

ROHM AND HAAS DENMARK HOLDING COMPANY ApS

Sorgenfrivej 15
2800 Kgs.Lyngby
Business Registration No
28128444

Annual report 2017

The Annual General Meeting adopted the annual report on 30.05.2018

Chairman of the General Meeting



Name: Nils Kjellegaard Jensen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017	8
Balance sheet at 31.12.2017	9
Statement of changes in equity for 2017	11
Notes	12
Accounting policies	15

Entity details

Entity

ROHM AND HAAS DENMARK HOLDING COMPANY ApS
Sorgenfrivej 15
2800 Kgs.Lyngby

Central Business Registration No (CVR): 28128444
Registered in: Lyngby-Taarbæk
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Gino Eduardus Angela van Poorten, Chairman
Thomas Wagner Just
Ilona Jensen
Nils Kjellegaard Jensen

Executive Board

Thomas Wagner Just , CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of ROHM AND HAAS DENMARK HOLDING COMPANY ApS for the financial year 01.01.2017 - 31.12.2017.

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

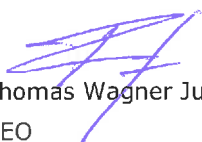
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 30.05.2018

Executive Board

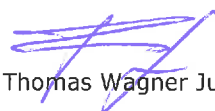


Thomas Wagner Just
CEO

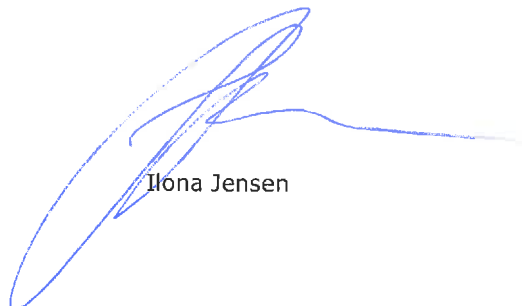
Board of Directors




Gino Eduardus Angela van
Poorten
Chairman



Thomas Wagner Just



Ilona Jensen



Nils Kjellegaard Jensen

Independent auditor's report

To the shareholder of ROHM AND HAAS DENMARK HOLDING COMPANY ApS

Opinion

We have audited the financial statements of ROHM AND HAAS DENMARK HOLDING COMPANY ApS for the financial year 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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:

Independent auditor's report

- 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.

Independent auditor's report

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

Parts of the accounting records for the Company are kept outside the Danish borders. They are kept on file with affiliated companies and can be obtained at short notice. The procedures used are in contravention of Danish legislation on the filing of accounting material in general.

Copenhagen, 30.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



Lars Andersen
State Authorised Public Accountant
Identification No (MNE) mne27762



Morten Jarlbo
State Authorised Public Accountant
Identification No (MNE) mne33247

Management commentary

	2017	2016	2015	2014	2013
	<u>EUR'000</u>	<u>EUR'000</u>	<u>EUR'000</u>	<u>EUR'000</u>	<u>EUR'000</u>
Financial highlights					
Key figures					
Revenue	0	919	3.127	8.868	9.052
Gross profit/loss	(82)	(679)	2.789	1.284	2.778
Operating profit/loss	(82)	(679)	2.789	989	2.494
Net financials	(87.568)	35.991	46.462	38.244	(6.795)
Profit/loss for the year	(73.785)	30.706	40.342	29.927	(4.072)
Total assets	867.992	955.388	931.802	835.284	795.060
Equity	867.926	941.711	906.173	815.716	785.788
Ratios					
Gross margin (%)	-	(73,9)	89,2	14,5	30,7
Net margin (%)	-	3.341,2	1.290,1	337,5	(45,0)
Return on equity (%)	(8,2)	3,3	4,7	3,7	(0,5)
Equity ratio (%)	100,0	98,6	97,2	97,7	98,8

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The activity of the Company is to sell and acquire, own, and hold share 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

In 2017, the company did not make any further investments in its group enterprises but reduced its holdings via the sale of one subsidiary.

The company is part of an internal global project to reduce the number of legal entities in the Dow group. Consequently, the goal is to eventually close the entity by means of a merger into another Dow legal entity.

Profit/loss for the year in relation to expected developments

The company's result for the year was EUR (73,784,198) which was lower than 2016 mainly due to losses resulting from foreign currency revaluations.

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.

Outlook

In line with global efforts on entity reduction, the Company will continue to look at ways of reducing its investment holdings.

Environmental performance

Sustainability is an important part of DowDuponts culture. Description of the Company's sustainability policy is to be found in the DowDupont 2017 Annual report. The Company also refers to the webpage for The Dow Chemical Company for further information. <http://www.dow.com/en-us/science-and-sustainability>

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2017

	<u>Notes</u>	<u>2017</u> <u>EUR'000</u>	<u>2016</u> <u>EUR'000</u>
Revenue		0	919
Cost of sales		0	(1.390)
Other external expenses		<u>(82)</u>	<u>(208)</u>
Operating profit/loss		(82)	(679)
Income from investments in group enterprises		(22.133)	6.790
Other financial income from group enterprises		7.467	11.677
Other financial income	2	0	17.546
Financial expenses from group enterprises		(3.168)	(22)
Other financial expenses	3	<u>(69.734)</u>	<u>0</u>
Profit/loss before tax		(87.650)	35.312
Tax on profit/loss for the year	4	<u>13.865</u>	<u>(4.606)</u>
Profit/loss for the year	5	<u>(73.785)</u>	<u>30.706</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>EUR'000</u>	<u>2016</u> <u>EUR'000</u>
Investments in group enterprises		253.328	471.658
Fixed asset investments	6	253.328	471.658
Fixed assets		253.328	471.658
Receivables from group enterprises		600.859	483.641
Income tax receivable		13.805	89
Receivables		614.664	483.730
Current assets		614.664	483.730
Assets		867.992	955.388

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>EUR'000</u>	<u>2016</u> <u>EUR'000</u>
Contributed capital		1.377	1.377
Retained earnings		<u>866.549</u>	<u>940.334</u>
Equity		<u>867.926</u>	<u>941.711</u>
Trade payables		48	165
Payables to group enterprises		18	8.947
Income tax payable		<u>0</u>	<u>4.565</u>
Current liabilities other than provisions		<u>66</u>	<u>13.677</u>
Liabilities other than provisions		<u>66</u>	<u>13.677</u>
Equity and liabilities		<u>867.992</u>	<u>955.388</u>
Staff costs	1		
Contingent liabilities	7		
Related parties with controlling interest	8		
Transactions with related parties	9		
Group relations	10		

Statement of changes in equity for 2017

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	1.377	940.334	941.711
Profit/loss for the year	0	(73.785)	(73.785)
Equity end of year	1.377	866.549	867.926

Notes

	<u>2017</u>	<u>2016</u>
1. Staff costs		
Average number of employees	<u>0</u>	
	<u>2017</u>	<u>2016</u>
	<u>EUR'000</u>	<u>EUR'000</u>
2. Other financial income		
Exchange rate adjustments	<u>0</u>	<u>17.546</u>
	<u>0</u>	<u>17.546</u>
	<u>2017</u>	<u>2016</u>
	<u>EUR'000</u>	<u>EUR'000</u>
3. Other financial expenses		
Exchange rate adjustments	<u>69.734</u>	<u>0</u>
	<u>69.734</u>	<u>0</u>
	<u>2017</u>	<u>2016</u>
	<u>EUR'000</u>	<u>EUR'000</u>
4. Tax on profit/loss for the year		
Change in deferred tax	<u>(13.716)</u>	<u>4.475</u>
Adjustment concerning previous years	<u>(149)</u>	<u>131</u>
	<u>(13.865)</u>	<u>4.606</u>
	<u>2017</u>	<u>2016</u>
	<u>EUR'000</u>	<u>EUR'000</u>
5. Proposed distribution of profit/loss		
Retained earnings	<u>(73.785)</u>	<u>30.706</u>
	<u>(73.785)</u>	<u>30.706</u>

Notes

	Investments in group enterprises EUR'000
6. Fixed asset investments	
Cost beginning of year	471.658
Disposals	(196.197)
Cost end of year	275.461
Impairment losses for the year	(22.133)
Impairment losses end of year	(22.133)
Carrying amount end of year	253.328

	Registered in	Corpo- rate form	Equity inte- rest %	Equity EUR'000	Profit/loss EUR'000
Investments in group enterprises comprise:					
Rohm and Haas Italia Srl.	Italy	Srl.	100,0	142.604	(16.685)
RH Kimya	Turkey	A.S.	60,0	N/A	N/A
RH Europe Trading ApS	Denmark	ApS	100,0	94.893	45.383
Rohm and Haas Europe Services ApS	Denmark	ApS	100,0	1.633	5.496
RH Espana Production Holding S.L.	Spain	S.L.	100,0	N/A	N/A

N/A mean that the companies do not publish officially available financial statements.

7. Contingent liabilities

The Company participates in a Danish joint taxation arrangement after 1st September 2017 where DuPont Denmark Holding ApS serves as the administration company.

The Company participated in a Danish joint taxation arrangement before 1st September 2017 where Dow AgroSciences Denmark A/S served as the administration company.

Notes

According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes, etc. for the jointly taxed companies and from 1st July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

8. Related parties with controlling interest

The Company is a wholly owned subsidiary of RH DK Bermuda GP ApS, Kgs. Lyngby, Denmark, the ultimate parent is the DowDuPont Inc..

	Subsidiaries	Other related parties.
	EUR'000	EUR'000
9. Transactions with related parties		
Acquisition of loan	0	600.841
Loss on transfer of investment	(3.166)	0
Interest Income	0	7.468
Others	0	(37)

10. Group relations

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

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

The annual report for the Dow Chemical Company may be obtained at the following address:

DowDuPont Inc.
Corporate Trust Center
1209 Orange Street
Wilmington
New Castle 19801
Delaware
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 (medium).

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

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The Company's annual report for 2017 is included in the consolidated financial statements of DowDuPont 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 rate 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

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, such as administrative expenses.

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, and impairment losses on investment in group enterprises.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises, and gain/losses from sale of group enterprises.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises and losses from sale of group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on 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.

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

Balance sheet

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.

Accounting policies

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 values 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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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 statements of Rohm and Haas Denmark Holding Company ApS and group enterprises is included in the annual report of DowDuPont Inc., Delaware, USA (Ultimate Parent Company).