

GCP Applied Technologies Holdings (UK) Limited
(Registered Number: 10736390)

Annual Report and Financial Statements

Period Ended 31 December 2017



(Registered Number: 10736390)

Annual Report and Financial Statements

Period Ended 31 December 2017

Directors

Alexander Nielsen
Elizabeth Cowell
Andrew Kelly
Rustam Wartan
Upkar Ricky Singh Tatla

Secretary

Abogado Nominees Limited

Registered Office

100 New Bridge Street
London
EC4V 6JA

Independent Auditors

PricewaterhouseCoopers LLP
The Atrium
1 Harefield Road
Uxbridge
UB8 1EX

Bankers

Deutsche Bank
6 Bishopsgate
London
EC2P 2AT

Solicitors

Baker McKenzie
100 New Bridge Street
London
EC4Y 6JA

Strategic Report for the Period Ended 31 December 2017

The directors present their strategic report of the company for the period ended 31 December 2017. The company was incorporated on 24 April 2017.

Principal activities

The company's principal activity during the period under review was to act as a holding company within the GCP Applied Technology Group of companies. As at the balance sheet date the company holds intercompany receivables.

Key performance indicators

The company's directors do not have any key performance indicators given its status.

On behalf of the board

Rustam Wartan
Director
Date

Directors' Report for the Period Ended 31 December 2017

The directors present their first report and the audited financial statements of the company for the period ended 31 December 2017.

The company was incorporated on 24 April 2017 as GCP Construction Products Holdings (UK) Limited.

Results and dividends

The profit for the financial year was US\$15,865,891. A dividend of US\$8,400,000 was paid during the period under review.

Directors

The following have been directors during the period and up to the date of signing these financial statements.

Elizabeth Ann Cowell (Appointed 24 April 2017)
Alexander Nielsen (Appointed 24 April 2017)
Andrew Kelly (Appointed 24 April 2017)
Rustam Wartan (Appointed 24 April 2017)
Karen Elizabeth Christian (Appointed 28 November 2017 Resigned 26 September 2018)
Upkar Ricky Singh Tatla (Appointed 28 November 2017)
Jessica Forbes Jennings (Appointed 24 April 2017 Resigned 28 November 2017)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the

Directors' Report for the Period Ended 31 December 2017 (continued)

financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Disclosure of information to auditors

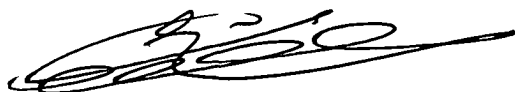
In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting in accordance with section 487 of the Companies Act 2006.

On behalf of the board



Rustam Wartan

Director

Date 21/12/2018

Independent auditors' report to the members of GCP (UK) Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, GCP (UK) Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the income statement and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Christopher Maw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
21 December 2018

GCP Applied Technologies Holdings (UK) Limited

Income Statement for the period ended 31 December 2017

	Notes	8 Months ended 31 December 2017 US\$
Gain on sale of investment		9,167,813
Other net income		287,646
Operating profit	2	9,455,459
Income from shares in participating interests		6,385,000
		15,840,459
Finance income		103,701
Profit on ordinary activities before taxation		15,944,160
Tax on profit	5	(78,269)
Profit for the financial period	11,12	15,865,891

All amounts relate to continuing operations, commenced in the period under review.

The company has no other comprehensive income in the above period. As such no separate statement of comprehensive income has been presented.

GCP Applied Technologies Holdings (UK) Limited

Registered Number: 10736390

Statement of Financial Position as at 31 December 2017

	Notes	2017 US\$
Fixed assets		
Investments	6	-
		-
Current assets		
Debtors	7	52,426,160
Cash at bank and in hand		-
		52,426,160
Current liabilities		
Creditors: amounts falling due within one year	8	(84,269)
Net current assets		52,341,891
Total assets less current liabilities and net assets		52,341,891
Capital and reserves		
Called up share capital	10	2
Share premium account	11	44,875,998
Retained earnings	11	7,465,891
Total shareholders' funds	12	52,341,891

The financial statements on pages 8 to 16 were approved by the board of directors on 21 December 2018 and were signed on its behalf by:



Rustam Wartan
Director

GCP Applied Technologies Holdings (UK) Limited

Statement of changes in equity for the period ended 31 December 2017

	<i>Called up share capital</i> US\$	<i>Share Premium</i> US\$	<i>Retained Earnings</i> US\$	Total US\$
Issuance of shares	2	44,875,998	-	44,876,000
Profit for the financial period	-	-	15,865,891	15,865,891
Dividend Declared	-	-	(8,400,000)	(8,400,000)
As at 31 December 2017	2	44,875,998	7,465,891	52,341,891

GCP Applied Technologies Holdings (UK) Limited

Notes to the Financial Statements for the Period Ended 31 December 2017

1 Accounting policies

The company acted as a holding company of the GCP Applied Technologies group during the period under review. As at the balance sheet date the company holds intercompany receivables. It is a private company limited by shares and is incorporated in England. The address of its registered office is 100 New Bridge Street, London EC4V 6JA.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

(a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The financial statements contain information relating to GCP Applied Technologies Holdings (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is a wholly-owned subsidiary of GCP Applied Technologies Inc. and is included in the consolidated financial statements of the ultimate parent undertaking GCP Applied Technologies Inc., which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006 and also from preparing a cash flow statement.

(b) Foreign currencies

The company's functional and presentation currency is the US Dollar.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the income statement within 'Administrative expenses'.

GCP Applied Technologies Holdings (UK) Limited

Notes to the Financial Statements for the Period Ended 31 December 2017

1 Accounting policies (continued)

(c) Cash pooling

The company, along with other European members of the GCP Applied Technologies Inc. group, is party to a cash pooling arrangement with Deutsche Bank whereby each members' local bank accounts are zero balanced each day by transfer to or from Grace Construction Products N.V. a fellow group company, in order to more efficiently manage the overall European cash resources through the treasury department of this company. See note 9.

(d) Investments

Investments in group undertakings are recorded at deemed cost on initial transfer plus incidental expenses less any provisions for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

(e) Related party transactions

The company discloses transactions with related parties which are not wholly owned by the company's ultimate parent undertaking. The company does not disclose transactions with related parties which form part of its group.

(f) FRS 102 Exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

(ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures.

2 Operating profit

Other income/(expenses) is stated after crediting/(charging)

	2017
	US\$
Foreign exchange gain	(273,069)
Auditors' remuneration - audit services	(6,000)
Gain on sale of investments	9,167,813

GCP Applied Technologies Holdings (UK) Limited

Notes to the Financial Statements for the Period Ended 31 December 2017

3 Directors' emoluments

The directors are primarily employed by other companies in the Group and remunerated by those companies for their services to the Group as a whole. No recharge has been made to the company.

4 Employees

The company had no employees during the year.

5 Tax on profit on ordinary activities:

The tax charge assessed for the period is \$78,269, which is different to the standard rate of corporation tax in the UK of 19%

Factors affecting tax charge for the period	2017 US\$
Profit before taxation	15,944,160
<hr/>	
Profit multiplied by standard rate of UK corporation tax of 19%.	3,029,390
Dividend Received	(1,213,150)
Capital gain on disposal of investment	(1,741,884)
Other adjustments	3,913
Total tax charge for the period	78,269

Factors that may affect future tax charge:

The UK Corporation tax rates reduced to 19% from 1 April 2017. In accordance with the Finance (No. 2) Act 2016 the UK corporation tax rates will reduce to 17% in 2020.

6 Investments

	2017 US\$
Cost and net book value	
Addition	34,760,187
Disposal	(34,760,187)
As at 31 December	-

On [date], the company acquired the whole of the issued share capital of GCP Darex Germany GmbH. On 3 July 2018, the investment was sold to Henkel AG giving rise to a gain on disposal of US\$9,167,813.

GCP Applied Technologies Holdings (UK) Limited

Notes to the Financial Statements for the Period Ended 31 December 2017

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GCP Applied Technologies Holdings (UK) Limited

Notes to the Financial Statements for the Period Ended 31 December 2017

7 Debtors

2017
US\$

Amounts owed by group undertakings	52,426,160
	<u>52,426,160</u>

Amounts owed by group undertakings are interest free, unsecured and do not have fixed repayment terms.

8 Creditors: amounts falling due within one year

2017
US\$

Corporation Tax	78,269
Accruals and deferred income	6,000
	<u>84,269</u>

9 Cash pooling

Included within the amounts owed by group undertakings is the cash pooling balance of US\$ 42,810,851. As disclosed in note 1, the company is subject to a cash pooling arrangement with Deutsche Bank whereby its bank accounts are zero balanced each day by transfer to or from Grace Construction Products N.V. Amounts owed within this cash pooling arrangement attributable to GCP Applied Technologies Holdings (UK) Limited are immediately payable to the company on demand and accrue interest at LIBOR plus a margin of 1.75%.

10 Called up share capital

2015
US\$

Allotted and fully paid – 2 shares of US\$1.00 each	2
Issued during the year/period - 2 shares of US\$1.00 each	
At 31 December 2017	
Allotted and fully paid – 2 shares of US\$1.00 each	<u>2</u>

The above shares were issued for total consideration of \$44,876,000, settled via the transfer of investments in subsidiaries and cash.

GCP Applied Technologies Holdings (UK) Limited

Notes to the Financial Statements for the Period Ended 31 December 2017

11 Reserves

	Share Premium Account US\$	Retained Earnings Account US\$
Movement in the financial period	-	7,465,891
Increase in the financial period	44,875,998	-
At 31 December 2017	44,875,998	7,465,891

12 Reconciliation of movement in shareholders' funds

	2017 US\$
Issuance of shares	44,876,000
Profit for the financial period	7,465,891
Closing shareholders' funds	52,341,891

13 Related party transactions

The company is a wholly owned subsidiary of GCP Applied Technologies Inc. and is included in the consolidated financial statements.

The company has availed of the exemption provided in FRS102, "Related Party Disclosures", for subsidiary undertakings whose voting rights are wholly controlled within the group, from the requirement to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties. The financial statements reflect the effects of this group membership.

14 Cash flow statement

The company is a wholly-owned subsidiary of GCP Applied Technologies Inc. and the cash flows of the company are included in the consolidated cash flow statement of its ultimate company GCP Applied Technologies Inc.. The company has accordingly taken the exemption available under FRS 102 (paragraph 1.11 and 1.12), from publishing a cash flow statement.

GCP Applied Technologies Holdings (UK) Limited

Notes to the Financial Statements for the Period Ended 31 December 2017

15 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is GCP Applied Technologies Inc. incorporated in the United States of America.

The only consolidated financial statements prepared and of which the company is a member is that of the ultimate holding company. Copies of the ultimate holding company's financial statement are publically available and can be obtained at the address below.

Name	GCP Applied Technologies
Country of incorporation	United States of America
Address from which copies of the group financial statements are publicly available	62 Whittemore Avenue Cambridge, MA 02140 USA
