

Hercules Investment ApS

c/o Bird & Bird Advokatpartnerselskab
Sundkrogsgade 21, 1., 2100 København Ø

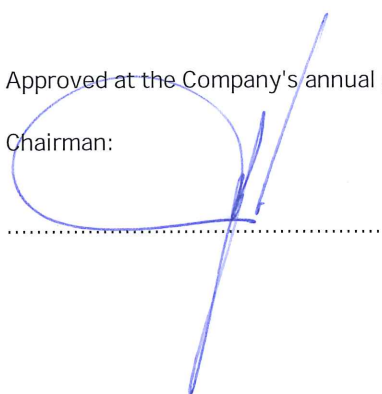
CVR no. 25 25 68 83

Annual report

for the year 1 October 2016 - 30 September 2017

Approved at the Company's annual general meeting on

Chairman:





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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Hercules Investment ApS for the financial year 1 October 2016 - 30 September 2017.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2017 and of the results of the Company's operations for the financial year 1 October 2016 - 30 September 2017.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 12 March 2018
Executive Board:

.....
Frank J. A. Jumelet

.....
Matthew Kyle Spence



Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Hercules Investment ApS for the financial year 1 October 2016 - 30 September 2017.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2017 and of the results of the Company's operations for the financial year 1 October 2016 - 30 September 2017.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 12 March 2018
Executive Board:

.....
Frank J. A. Jumelet

A handwritten signature in black ink, appearing to read 'Matthew Kyle Spence', written over a horizontal dotted line.

.....
Matthew Kyle Spence

Independent auditor's report

To the shareholder of Hercules Investment ApS

Opinion

We have audited the financial statements of Hercules Investment ApS for the financial year 1 October 2016 - 30 September 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 30 September 2017 and of the results of the Company's operations for the financial year 1 October 2016 - 30 September 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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:

- ▶ 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.

Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 12 March 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lars Hansen
State Authorised Public Accountant



Management's review

Company details

Name	Hercules Investment ApS
Address, Postal code, City	c/o Bird & Bird Advokatpartnerselskab Sundkrogsgade 21, 1., 2100 København Ø
CVR no.	25 25 68 83
Registered office	København
Financial year	1 October 2016 - 30 September 2017
Executive Board	Frank J. A. Jumelet Matthew Kyle Spence
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark



Management's review

Business review

The company's principal activities comprise investment in foreign companies. In August 2015 the company sold its investment in Ashland Rhone Holding B.V., thereafter the company does not hold any investments anymore.

Financial review

The income statement for 2016/17 shows a loss of DKK 7,623 thousand against a profit of DKK 12,026 thousand last year, and the balance sheet at 30 September 2017 shows equity of DKK 669,391 thousand.

Events after the balance sheet date

No significant events have occurred after the balance sheet date.



Financial statements 1 October 2016 - 30 September 2017

Income statement

Note	DKK'000	2016/17	2015/16
	Gross margin	-1,470	-2,280
2	Staff costs	0	0
	Profit/loss before net financials	-1,470	-2,280
3	Financial income	16,065	18,381
4	Financial expenses	-24,012	-109
	Profit/loss before tax	-9,417	15,992
5	Tax for the year	1,794	-3,966
	Profit/loss for the year	-7,623	12,026
	Recommended appropriation of profit/loss	-7,623	12,026
	Retained earnings/accumulated loss	-7,623	12,026



Financial statements 1 October 2016 - 30 September 2017

Balance sheet

Note	DKK'000	2016/17	2015/16
	ASSETS		
	Non-fixed assets		
6	Receivables		
	Receivables from group entities	701,914	690,719
	Income taxes receivable	1,794	0
		<u>703,708</u>	<u>690,719</u>
	Cash	260	73
	Total non-fixed assets	<u>703,968</u>	<u>690,792</u>
	TOTAL ASSETS	<u>703,968</u>	<u>690,792</u>
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	60,000	60,000
	Share premium account	340,371	340,371
	Retained earnings	269,020	276,643
	Total equity	<u>669,391</u>	<u>677,014</u>
	Provisions		
	Other provisions	2,764	1,986
	Total provisions	<u>2,764</u>	<u>1,986</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	160	284
	Payables to group entities	1,770	0
	Income taxes payable	1,296	7,414
	Other payables	28,587	4,094
		<u>31,813</u>	<u>11,792</u>
	Total liabilities other than provisions	<u>31,813</u>	<u>11,792</u>
	TOTAL EQUITY AND LIABILITIES	<u>703,968</u>	<u>690,792</u>

1 Accounting policies

8 Related parties



Financial statements 1 October 2016 - 30 September 2017

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Share premium account</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 October 2016	60,000	340,371	276,643	677,014
Transfer through appropriation of loss	<u>0</u>	<u>0</u>	<u>-7,623</u>	<u>-7,623</u>
Equity at 30 September 2017	<u>60,000</u>	<u>340,371</u>	<u>269,020</u>	<u>669,391</u>

Financial statements 1 October 2016 - 30 September 2017

Notes to the financial statements

1 Accounting policies

The annual report of Hercules Investment ApS has been presented in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

Changes to presentation and disclosures only

Effective 1 October 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Basis of recognition and measurement

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

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

Liabilities are recognised in the balance sheet, when an outflow of future economic benefits is probable, and when the value of the liability can be reliably measured.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayment and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Danish kroner (DKK) is used as the measurement currency. All other currencies are regarded as foreign currencies.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

Transactions denominated in foreign currencies are translated into DKK at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into DKK at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Financial statements 1 October 2016 - 30 September 2017

Notes to the financial statements

1 Accounting policies (continued)

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Income statement

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, advisors, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surchargé according to the rates applicable to interest surcharges to the management company.

Financial statements 1 October 2016 - 30 September 2017

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that are receivable or a group of receivables are impaired. Provisions are made to the lower net realisable value and the carrying amount.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash balances and bank balances.

Equity

Proposed dividends

Dividend proposed for the financial year are presented as a separate item under 'Equity'.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 October 2016 - 30 September 2017

Notes to the financial statements

1 Accounting policies (continued)

2 Staff costs

The Company has no employees.

DKK'000	2016/17	2015/16
3 Financial income		
Interest receivable, associates	16,065	15,401
Other financial income	0	2,980
	<u>16,065</u>	<u>18,381</u>
4 Financial expenses		
Other financial expenses	24,012	109
	<u>24,012</u>	<u>109</u>
5 Tax for the year		
Estimated tax charge for the year	-1,794	3,966
	<u>-1,794</u>	<u>3,966</u>

6 Receivables

Out of the Company's total receivables, trade receivables totalling DKK 677.151 thousands fall due for payment after more than one year after the balance sheet date.

7 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK'000	2016/17	2015/16	2014/15	2013/14	2012/13
Opening balance	60,000	60,000	60,000	60,000	59,999
Capital increase	0	0	0	0	1
	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>



Financial statements 1 October 2016 - 30 September 2017

Notes to the financial statements

8 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Hercules Holding B.V., B.V.B.A.	Geslecht 2, 9130 Beveren (DOel), Belgium	Hercules Holding B.B., B.V.B.A. does not prepare consolidated financial statements. The company is part of the consolidated financial statements of Ashland Global Holdings Inc. http://investor.ashland.com/annuals.cfm