

OTG-Cani Denmark A/S

Tinvej 1

8940 Randers

Central Business Registration No

16703079

Annual report 2017

The Annual General Meeting adopted the annual report on 12.04.2018

Chairman of the General Meeting

Name: Niels Christen Hjorth Stenild

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Entity details

Entity

OTG-Cani Denmark A/S

Tinvej 1

8940 Randers

Central Business Registration No: 16703079

Registered in: Randers

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Bradford Ryan Turner, Chairman

Niels Christen Hjorth Stenild

Brian Decker

Executive Board

Niels Christen Hjorth Stenild

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of OTG-Cani Denmark A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Randers, 30.03.2018

Executive Board

Niels Christen Hjorth Stenild

Board of Directors

Bradford Ryan Turner
Chairman

Niels Christen Hjorth Stenild

Brian Decker

Independent auditor's report

To the shareholders of OTG-Cani Denmark A/S

Opinion

We have audited the financial statements of OTG-Cani Denmark A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 30.03.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Søren Lassen

State Authorised Public Accountant

Identification number (MNE) mne18520

Management commentary

Primary activities

The Company's activity is sale of angling equipment with the majority of sales in the domestic market.

Development in activities and finances

Profit for 2017 amounted to DKK 1,144k, which is in line with expectations.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross profit		5.719.855	7.603.196
Staff costs	1	(3.981.677)	(4.300.162)
Depreciation, amortisation and impairment losses	2	<u>(183.852)</u>	<u>(177.674)</u>
Operating profit/loss		1.554.326	3.125.360
Other financial income		28.277	91.972
Other financial expenses	3	<u>(97.181)</u>	<u>(89.793)</u>
Profit/loss before tax		1.485.422	3.127.539
Tax on profit/loss for the year	4	<u>(340.927)</u>	<u>(687.470)</u>
Profit/loss for the year		<u>1.144.495</u>	<u>2.440.069</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		3.000.000	2.400.000
Retained earnings		<u>(1.855.505)</u>	<u>40.069</u>
		<u>1.144.495</u>	<u>2.440.069</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Land and buildings		1.132.940	1.203.436
Other fixtures and fittings, tools and equipment		404.893	518.249
Property, plant and equipment	5	<u>1.537.833</u>	<u>1.721.685</u>
Fixed assets		<u>1.537.833</u>	<u>1.721.685</u>
Manufactured goods and goods for resale		1.203.083	1.881.655
Inventories		<u>1.203.083</u>	<u>1.881.655</u>
Trade receivables		5.858.344	5.284.530
Receivables from group enterprises		712.792	0
Joint taxation contribution receivable		50.684	0
Prepayments		27.390	119.520
Receivables		<u>6.649.210</u>	<u>5.404.050</u>
Cash		<u>3.252.137</u>	<u>5.500.918</u>
Current assets		<u>11.104.430</u>	<u>12.786.623</u>
Assets		<u>12.642.263</u>	<u>14.508.308</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		2.500.000	2.500.000
Retained earnings		3.874.087	5.729.592
Proposed dividend		<u>3.000.000</u>	<u>2.400.000</u>
Equity		<u>9.374.087</u>	<u>10.629.592</u>
Deferred tax		<u>207.000</u>	<u>217.000</u>
Provisions		<u>207.000</u>	<u>217.000</u>
Trade payables		66.260	361.378
Payables to group enterprises		0	730.210
Income tax payable		0	419.539
Other payables	6	<u>2.994.916</u>	<u>2.150.589</u>
Current liabilities other than provisions		<u>3.061.176</u>	<u>3.661.716</u>
Liabilities other than provisions		<u>3.061.176</u>	<u>3.661.716</u>
Equity and liabilities		<u>12.642.263</u>	<u>14.508.308</u>
Unrecognised rental and lease commitments	7		
Group relations	8		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	2.500.000	5.729.592	2.400.000	10.629.592
Ordinary dividend paid	0	0	(2.400.000)	(2.400.000)
Profit/loss for the year	0	(1.855.505)	3.000.000	1.144.495
Equity end of year	2.500.000	3.874.087	3.000.000	9.374.087

Notes

	2017	2016
	DKK	DKK
1. Staff costs		
Wages and salaries	3.695.565	3.826.637
Other staff costs	286.112	473.525
	3.981.677	4.300.162
Average number of employees	7	8
	2017	2016
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	183.852	267.674
Profit/loss from sale of intangible assets and property, plant and equipment	0	(90.000)
	183.852	177.674
	2017	2016
	DKK	DKK
3. Other financial expenses		
Interest expenses	82.813	89.661
Other financial expenses	14.368	132
	97.181	89.793
	2017	2016
	DKK	DKK
4. Tax on profit/loss for the year		
Tax on current year taxable income	350.927	687.539
Change in deferred tax for the year	(10.000)	6.000
Adjustment concerning previous years	0	(6.069)
	340.927	687.470

Notes

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment		
Cost beginning of year	2.416.659	950.333
Cost end of year	2.416.659	950.333
Depreciation and impairment losses beginning of the year	(1.213.223)	(432.084)
Depreciation for the year	(70.496)	(113.356)
Depreciation and impairment losses end of the year	(1.283.719)	(545.440)
Carrying amount end of year	1.132.940	404.893
	2017 DKK	2016 DKK
6. Other payables		
VAT and duties	1.052.779	859.674
Wages and salaries, personal income taxes, social security costs, etc payable	180.902	114.300
Holiday pay obligation	635.894	679.552
Other costs payable	1.125.341	497.063
	2.994.916	2.150.589
	2017 DKK	2016 DKK
7. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	354.181	46.175

8. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Newell Brands, 221 River Street, Hoboken NJ 07030

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual asset and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income, on receivables from group enterprises, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Accounting policies

Buildings	50 years
Other fixtures and fittings, tools and equipment	2-5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.