

PQ Europe ApS (under frivillig likvidation)

C/O DLA Piper Denmark Advokatpartnerselskab, Oslo Plads 2, 2100 Copenhagen

Company reg. no. 25 13 10 53

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 21 June 2024.

Renato Bampa Soares
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance USD 146.940 means the amount of USD 146,940, and that 23,5 % means 23.5 %.

Liquidator's statement

Today, the Liquidator has approved the annual report of PQ Europe ApS (under frivillig likvidation) for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 21 June 2024

Liquidator

Renato Bampa Soares
Liquidator

Independent auditor's report

To the Shareholders of PQ Europe ApS (under frivillig likvidation)

Opinion

In our opinion, the Liquidated Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January to 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of PQ Europe ApS (under frivillig likvidation) for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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.

Independent auditor's report

Emphasis of Matter

We refer to note 1 to the Financial Statements from which it appears that the Financial Statements are not prepared on a going concern basis, and that recognition, measurement and presentation are made with due consideration to this. Our opinion has not been modified in respect of this matter.

Statement on Management's Review

The Liquidator is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Liquidator's Responsibilities for the Financial Statements

The Liquidator 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 Liquidator 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, the Liquidator is responsible for assessing the Company's ability to continue as a going concern taking into account the liquidation in progress, disclosing, as applicable, matters related to going concern and using appropriate accounting policies taking into account the liquidation in progress.

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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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 Liquidator.
- Conclude on the appropriateness of the Liquidator's use of the significant accounting policies 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, 21 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 77 12 31

Flemming Eghoff

State Authorised Public Accountant
mne30221

Company information

| | |
|---------------------|---|
| The company | <p>PQ Europe ApS (under frivillig likvidation) C/O DLA Piper Denmark Advokatpartnerselskab Oslo Plads 2 2100 Copenhagen</p> <p>Phone 70272345</p> <p>Company reg. no. 25 13 10 53 Financial year: 1 January - 31 December Commencement of the liquidation procedure: 18 March 2024 Registration in the digital information system of the Danish Business Authority: 27 March 2024 The three-month time limit has expired: 27 June 2024</p> |
| Liquidator | Renato Bampa Soares, Liquidator |
| Auditors | PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup |
| Lawyer | Bruun & Hjejle Nørregade 21 DK-1165 Copenhagen |
| Subsidiaries | New Dutch Chemicals Holdco BV, The Netherlands PQ Germany GmbH, Germany PT PQ Silicas Indonesia, Indonesia PQ Sweden AB, Sweden PQ Silicas Holding South Africa Pty Ltd, South Africa PQ Silicas South Africa Pty Ltd, South Africa PQ Finland Oy, Finland PQ France SAS, France |

Financial highlights

USD in thousands. 2023 2022 2021 2020 2019

Income statement:

| | | | | | |
|----------------------------------|-----|------|---------|--------|-------|
| Profit from operating activities | -70 | -53 | 452.233 | 31.746 | 7.239 |
| Net financials | 46 | -76 | -37 | 196 | 196 |
| Net profit or loss for the year | -23 | -152 | 452.103 | 31.137 | 7.053 |

Statement of financial position:

| | | | | | |
|---------------------|--------|--------|--------|---------|---------|
| Balance sheet total | 36.096 | 36.416 | 36.571 | 189.716 | 182.881 |
| Equity | 33.730 | 33.753 | 33.905 | 189.680 | 182.853 |

Key figures in %:

| | | | | | |
|------------------|------|------|-------|-------|-------|
| Solvency ratio | 93,4 | 92,7 | 92,7 | 100,0 | 100,0 |
| Return on equity | -0,1 | -0,4 | 404,4 | 16,7 | 3,9 |

Calculations of key figures and ratios do follow the recommendations of the Danish Association of Finance Analysts.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Solvency ratio
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Liquidator's review

Key activities

The main activity of the Company is holding shares in other companies, which are capital investments and moreover administering the Company's capital. The underlying operating companies produce and distribute inorganic specialty chemicals

The management has planned a solvent liquidation of the company in connection with a restructuring of the entire group. The only remaining activity of the Danish company has been ownership of subsidiaries. On 18th March 2024, the Danish Business Authority was notified regarding the voluntary liquidation. Therefore, Renato Bampa Soares has entered as liquidator for the company as of 18th March 2024.

Capital resources

The vast majority of capital required to fund this Company is generated from operating activities. Likewise, debt balances are minimal and are not expected to increase substantially in the near term.

Market risks

Some of the markets in which the Group operates are highly competitive, and this competition could harm business, results of operations, cash flows and financial condition. The market risk is relevant for the subsidiaries, which are recognised to cost price. Therefore the value of the subsidiaries is the same as last year.

Foreign exchange risks

As a result of the Group's international operations, a significant portion of sales are incurred in currencies denominated in amounts other than the functional currency of the selling subsidiary. To the extent the operating company is unable to match sales received in foreign currencies with costs paid in the same currency, exchange rate fluctuations could have a negative impact on the financial condition, results of operations or cash flows

Interest rate risks

Due to the Company's low levels of debt and minimal reliance on borrowed funds, the interest rate risks are not considered to be substantial.

Credit risks

The Group actively manages its credit risks and generally does not rely on any small group of customers to generate its revenue. The diverse end-markets and large number of customers reduces exposure to any single market or customer and minimizes the impact of economic cycles on our financial results.

Strategy

The management has chosen to initiate a voluntary liquidation of the company. This decision was made on 18th March 2024 and entails the complete closure of the company during 2024.

Liquidator's review

Targets and expectations for the year ahead

The Group expects to generate stable operating results in 2024 by remaining focused on controlling fixed costs and reducing inventory, to counteract decreasing demand and increasing energy prices. Based on this and the financial position and liquidity, management has determined that entity is a going concern and the financial statements have been prepared based on this assumption.

On the level of PQ Europe ApS we expect in 2024 some extra costs for the liquidation. Besides those costs the activity and result for PQ Europe ApS would be as in 2023.

We expect the liquidation to be done and finalised during 2024.

Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities of the Company for the financial year for 2022 have not been affected by any unusual events.

The decision regarding the liquidation is an unusual event, but it has not had any effect on the value of the assets or liabilities.

The investment in subsidiaries are recognised and measured to cost price as in earlier years.

Accounting policies

The annual report for PQ Europe ApS (under frivillig likvidation) has been presented in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B enterprises.

The most significant modifications resulting from the liquidation

Assets and equity and liabilities have been measured at realisable values.

All value adjustments of assets and equity and liabilities and any operating items in connection with the commencement of the liquidation have been recognised in the income statement, including staff commitments arising from dismissal, liquidator and auditor fees, and other fees relative to the liquidation.

As the activity has ceased and all obligations have been terminated as of balance sheet date, all assets are recognized under current assets, while all liabilities are recognized under short-term liabilities.

As a result, the current year's entries are not comparable to last year's entries.

Except for the changes mentioned above, the accounting policies are unchanged from previous years.

Income statement

Other external expenses

Other external expenses comprise administration costs.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Results from investments in subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Impairment loss relating to non-current assets

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

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

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

USD thousand.

| <u>Note</u> | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|
| Other external expenses | -70 | -53 |
| Gross profit | -70 | -53 |
| Operating profit | -70 | -53 |
| 3 Other financial income | 149 | 137 |
| 4 Other financial expenses | -103 | -213 |
| Pre-tax net profit or loss | -24 | -129 |
| 5 Tax on net profit or loss for the year | 1 | -23 |
| Net profit or loss for the year | -23 | -152 |
| Proposed distribution of net profit: | | |
| Allocated from retained earnings | -23 | -152 |
| Total allocations and transfers | -23 | -152 |

Balance sheet at 31 December

USD thousand.

| Assets | | <u>2023</u> | <u>2022</u> |
|---------------------------|----------------------------------|----------------------|----------------------|
| <u>Note</u> | | | |
| Non-current assets | | | |
| 6 | Investments in group enterprises | <u>34.012</u> | <u>34.012</u> |
| | Total investments | <u>34.012</u> | <u>34.012</u> |
| | Total non-current assets | <u>34.012</u> | <u>34.012</u> |
| Current assets | | | |
| | Income tax receivables | <u>57</u> | <u>49</u> |
| | Total receivables | <u>57</u> | <u>49</u> |
| | Cash and cash equivalents | <u>2.027</u> | <u>2.355</u> |
| | Total current assets | <u>2.084</u> | <u>2.404</u> |
| | Total assets | <u>36.096</u> | <u>36.416</u> |

Balance sheet at 31 December

USD thousand.

| Equity and liabilities | | | |
|--|--|---------------|---------------|
| <u>Note</u> | | <u>2023</u> | <u>2022</u> |
| Equity | | | |
| 7 | Contributed capital | 52 | 52 |
| | Retained earnings | 33.678 | 33.701 |
| | Total equity | 33.730 | 33.753 |
| Liabilities other than provisions | | | |
| | Trade payables | 35 | 0 |
| | Payables to subsidiaries | 2.300 | 2.634 |
| | Other payables | 31 | 29 |
| | Total short term liabilities other than provisions | 2.366 | 2.663 |
| | Total liabilities other than provisions | 2.366 | 2.663 |
| | Total equity and liabilities | 36.096 | 36.416 |
| 1 | Going concern | | |
| 2 | Subsequent events | | |
| 8 | Contingencies | | |
| 9 | Related parties | | |

Statement of changes in equity

USD thousand.

| | <u>Contributed capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|--------------------------------|--------------------------------|------------------------------|---------------|
| Equity 1 January 2023 | 52 | 33.701 | 33.753 |
| Retained earnings for the year | <u>0</u> | <u>-23</u> | <u>-23</u> |
| | 52 | 33.678 | 33.730 |

Notes

USD thousand.

1. Going concern

The company has entered into liquidation, which means that the company's assets and liabilities are measured at expected realizable values.

The Company has entered solvent liquidation on March 18, 2024. As a result, the annual report for 2023 is not prepared on the basis of going concern. However, that has not affected the recognition, measurement, or presentation.

The subsidiaries are recognised to cost price as previous years.

2. Subsequent events

No events, besides the decision to enter into liquidation, materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|
| 3. Other financial income | | |
| Interest, banks | 18 | 0 |
| Exchange differences | <u>131</u> | <u>137</u> |
| | <u>149</u> | <u>137</u> |
| 4. Other financial expenses | | |
| Other financial costs | <u>103</u> | <u>213</u> |
| | <u>103</u> | <u>213</u> |
| 5. Tax on net profit or loss for the year | | |
| Tax on profit for the year including withholding taxes | <u>-1</u> | <u>23</u> |
| | <u>-1</u> | <u>23</u> |

Notes

USD thousand.

| | <u>31/12 2023</u> | <u>31/12 2022</u> |
|--|----------------------|----------------------|
| 6. Investments in group enterprises | | |
| Cost 1 January 2023 | 34.012 | 34.012 |
| Carrying amount, 31 December 2023 | <u>34.012</u> | <u>34.012</u> |

Financial highlights for the enterprises according to the latest approved annual reports

| | Equity interest | Equity | Results for the year | Carrying amount, PQ Europe ApS (under frivillig likvidation) |
|--|--------------------|-----------------------|-------------------------|--|
| New Dutch Chemicals Holdco BV, The Netherlands | 100,00 % | 131.726 | 428 | 6.293 |
| PQ Germany GmbH, Germany | 73,32 % | 71.782 | 8.341 | 11.218 |
| PT PQ Silicas Indonesia, Indonesia | 73,26 % | 23.500 | 1.261 | 8.828 |
| PQ Sweden AB, Sweden | 73,32 % | 6.422 | 1.696 | 3.873 |
| PQ Silicas Holding South Africa Pty Ltd, South Africa | 73,32 % | 5.680 | -4 | -14 |
| PQ Silicas South Africa Pty Ltd, South Africa | 73,32 % | 7.064 | 2.039 | 1.708 |
| PQ Finland Oy, Finland | 73,32 % | 3.146 | 612 | 1.128 |
| PQ France SAS, France | 100,00 % | 1.345 | 170 | 978 |
| | | <u>250.665</u> | <u>14.543</u> | <u>34.012</u> |

Notes

USD thousand.

| | <u>31/12 2023</u> | <u>31/12 2022</u> |
|------------------------------------|-------------------|-------------------|
| 7. Contributed capital | | |
| Contributed capital 1 January 2023 | <u>52</u> | <u>52</u> |
| | <u>52</u> | <u>52</u> |

The share capital consists of 425,004 shares of a nominal value of DKK 1. No shares carry any special rights. There have been no changes in the share capital during the last 5 years.

8. Contingencies

There are no security and contingent liabilities at 31 December 2023.

9. Related parties

Controlling interest

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

PQ Europe Coöperatie U.A., Ir. Rocourstraat 28, 6245 AD Eijsden,
Holland/The Netherlands

Consolidated financial statements

The ultimate parent company is Sparta Acquisition Company, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008.