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# ***Quaker Denmark ApS***

c/o Harbour House, Sundkrogsgade 21, DK-2100  
Copenhagen Ø

## **Annual Report for 1 January - 31 December 2017**

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CVR No 21 60 75 84

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/5 2018

Vibeke Rohde  
Chairman



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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Quaker Denmark ApS for the financial year 1 January - 31 December 2017.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2018

### **Executive Board**

D Jeffrey Benoiel  
Executive Officer

# Independent Auditor's Report

To the Shareholder of Quaker Denmark ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Quaker Denmark ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

## 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 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 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 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

# Independent Auditor's Report

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.
- 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.

Hellerup, 31 May 2018

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Bo Schou-Jacobsen

State Authorised Public Accountant

mne28703

## **Company Information**

### **The Company**

Quaker Denmark ApS  
c/o Harbour House  
Sundkrogsgade 21  
DK-2100 Copenhagen Ø

CVR No: 21 60 75 84  
Financial period: 1 January - 31 December  
Financial year: 19th financial year  
Municipality of reg. office: Copenhagen

### **Executive Board**

D Jeffry Benoliel

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Income Statement 1 January - 31 December

	Note	2017 DKK	2016 DKK
Other external expenses		-261,676	-253,165
<b>Gross profit/loss</b>		<b>-261,676</b>	<b>-253,165</b>
Income from investments in subsidiaries	2	255,679,276	58,213,276
Financial income	3	522,074	1,923,923
Financial expenses		-312,397	-20,009
<b>Profit/loss before tax</b>		<b>255,627,277</b>	<b>59,864,025</b>
Tax on profit/loss for the year	4	-25,602,788	-6,397,473
<b>Net profit/loss for the year</b>		<b>230,024,489</b>	<b>53,466,552</b>

## Distribution of profit

### Proposed distribution of profit

Extraordinary dividend paid	28,000,000	25,202,671
Retained earnings	202,024,489	28,263,881
	<b>230,024,489</b>	<b>53,466,552</b>

# Balance Sheet 31 December

## Assets

	Note	2017 DKK	2016 DKK
Investments in subsidiaries		66,600,536	66,600,536
Receivables from group enterprises		0	28,005,569
<b>Fixed asset investments</b>		<b>66,600,536</b>	<b>94,606,105</b>
<b>Fixed assets</b>		<b>66,600,536</b>	<b>94,606,105</b>
Receivables from group enterprises		379,760,399	150,126,929
Corporation tax		160,000	0
<b>Receivables</b>		<b>379,920,399</b>	<b>150,126,929</b>
<b>Cash at bank and in hand</b>		<b>329,060</b>	<b>269,281</b>
<b>Currents assets</b>		<b>380,249,459</b>	<b>150,396,210</b>
<b>Assets</b>		<b>446,849,995</b>	<b>245,002,315</b>



# Balance Sheet 31 December

## Liabilities and equity

	Note	2017 DKK	2016 DKK
Share capital		125,100	125,100
Retained earnings		446,559,583	244,535,094
<b>Equity</b>	5	<b>446,684,683</b>	<b>244,660,194</b>
Trade payables		165,312	154,394
Corporation tax		0	187,727
<b>Short-term debt</b>		<b>165,312</b>	<b>342,121</b>
<b>Debt</b>		<b>165,312</b>	<b>342,121</b>
<b>Liabilities and equity</b>		<b>446,849,995</b>	<b>245,002,315</b>
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# Notes to the Financial Statements

## 1 Key activities

The Company's core activity is to hold shares in other companies, which are capital investments and moreover administering the Company's capital. The underlying operating companies produce and sell chemical products.

	<u>2017</u> DKK	<u>2016</u> DKK
<b>2 Income from investments in subsidiaries</b>		
Dividend	<u>255,679,276</u>	<u>58,213,276</u>
	<b><u>255,679,276</u></b>	<b><u>58,213,276</u></b>

## 3 Financial income

Interest received from group enterprises	522,074	770,179
Exchange gains	<u>0</u>	<u>1,153,744</u>
	<b><u>522,074</u></b>	<b><u>1,923,923</u></b>

## 4 Tax on profit/loss for the year

Current tax for the year including withholding tax	<u>25,602,788</u>	<u>6,397,473</u>
	<b><u>25,602,788</u></b>	<b><u>6,397,473</u></b>

## 5 Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	125,100	244,535,094	244,660,194
Extraordinary dividend paid	0	-28,000,000	-28,000,000
Net profit/loss for the year	<u>0</u>	<u>230,024,489</u>	<u>230,024,489</u>
<b>Equity at 31 December</b>	<b><u>125,100</u></b>	<b><u>446,559,583</u></b>	<b><u>446,684,683</u></b>

## 6 Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2017.

# Notes to the Financial Statements

## 7 Related parties

The Company is included in the group financial statements for

<u>Name</u>	<u>Place of registered office</u>
Quaker Chemical Corporation	Wilmington, Delaware, USA

The Group Annual Report of Quaker Chemical Corporation may be obtained at the following address:

Quaker Chemical Corporation  
One Quaker Park  
901 Hector Street  
Conshohocken  
PA 19428  
USA

## 8 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Notes to the Financial Statements

## 9 Accounting Policies

The Annual Report of Quaker Denmark ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in DKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Quaker Chemical Corporation, the Company has not prepared consolidated financial statements.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

# Notes to the Financial Statements

## 9 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

### Other external expenses

Other external expenses comprise costs for lawyer, accountant, etc.

### Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Extraordinary income and expenses

Extraordinary income and expenses comprise income and expenses resulting from events or transactions which clearly differ from ordinary activities and which are not expected to be of a recurring nature.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## Balance Sheet

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### Other fixed asset investments

Other fixed asset investments consist of receivable from group company.

# Notes to the Financial Statements

## 9 Accounting Policies (continued)

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.