

Tyrolit A/S

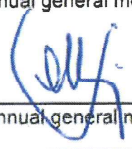
Herstedøstervej 21, 2.
2600 Glostrup
Denmark

CVR no. 55 05 01 12

Annual report 2022

The annual report was presented and approved at
the Company's annual general meeting on

5 April 2023


Peter Dollinger
Chairman of the annual general meeting

Tyrolit A/S
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Tyrolit A/S for the financial year 1 January – 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

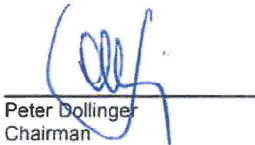
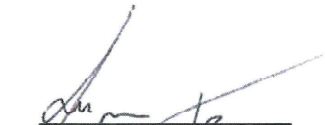
We recommend that the annual report be approved at the annual general meeting.

Glostrup, 5 April 2023
Executive Board:



Clas Gustav Torsten
Karlsson

Board of Directors:


Peter Dollinger
Chairman
Andreas Manfred
Sauerwein-Merle
Matthias Martin Kuprian



Independent auditor's report

To the shareholder of Tyrolit A/S

Opinion

We have audited the financial statements of Tyrolit A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also



Independent auditor's report

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, 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 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 in preparing the financial statements 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 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 to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.


Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 5 April 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Jesper Bo Pedersen
State Authorised
Public Accountant
mne42778

Tyrolit A/S
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CVR no. 55 05 01 12

Management's review

Company details

Tyrolit A/S
Herstedøstervej 21, 2.
2600 Glostrup
Denmark

CVR no.:	55 05 01 12
Established:	28 November 1960
Registered office:	Glostrup
Financial year:	1 January – 31 December

Board of Directors

Peter Dollinger, Chairman
Andreas Manfred Sauerwein-Merle
Matthias Martin Kuprian

Executive Board

Clas Gustav Torsten Karlsson

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

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Management's review

Operating review

Principal activities

Tyrolit A/S mainly sells grinding products to the Danish market, and to a minor extent the Company carries on exportation to the Baltic countries. Tyrolit A/S sells directly to steelworks, the manufacturing industry, building and construction enterprises and major wholesalers.

Tyrolit A/S is the market leader within abrasives in Denmark. Goods are mainly produced by Tyrolit Swarovski KG in Austria and SIA in Switzerland.

Development in activities and financial position

The Company's income statement for 2022 shows a profit of DKK 558 thousand as against DKK 2,064 thousand in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 19,517 thousand as against DKK 18,959 thousand at 31 December 2021.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2022.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2022	2021
Gross profit		8,509	9,799
Staff costs	2	-7,777	-7,118
Depreciation, amortisation and impairment losses		0	-10
Profit before financial income and expenses		732	2,671
Other financial income	3	33	15
Other financial expenses	4	-45	-37
Profit before tax		720	2,649
Tax on profit for the year	5	-162	-585
Profit for the year		558	2,064
Proposed profit appropriation			
Proposed dividends for the year		2,000	0
Retained earnings		-1,442	2,064
		558	2,064

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment	6	0	0
Leasehold improvements		<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>
Current assets			
Inventories			
Finished goods and goods for resale		<u>11,195</u>	<u>10,020</u>
Receivables			
Trade receivables		5,207	5,768
Receivables from group entities		4,843	4,278
Other receivables		109	73
Deferred tax asset	7	277	112
Prepayments		<u>531</u>	<u>585</u>
		<u>10,967</u>	<u>10,816</u>
Cash at bank and in hand		<u>6,467</u>	<u>7,080</u>
Total current assets		<u>28,629</u>	<u>27,916</u>
TOTAL ASSETS		<u><u>28,629</u></u>	<u><u>27,916</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		600	600
Retained earnings		16,917	18,359
Proposed dividends for the financial year		2,000	0
Total equity		<u>19,517</u>	<u>18,959</u>
Liabilities			
Current liabilities			
Trade payables		6,582	2,818
Payables to group entities		1,211	4,394
Corporation tax		161	324
Other payables		1,158	1,421
		<u>9,112</u>	<u>8,957</u>
Total liabilities		<u>9,112</u>	<u>8,957</u>
TOTAL EQUITY AND LIABILITIES		<u>28,629</u>	<u>27,916</u>
Contractual obligations, contingencies, etc.	8		
Related party disclosures	9		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2022	600	18,359	0	18,959
Transferred over the profit appropriation	0	-1,442	2,000	558
Equity at 31 December 2022	600	16,917	2,000	19,517

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Tyrolit A/S for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser. The revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprises items secondary to the activities of the Company.

Other external costs

Other external costs comprise costs of sales and advertising, administrative expenses and costs of premises.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisitions until the time at which the assets are ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	3 years

Inventories

Inventories are measured at cost in accordance with the average cost method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash or debt, but are recognised under "Receivables from group entities" and "Payables to group entities", respectively.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Financial statements 1 January – 31 December

Notes

DKK'000	2022	2021	
2 Staff costs			
Wages and salaries	6,975	6,359	
Pensions	715	697	
Other social security costs	87	62	
	<u>7,777</u>	<u>7,118</u>	
Average number of full-time employees	<u>10</u>	<u>11</u>	
3 Other financial income			
Interest income from group entities	0	1	
Exchange gains	33	14	
	<u>33</u>	<u>15</u>	
4 Other financial expenses			
Interest expense to group entities	7	5	
Other financial costs	16	11	
Exchange losses	22	21	
	<u>45</u>	<u>37</u>	
5 Tax on profit for the year			
Current tax for the year	327	550	
Deferred tax for the year	-165	35	
	<u>162</u>	<u>585</u>	
6 Property, plant and equipment			
DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2022	<u>584</u>	<u>140</u>	<u>724</u>
Cost at 31 December 2022	<u>584</u>	<u>140</u>	<u>724</u>
Depreciation and impairment losses at 1 January 2022	<u>-584</u>	<u>-140</u>	<u>-724</u>
Depreciation and impairment losses at 31 December 2022	<u>-584</u>	<u>-140</u>	<u>-724</u>
Carrying amount at 31 December 2022	<u>0</u>	<u>0</u>	<u>0</u>

Financial statements 1 January – 31 December

Notes

7 Deferred tax assets

Deferred tax assets relate to temporary differences on property, plant and equipment and is expected to be utilised in future taxable income within the next 1-3 years.

8 Contractual obligations, contingencies, etc.

The Company has entered into lease agreements with a lease commitment of DKK 1,011 thousand up to 2025.

The Company has entered into a rent agreement with a period of notice up to 25 months. The Company's rent commitment in the connection amounts to DKK 168 thousand.

The Company has entered into a warehouse agreement with a period of notice up to 6 months. The Company's rent commitment in this connection amounts to DKK 565 thousand.

9 Related party disclosures

Tyrolit A/S related parties comprise the following:

Control

Tyrolit A/S is part of the consolidated financial statements of NewTYSA Holding AG, Alte Landstrasse 411, 8708 Männedorf, Switzerland, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of NewTYSA Holding AG can be obtained by contacting the Company at the address above.