

Ashland Danmark ApS

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

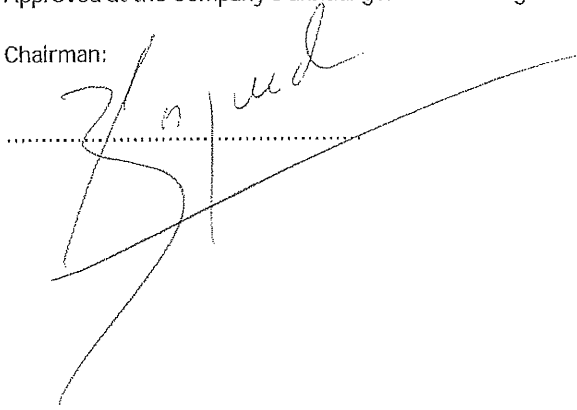
CVR no. 62 48 51 16

Annual report

for the year 1 October 2016 - 30 September 2017

Approved at the Company's annual general meeting on

Chairman:

A handwritten signature in black ink, appearing to read 'S. J. Jørgensen', is written over a horizontal dotted line. A solid diagonal line crosses the signature from the bottom left towards the top right.

The EY logo, consisting of the letters 'EY' in a bold, sans-serif font. The 'E' and 'Y' are connected at the top. The logo is positioned above the tagline.

Building a better
working world



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Ashland Danmark 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.

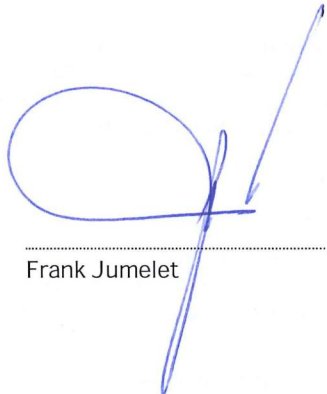
Copenhagen, 12 March 2018
Executive Board:



Frank Jumelet

Board of Directors:

Arnold Bosgoed
Chairman



Frank Jumelet

Kevin D. Higgins



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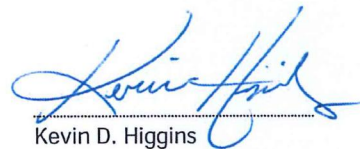
Copenhagen, 12 March 2018
Executive Board:

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Board of Directors:

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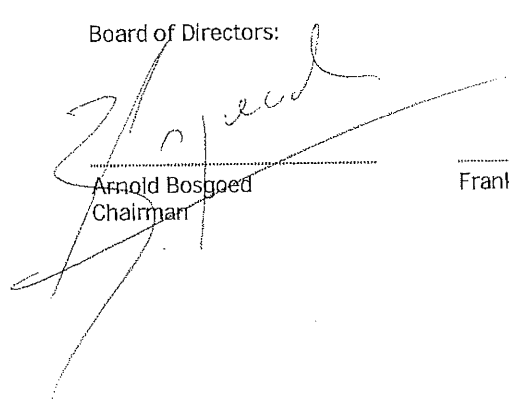
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Copenhagen, 12 March 2018
Executive Board:

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Frank Jumelet

Board of Directors:



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Arnold Bosgoed
Chairman

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Frank Jumelet

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Kevin D. Higgins

Independent auditor's report

To the shareholder of Ashland Danmark ApS

Opinion

We have audited the financial statements of Ashland Danmark ApS for the financial year 1 October 2016 - 30 September 2017, which comprise an 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.

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. 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 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 skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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	Ashland Danmark ApS
Address, Postal code, City	c/o Bird & Bird Advokatpartnerselskab Sundkrogsgade 21, 2100 København Ø
CVR no.	62 48 51 16
Established	1 September 1960
Registered office	København
Financial year	1 October 2016 - 30 September 2017
Board of Directors	Arnold Bosgoed, Chairman Frank Jumelet Kevin D. Higgins
Executive Board	Frank Jumelet
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Citibank



Management's review

Business review

Ashland Danmark ApS, which is wholly owned by Ashland Industries Europe GmbH since November 10, 2017, used to comprise the division Ashland Consumer Markets. On Aug 1, 2016, the sole employee was transferred to the company Ellis Enterprises B.V. As the company does not have any activities anymore, it is the intention to liquidate the company in 2018.

Financial review

The income statement for 2016/17 shows a loss of DKK 216 thousand against a profit of DKK 126 thousand last year, and the balance sheet at 30 September 2017 shows equity of DKK 8,385 thousand. Management considers the Company's financial performance in the year satisfactory.

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	-214	1,055
2	Staff costs	0	-805
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	0	-1
	Profit/loss before net financials	-214	249
	Financial income	0	6
	Financial expenses	-65	-86
	Profit/loss before tax	-279	169
3	Tax for the year	63	-43
	Profit/loss for the year	-216	126
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-216	126
		-216	126



Financial statements 1 October 2016 - 30 September 2017

Balance sheet

Note	DKK'000	2016/17	2015/16
	ASSETS		
	Non-fixed assets		
	Receivables		
	Trade receivables	0	15
	Receivables from group entities	1,770	0
	Deferred tax assets	61	0
	Other receivables	0	60
		<u>1,831</u>	<u>75</u>
	Cash	<u>6,726</u>	<u>8,948</u>
	Total non-fixed assets	<u>8,557</u>	<u>9,023</u>
	TOTAL ASSETS	<u>8,557</u>	<u>9,023</u>
	EQUITY AND LIABILITIES		
	Equity		
4	Share capital	8,356	8,356
	Retained earnings	29	245
	Total equity	<u>8,385</u>	<u>8,601</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	163	6
	Payables to group entities	0	223
	Income taxes payable	9	13
	Other payables	0	180
		<u>172</u>	<u>422</u>
	Total liabilities other than provisions	<u>172</u>	<u>422</u>
	TOTAL EQUITY AND LIABILITIES	<u>8,557</u>	<u>9,023</u>

1 Accounting policies

5 Related parties



Financial statements 1 October 2016 - 30 September 2017

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 October 2016	8,356	245	8,601
Transfer through appropriation of loss	0	-216	-216
Equity at 30 September 2017	<u>8,356</u>	<u>29</u>	<u>8,385</u>

Financial statements 1 October 2016 - 30 September 2017

Notes to the financial statements

1 Accounting policies

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

Changes in accounting policies

Effective 1 October 2016, the Company has adopted act no. 738 of 1 June 2015. This implies the following changes in the recognition and measurement:

1. In future, residual values of property, plant and equipment will be subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made with future effect only as a change in accounting estimates with no impact on equity.

Apart from the above changes in accounting policy and new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Basis of recognition and measurement

Revenues are recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost.

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.

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.

Income statement

Revenue

The Company is an agent office for the division of Ashland Consumer Markets, accordingly revenue relates there to.

Financial statements 1 October 2016 - 30 September 2017

Notes to the financial statements

1 Accounting policies (continued)

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

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 sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

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.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Corporation tax

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.

Provisions for deferred tax are calculated based on the liability method on all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

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.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for the subsidiaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivables are recognised in the balance sheet as income tax receivable or payable.

Liabilities

Financial liabilities are recognised at the date of raising the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.



Financial statements 1 October 2016 - 30 September 2017

Notes to the financial statements

DKK'000	2016/17	2015/16
2 Staff costs		
Wages/salaries	0	635
Pensions	0	57
Other staff costs	0	113
	<u>0</u>	<u>805</u>

The Company has no employees.

DKK'000	2016/17	2015/16
3 Tax for the year		
Estimated tax charge for the year	-2	11
Deferred tax adjustments in the year	-61	32
	<u>-63</u>	<u>43</u>

4 Share capital

The Company's share capital has remained DKK 8,356 thousand over the past 6 years.

5 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Ashland Industries Europe GmbH	Rheinweg 11, 8200 Schaffhausen, Schweiz	Ashland Industries Europe GmbH 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