributed on or before 21 May 2024, NOK 55.0 million shall be distributed on or before 20 August 2024, and NOK 55.0 million shall be distributed on or before 21 October 2024. The Board assesses the level of proposed dividend to be justifiable based on the liquidity and solidity situation of the company.

An additional dividend distribution of NOK 0.83 per share, corresponding to NOK 55.0 million, was distributed on 2 February 2024.

Merger Luminell
In the first quarter of 2024, Glamox AS merged (transferee company) with the two 100% owned subsidiaries, Luminell Group AS and Luminell Norway AS. The merger will be carried out with accounting effect from 01.01.2024. The mergers are recognised by using group continuity, Glamox AS continues with the book value of assets, rights and liabilities from the transferring companies. The merger effect on equity in Glamox AS is estimated to be NOK 40 million.

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To the General Meeting of Glamox AS

Independent Auditor's Report

Opinion

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

- the financial statements of the parent company Glamox AS (the Company), which comprise the statement of financial position as at 31 December 2023, the profit and loss account, and the 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 Glamox AS and its subsidiaries (the Group), which comprise the consolidated statement of the financial position as at 31 December 2023, the consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

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

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information

in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

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

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

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements. Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and 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's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Oslo, 23 April 2024

KPMG AS

Stian Tørrestad
State Authorised Public Accountant

Our quality brands

The Glamox Group owns eleven international product brands.

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

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

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

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

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

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

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

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

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

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

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

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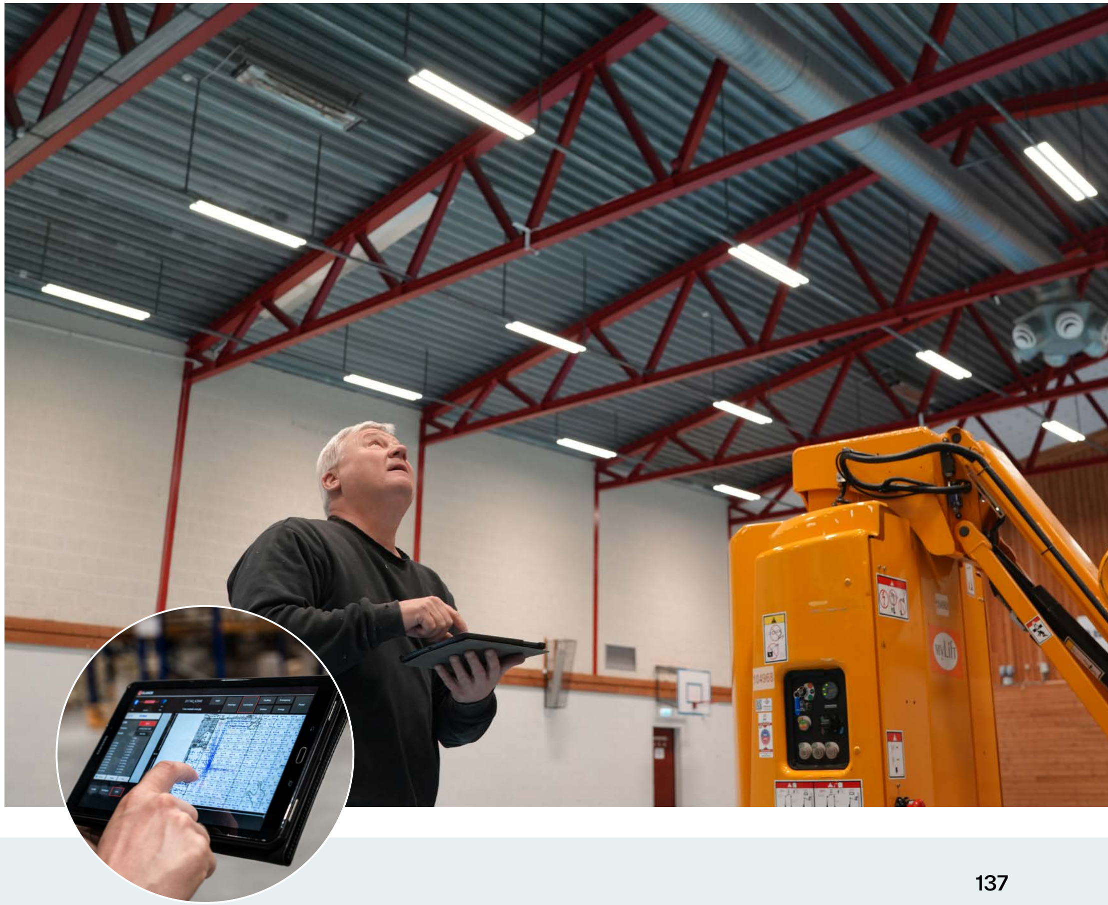

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