

# Tyrolit A/S

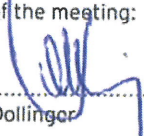
Herstedøstervej 21, 2., 2600 Glostrup

CVR no. 55 05 01 12

## Annual report 2021

Approved at the Company's annual general meeting on 13 May 2022

Chair of the meeting:

  
.....  
Peter Dollinger

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### Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Tyrolit A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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

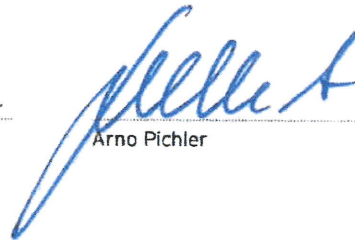
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 13 May 2022  
Executive Board:



Clas Gustav Torsten  
Karlsson

Board of Directors:

  
Peter Dollinger  
Chair  
Andreas Manfred  
Sauerwein-Merle  
Arno Pichler

## **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 2021, which comprise 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

### **Management's responsibilities 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 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 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 users taken on the basis of the 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:

- Identify and assess the risks of material misstatement of the 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.

### Independent auditor's report

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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 13 May 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Peter Andersen  
State Authorised Public Accountant  
mne34313

## Management's review

### Company details

Name	Tyrolit A/S
Address, Postal code, City	Herstedøstervej 21, 2., 2600 Glostrup
CVR no.	55 05 01 12
Established	28 November 1960
Registered office	Glostrup
Financial year	1 January - 31 December
Website	<a href="http://www.tyrolit.com">www.tyrolit.com</a>
E-mail	<a href="mailto:tyrolit-dk@tyrolit.com">tyrolit-dk@tyrolit.com</a>
Telephone	+45 43 55 13 56
Telefax	+45 45 43 55 60
Board of Directors	Peter Dollinger, Chair Andreas Manfred Sauerwein-Merle Arno Pichler
Executive Board	Clas Gustav Torsten Karlsson
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	BNP Paribas Danmark, branch of BNP Paribas S.A., France
Lawyer	Advokatfirmaet Koch & Christensen Sankt Annæ Plads 6, 1250 København K

## **Management's review**

### **Business review**

Tyrolit A/S mainly sells grinding products to the Danish market, and to 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.

### **Financial review**

The income statement for 2021 shows a profit of DKK 2,064 thousand against a profit of DKK 432 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 18,959 thousand.

### **Events after the balance sheet date**

No events after the balance sheet date have occurred.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2021	2020
	<b>Gross profit</b>	9,799	8,598
2	Staff costs	-7,118	-7,852
3	Depreciation of property, plant and equipment	-10	-38
	<b>Profit before net financials</b>	2,671	708
4	Financial income	15	58
5	Financial expenses	-37	-208
	<b>Profit before tax</b>	2,649	558
6	Tax for the year	-585	-126
	<b>Profit for the year</b>	2,064	432
	<b>Recommended appropriation of profit</b>		
	Retained earnings	2,064	432
		2,064	432



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2021	2020
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
7	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	0	10
	Leasehold improvements	0	0
		<u>0</u>	<u>10</u>
	<b>Total fixed assets</b>	<u>0</u>	<u>10</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	10,020	9,716
		<u>10,020</u>	<u>9,716</u>
	<b>Receivables</b>		
	Trade receivables	5,768	4,558
	Receivables from group enterprises	4,278	4,511
8	Deferred tax assets	112	146
	Corporation tax receivable	0	59
	Other receivables	73	96
	Prepayments	585	401
		<u>10,816</u>	<u>9,771</u>
	<b>Cash</b>	<u>7,080</u>	<u>5,507</u>
	<b>Total non-fixed assets</b>	<u>27,916</u>	<u>24,994</u>
	<b>TOTAL ASSETS</b>	<u>27,916</u>	<u>25,004</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2021	2020
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	600	600
	Retained earnings	18,359	16,295
	<b>Total equity</b>	<u>18,959</u>	<u>16,895</u>
	<b>Liabilities other than provisions</b>		
	<b>Non-current liabilities other than provisions</b>		
	Other payables	0	905
		<u>0</u>	<u>905</u>
	<b>Current liabilities other than provisions</b>		
	Trade payables	2,818	2,699
	Payables to group enterprises	4,394	2,605
	Corporation tax payable	324	0
	Other payables	1,421	1,900
		<u>8,957</u>	<u>7,204</u>
	<b>Total liabilities other than provisions</b>	<u>8,957</u>	<u>8,109</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>27,916</u>	<u>25,004</u>

- 1 Accounting policies
- 9 Contractual obligations and contingencies, etc.
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	600	16,295	16,895
Transfer through appropriation of profit	0	2,064	2,064
Equity at 31 December 2021	<u>600</u>	<u>18,359</u>	<u>18,959</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Tyrolit A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### 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.

#### Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Depreciation

The item comprises depreciation of property, plant and equipment.

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, other plant and equipment	2-10 years
Leasehold improvements	3 years

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

##### Property, plant and equipment

Items of 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 acquisition until the time at which the asset is 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.

##### 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 to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

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

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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 recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and cash equivalents.

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 enterprises" and "Payables to group enterprises", respectively.

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2021	2020	
<b>2 Staff costs</b>			
Wages/salaries	6,359	7,148	
Pensions	697	734	
Other social security costs	62	-30	
	<u>7,118</u>	<u>7,852</u>	
Average number of full-time employees	<u>11</u>	<u>12</u>	
<b>3 Depreciation of property, plant and equipment</b>			
Depreciation of property, plant and equipment	<u>10</u>	<u>38</u>	
	<u>10</u>	<u>38</u>	
<b>4 Financial income</b>			
Interest receivable, group entities	1	1	
Exchange gain	14	57	
	<u>15</u>	<u>58</u>	
<b>5 Financial expenses</b>			
Interest expenses, group entities	5	97	
Other interest expenses	10	31	
Exchange losses	21	77	
Other financial expenses	1	3	
	<u>37</u>	<u>208</u>	
<b>6 Tax for the year</b>			
Estimated tax charge for the year	550	83	
Deferred tax adjustments in the year	35	43	
	<u>585</u>	<u>126</u>	
<b>7 Property, plant and equipment</b>			
DKK'000	<b>Fixtures and fittings, other plant and equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
Cost at 1 January 2021	<u>584</u>	<u>140</u>	<u>724</u>
Cost at 31 December 2021	<u>584</u>	<u>140</u>	<u>724</u>
Impairment losses and depreciation at 1 January 2021	574	140	714
Depreciation	10	0	10
Impairment losses and depreciation at 31 December 2021	<u>584</u>	<u>140</u>	<u>724</u>
Carrying amount at 31 December 2021	<u>0</u>	<u>0</u>	<u>0</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 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.

#### 9 Contractual obligations and contingencies, etc.

##### Other financial obligations

The Company has entered into lease agreements with a lease commitment of DKK 988 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 this connection amounts to DKK 120 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 348 thousand.

#### 10 Related parties

Tyrolit A/S' related parties comprise the following:

##### Significant influence

<u>Related party</u>	<u>Domicile</u>	<u>Basis for significant influence</u>
Tysa Holding SA	Switzerland	Parent company
Swarovski International Holding A.G.	Switzerland	Ultimate parent company