Financial Report 2023

Quaker Houghton Sales B.V.

Uithoorn

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Annual report of Directors

General

Quaker Houghton Sales B.V. (the ‘Company’) is an affiliate of Quaker Houghton Corporation, a leading global provider of process chemicals, chemical specialties, services, and technical expertise to a wide range of industries - including steel, aluminium, automotive, mining, aerospace, tube and pipe, coatings, and construction materials. Our products, technical solutions, and chemical management services enhance our customers’ processes, improve their product quality, and lower their costs.

The Company is a wholly owned subsidiary of Quaker Houghton B.V., Uithoorn, the Netherlands. The ultimate parent company is Quaker Houghton Corporation (the ‘Parent’, or “Quaker Houghton”) in Conshohocken, USA.

The company’s objective is to support our customers with the supply of process fluids, continually improving and innovating so the world’s steel, aluminum, automotive, aircraft, machinery and industrial parts manufacturers can stay ahead in a changing environment. Together with our Quaker Houghton chemists, engineers and industry expert partner with our customers to continually improve their operations so they can run even more efficiently, even more effectively, whatever comes next.

Governance and legal update

The company continues with the integration of Quaker Houghton sales and business operations in EMEA, though no major transformational projects have been completed in 2023. Effective April 1st, 2024, the company has realized further integration of its activities in Southern Europe by purchasing the customer portfolio and commercial operations from Houghton Iberica, a Barcelona-based affiliated company.

Economic developments during the year

A significant portion of the Company’s revenues are realized from the sale of process fluids and services to manufacturers of steel, aluminum, automobiles, aircraft, industrial equipment, and durable goods and, therefore, Quaker Houghton is subject to the same business cycles as those experienced by these manufacturers and their customers.

The Company’s financial performance is generally correlated to the volume of global production within the industries it serves, rather than directly related to the financial performance of its customers. Furthermore, steel and aluminum customers typically have limited manufacturing locations compared to metalworking customers and generally use higher volumes of products at a single location.

In 2023, sales increased compared to the previous year, largely driven by the rise in selling prices in the steel and automotive industries. This growth was partly driven by a recovery from the negative impacts experienced in 2022, which were due to global supply chain disruptions and related increases in raw material costs. Additionally, other contributing factors to the sales increase included an improved product mix and new business wins, despite a perceived weakening in the economic environment and a softening of industrial activities.

The Revenue for the fiscal year 2023 was EUR 414 million (2022: EUR 389 million). The net profit was EUR 4.3 million (2022: EUR 5.0 million). Financing of the Company is mainly done through equity and inter-company financing. At the balance sheet date, the company presented an equity ratio of 0.18 (2022: 0.17) and a current ratio of 1.10 (2022: 1.05).

During the financial year ended 31 December 2023, our company has diligently monitored and managed its cash flows and financing needs to support its operations, growth, and financial stability.

Research and Development

R&D is a constant factor in our business. Our R&D is focusing on improvements of existing products as well as the development of new marketable products.

Principal risks and uncertainties

The company maintains a cautious risk appetite, recognizing that a certain level of risk is inherent in our industry. We are committed to prudent risk-taking that aligns with our strategic objectives while ensuring the long-term sustainability of the Company. Risks that pose a threat to our continuity, reputation, or have a material effect on revenue and/or profitability are considered unacceptable.

The objective of risk management is to maintain awareness and control over the risks associated with delivering business objectives by empowering co-workers to take responsibility for managing those risks and identifying business opportunities. Quaker Houghton employs an enterprise-wide approach to ensure consistent end-to-end risk management across all business areas, group functions and countries. Risks are assessed and responses, including internal controls, are designed and implemented.

During 2023, we assessed all current controls and determined new controls resulting from changes in our business structure or, for example, the IT environment. We update all risks and related controls in a risk control matrix. Furthermore, to control and mitigate these risks, the Company has adopted risk management policies developed and established by the ultimate parent company, Quaker Houghton Corporation, which are applicable to all affiliated companies.

Changes to the industries and markets that Quaker Houghton serves could have a material adverse effect on the Company's liquidity, financial position and results of operations.

The business environment in which the Company operates remains uncertain. The Company is subject to the same business cycles as those experienced by steel, automobile, appliance, and durable goods manufacturers. A major risk is that the Company's demand is largely derived from the global demand for its customers' products, which subjects the Company to uncertainties related to downturns in our customers' business and unanticipated customer production shutdowns or curtailments. The Company has limited ability to adjust its cost level contemporaneously with changes in sales and gross margins. Thus, a significant downturn in sales or gross margins due to reductions in global production within the industries the Company serves, weak end-user markets, loss of a significant customer, and/or rising raw material costs could have a material adverse effect on the Company's liquidity, financial position, and results of operations. With the support of our corporate strategy organization the company is actively managing this risk by monitoring market developments closely and anticipate strategic market changes.

Bankruptcy of a significant customer or the closure of a customer's major site could have a material adverse effect on our liquidity, financial position and results of operations.

A significant portion of Quaker Houghton's revenues is derived from sales to customers in the steel and automotive industries. The bankruptcy of a major customer could have a material adverse effect on the Company's liquidity, financial position and results of operations. Also, steel customers typically have limited manufacturing locations compared to metalworking customers and generally use higher volumes of products at a single location. The loss or closure of one or more steel mills or other major sites of a significant customer could have a material adverse effect on Quaker Houghton's business. Company management acknowledges this and manages this through actively monitoring market performance and optimize the diversification of its portfolio.

Failure to comply with any material provision of our primary credit facility or other debt agreements could have a material adverse effect on our liquidity, financial position and results of operations.

The Group Company's primary credit line is a USD 1.25 billion unsecured multicurrency credit agreement with a group of lenders, which matures in 2027. This facility provides the availability of revolving credit borrowings, and, in general, bears interest at either a base rate or SOFR plus a margin based on the Company's consolidated leverage ratio. The facility contains covenants that impose certain restrictions, including limitations on investments, acquisitions and liens, as well as default provisions customary for facilities of its type. While these covenants and restrictions are not currently considered to be overly restrictive, they could become more difficult to comply with as our business or financial conditions change. In addition, deterioration in the Company's results of operations or financial position could significantly increase borrowing costs. Additionally, we have no covenants to comply with at the Quaker Houghton Sales B.V., as the covenants are only required at the consolidated Quaker Chemical Corporation level ('Quaker Houghton'). The Group is exposed to market rate risk for changes in interest rates, due to the variable interest rate applied to the Company's borrowings under its credit facilities. Accordingly, if interest rates rise significantly, the cost of debt to Quaker Houghton will increase, perhaps significantly, depending on the extent and timing of Quaker Houghton's borrowings under the credit facilities. With the support our Quaker Houghton's corporate finance and treasury team the company is actively monitoring these financial risks and will identify and execution (re-)financing initiatives if needed.

Environmental laws and regulations and/or pending and future legal proceedings may materially and adversely affect the Company's liquidity, financial position, and results of operations, as well as its reputation in the markets it serves.

The Company is not a party to proceedings, cases, and requests for information from, and negotiations with, various claimants and state agencies relating to various matters, including environmental matters.

Failure to comply with the complex global regulatory environment in which the Company operates could have an adverse impact on the Company's reputation and/or a material adverse effect on the Company's liquidity, financial position and results of operations.

Changes in the regulatory environment in which the Company operates, particularly, but not limited to, the United States, China, and the European Union, could lead to heightened regulatory scrutiny, could adversely impact our ability to continue selling certain products in our domestic or foreign markets and/or could increase the cost of doing business. For instance, the European Union's Registration, Authorization and Restriction of Chemicals ("REACH"), and analogous non-E.U. laws and regulations or other similar laws and regulations, could result in fines, ongoing monitoring and other future business activity, which could have a material adverse effect on the Company's liquidity, financial position and results of operations. In addition, non-compliance with applicable laws and regulations, particularly the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act and other similar laws and regulations, could result in a negative impact to the Company's reputation, potential fines or ongoing monitoring, which could also have a material adverse effect on the Company's liquidity, financial position, and results of operations.

The company monitors changes in rules and regulation and compliance with these legislation in cooperation with Group's legal department, the (trade-)compliance teams and product stewardship team.

Potential product, service or other related liability claims could have a material adverse effect on the Company's liquidity, financial position and results of operations.

The development, manufacture and sale of specialty chemical products and other related services involve inherent exposure to potential product liability claims, service level claims, product recalls and related adverse publicity. Any of these potential product or service risks could also result in substantial and unexpected expenditures and affect customer confidence in our products and services, which could have a material adverse effect on the Company's liquidity, financial position and results of operations. Although the Company maintains product and other general liability insurance, there can be no assurance that the types or levels of coverage maintained are adequate to cover these potential risks. In addition, the Company may not be able to continue to maintain its existing insurance coverage or obtain comparable or additional insurance coverage at a reasonable cost, if at all, in the event a significant product or service claim arises.

With the support from the Group the Company manages product- and process quality assurance and participates in continuous improvement initiatives.

The scope of our international operations subjects the Company to risks including, but not limited to, risks from currency fluctuations, changes in trade regulations, political and economic instability, and complex local tax environments.

The Company mainly conducts sales and purchases based in Euro. The Company does not make use of financial instruments to minimize the exchange risk. The Company mitigates this risk through local sourcing efforts. Furthermore, the Company generally does not use financial instruments that expose it to significant risk involving foreign currency transactions. Additional risks associated with the Company's international operations include, but are not limited to: instability in economic conditions from country to country; changes in a country's political condition; trade protection measures; longer payment cycles; licensing and other legal requirements; restrictions on the repatriation of our assets, including cash; the difficulties of staffing and managing dispersed international operations; less protective foreign intellectual property laws; legal systems that may be less developed and predictable than those in the Netherlands; and complex and dynamic local tax regulations.

As part of Quaker Houghton the Company has access to specialist expertise to actively monitor associated risks and to initiate risk mitigating initiatives.

Disruption of critical information systems or material breaches in the security of our systems may adversely affect our business and our customer relationships.

The Company relies on information technology systems to process, transmit, and store electronic information in our day-to-day operations. The Company also relies on its technology infrastructure, among other functions, to interact with customers and suppliers, fulfil orders and bill, collect and make payments, ship products, provide support to customers, fulfil contractual obligations and otherwise conduct business. Our information technology systems are subject to potential disruptions, including significant power outages, cyberattacks, computer viruses, other malicious codes, and/or unauthorized access attempts, any of which, if successful, could result in data leaks or otherwise compromise our confidential or proprietary information and disrupt our operations. Cybersecurity incidents, such as these, are becoming more sophisticated and frequent, and there can be no assurance that our protective measures will prevent security breaches that could have a significant impact on our business, reputation and financial results. Failure to monitor, maintain or protect our information technology systems and data integrity effectively or, to anticipate, plan for and recover from significant disruptions to these systems could have a material adverse effect on our business, results of operations or financial condition.

Quaker Houghton's global Digital and Information Technology team supports the Company with the identification of the risks and development and implementation of risk mitigating initiatives.

Failure to address the Financial Reporting risks may have an adverse impact on the Company's reputation and/or a material adverse effect on the Company's liquidity, financial position and results of operations.

The management is responsible for establishing and maintaining internal controls relating to the financial reporting of the company's financial statements. The company's main risks in financial reporting are that financial statements do not present a true and fair view due to unintentional or intentional errors and, more specifically, errors in the conversion to Dutch GAAP or incorrect estimates in financial statements.

To mitigate these risks and to ensure that the company reports according to applicable accounting standards, the entity's management has internal controls in place and carefully monitors financial reporting. Because of inherent limitations, internal control over financial reporting may not prevent or detect all misstatements.

Financial instruments and risk management

The management has identified several financial instrument risks that are relevant to the company. These risks include interest risk, foreign exchange risk, credit risk, liquidity risk, and cash flow risk. For more detailed information, including potential impacts and, where relevant, mitigation strategies, please refer to Note 4: Financial Instruments and Risk Management in the financial statements.

During the year ended 31 December 2023, the Company did not engage in any hedging activities related to the described risks arising from financial instruments. No hedging was performed, nor was it considered necessary to mitigate financial instrument risks. As a result, there are no hedging instruments to report or disclose in these financial statements.

Core Values

Quaker Houghton considers its employees as its greatest strength in differentiating our business and strengthening our market positions. We have established core values that are inclusive of embracing diversity and creating a culture where we learn from and are inspired by the many cultures, backgrounds and knowledge of our team members. The Company's goal is to have an organization that is inclusive of all its people and is representative of the communities in which we operate.

The Company's core values are (i) live safe; (ii) act with integrity; (iii) drive results; (iv) exceed customer expectations; (v) embrace diversity; and (vi) do great things together. Our core values embody who we are as a company, guide our decisions and inspire us. Our commitment to these values, in words and actions, builds a safer, stronger Quaker Houghton, and these values guide the Company's internal conduct and its relationship with the outside world.

By fostering a culture and environment that exemplifies our core values, we gain, as a company, unique perspectives, backgrounds, and varying experiences to ensure continued long-term success. The Company respects and values all of its employees and believes inclusion, diversity and equality are essential pillars to drive the Company's success.

Aligned to our core values, in 2023 we evolved our enterprise-wide approach to volunteerism. Moving forward, all employees will be provided with access to two paid days off per year that can be leveraged to volunteer for local charity organizations, or local chapters of national charity organizations, those seek to improve the conditions and lives of the people living in the communities in which our employees live and work.

Sustainability Governance and Strategy (Climate related risks)

In 2020, Quaker Houghton established the Board Sustainability Committee, which has specific responsibility to assist the Board of Directors (the "Board") in its assessment, evaluation, and oversight of the Company's sustainability programs and initiatives pertaining to the Company's business, operations, and employees. In formulating our Sustainability strategy, our Executive Leadership Team ("ELT") and Board consider certain risks and uncertainties that may materially impact our financial condition and results of operations.

In 2021, we set a target to achieve carbon neutrality in our global operations by 2030 and net zero emissions across our entire value chain by 2050. Progress was made by investing in renewable energy sources and certifications, which now span more than 70% of the total electricity consumption. In 2023 we selected our portfolio of sustainable products and solutions that launched in early 2024, strengthening our offerings to lead our customers towards achieving their sustainability goals. In addition, the Company established 15 long-term environmental and social goals, based on the results of the Company's 2020 materiality assessment, which was completed with input from customers, investors, suppliers, and internal stakeholders. Our 15 long-term goals are closely aligned with the United Nations Sustainable Development Goals. We also identified short-term and medium-term milestones that may help support the achievement of our 2030 targets.

Quaker Houghton Sales B.V. follows this global strategy and strives to integrate sustainable business practices across our operations and to continually develop sustainable solutions that meet evolving customer needs. Quaker Houghton Sales B.V. has developed sustainability initiatives amongst which the definition of a sustainable product portfolio, creating awareness in the organization and training of the commercial team on how we can help our customers to achieve their sustainability targets.

Environment, health and safety and security

We recognize that our business success depends on helping to meet the world's growing needs for environmentally and socially responsible ways of doing business. To manage today's business risks and deliver our strategy, it is critical that we maintain the trust of a wide range of stakeholders. To keep this trust, we must do many things, including behave with integrity in line with Quaker Houghton's Code of Conduct; operate our facilities safely; be a good neighbor; and help to find solutions to environmental challenges. On an annual basis Quaker provides the local authorities with an Environmental status report ("Electronisch Milieu-jaarverslag").

The Company's passion for sustainability has long been central and is fully aligned with our global sustainability strategy and integrated in our business. At Quaker Houghton, we combine our solutions with industry insight and intelligence to See Beyond ™ the issues of today and secure a better tomorrow. In our corporate sustainability reports we explore the pillars of our focus and highlight the meaningful progress we have made on our commitments as a Group. Our sustainability goals have been based on four key pillars: Innovating Together for a Better Tomorrow, Protecting Our Planet, Empowering our Colleagues and Communities, and Sourcing our Materials Responsibly. These pillars also inform the Company's actions.

We report our progress on Environmental, Social, and Governance ("ESG") milestones in our sustainability report, which is published annually and is available free of charge on our corporate website at home.quakerhoughton.com/sustainability.

The 2023 sustainability report is available and has been published end of April 2024. (https://home.quakerhoughton.com/2023-sustainability-report/).

Corporate Governance & Board Composition

The Company is always committed to ethical conduct above reproach. Ethical and law-abiding behaviour characterized by fairness, honesty, and integrity is a standard expected of all those associated with the Company and expected by all those who invest in or are served by the Company. By using our Core Values to guide our behaviour and adhering to the standards embodied in this Code of Conduct, we strive to meet these expectations and trust that each leader, decision maker, and associate in our organization will do the right thing. This Code of Conduct is mandatory, applies to all Quaker Houghton associates and directors, and is monitored through a quarterly business review and disclosure process. This includes the assessment of risk of non-compliance with laws and regulations and covers anti-bribery and anti-corruption. During 2023 a 100% participation in the company's annual Code of Conduct training program was achieved.

Our full code of conduct and core value can be found at our corporate website: www.quakerhoughton.com .

The board of directors of Quaker Houghton Sales B.V. consists of only of men (male/female) (100%/0%). The EMEA operating core team is considered management and consists of 27% women. Further Quaker Houghton has adopted the ambition to target a more balanced distribution of men and women in the (sub)top. However, Quaker Houghton Sales B.V. was unable to achieve this goal due to the tightness on the labor market situation in Western-Europe. Still the Company, in line with the Group's targets will aim at an increase of female representation in management. In order to attain the 2030 goals, a global workforce representation of between 25% and 27% women with the same proportion of women represented in leadership globally, during the year 2023 taskforces were launched to drive the DEI (Diversity, Equity and Inclusion) efforts.

Outlook and subsequent events

In 2023 and the year to date, 2024, we have seen an increase in demand in the markets after the declines related to the Covid-19 crisis. On the other hand, we are also witnessing strong increases in raw material prices, due to high global demand. The company has been able to off-set these raw material prices with customer price increases and managed to maintain gross margin levels as percentage of sales. The company will continue to monitor market developments and adjust customer pricing accordingly, in order to maintain our strong financial position and ability to continue to invest in our product portfolio.

The company thoroughly monitors geopolitical developments, including the ongoing Russian war on Ukraine, as well as recent attacks on Israel and the conflict in Gaza that have raised concerns about regional stability and their potential impact on the company's business activities. To be noted that in July 2022, the company ceased all its activities in Russia and Belarus. These developments have impacted our margins, but not at a material level, and therefore do not create a financial risk to the company.

The company will continue to invest in renewable energy sources to power our operations, aligning with our commitment to sustainability.

Any future investments are expected to be financed through internally generated funds and intercompany financing. We aim to maintain a balanced capital structure that supports growth while ensuring financial stability.

With the expansion of our operations, we are committed to investing in our workforce through training and development programs. Our goal is to attract and retain top talent to drive innovation and excellence in our product offerings.

Turnover is expected to grow as we penetrate new markets and strengthen our presence in existing ones. Profitability will be influenced by our ability to control costs, optimize our supply chain, and the successful introduction of new products. We are vigilant in monitoring market trends to adapt our strategies accordingly.

Our research and development activities continue to be a cornerstone of our business strategy. We will continue to invest in developing advanced products to meet the evolving needs of our customers.

Recent geopolitical developments and changes in international trade regulations, have posed challenges; however, they have also provided us with opportunities to optimize our operations. These events have been factored into our expectations for the future, although they do not directly affect the financial statements of the current period.

Going Concern

With reference to the above, management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern.

We are confident in our long-term conditions. Quaker Houghton has a solid business model, a strong leadership team and associate base, a solid balance sheet and numerous growth opportunities in both our base business and new areas.

Fraud and corruption / Cyber-security

We rely on information technology systems to obtain, process, analyze, manage, transmit, and store electronic information in our day-to-day operations. We also rely on our technology infrastructure in all aspects of our business, including to interact with customers and suppliers, fulfill orders and bill, collect and make payments, ship products, provide support to customers, and fulfill contractual obligations.

Our information technology systems are subject to potential disruptions, including significant network or power outages, cyberattacks, computer viruses, other malicious codes, and/or unauthorized access attempts, any of which, if successful, could result in data leaks or otherwise compromise our confidential or proprietary information and disrupt our operations.

Security breaches could result in unauthorized disclosure of confidential information or personal data belonging to our employees, partners, customers or suppliers for which we may incur liability. Cybersecurity threats, attempted intrusions and other incidents, such as these, are becoming more sophisticated and frequent. Security breaches and cyber incidents have, from time to time, occurred and may occur in the future. Although the breaches and cyber incidents experienced to date have not had a material impact, there can be no assurance that our protective measures will prevent security breaches that could have a significant impact on our business, reputation and financial results. There are no specific breaches or incidents happened in the year 2023 for Quaker Houghton Sales B.V..

We are subject to the data privacy and protection laws and regulations of the EU General Data Protection Regulation. Implementing and complying with these laws and regulations may be more costly or take longer than we anticipate or could otherwise affect our business operations.

June 26, 2024

Board of Directors,

J. Berquist H. Blok M. Moreno Hernandez

Financial statements

Balance Sheet as per 31 December 2023

(before profit appropriation, in thousands of EUR)

Assets *(x € 1,000)*		**31 December 2023**		**31 December 2022**
Non-current assets				
Intangible fixed assets (5.1)	2,677		3,479	
Tangible fixed assets (5.2)	316		285	
Financial fixed assets (5.3, 5.4)	19,076		19,952	
		22,069		23,716
Current assets				
Inventories (5.5)	3,069		2,189	
Trade receivables (5.6)	82,059		90,385	
Receivables from group companies (5.4)	50,333		33,697	
Other receivables and prepayments (5.7)	2,248		2,357	
Cash and cash equivalents (5.8)	10,445		6,197	
		148,154		134,825
Total assets		**170,223**		**158,541**

Shareholder's equity & liabilities *(x € 1,000)*		**31 December 2023**		**31 December 2022**
Shareholder's equity (5.9)				
Issued share capital	20		20	
Share premium	13,427		13,427	
Retained earnings	12,800		7,825	
Result of the year	4,274		4,975	
		30,521		26,247
Provisions				
Retirement provision (5.10)	983		990	
Non-current liabilities				
Payables to group companies (5.4)	4,234		2,365	
Current liabilities				
Trade payables (5.11)	2,138		1,694	
Payables to group companies (5.4)	118,436		114,599	
Corporate tax (5.12)	1,823		2,100	
Tax and social security contributions (5.13)	3,252		3,806	
Other current liabilities (5.14)	8,836		6,740	
		134,485		128,939
Total shareholder's equity and liabilities		**170,223**		**158,541**

Profit and loss account for the financial year ended 31 December 2023

(x € 1,000)		**2023**		**2022**
Revenue (6.1)		414,175		389,411
Cost of Sales (6.2)		(341,057)		(330,284)
Gross profit		73,118		59,127
Selling expenses (6.3)	(62,998)		(51,630)	
General and administrative expenses (6.4)	(4,270)		(1,256)	
Total expenses		(67,268)		(52,886)
Operating profit		**5,850**		**6,241**
Loss on disposal of subsidiary Houghton Sverige AB		0		(140)
Finance income and expenses (6.5)		363		(374)
Profit before tax		**6,213**		**5,727**
Income tax expense (6.6)		(1,939)		(1,820)
Income from participating investments		0		1,068
Profit for the year		**4,274**		**4,975**

Notes to the balance sheet and profit and loss account

1 General

Quaker Houghton Sales B.V. (the 'Company'), having its corporate seat and legal address on Industrieweg 7, 1422 AH Uithoorn, is a private limited liability company under Dutch law registered at the Chamber of Commerce under number 70346380.

The company belongs to a group. At the head of this group is Quaker Houghton Corporation headquartered in Conshohocken, Pennsylvania, located near Philadelphia in the U.S. The company's annual accounts are included in the consolidated annual accounts of Quaker Houghton Corporation in Conshohocken, Pennsylvania, located near Philadelphia in the U.S. (copies of the consolidated financial statements of the Group are available on the website of Quaker Houghton: www.quakerhoughton.com).

1.1 Activities

Quaker Houghton Sales B.V. (the 'Company') is an affiliate of Quaker Houghton Corporation, a leading global provider of process chemicals, chemical specialties, services, and technical expertise to a wide range of industries - including steel, aluminum, automotive, mining, aerospace, tube and pipe, coatings, and construction materials. Our products, technical solutions, and chemical management services enhance our customers' processes, improve their product quality and lower their costs. The principal activity of the Company is the performance of sales and distribution activities of speciality chemicals to the aforementioned industries. Sales are made in both domestic and foreign markets (European and non-European Union).

1.2 Group structure

Quaker Houghton Sales B.V. (The "Company") is a wholly owned subsidiary of Quaker Houghton B.V., Uithoorn, The Netherlands. Quaker Houghton B.V. became after the combination of the Quaker Chemicals group and the Houghton group the principal operating entity in the EMEA region. Business and legal integration activities are ongoing, however during the financial year 2023, no material changes occurred to the group's structure. The ultimate parent company is Quaker Houghton Corporation in Conshohocken, USA.

The Company has branches within the EMEA region in the following countries: Germany, Italy, France, Spain, Sweden, United Kingdom, Denmark, Ireland, Belgium and United Arab Emirates (UAE).

Copies of the consolidated financial statements are available on the website of Quaker Houghton: www.quakerhoughton.com

1.3 Going concern

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company. The board of directors used its best estimate to forecast cash movements over the 12 months following the date of the accounts. As of the date of the accounts the board of directors of the Company believes they will be able to repay the liabilities and ensure the future development of the Company. Consequently, our financial statements have been prepared based on a going concern assumption.

1.4 Accounting Standards used to prepare the financial statements

The financial statements were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements of subsidiaries are prepared for the same reporting period as the ultimate parent company using consistently the Quaker Houghton accounting policies. Where relevant, adjustments are made to conform to Part 9, Book 2, of the Dutch Civil Code and the pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

Cash flow statements

In conformity with the exemption provisions of the Guidelines for Annual Reporting in the Netherlands (RJ 360.104), a cash flow statement is not presented. Accordingly, the consolidated accounts of Quaker Houghton Corporation for the year ended 31 December 2023, which include a cash flow statement, are filed in New York, USA. A copy has been filed at the Trade Register, the Netherlands.

1.5 Related-party transactions

All legal entities that can be controlled, jointly controlled, or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

1.6 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary, for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statements.

1.7 Proposed profit appropriation

The Directors propose to add the net result for the year to the retained earnings. This proposal has not yet been appropriated in the balance sheet.

2 Summary of significant accounting policies

2.1 General

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the DAS for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet and the profit and loss account include references to the notes.

2.2 Prior-year comparison

The accounting policies have been consistently applied to all the years presented.

2.3 Foreign currencies

Functional currency:

The financial statements are prepared in EURO, which is the functional and reporting currency of the Company.

Transactions, receivables, and liabilities:

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of the exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the profit and loss account.

Non-monetary assets measured at historical cost in a foreign currency are converted at the exchange rate on the transaction date (historical rate).

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the most recent fair value was determined.

Foreign currency translation and the processing of foreign currency translation differences with regard to business activities abroad:

Assets and liabilities of foreign branches with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at the exchange rate at transaction date.

2.4 Intangible fixed assets

Intangible fixed assets are stated at historical cost less amortization. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realizable value.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to note 2.7 “Impairment of non-current assets”.

Costs of intangible assets other than those internally generated, including patents and licenses, are valued at acquisition cost and amortized on a straight-line basis over their estimated future useful lives, with a maximum period of 20 years.

Goodwill resulting from acquisitions is capitalized and amortized on a straight-line basis over a period of 10 years.

2.5 Tangible fixed assets

Tangible fixed assets are valued at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the assets. Historical cost includes expenditures that are directly attributable to the acquisition of the assets.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period and adjusted if appropriate.

Assets under construction represent tangible fixed assets in the course of construction and are stated at cost, which includes the cost of construction and any other directly attributable costs. These assets are not subject to depreciation as they are not yet available for use. Depreciation commences when the assets are ready for their intended use. Upon completion, assets under construction are reclassified to the appropriate categories of tangible fixed assets and depreciation commences over their respective useful lives and will be calculated as described above.

The estimated useful lives of machinery and equipment are 5 to 12.5 years.

There is no liability related to decommissioning costs after use of the assets present at the Company, the assets are mainly computers and equipment used for trials. Costs of decommissioning these assets are immaterial.

No provision for major future repairs has been formed. Upon occurrence, these costs will be activated and depreciated.

Maintenance costs are expensed when they occur unless they are related to major pluriannual maintenance costs, which are capitalized in the book value of the asset if they meet the requirements for capitalization.

2.6 Financial fixed assets

Participations in group companies

Majority participations and other investments where significant influence can be exercised are valued according to the net asset value method. The net asset value of majority participations is calculated on the basis of the principles prevailing for these financial statements.

Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognized insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income taxes are recognized at nominal value.

The company falls under the scope of the Minimum Tax Act 2024 (Pillar 2), which came into force in the Netherlands on 31 December 2023. Because Pillar 2 legislation did not yet apply on the balance sheet date, the company did not recognize any immediate tax expense. The company uses the mandatory exemption to process information on deferred tax assets and liabilities related to Pillar 2.

2.7 Impairment of non-current assets

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realizable value are based on the estimated costs that are directly attributable to the sale and are necessary to realize the sale. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash generating unit; these cash flows are discounted, based on a discount rate. The discount rate does not reflect risks already taken into account in future cash flows.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill cannot be reversed.

The company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

2.8 Inventories

Inventories are stated at cost or lower market value. Cost is defined as the inventory value under FIFO. The market reference relates to a net realizable value. Net realizable value is the estimate selling rice in the ordinary course of business, less applicable variable selling expenses. Cost includes direct material, direct labor and appropriate allocation of overheads.

2.9 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized costs. If payment of the receivable is postponed under an extended payment deadline, fair value is measured based on the discounted value of the expected income. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables.

2.10 Receivables from group companies

The Company enters into various transactions with its subsidiaries and other entities under common control, which gives rise to receivables from group companies. These receivables primarily consist of trade receivables, cash pool balances and loans with entities within the same group.

Receivables from group companies are recognized and initially measured at fair value when the Company obtains the right to receive cash or other financial assets from its group entities. Subsequently, these receivables are measured at amortized cost using the effective interest rate method. The amortized cost is adjusted for any impairment losses, if applicable, as detailed below.

The Company assesses its receivables from group companies for impairment at the end of each reporting period. An impairment loss is recognized when there is objective evidence that the receivable is impaired. Factors considered in determining impairment include the financial condition of the group entity, any indications of financial difficulties, and historical collection patterns. If there is objective evidence of impairment, the carrying amount of the receivables is reduced to its estimated recoverable amount. The estimated recoverable amount is the present value of expected future cash flows discounted at the original effective interest rate of the receivable. Any impairment loss is recognized in the statement of profit and loss.

Receivables from group companies and the corresponding liabilities are offset in the balance sheet when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.11 Other receivables and prepayments

Other receivables and prepayments are initially measured at the fair value of the consideration to be received. Subsequently, they are measured at the amortized cost price. If there is no premium or discount, and there are no transaction costs, the amortized cost price equals the nominal value of the other receivables and prepayments. If the payment of the other receivables and prepayments is postponed under an extended payment deadline, fair value is measured based on the discounted value of the expected revenues. Interest gains are recognized using the effective interest method.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is measured at nominal value.

2.13 Provisions

Provisions are recognized for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probable to require an outflow of resources and a reliable estimate can be made. Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations at the balance sheet date. Unless indicated otherwise, provisions are stated at the present value of the expenditure expected to be required to settle the obligations.

Where some or all of the expenditures required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when it is virtually certain that reimbursement will be received if the entity settles the obligation.

For existing pension plans company pays premiums based on (legal) requirements, a contractual or voluntary basis to pension funds and insurance companies. Premiums are recognized as employee cost when they are due. If premiums already paid exceed the premium payable to the pension administrator, the excess is recognized as a prepayment if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities.

For obligations (other than premiums to be paid) to the pension fund / insurance company or employees a provision is recognized.

This provision includes:

- the obligation of the company to provide additional payments or recovery premiums due to a low coverage ratio of the pension fund;
- additional pension entitlements arising from promised salary increases if a final pay pension is applicable;
- unconditional indexation that is not yet funded;
- surplus interest or profit sharing which is made available to the company under the conditions of an insurance contract;
- disadvantages of individual value transfers at the expense of the company;
- obligations to employees that are not insured through a pension fund.

The pension provision is measured at its best estimate. The obligation includes the present value (at current market rates) of the expenditures that are probably required to settle the obligation. The current market interest rate is determined by reference to market yields at the reporting date on high quality corporate bonds. If the obligation is due within a year, the obligation is not discounted. Additions and withdrawals from the pension provision are recognized in the profit and loss account.

Foreign pension plans
For foreign pension plans similar to the way in which the Dutch pension system is designed and operates, recognition and measurement of liabilities arising from these pension schemes are carried out in accordance with the measurement of the Dutch pension schemes.
For foreign pension schemes which are not comparable with the way in which the Dutch pension system has been set up and operates, a best estimate is made of the obligation as at the balance sheet date.

Applied policy of pension costs
The company applies the liability approach to account for all pension schemes. The premium (contribution) payable during the reporting year is recognised as an expense. Movements in the pension provision are also charged to the result. Also refer to the measurement principles, provisions for pension obligations. Also, with regard to pension plans for foreign subsidiaries.

2.14 Deferred tax assets and liabilities

Deferred income tax assets and liabilities are recognized to provide for temporary differences between the tax basis of assets and liabilities, and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are deductible temporary differences and available fiscal losses are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences and fiscal losses can be utilized. Deferred income taxes are valued at face value.

2.15 Non-current liabilities

On initial recognition long-term debts are recognized at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognized at the amortized cost price, being the amount received taking into account premiums or discounts and minus transaction costs. In absence of account premiums or discounts and transactions costs the amortized cost equals the nominal value of the liability.

The difference between the carrying amount and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

2.16 Current liabilities

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price, being the amount received, considering premiums or discounts, less transaction costs. This usually is the nominal value.

2.17 Operational leases

Leases in which a significant portion of the risks and rewards incidental to the ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease.

3 Principles of determination of results

3.1 General

Profit is determined as the difference between income generated by the supply of goods and services, and the costs and other charges for the year. Income from transactions is recognized in the year in which it is realized; losses are taken as soon as they are foreseeable.

3.2 Revenue recognition

Revenue from sales of goods is recognized when all significant risks and rewards incidental to the ownership of the goods have been transferred to the buyer. Revenue from the provision of fluid care management services on customer's site location are recognized based on the proportionate ratio of services provided until the balance sheet date.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, rebates and discounts.

3.3 Cost of sales

Cost of sales represents the direct expenses for the purchase products from suppliers and the transport expenses related to the shipments to the end customers.

3.4 Selling expenses

Selling expenses comprise costs chargeable to the year that are not directly attributable to the costs of goods sold. Selling expenses mainly comprise the direct expenses of the sales activities.

3.5 General and administrative expenses

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the costs of the goods sold. General and administrative expenses include the expenses of the finance department, human resources department, the information technology department as well as other expenses.

3.6 Amortization of intangible fixed assets and depreciation of tangible fixed assets

Intangible fixed assets, including goodwill, and tangible fixed assets are amortized or depreciated from the date of initial use over the expected future economic life of the asset. Land and investment property are not depreciated. Future amortization and depreciation are adjusted if there is a change in estimated future useful life. Gains and losses from the occasional sale of intangible and tangible fixed assets are included in amortization and/or depreciation.

3.7 Personnel expenses

Short-term employee benefits

Salaries, wages and social security contributions are taken to the profit and loss account based on the terms of employment, where they are due to employees.

Pensions

The Company has applied the liability method for pension plans. The premiums payable for the financial year are charged to the result. Changes in the pension provision are also charged to the result. The amount in the pension provision is the best estimate of the unfunded obligations as at balance sheet date.

Share-based payment

Quaker Chemical Corporation operates a share option plan for its directors and employees. The costs are borne by the ultimate parent company. Depending on the level of responsibility within the organization, some directors and employees of the Company are entitled to stock options granted by the Quaker Chemical Corporation. Quaker Chemical Corporation does not recharge any of the expenses related to these options to the Company.

3.8 Finance income and expenses

Interest paid and received is recognized on a time-weighted basis, taking into account the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Exchange differences arising upon the settlement or conversion of monetary items are recognized in the profit an loss account inf the period that they arise.

3.9 Income tax expense

Income tax is calculated on the profit before tax in the profit and loss account, taking into account any loss carry forward from pervious financial years (where not include in deferred income tax assets) and tax exempt items, and non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

3.10 Income from participating investments

The share in the result of participating interests consists of the share of the group in the results of these participating interests, determined on the basis of the accounting principles of the group. Results on transactions, where the transfer of assets and liabilities between the group and the non-consolidated participating interests and mutually between non-consolidated participating interests themselves, are not recognized as they can be deemed as not realized. The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

4 Financial instruments and risk management

General

In the normal course of business, the Company Quaker Houghton Sales B.V. is exposed to the impact of interest rates, foreign currency fluctuations, changes in commodity prices, and credit risk arising from financial instruments. To control and mitigate these risks, the Company has adopted risk management policies developed and established by the ultimate parent company, Quaker Houghton Corporation, which are applicable to all affiliated companies.

During the year ended 31 December 2023, the Company did not engage in any hedging activities related to the described risks arising from financial instruments. No hedging was performed, nor was it considered necessary to mitigate financial instrument risks. As a result, there are no hedging instruments to report or disclose in these financial statements.

To control and mitigate these risks, the company has adopted risk management policies as developed and established by the ultimate parent company, Quaker Houghton Corporation, that are applicable to all affiliated companies. The Company's Board is accountable for the formal conduct of the Company. They ensure adherence to laws and regulations, as well as to the Quaker Houghton Governance and decision-making structure, Code of Conduct, Quaker Houghton Policies and Rules, and Quaker Houghton values. Quaker Houghton is committed to maintaining appropriate strategies, functions, and processes that continuously identify, analyze, and manage its risks. The objective of risk management is to maintain awareness and control over the risks associated with delivering business objectives by empowering co-workers to take responsibility for managing those risks and identifying business opportunities.

Quaker Houghton employs an enterprise-wide approach to ensure consistent end-to-end risk management across all business areas, group functions and countries. Risks are assessed and responses, including internal controls, are designed and implemented.

Interest Risk

The Company’s exposure to changes in interest rates relates primarily to its borrowings under the Credit Facility of the parent company and the Loan agreements with affiliated companies (See Note “5.4 Receivables from and payables to group companies”).

The Company's interest rate risk is limited in relation to loans received from affiliated companies given the fact that the majority of the loans have a fixed interest rate.

The fair value of financial instruments stated on the balance sheet, including trade and other receivables, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount.

Foreign Exchange Risk

A significant portion of the Company’s revenues and earnings are generated by its foreign operations. These foreign operations also represent a significant portion of Quaker Houghton Sales B.V.’s assets and liabilities. Generally, all of these foreign operations use the local currency as their functional currency. Accordingly, Quaker Houghton Sales B.V.’s financial results are affected by foreign currency fluctuations, particularly between the euro and the U.S. dollar and the British pound sterling. Quaker Houghton Sales B.V.'s results can be affected depending on the volatility and magnitude of foreign exchange rate changes.

The Company generally does not use financial instruments that expose it to significant risk involving foreign currency transactions. The Company occasionally sources inventory among its worldwide operations. This practice can give rise to foreign exchange risk resulting from the varying cost of inventory to the receiving location, as well as from the revaluation of intercompany balances. The Company primarily mitigates this risk through local sourcing effort.

Credit Risk

Credit risk is the risk of potential loss that may occur due to the failure of customers to meet their contractual payment obligations. The company has no significant concentrations of credit risk. Sales take place to customers who meet the company's creditworthiness test. Sales take place on the basis of credit terms between 8 and 60 days. A different credit term may apply for large deliveries. In that case, additional securities will be requested, including guarantees.

Open balances are reviewed monthly with proper control procedures in place to limit the exposure on individual accounts when exceeding thresholds. The company establishes allowances for credit losses for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances might be required. Downturns in the overall economic climate may also exacerbate specific customer financial issues. A significant portion of the Company's revenues are derived from sales to customers in the steel and automotive industries, including some of our larger customers, where bankruptcies have occurred in the past and where companies have experienced past financial difficulties. Though infrequent, when a bankruptcy occurs, Quaker Houghton Sales B.V. must judge the amount of proceeds, if any, that may ultimately be received through the bankruptcy or liquidation process.

With respect to receivables from affiliated companies, management has established a credit policy based on which this receivable is available without restrictions to the company. Based on the solid cash balances of the group, we assess the credit risk as low.

Liquidity Risk and Cash flow Risk

The Company's actively monitors its cash position using a cash flow forecast model. This model takes into account the maturity of assets and liabilities, as well as projected cash flows from operations.

The objective is to maintain a balance between funding continuity and flexibility, utilizing bank overdrafts and funding from affiliated companies.

The company does not have significant liquidity and cash flow risks. Terms of payment for purchases and sales follow similar trend, and inventory levels are stable. The company's cash flow risk is minimized by the structure of its funding arrangements.

5 Notes to the balance sheet

(Amounts x € 1,000)

5.1 Intangible fixed assets

	Customer portfolio	Other intangible fixed assets	Goodwill	Total
Costs:				
Opening balance	2,275	450	800	3,525
Intercompany transfer	-	(450)	-	(450)
Closing balance	**2,275**	**-**	**800**	**3,075**
Accumulated amortization:				
Opening balance	38	8	-	46
Changes for the year	280	(8)	80	352
Closing balance	**318**	**-**	**80**	**398**
Net book value 31 December 2023	**1,957**	**-**	**720**	**2,677**
Net book value 31 December 2022	**2,237**	**442**	**800**	**3.479**

During the year, no impairments were recognized (2022: Nil).

In 2023, the trademark and patented technology that were recorded under the movement component 'Other intangible assets' were transferred to a group company managing the patented and non-patented technologies.

The line for ‘Selling expenses' on the Profit and loss account represents the item where amortization in relation to intangible fixed assets is recognized.

5.2 Tangible fixed assets

Property Plant & Equipment

	Machinery and equipment	Construction in progress	Total
Costs:			
Opening balance	1,735	83	1,818
Additions at cost	114	(38)	76
Closing balance	**1,849**	**45**	**1,894**
Accumulated depreciation:			
Opening balance	1,533	-	1,533
Changes for the year	45	-	45
Closing balance	**1,578**	**-**	**1,578**
Net book value 31 December 2023	**271**	**45**	**316**
Net book value 31 December 2022	**202**	**83**	**285**

During the year, no impairments were recognized (2022: Nil).

The line for ‘Selling expenses' on the Profit and loss account represents the item where depreciation in relation to tangible fixed assets is recognized.

5.3 Financial fixed assets

Financial fixed assets:

	31 December 2023	31 December 2022
Participations in group companies	-	-
Receivables from group companies - non-current (Note 5.4)	16,820	17,366
Deferred tax assets	2,256	2,586
	19,076	**19,952**

Deferred tax assets

	2023
Opening balance 1 January	2,586
Additions	-
Utilizations (Note 6.6)	(330)
As per 31 December	**2,256**

The Company acquired the assets of certain affiliated entities under common control during the previous periods, which resulted in the recognition of a deferred tax asset as a result of differences between the tax basis and book values of net assets acquired under the carryover accounting method. An amount of EUR 0.3 million is expected to be settled within one year.

5.4 Receivables from and payables to group companies

The Company has a business relationship with several related parties, in terms of selling and buying finished goods to and from related parties, as well as providing/receiving sales support services to and from related parties.

Receivables from group companies:

	31 December 2023	31 December 2022
Amounts due within one year		
Trade and other receivables from group companies	40,608	30,504
Cash pool balances receivables from group companies	9,662	2,424
Intercompany interest receivables from group companies	63	769
	50,333	33,697
Amounts due after one year		
Loans receivable from group companies	16,820	17,366
As per 31 December	**67,153**	**51,063**

The fair value of the Receivables from group companies approximates the carrying amount.

Trade and other receivables from group companies due within one year are unsecured, interest-free, have no fixed date of repayment, and are repayable on demand.

The Company, together with other group companies, is part of a zero-balance cash pooling arrangement. Commencing 3 May 2021, the Company serves as the head of the cash pooling arrangement with Deutsche Bank. The Cash pool balances receivable from group companies are due within one year, are unsecured, repayable on demand, and accrue interest at a rate of EONIA plus a spread of 1.5%.

The Company has entered into various intercompany financing arrangements with its group companies. These arrangements involve the provision of loans to the group companies, which accrue interest over time. As a result, the Company has recorded intercompany interest receivables on its balance sheet on an accrual basis in accordance with the Company's accounting policies. The intercompany interest receivables as of 31 December 2023 amounted to EUR 63,000 (2022: EUR 769,000). These receivables represent the outstanding interest income due from the group companies as of the reporting date. The Company considers these intercompany interest receivables to be short-term in nature, as the amounts are generally due within one year from the reporting date. The intercompany interest receivables are unsecured, interest-free, have no fixed date of repayment, and are repayable on demand.

The movement in Loans receivable from group companies due after more than one year is as follows:

	2023
Opening balance 1 January 2023	17,366
Repayments from group companies	(546)
Interest accrual receivable	-
As per 31 December 2023	**16,820**
Of which:	
Duration < 1 year	-
Duration ≥1 year ≤5 years	16,820
Duration > 5 year	-
As per 31 December 2023	**16,820**

During the current period, the company did not sign or grant new loans to the group entities.

As of 31 December 2022, the Company held a loan receivable that had been granted to Houghton Europe B.V., with a remaining amount of EUR 17,220,000 and to Quaker Houghton Limited, with a remaining amount of EUR 145,000. During the year ended 31 December 2023, the Company collected the full value of the loan from Quaker Houghton Limited, resulting in a zero balance at the end of the year with respect to this loan.

The Company had at the end of 2023 intercompany loans receivable with:

- Houghton Europe B.V., an entity under the control of the ultimate parent company, has a principal amount of EUR 22,199,198 and a remaining amount of EUR 16,820,000, which matures within 5 years.

The loan carries a fixed interest rate of 1.5%. No financial covenants are applicable to the loan. No securities have been provided.

Payables to group companies:

	31 December 2023	31 December 2022
Amounts due within one year		
Trade and other payables to group companies	115,319	112,804
Intercompany interest payables to group companies	152	354
Cash pool balances payable to group companies	2,965	1,441
	118,436	114,599
Amounts due after one year		
Loans payable to group companies	4,234	2,365
As per 31 December	**122,670**	**116,964**

Trade and other payables to group companies due within one year, are unsecured, interest-free, have no fixed date of repayment, and are repayable on demand.

The Company, together with other group companies, is part of a zero-balance cash pooling arrangement. Commencing 3 May 2021, the Company serves as the head of the cash pooling arrangement with Deutsche Bank. The Cash pool balances payables from group companies are due within one year, are unsecured, repayable on demand, and accrue interest at a rate of EONIA plus a spread of 1.5%.

The Company has entered into various intercompany financing arrangements with its group companies. These arrangements involve receiving loans from group companies, which accrue interest over time. As a result, the Company has recorded intercompany interest payables on its balance sheet on an accrual basis in accordance with the Company's accounting policies. The intercompany interest payables as of 31 December 2023 amounted to EUR 152,000 (2022: EUR 354,000). These payables represent the outstanding interest expense due to the group companies as of the reporting date. The Company considers these intercompany interest payables to be short-term in nature, as the amounts are generally due within one year from the reporting date. The intercompany interest payables are unsecured, interest-free, have no fixed date of repayment, and are repayable on demand.

The movement in Loans payables to group companies due after more than one year is as follows:

	2023
Opening balance 1 January 2023	2,365
Additions	1,869
Repayments to group companies	-
Interest accrual receivable	-
As per 31 December 2023	**4,234**

Of which:

Duration < 1 year	-
Duration $\geq$1 year $\leq$5 years	2,365
Duration > 5 year	1,869
As per 31 December 2023	**4,234**

The Company had at the end of 2023 intercompany loans payable with:

- Houghton Deutschland GmbH, an entity under the control of the ultimate parent company, has a principal amount of EUR 2,365,000 and a remaining amount of EUR 2,365,000, which matures within 5 years. The loan carries a fixed interest rate of 1.5%. No financial covenants are applicable to the loan. No securities have been provided.

- Houghton Limited, an entity under the control of the ultimate parent company, has a principal amount of EUR 1,869,000 and a remaining amount of EUR 1,869,000, which matures within a duration exceeding 5 years (i.e., 1 July 2032). The loan carries a fixed interest rate of 1.5%. No financial covenants are applicable to the loan. No securities have been provided.

5.5 Inventories

	31 December 2023	31 December 2022
Raw materials	5	8
Finished Goods	3,254	2,311
	3,259	**2,319**
Less: Allowance for excess and obsolescence	(190)	(130)
As per 31 December	**3,069**	**2,189**

The inventory consists of consignment inventory located at sites of the end customer.

At the end of 2023, the net realizable value of the inventories equals the carrying amount.

5.6 Trade receivables

	31 December 2023	31 December 2022
Trade receivables	84,588	92,709
Less: allowance for bad debt	(2,529)	(2,324)
As per 31 December	**82,059**	**90,385**

All trade accounts receivable mature within one year, except for one receivable, which matures within 5 years (EUR 230,000).

The sales activities of the Company commenced on 1 April 2019 and combine the former customer portfolios of Quaker Chemical B.V. (Netherlands), Quaker Chemical S.r.l. (Italy), Quaker Chemical S.A. (France), Quaker Chemical S.A. (Spain), Quaker Chemical Limited (UK), Binol AB (Sweden), Houghton S.A.S. (France), Houghton Benelux (Netherlands), Houghton Italy (Italy), Houghton Deutschland GmbH (Germany), Houghton Sverige AB (Sweden) and Houghton Ltd (UK).

5.7 Other receivables and prepayments

	31 December 2023	31 December 2022
Prepaid expenses	971	666
VAT receivables	1,188	1,630
Other receivables and accrued assets	89	61
As per 31 December	**2,248**	**2,357**

All other receivables and prepayments mature within one year. The fair value of the other receivables and prepayments approximates the book value due to their short-term character.

5.8 Cash and cash equivalents

Cash and cash equivalents solely comprise of bank balances denominated in multiple currencies, all of which are readily accessible on demand.

Commencing from 3 May 2021, the Company serves as the head of the cash pooling arrangement with Deutsche Bank.

As of 31 December 2023 no bank guarantees were outstanding.

5.9 Shareholder’s equity

The movement in the shareholder’s equity is as follows:

	Issued share capital	Share premium	Retaine d earnings	Result for the year 2021	Result for the year 2022	Total
Balance 1 January 2022	20	13,427	3,760	4,065	-	21,272
Profit appropriation	-	-	4,065	(4,065)	4,975	4,975
Balance 31 December 2022	**20**	**13,427**	**7,825**	**-**	**4,975**	**26,247**

	Issued share capital	Share premium	Retained earnings	Result for the year 2022	Result for the year 2023	Total
Balance 1 January 2023	20	13,427	7,825	4,975	-	26,247
Profit appropriation	-	-	4,975	(4,975)	4,274	4,274
Balance 31 December 2023	**20**	**13,427**	**12,800**	**-**	**4,274**	**30,521**

As of 31 December 2023, the Company's authorized share capital consists of 20 ordinary shares of EUR 1,000.00 each, of which 20 have been issued and paid.

Proposed profit appropriation

The Directors propose to add the net result for the year to the retained earnings. This proposal has not yet been reflected in the balance sheet.

5.10 Retirement provision

	2023
Balance on 1 January 2023	990
Additions	-
Utilizations	(7)
Interest and costs	-
As per 31 December 2023	**983**
Of which:	
Settlement within 1 year	-
Settlement between 1 and 5 years	329
Settlement after 5 years	654
As per 31 December 2023	**983**

The premiums payable for the financial year are charged to the result. Changes in the pension provision are also charged to the result. The amount in the pension provision is the best estimate of the unfunded obligations as at balance sheet date.

In France, retiring allowances must be paid by the employer when employees retire. The allowances to be paid by the Company are based on the collective bargaining agreement of the Chemical industry. The mortality table used to calculate the provision is 2017-2019 INSEE TD/TV table (31 December 2022, 2016-2018 table). The discount rate used for this valuation is the yield curve of AA rated euro zone corporate bonds + 10 years (31 December 2023: 3.4%, 31 December 2022: 4.2%). The Company applies the liability method for pension plans. The additions include the monthly provision for pension and retirement. The utilizations are related to pay-out to employees leaving the organization and releases of the of the pension provisions resulting from exiting the Company.

5.11 Trade payables

The fair value of the trade payables approximates the book value. Additionally, all trade payables fall due within one year.

5.12 Corporate tax

The fair value of the corporate tax liability is in line with the recorded amount. Furthermore, the corporate tax obligations are settled within one year. Income tax payable is settled via Quaker Houghton B.V. and is reimbursed by respective member of the fiscal unity (as disclosed in 5.16).

5.13 Tax and social security contributions

The other current liabilities relate to accrued expenses.

	31 December 2023	31 December 2022
VAT payables	2,316	3,004
Mineral oil tax	504	144
Other taxes	432	658
	3,252	**3,806**

The fair value of the liability is in line with the recorded amount. Furthermore, the tax and social security contributions are settled within one year.

5.14 Other current liabilities

The other current liabilities relate to accrued expenses.

	31 December 2023	31 December 2022
Personnel related accruals	5,697	4,446
Outbound transportation expenses	415	386
Marketing accrued liabilities	185	94
Commissions sales agents	167	(4)
Accrual for commercial obligations	1,120	715
Other accrued liabilities	1,252	1,103
	8,836	**6,740**

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

5.15 Related parties

Within the Business model, the company receives services from support companies within Europe. The services are sales support services, such as Customer service group services and technical support services.

Below, at the related party level, are listed the aggregated amounts of services received from support companies:

	2023	2022
Quaker Spain Holding (Spain)	779	811
Quaker Chemical Ltd. (UK)	1,193	1,222
Quaker Houghton Service EURL (France)	7,006	5,729
Quaker Houghton Russia B.V. (the Netherlands)	436	1,250

Quaker Houghton Support Italia (Italy)	824	991
Quaker Houghton UK (UK)	11,534	5,048
Quaker Houghton Germany (Germany)	2,153	1,799
Total	**23,925**	**16,850**

The line item 'Selling expenses' on the Profit and loss account reflects the recognition of services received from support companies. Additional information pertaining to this item can be found in Note 6.3 of the financial statements.

5.16 Commitments and contingencies not included in the balance sheet

Fiscal unity

The Company forms a fiscal unity for income tax purposes with Quaker Chemical Europe B.V., Quaker China Holdings B.V., Quaker Houghton B.V., Quaker Houghton Russia B.V., Quaker Houghton Europe B.V, Houghton Europe B.V., and EFHCO LLC.

Under the standard conditions, the members of the tax group are jointly and severally liable for any taxes payable by the Group. Income tax payable is settled via Quaker Houghton B.V. and is reimbursed by the Group members. The parent settles with the subsidiary as if it were an autonomous taxpayer.

For Dutch VAT the Company forms a fiscal unity with Quaker Houghton B.V., Quaker Houghton Russia B.V. and Houghton Europe B.V.

In accordance with the regulations governing fiscal unity for VAT purposes, all entities within the fiscal group are jointly and severally liable for the VAT obligations of the collective group. The VAT payable is managed centrally by the designated group entity, which in this case is Quaker Houghton B.V. Subsequently, the VAT amount is allocated and reimbursed by the individual members of the group in proportion to their respective transactions.

Disclosure of operational lease commitments

The obligations from operational lease commitments (i.e., company cars) at the end of the reporting period are:

Obligations to pay:	**31 December 2023**	**31 December 2022**
Less than 1 year	1,111	1,216
1 – 5 years	1,070	810
After 5 years	-	1
	2,181	**2,027**

During the reporting period, an amount of EUR 2,0 million (compared to EUR 1,9 million in 2022) has been recorded in the 'Selling Expenses' line item on the profit and loss account pertaining to lease-related expenses. For further details, please refer to Note 6.3.

6 Notes to the profit and loss account

(Amounts x € 1,000)

6.1 Revenue

The Company's revenue can be analyzed as follows:

By revenue categories:	**2023**	**2022**
Revenue from the sale of goods	373,988	369,173
Revenue from the provision of services	24,361	13,356
Revenue from distribution and marketing support activities	16,593	7,650
Discounts and bonuses	(767)	(768)
	414,175	**389,411**

By geographical areas:	**2023**	**2022**
Domestic	28,027	16,652
EU countries	268,596	248,587
Non-EU countries	117,552	124,172
Total	**414,175**	**389,411**

By sales type:	**2023**	**2022**
Group companies	58,386	55,835
Associated companies	690	2,372
Third parties	355,099	331,204
Total	**414,175**	**389,411**

By customer industries:	**2023**	**2022**
Metals	111,757	110,406
Metalworking and other	244,032	223,170
Group companies	58,386	55,835
Total	**414,175**	**389,411**

A significant portion of the Company's revenues from the sale of goods are realized from the sale of process fluids and services to manufacturers of steel, aluminum, automobiles, aircraft, industrial equipment, and durable goods and, therefore, Quaker Houghton is subject to the same business cycles as those experienced by these manufacturers and their customers.

A substantial portion of the Company's revenues from the provision of services are made directly through its own employees and its Fluidcare programs, with the balance sold through distributors and agents. The Company's employees typically visit the plants of customers regularly, work on site, and through training and experience, identify production needs which can be resolved or otherwise addressed either by utilizing the Company's existing products or by applying new formulations developed in its laboratories.

As part of the Company's FluidCare business, certain third-party product sales to customers are managed by the Company. Where The Company acts as principal, revenues are recognized on a gross reporting basis at the selling price negotiated with its customers.

Revenue recognition

The Company recognizes revenue in an amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services transferred to its customers. To do this, the Company applies a five-step model, which requires the Company to: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when, or as, the Company satisfies a performance obligation.

The Company identifies a contract with a customer when a sales agreement indicates approval and commitment of the parties; identifies the rights of the parties; identifies the payment terms; has commercial substance; and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The Company identifies a performance obligation in a contract for each promised good or service that is separately identifiable from other obligations in the contract and for which the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer. The Company determines the transaction price as the amount of consideration it expects to be entitled to in exchange for fulfilling the performance obligations, including the effects of any variable consideration, significant financing elements, amounts payable to the customer or noncash consideration. For any contracts that have more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

In accordance with the last step of the five-step model, the Company recognizes revenue when, or as, it satisfies the performance obligation in a contract by transferring control of a promised good or providing the service to the customer. The Company typically satisfies its performance obligations and recognizes revenue at a point in time for product sales, generally when products are shipped or delivered to the customer, depending on the terms underlying each arrangement. In circumstances where the Company's products are on consignment, revenue is generally recognized upon usage or consumption by the customer. For any FluidcareTM or other services provided by the Company to the customer, the Company typically satisfies its performance obligations and recognizes revenue over time, as the promised services are performed. The Company uses input methods to recognize revenue over time related to these services, including labor costs and time incurred. The Company believes that these input methods represent the most indicative measure of the Fluidcare or other service work performed by the Company.

Contract Assets and Liabilities

The Company had no material contract assets recorded on its Balance Sheet as of 31 December 2023 and 31 December 2022. During the years ended 31 December 2023 and 2022, respectively, the Company satisfied all of the associated performance obligations and recognized into revenue the advance payments received and recorded as of 31 December 2023 and 2022, respectively.

During 2023, there are no capitalized costs for obtaining an agreement (2022: nil).

Revenue from distribution and marketing support activities

Effective 1 May 2018, the Company has entered into an Advance Pricing Agreement (APA) with the tax authorities of Netherlands to address transfer pricing matters related to intercompany transactions between affiliated entities. Under the APA, a net remuneration is based on a fixed percentage of the total sales within the EMEA Region for the distribution and marketing support activities of the Company. Additionally, in accordance with the APA provisions, the Profit Before Tax (PBT) must equal the amount resulting from multiplying the fixed percentage by the total net sales amount.

6.2 Cost of sales

The Company's Cost of Sales can be analyzed as follows:

By cost category	**2023**	**2022**
Cost of raw materials and finished goods bought	320,158	313,306
Transport expenses to end customers	12,355	12,691
Other direct costs	8,544	4,287
Total	**341,057**	**330,284**

The Company procures all its products from Quaker Houghton B.V. The cost of sales primarily includes direct expenses incurred for the purchased products from Quaker Houghton B.V. as well as transportation expenses associated with shipments to the end customers, which are provided by third-party transportation service providers. These costs directly relate to the distribution and delivery of the Company's products to its customers.

6.3 Selling expenses

	2023	2022
Wages and salaries	18,103	14,534
Social charges	4,131	4,111
Pension charges	1,082	1,107
Other expenses of employee benefits	1,224	1,026
Expenses of employee benefits	**24,540**	**20,778**
Cost of subcontracted work	245	1,163
Operating leases (Note 5.16)	2,053	1,953
Bad debt expense	277	1,810
Travel and entertainment expense	2,622	1,814
Sales commissions	4,067	3,931
Sales promotion expenses	571	777
Other miscellaneous expenses	4,301	2,435
Service charges from group companies (Note 5.15)	23,925	16,850
Costs before depreciation and amortization	**62,601**	**51,511**
Depreciation of tangible fixed assets (Note 5.2)	45	73
Amortization of intangible fixed assets (Note 5.1)	352	46
Total	**62,998**	**51,630**

6.4 General and administrative expenses

	2023	2022
Wages and salaries	190	655
Other expenses of employee benefits	2,588	-
Expenses of employee benefits	**2,778**	**655**
Other miscellaneous expenses	725	571
Other charges from group companies	767	30
Total	**4,270**	**1,256**

During the current year, the Company did incur restructuring expenses amounting to EUR 2,58 million (2022: EUR nil). The expense incurred in 2023 was related to the global restructuring program as part of the synergies associated with the combination in 2019 (the 'QHprogram').

6.5 Finance income and expenses

Finance costs can be specified as follows:

	2023	2022
Net foreign exchange (gain)/loss	(30)	585
Interest and similar expenses	40	75
Interest and similar income	(106)	(34)
Interest and similar income from group companies	(310)	(278)
Interest and similar expenses from group companies	43	26
	(363)	**374**

During the financial year, no interest expenses have been capitalized (2022: Nil).

6.6 Income tax expense

Income tax recognized in profit and loss:

Current tax	**2023**	**2022**
In respect of the current year	1,609	1,490
In respect of previous years	-	-
	1,609	**1,490**

Deferred tax	**2023**	**2022**
In respect of the current year (Note 5.3)	330	330
In respect of previous years	-	-
	330	**330**
Total income tax expense recognized in the current year	**1,939**	**1,820**

The current income tax expense for the year can be reconciled to the accounting profit as follows:

Current tax	**2023**	**2022**
Result before tax	6,213	5,727
Income tax expense for the Spain branch calculated at 25%	15	11
Income tax expense for the France branch calculated at 25%	149	143
Income tax expense for the Germany branch calculated at 32.8%	141	125
Income tax expense for the Italy branch calculated at 27.9%	116	115
Income tax expense for the Sweden branch calculated at 20.6%	31	26
Income tax expense for the UK branch calculated at 20%	52	32
Income tax expense for the Denmark branch calculated at 22%	-	3
Income tax expense for the Belgium branch calculated at 25%	11	2
Income tax expense for the Ireland branch calculated at 12.5%	3	1
Income tax expense branches	518	458
Income tax expense for the Netherlands calculated at 25.8%	1,091	1,032
Total	**1,609**	**1,490**
Effective tax rate	25.9%	26.0%
Applicable tax rate	25.8%	25.8%

The different levels of income tax expenses are due to the different income tax rates in the jurisdictions of the branches of the Company.

Pillar Two

On 14 December 2022, the Council of the EU adopted the Pillar Two directive (the Global Anti-Base erosion Proposal or GloBE – EU Directive 2022/2523). It states that large multinationals will be required to compute their effective tax rate according to the GloBE rules (referred to as GloBE income and GloBE effective tax rate) in each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate in that jurisdiction and the minimum corporate tax rate set at 15%. For Quaker Houghton, the new rules will be applicable as of fiscal year 2024. In the 2023 financial statements, the company applies the temporary exemption for recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The company assessed the impact of the Pillar Two rules, and as a result, we expect that we will be excluded from a top-up tax for most jurisdictions where we operate. The Pillar Two impact will not have a material impact on the effective tax rate of the Company. The company will closely monitor all jurisdictions, due to the current ongoing developments regarding the interpretation of the Pillar Two rules.

6.7 Subsequent events

During the financial year 2024, Quaker Houghton has made further progress with its integration activities in Europe and has included Spanish activities in its operating model. As part of this restructuring, the company has integrated, with an effective date of 1 April 2024, the sales activity from the client portfolio of Houghton Iberica SA (Spain).

7 Supplementary information

7.1 Number of employees

The average number of employees employed by the Company was as follows:

	2023	2022
Sales	183	177
Total average number of employees	**183**	**177**

The number of persons employed by the Company at year-end 2023 amounts to 165 employees (2022: 200 employees). From the total number of employees, 140 employees of the Company work outside of the Netherlands (2022: 135 employees).

7.2 Remuneration of the Board of Directors

Depending on the level of responsibility, directors of the Company are entitled to long term incentive plan, including stock rights granted by Quaker Houghton Corporation. Quaker Houghton Corporation does not recharge any of the expenses related to these instruments to the Company.

The directors' remuneration for the year 2023 amounts to EUR 353,000 (2022: EUR 345,000). The directors' remuneration includes periodically paid remuneration, such as salaries, bonus, pension and social premiums.

As per 31 December 2023 and 31 December 2022, there were no loans or guarantees granted to members of the Board of Directors.

7.3 Audit fees

The audit fees paid or payable to PricewaterhouseCoopers Accountants N.V. for the audit for the financial year ended 31 December 2023 amounted to EUR 132,289 (2022: EUR 114,244), consisting of the following services:

Specification audit fees (amount expressed in EUR)	**2023**	**2022**
Audit costs, audit of the financial statements	132,289	114,244
Audit costs, other audit assignments	-	-
Audit costs, fiscal advisory services	-	-
	132,289	**114,244**

The fees listed above relate to the procedures applied to the Company by PricewaterhouseCoopers Accountants N.V. as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties - Wta').

No other services have been performed by PricewaterhouseCoopers Accountants N.V. during 2023 and 2022. The fees of other PricewaterhouseCoopers Network Firms for tax or advisory fees amount to EUR nil (2022: EUR nil). The fees of Other PricewaterhouseCoopers Network Firms for other audit and non-audit services amount to EUR nil (2022: EUR nil).

These fees relate to the audit of the 2023 financial statements, regardless of whether the work was performed during the financial year.

Uithoorn, 26 June 2024

Board of Directors,

J. Berquist

H. Blok

M. Moreno Hernandez

Other information

Provisions in the Company's Articles of Association for the appropriation of results
According to Article 26 of the statutes, the net result for the year is at the disposal of the general meeting of shareholders.

Branches and Representative Offices
The Company has branches in Germany, Italy, France, Spain, Sweden, United Kingdom, Denmark, Ireland, Belgium and United Arab Emirates (UAE), all trading under the name of Quaker Houghton Sales B.V.

Independent Auditor's report
The independent auditor's report is set out on the next page.