
Quaker Denmark ApS

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

Annual Report for 1 January - 31 December 2019

CVR No 21 60 75 84

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/8 2020

Line Pedersen
Chairman of the General
Meeting



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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 2019.

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 at 31 December 2019 of the Company and of the results of the Company operations for 2019.

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

Copenhagen, 31 August 2020

Executive Board

Adrian Steeples
CEO

Wichert Charles van Vlijmen
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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, 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 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Anders Røjleskov
State Authorised Public Accountant
mne28699

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

Municipality of reg. office: Copenhagen

Executive Board

Adrian Steeples
Wichert Charles van Vlijmen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Other external expenses		-211,091	-225,624
Gross profit/loss		-211,091	-225,624
Income from investments in subsidiaries	3	405,540,595	0
Financial expenses		-178,930	-15,424
Profit/loss before tax		405,150,574	-241,048
Tax on profit/loss for the year	4	-40,687,987	0
Net profit/loss for the year		364,462,587	-241,048

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	302,419,157	379,000,000
Proposed dividend for the year	62,241,475	0
Retained earnings	-198,045	-379,241,048
	364,462,587	-241,048
Extraordinary dividend after year end	0	302,419,157

Balance Sheet 31 December

	Note	2019 DKK	2018 DKK
Assets			
Investments in subsidiaries		66,600,536	66,600,536
Fixed asset investments		66,600,536	66,600,536
Fixed assets		66,600,536	66,600,536
Receivables from group enterprises		64,068,306	2,200,410
Corporation tax		40,409	40,409
Receivables		64,108,715	2,240,819
Cash at bank and in hand		275,040	144,187
Currents assets		64,383,755	2,385,006
Assets		130,984,291	68,985,542
Liabilities and equity			
Share capital		125,100	125,100
Retained earnings		67,120,491	67,318,535
Proposed dividend for the year		62,241,475	0
Equity	5	129,487,066	67,443,635
Trade payables		57,214	101,896
Payables to group enterprises		1,440,011	1,440,011
Short-term debt		1,497,225	1,541,907
Debt		1,497,225	1,541,907
Liabilities and equity		130,984,291	68,985,542
Subsequent events	1		
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Notes to the Financial Statements

1 Subsequent events

Management assesses that COVID-19 will have limited effect on the Company's earnings in 2020. It is at present not possible to quantify the effect. Management assess that the capital resources of the Company are sufficient.

2 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.

	2019 DKK	2018 DKK
3 Income from investments in subsidiaries		
Dividend	405,540,595	0
	405,540,595	0

4 Tax on profit/loss for the year

Current tax for the year including withholding tax	40,687,987	0
	40,687,987	0

5 Equity

	Share capital DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity at 1 January	125,100	67,318,536	0	67,443,636
Extraordinary dividend paid	0	-302,419,157	0	-302,419,157
Net profit/loss for the year	0	302,221,112	62,241,475	364,462,587
Equity at 31 December	125,100	67,120,491	62,241,475	129,487,066

Notes to the Financial Statements

6 Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2019.

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

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Quaker Denmark ApS for 2019 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 2019 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

8 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.

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.

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.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Notes to the Financial Statements

8 Accounting Policies (continued)

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.