

**Rohm and Haas Denmark Finance
A/S**

Tuborg Boulevard 12, 3.
2900 Hellerup
CVR No. 24205762

Annual report 2019

The Annual General Meeting adopted the
annual report on 29.06.2020

Nils Kjellegaard Jensen
Chairman of the General Meeting

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Entity details

Entity

Rohm and Haas Denmark Finance A/S

Tuborg Boulevard 12, 3.

2900 Hellerup

CVR No.: 24205762

Registered office: Gentofte

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Gino Eduardus Angela van Poorten, Chairman

Nils Kjellegaard Jensen

Ilona Jensen

Thomas Wagner Just

Executive Board

Thomas Wagner Just

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Rohm and Haas Denmark Finance A/S for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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

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

Copenhagen, 29.06.2020

Executive Board

Thomas Wagner Just

Board of Directors

Gino Eduardus Angela van Poorten
Chairman

Ilona Jensen


Nils Kjellegaard Jensen

Thomas Wagner Just

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Copenhagen, 29.06.2020

Executive Board

Thomas Wagner Just

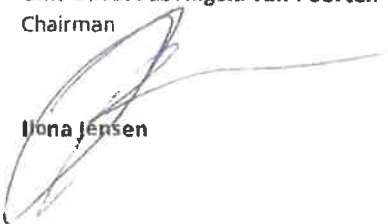
Board of Directors



Gino Eduardus Angela van Poorten
Chairman



Nils Kjellegaard Jensen



Ilona Jensen

Thomas Wagner Just

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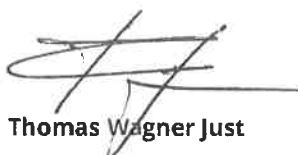
Thomas Wagner Just

Board of Directors

Gino Eduardus Angela van Poorten
Chairman

Ilona Jensen

Nils Kjellegaard Jensen



Thomas Wagner Just

Independent auditor's report

To the shareholders of Rohm and Haas Denmark Finance A/S

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Rohm and Haas Denmark Finance A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark,

we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Violation of accounting legislation, including the Danish Bookkeeping Act

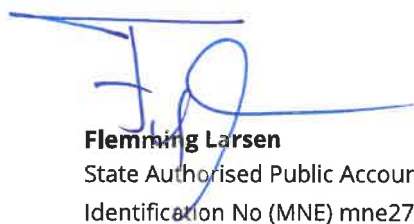
Without qualifying our opinion, we point out that the accounting records of the Company for the financial year 2019 was retained outside Danish borders. This procedure was against the Danish Bookkeeping Act. Subsequent to 31 December 2019 the company has changed the procedure and as of 26 June 2020 the issue has been resolved. Consequently, as of 26 June 2020 the company complies with the Danish Bookkeeping Act.

Copenhagen, 29.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



Flemming Larsen

State Authorised Public Accountant

Identification No (MNE) mne27790

Management commentary

Financial highlights

	2019	2018	2017	2016	2015
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Key figures					
Revenue	0	0	0	255	127
Gross profit/loss	(289)	(272)	(1,729)	563	97
Operating profit/loss	(293)	(280)	(1,737)	84	(142)
Net financials	(3,126)	42,507	361,592	(6,823)	(7,649)
Profit/loss for the year	643,950	43,341	356,869	(178,656)	(4,091)
Total assets	1,038,971	1,361,619	1,321,485	1,607,224	1,747,490
Equity	331,535	680,334	636,974	811,202	843,456
Ratios					
Return on equity (%)	127.28	6.58	49.29	(21.59)	(0.5)
Equity ratio (%)	31.91	49.97	48.20	50.47	48.27

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

The activity of the company is to sell and acquire, own, and hold shares and other ownership interests in other associated or affiliated entities etc. in Denmark and abroad, and to engage in financing activities.

Development in activities and finances

The development in activities and finances are in line with management's expectations.

Profit/loss for the year in relation to expected developments

The company's profit for the year was EUR 644 million which was mainly related to the income received from sale of investments to group enterprises.

Uncertainty relating to recognition and measurement

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

Unusual circumstances affecting recognition and measurement

There are no unusual circumstances affecting recognition and measurement.

Particular risks

The company is not exposed to any particular risks, other than the usual risks related to the companies ordinary activities.

Environmental performance

Sustainability is an important part of Dow's culture. Description of the Company's sustainability policy is to be found in the Dow Inc. 2019 Annual report page 53. The Company also refers to the webpage for Dow Inc. for further information. <https://corporate.dow.com/en-us/science-and-sustainability>

Statutory report on corporate social responsibility

It is the Company's focus to create a positive and healthy work and performance environment, and to be a workplace where employees have the freedom to achieve common goals and optimise opportunities irrespectively of their gender, age, race, religion, disability or sexual orientation.

Sustainability is an important part of Dow's culture. Description of the Company's sustainability policy is to be found in the Dow Inc. 2019 Annual report page 53. The Company also refers to the webpage for Dow Inc. for further information. <https://corporate.dow.com/en-us/science-and-sustainability>

The Company has no guidelines of its own regarding social responsibility, climate, human rights, anti-corruption and bribery but follow and refer to the guidelines outlined by Dow Inc. in their Code of Conduct. For further information please visit: <http://www.dow.com/en-us/investor-relations/corporate-governance>

The Company's business model is described in the management commentary. Due to the business model and the activities, the Company does not have a direct impact on the climate, human rights, anti-corruption and bribery. Accordingly the Company does not have its own policies for human rights, environmental matters, climate, social responsibilities and anti-corruption.

Statutory report on the underrepresented gender

In accordance with the paragraph 139a, part 1, No. 1, in the Danish Companies Act, the Company is obliged to set the targets for the share of underrepresented gender in the board of directors. As the board is comprised of 2 members, the target is that at no time the board should be comprised of one gender only. The company doesn't currently fulfil this target.

Additionally, the Company is also required to prepare and adopt a policy on gender equality on the management levels unless the Company throughout the year in question has not had more than 50 employees, according to the § 12 in the regulation no. 344 of March 30, 2012. As the Company has had no employees for whom the full time ATP contributions were paid in 2019, the Company is exempt from this requirement.

Events after the balance sheet date

The COVID-19 outbreak has escalated in the beginning of 2020, and on 11 March 2020 WHO has declared the outbreak for a worldwide. The outbreak has resulted in a number of precautions that affect the organization and operation of day-to-day operations, and the Group's suppliers and customers may be affected. Its economic impact cannot be determined at this time.

In addition to the above no events of significance to the annual report have occurred after the balance sheet date.

Income statement for 2019

	Notes	2019 EUR'000	2018 EUR '000
Other external expenses	3, 2	(289)	(272)
Gross profit/loss		(289)	(272)
Depreciation, amortisation and impairment losses		(4)	(8)
Operating profit/loss		(293)	(280)
Income from investments in group enterprises		646,808	53,897
Other financial income		53	15
Impairment losses on financial assets		0	(7,528)
Other financial expenses	4	(3,179)	(3,597)
Profit/loss before tax		643,389	42,507
Tax on profit/loss for the year	5	561	834
Profit/loss for the year	6	643,950	43,341

Balance sheet at 31.12.2019

Assets

	Notes	2019 EUR'000	2018 EUR'000
Acquired patents		0	3
Intangible assets	7	0	3
Investments in group enterprises		981,781	1,360,072
Other financial assets	8	981,781	1,360,072
Fixed assets		981,781	1,360,075
Receivables from group enterprises		27,924	60
Other receivables		30	0
Income tax receivable		29,236	1,484
Receivables		57,190	1,544
Current assets		57,190	1,544
Assets		1,038,971	1,361,619

Equity and liabilities

	Notes	2019 EUR'000	2018 EUR'000
Contributed capital		2,964	7,751
Retained earnings		328,571	672,583
Equity		331,535	680,334
Payables to group enterprises		707,168	681,003
Other payables		268	282
Current liabilities other than provisions		707,436	681,285
Liabilities other than provisions		707,436	681,285
Equity and liabilities		1,038,971	1,361,619
Events after the balance sheet date	1		
Contingent liabilities	9		
Assets charged and collateral	10		
Related parties with controlling interest	11		
Group relations	12		

Statement of changes in equity for 2019

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	7,751	672,583	680,334
Decrease of capital	(4,787)	(987,962)	(992,749)
Profit/loss for the year	0	643,950	643,950
Equity end of year	2,964	328,571	331,535

Notes

1 Events after the balance sheet date

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In addition to the above no events of significance to the annual report have occurred after the balance sheet date.

2 Other external expenses

Average number of employees is 0.

3 Fees to the auditor appointed by the Annual General Meeting

	2019	2018
	EUR'000	EUR'000
Statutory audit services	41	39
Other assurance engagements	0	60
Tax services	0	1
Other services	2	2
	43	102

4 Other financial expenses

	2019	2018
	EUR'000	EUR'000
Financial expenses from group enterprises	3,179	3,579
Exchange rate adjustments	0	18
	3,179	3,597

5 Tax on profit/loss for the year

	2019	2018
	EUR'000	EUR'000
Current tax	(710)	0
Adjustment concerning previous years	149	(834)
	(561)	(834)

6 Proposed distribution of profit and loss

	2019	2018
	EUR'000	EUR'000
Retained earnings	643,950	43,341
	643,950	43,341

7 Intangible assets

	Acquired patents EUR'000
Cost beginning of year	6,402
Cost end of year	6,402
Amortisation and impairment losses beginning of year	(6,402)
Amortisation and impairment losses end of year	(6,402)
Carrying amount end of year	0

8 Financial assets

	Investments in group enterprises EUR'000
Cost beginning of year	1,360,072
Disposals	(378,291)
Cost end of year	981,781
Carrying amount end of year	981,781

Investments in subsidiaries	Registered in	Equity interest %	Equity EUR'000
PT Rohm and Haas Indonesia	Indonesia	98,99	9,332
RH Denmark China Investment ApS	Denmark	100	920,317
RH Argentina S.R.L.	Argentina	89,99	62,113
RH Chemicals Singapore Pte. Ltd.	Singapore	100	22,487
RH Singapore Pte. Ltd.	Singapore	100	(44,802)
RH DK Vietnam Holdings ApS	Denmark	100	1,001
Latinoamerica S. de R.L de CV.	Mexico	99,97	105,321
Dow Chemical International Private Ltd.	India	21,25	9,892,640
RH China Holding Co. Ltd.	China	100	277,677
RH Foshan Specialty Materials Co. Ltd.	China	100	88,614

9 Contingent liabilities

The Company has for 2019 and prior years been jointly taxed with a number of Danish Dow and Dupont entities. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is under certain conditions liable for income taxes, etc. for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

10 Assets charged and collateral

At 31 December 2019, the Company has no assets charged, and no contingent liabilities are incumbent on the Company.

11 Related parties with controlling interest

The company is a wholly owned subsidiary of Rohm and Haas Equity Corporation, the ultimate parent is the Dow Inc.

Ultimate Parent:

Dow Inc.
2211 H.H. Dow Way
Midland MI 48674
United States

Intermediate Parent:

The Dow Chemical Company
2211 H.H. Dow Way
Midland MI 48674
United States

Intermediate Parent:

Dow International Holdings Company
2211 H.H. Dow Way
Midland MI 48674
United States

Intermediate Parent:
Rohm and Haas Company
400 Arcola Road
Collegeville PA 19426
United States

Intermediate Parent:
ROH Holdings 1
400 Arcola Road
Collegeville PA 19426
United States

Immediate Parent:
Rohm and Haas Equity Corporation
451 Bellevue Road
Newark DE 19713
United States

12 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Dow Inc., Delaware, USA

The annual report for Dow Inc. may be obtained at the following address:
Dow Inc.
2211 H.H. Dow Way
Midland, Michigan 48674
USA

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

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

Consolidated financial statements

Pursuant to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The Company's annual report for 2019 is included in the consolidated financial statements of Dow Inc., Delaware, USA.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

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

Income statement

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables, net capital gains on receivables and payables and transactions in foreign currencies.

Impairment of financial assets

Impairment of financial assets comprises impairment of financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on receivables and payables and transactions in foreign currencies.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on receivables and payables and transactions in foreign currencies.

Tax on profit/loss for the year

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

Current tax liabilities and current tax assets are recognised as receivables in the balance sheet in the event of overpayment of tax on account, and as liabilities in the event of underpayment of tax on account.

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

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

The Entity is jointly taxed with the Danish affiliated entities. Income tax concerning the jointly taxed entities is distributed proportionally between profit and loss making entities according to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Dividends are recognised in the income statement under "Income from investment in group enterprises" when declared.

If group enterprises make extraordinary large payments of dividends that resemble repayments of the invested capital, the recognised value is written down by an amount corresponding to this extraordinary payment of dividends.

Receivables

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

Income tax payable or receivable

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

Other financial liabilities

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

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.

The cash flow statement of Rohm and Haas Denmark Finance A/S and group enterprises is included in the annual report of Dow Inc., Delaware, USA (Ultimate Parent Company).