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NWL Denmark Services ApS

c/o DLA Piper Denmark Law Firm P/S, Rådhuspladsen 4, 1550 København V

Company reg. no. 58 22 26 15

Annual report

1 January - 31 December 2018

The annual report has been submitted and approved by the general meeting on the 21 May 2019.

Mark W. Johnson
Chairman of the meeting

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

Contents

Management's report

The executive board has today presented the annual report of NWL Denmark Services ApS for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 13 May 2019

Executive board

Mark Weston Johnson	Sharen Melinda Brooks	Mette Charlotte Lintonbon

Independent auditor's report

To the shareholder of NWL Denmark Services ApS

Opinion

We have audited the annual accounts of NWL Denmark Services ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review
The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 13 May 2019

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Iver Haugsted
State Authorised Public Accountant
mne10678

Company data

The company	NWL Denmark Services ApS c/o DLA Piper Denmark Law Firm P/S Rådhuspladsen 4 1550 København V	
	Company reg. no.	58 22 26 15
	Established:	30 March 1967
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Executive board	Mark Weston Johnson Sharen Melinda Brooks Mette Charlotte Lintonbon	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K	
Subsidiaries	NWL Denmark ApS, Hvidovre Newell Poland Services Spólka Z.o.o, Poland	
Associated enterprise	NWL Netherlands Holding III B.V., Netherlands	

The principal activities of the company

NWL Denmark Services ApS primarily performs internal administrative services for sales companies in the Nordic countries and invests in group companies in Poland, the Netherlands and Denmark.

Development in activities and financial matters

The management consider the financial results as expected.

Profit and loss account 1 January - 31 December

Amounts concerning 2018: DKK.
Amounts concerning 2017: DKK in thousands.

Note		2018	2017
	Gross profit	**1.518.954**	**1.785**
1	Staff costs	-1.296.047	-1.802
	Depreciation and writedown relating to tangible fixed assets	-127.169	-105
	Operating profit	**95.738**	**-122**
	Income from equity investments in group enterprises	0	-27.028
	Other financial income	29.194	3
2	Other financial costs	-284.745	-166
	Results before tax	**-159.813**	**-27.313**
	Tax on ordinary results	-574.133	45
	Results for the year	**-733.946**	**-27.268**
	Proposed distribution of the results:		
	Allocated from results brought forward	-733.946	-27.268
	Distribution in total	**-733.946**	**-27.268**

Balance sheet 31 December

Amounts concerning 2018: DKK.
Amounts concerning 2017: DKK in thousands.

Note	Assets	2018	2017
	Fixed assets		
3	Other plants, operating assets, and fixtures and furniture	0	127
	Tangible fixed assets in total	0	127
4	Equity investments in group enterprises	36.371.240	36.371
5	Equity investment in associated enterprise	229.859.845	229.860
	Financial fixed assets in total	266.231.085	266.231
	Fixed assets in total	**266.231.085**	**266.358**
	Current assets		
	Trade debtors	0	13
	Amounts owed by group enterprises	4.039.845	452
	Deferred tax assets	165.676	773
	Receivable corporate tax	0	133
	Tax receivables from group enterprises	474.452	0
	Other debtors	25.118	136
	Debtors in total	4.705.091	1.507
	Current assets in total	**4.705.091**	**1.507**
	Assets in total	**270.936.176**	**267.865**

Balance sheet 31 December

Amounts concerning 2018: DKK.
Amounts concerning 2017: DKK in thousands.

Equity and liabilities

Note		2018	2017
	Equity		
6	Contributed capital	51.002.000	51.002
7	Results brought forward	135.000.831	135.735
	Equity in total	**186.002.831**	**186.737**
	Liabilities		
	Trade creditors	125.910	749
	Debt to group enterprises	83.915.247	79.309
	Corporate tax	248.438	0
	Other debts	643.750	1.070
	Short-term liabilities in total	84.933.345	81.128
	Liabilities in total	**84.933.345**	**81.128**
	Equity and liabilities in total	**270.936.176**	**267.865**

8 Contingencies

Notes

Amounts concerning 2018: DKK.
Amounts concerning 2017: DKK in thousands.

		2018	2017
1.	**Staff costs**		
	Salaries and wages	1.172.693	1.584
	Pension costs	96.276	132
	Other costs for social security	15.886	24
	Other staff costs	11.192	62
		1.296.047	**1.802**
	Average number of employees	2	3
2.	**Other financial costs**		
	Financial costs, group enterprises	175.253	161
	Other financial costs	109.492	5
		284.745	**166**

		31/12 2018	31/12 2017
3.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	478.119	478
	Disposals during the year	-478.119	0
	Cost 31 December 2018	**0**	**478**
	Depreciation and writedown 1 January 2018	-350.950	-246
	Depreciation for the year	-12.717	-105
	Reversal of depreciation, amortisation and writedown, assets disposed of	363.667	0
	Depreciation and writedown 31 December 2018	**0**	**-351**
	Book value 31 December 2018	**0**	**127**

Amounts concerning 2018: DKK.
Amounts concerning 2017: DKK in thousands.

		31/12 2018	31/12 2017
4.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2018	36.371.240	36.371
	Book value 31 December 2018	**36.371.240**	**36.371**

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity	Results for the year	Book value at NWL Denmark Services ApS
NWL Denmark ApS, Hvidovre	100 %	34.270.708	1.621.385	6.228.816
Newell Poland Services Spólka Z.o.o, Poland	73,70 %	33.701.675	-6.306.738	30.142.424
		67.972.383	**-4.685.353**	**36.371.240**

		31/12 2018	31/12 2017
5.	**Equity investment in associated enterprise**		
	Acquisition sum, opening balance 1 January 2018	546.505.804	546.506
	Cost 31 December 2018	**546.505.804**	**546.506**
	Revaluation, opening balance 1 January 2018	-316.645.959	-289.618
	Adjustment of previous revaluations	0	-27.028
	Writedown 31 December 2018	**-316.645.959**	**-316.646**
	Book value 31 December 2018	**229.859.845**	**229.860**

The financial highlights for the enterprise according to the latest approved annual report

	Share of ownership	Equity	Results for the year	Book value at NWL Denmark Services ApS
NWL Netherlands Holding III B.V., Netherlands	50 %	465.748.290	6.028.600	229.859.845

Notes

Amounts concerning 2018: DKK.
Amounts concerning 2017: DKK in thousands.

		31/12 2018	31/12 2017
6.	**Contributed capital**		
	Contributed capital 1 January 2018	51.002.000	51.002
		51.002.000	**51.002**
7.	**Results brought forward**		
	Results brought forward 1 January 2018	135.734.777	163.003
	Profit or loss for the year brought forward	-733.946	-27.268
		135.000.831	**135.735**

8. Contingencies

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and, as from the financial year 2012, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 1 July 2012, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes, etc. may cause changes in the company's liabilities.

The annual report for NWL Denmark Services ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover and external costs.

The net turnover comprises the value of services provided during the year, including outlay for customers less VAT and price reductions directly associated with the sale.

The turnover is recognised in the profit and loss account when the sale has been completed. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- There is a binding sales agreement
- The sales price has been determined
- The payment has been received, or it can with reasonable assurance be expected to be received.

Hereby, it is ensured that recognition does not take place until the total income and costs as well as the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the economic benefits, including payments, will be received by the enterprise.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investments is recognised in the financial year where the dividend is declared.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	6-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

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

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises and associated enterprise

Equity investments in group enterprises and associated enterprise are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Other securities and equity investments

Securities and equity investments recognised under fixed assets comprise listed bonds and shares which are measured at fair value on the balance sheet date. Listed securities are measured at market price.

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

NWL Denmark Services ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, NWL Denmark Services ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or “Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

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

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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