



**Rohm & Haas Denmark Holding
Company ApS**

Tuborg Boulevard 12,3
2900 Hellerup
CVR No. 28128444

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 & Haas Denmark Holding Company ApS

Tuborg Boulevard 12,3

2900 Hellerup

CVR No.: 28128444

Registered office: Gentofte

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Gino Eduardus Angela Van Poorten, Chairman

Thomas Wagner Just

Ilona Jensen

Nils Kjellegaard Jensen

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 & Haas Denmark Holding Company ApS 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



Thomas Wagner Just

Ilona Jensen

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Thomas Wagner Just



Gino Eduardus Angela Van Poorten
Chairman



Thomas Wagner Just

Hona Jensen

Nils Kjellegaard Jensen

Independent auditor's report

To the shareholders of Rohm & Haas Denmark Holding Company ApS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Rohm & Haas Denmark Holding Company ApS 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	3,127	8,868
Gross profit/loss	(81)	(70)	(82)	2,789	1,284
Operating profit/loss	(81)	(70)	(82)	2,789	989
Net financials	17,554	39,949	(87,568)	46,462	38,244
Profit/loss for the year	2,856	31,065	(73,785)	40,342	29,927
Total assets	907,515	907,824	867,992	931,802	835,284
Equity	901,849	898,993	867,928	906,173	815,716
Ratios					
Gross margin (%)	-	-	-	89,2	14,5
Net margin (%)	-	-	-	1,290.1	337,5
Return on equity (%)	0.32	3.52	(8.32)	4.69	3.7
Equity ratio (%)	99.38	99.03	99.99	97.25	97.66

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

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Revenue

Net margin (%):

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

Revenue

Return on equity (%):

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

Average equity

Equity ratio (%):

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

Total assets

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

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 8,513, which is lower than 2018 mainly due to impairment losses on financial assets and lower gains 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 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>

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 operating income		0	35
Other external expenses	2	(81)	(105)
Gross profit/loss		(81)	(70)
Income from investments in group enterprises		(9,215)	0
Other financial income	3	25,785	39,949
Impairment losses on financial assets		(8,231)	0
Profit/loss before tax		8,258	39,879
Tax on profit/loss for the year	4	(5,402)	(8,814)
Profit/loss for the year	5	2,856	31,065

Balance sheet at 31.12.2019

Assets

	Notes	2019 EUR'000	2018 EUR'000
Investments in group enterprises		104,775	253,328
Other financial assets	6	104,775	253,328
Fixed assets		104,775	253,328
Receivables from group enterprises		802,740	654,496
Receivables		802,740	654,496
Current assets		802,740	654,496
Assets		907,515	907,824

Equity and liabilities

	Notes	2019 EUR'000	2018 EUR'000
Contributed capital		1,377	1,377
Retained earnings		900,472	897,616
Equity		901,849	898,993
Trade payables		7	22
Payables to group enterprises		4	32
Income tax payable		5,655	8,777
Current liabilities other than provisions		5,666	8,831
Liabilities other than provisions		5,666	8,831
Equity and liabilities		907,515	907,824
Events after the balance sheet date	1		
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Statement of changes in equity for 2019

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	1,377	897,616	898,993
Profit/loss for the year	0	2,856	2,856
Equity end of year	1,377	900,472	901,849

Notes

1 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.

2 Other external expenses

Average number of employees is 0.

3 Other financial income

	2019 EUR'000	2018 EUR'000
Financial income from group enterprises	15,293	12,527
Exchange rate adjustments	10,492	27,422
	25,785	39,949

4 Tax on profit/loss for the year

	2019 EUR'000	2018 EUR'000
Current tax	5,655	8,776
Adjustment concerning previous years	(253)	38
	5,402	8,814

5 Proposed distribution of profit and loss

	2019 EUR'000	2018 EUR'000
Retained earnings	2,856	31,065
	2,856	31,065

6 Financial assets

	Investments in group enterprises EUR'000
Cost beginning of year	275,461
Additions	3,272
Disposals	(143,594)
Cost end of year	135,139
Impairment losses beginning of year	(22,133)
Impairment losses for the year	(8,231)
Impairment losses end of year	(30,364)
Carrying amount end of year	104,775

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity EUR'000	Profit/loss EUR'000
RH Kimya	Turkey	A.S	60,0	N/A	N/A
RH Europe Trading ApS	Denmark	ApS	100,0	108,292	(3,151)
Rohm and Haas Europe Services ApS	Denmark	ApS	100,0	1,319	(165)
RH Espana Production Holding S.L.	Spain	S.L.	100,0	N/A	N/A

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

7 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.

8 Related parties with controlling interest

The Company is a wholly owned subsidiary of Dow Europe Holding B.V, the ultimate owner parent is 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:

Intermediate Parent:

Dow Switzerland Holding GmbH

Dammstrasse 19

6300 Zug

Switzerland

Intermediate Parent:

Dow International Holdings S.A.

Bachtobelstrasse 3

CH-8810 Horgen

Switzerland

Immediate Parent:

Dow Europe Holding BV

Herbert H. Dowweg 5

4542NM Hoek

Netherlands

9 Transactions with related parties

	Other related parties EUR'000
Receivables from group enterprises	802,741
Loss on transfer of investment:	9,215
Interest income	15,293
Others	109
Liabilities other than provisions	5

10 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 prepared 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 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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. Investment in group enterprises and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

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

expenses.

Income from investments in group enterprises

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

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, and tax relief under the Danish Tax Prepayment Scheme etc.

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.

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.

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.

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 of 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.

Other financial liabilities

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

Income tax receivable or payable

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

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 Holding Company ApS and group enterprises is included in the annual report of Dow Inc., Delaware, USA (Ultimate Parent Company).