

ROHM AND HAAS EUROPE TRADING ApS

Tuborg Boulevard 12, 3.
2900 Hellerup
Business Registration No
29973881

Annual report 2018

The Annual General Meeting adopted the annual report on 28.05.2019

Chairman of the General Meeting



Name: Nils Kjellegaard Jensen

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Entity details

Entity

ROHM AND HAAS EUROPE TRADING ApS
Tuborg Boulevard 12, 3.
2900 Hellerup

Central Business Registration No (CVR): 29973881
Registered in: Gentofte
Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Gino Eduardus Angela van Poorten, Chairman
Thomas Wagner Just

Executive Board

Gino Eduardus Angela van Poorten

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 EUROPE TRADING ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 28.05.2019

Executive Board

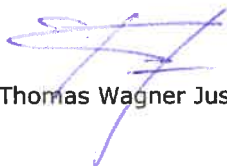


Gino Eduardus Angela van
Poorten

Board of Directors



Gino Eduardus Angela van
Poorten
Chairman



Thomas Wagner Just

Independent auditor's report

To the shareholder of ROHM AND HAAS EUROPE TRADING ApS

Opinion

We have audited the financial statements of ROHM AND HAAS EUROPE TRADING ApS for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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

The accounting records of the Company are retained abroad. They are kept on file with affiliated companies and can be obtained from the affiliated companies. However the Company does not fulfill all of the requirements in the Danish Bookkeeping Act when keeping the accounting records on file abroad. The procedures followed are in contravention of Danish legislation.

Copenhagen, 28.05.2019

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

	2018 EUR'000	2017 EUR'000	2016 EUR'000	2015 EUR'000	2014 EUR'000
Financial highlights					
Key figures					
Revenue	0	0	0	1.023.095	1.234.593
Gross profit/loss	0	0	0	30.882	34.031
Operating profit/loss	0	0	0	10.314	(12.092)
Net financials	557	19.256	108	408	(3.762)
Profit/loss for the year	(3.151)	16.726	45.383	266	(16.610)
Total assets	151.370	166.544	157.103	353.562	455.109
Investments in property, plant and equipment	0	0	0	44	14
Equity	108.292	111.440	94.893	68.636	43.624
Average numbers of employees	0	0	75	126	157
Ratios					
Gross margin (%)	-	-	-	3,0	2,8
Return on equity (%)	(2,9)	16,2	55,5	0,5	32,3

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.
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.

Management commentary

Primary activities

The objective of Rohm and Haas Europe Trading ApS is to conduct all lawful business, including but not limited to trading of products and services in Denmark and abroad directly, or through its subsidiaries and/or its branches.

Development in activities and finances

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

As of May 1st 2016 the Company has sold its customer lists and does no longer trade with customers. All activity is dissolved, why the entire income statement and certain related assets, in reference to paragraph 80 in the Danish Financial Statement Act is presented as discontinued operations.

In April 2017 the company has received the final assessment for the transfer price audit for the years 2010-2014 for RHET which concludes to a significant increase of the taxable income in Denmark.

We do not agree with this assessment as we believe it is based on a wrong understanding of the circumstances. We believe that there is no case for a transfer price adjustment and are currently involved in discussions with the tax authorities in order to bring this matter to a conclusion.

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.

Environmental performance

Sustainability is an important part of DowDuponts culture. Description of the Company's sustainability policy is to be found in the DowDupont 2018 Annual report page 70. 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

On 1st April 2019 Dow Inc. separated from the DowDuPont Group, the company is part of Dow Inc.

Income statement for 2018

	<u>Notes</u>	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Income from investments in group enterprises		0	19.171
Other financial income	2	603	352
Other financial expenses	3	<u>(46)</u>	<u>(267)</u>
Profit/loss before tax		557	19.256
Tax on profit/loss for the year	4	<u>(7)</u>	<u>(19)</u>
Profit/loss from continuing operations		550	19.237
Profit/loss from discontinued operations	5	<u>(3.701)</u>	<u>(2.511)</u>
Profit/loss for the year	6	<u>(3.151)</u>	<u>16.726</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Receivables from group enterprises		127.606	135.688
Deferred tax		0	4.364
Other receivables		308	3.414
Income tax receivable	7	<u>23.405</u>	<u>21.730</u>
Receivables		<u>151.319</u>	<u>165.196</u>
Current assets		<u>151.319</u>	<u>165.196</u>
Assets regarding discontinued operations	5	<u>51</u>	<u>1.348</u>
Assets		<u>151.370</u>	<u>166.544</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Contributed capital		83	83
Retained earnings		108.209	111.357
Equity		108.292	111.440
Provisions for pension liabilities etc	8	21.705	22.027
Provisions		21.705	22.027
Payables to other credit institutions		33	0
Trade payables		104	111
Payables to group enterprises		21.110	21.663
Income tax payable		43	11.141
Other payables		83	162
Current liabilities other than provisions		21.373	33.077
Liabilities other than provisions		21.373	33.077
Equity and liabilities		151.370	166.544
Staff costs	1		
Contingent liabilities	9		
Related parties with controlling interest	10		
Transactions with related parties	11		
Group relations	12		

Statement of changes in equity for 2018

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	83	111.360	111.443
Profit/loss for the year	0	(3.151)	(3.151)
Equity end of year	83	108.209	108.292

Notes

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>

Staff costs comprise Wages EUR 0 thousand (2017: EUR 1.108 thousand) and Pension EUR -146 thousand (2017: EUR -796 thousand).

	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
2. Other financial income		
Financial income arising from group enterprises	85	352
Other financial income	<u>518</u>	<u>0</u>
	603	352

	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
3. Other financial expenses		
Financial expenses from group enterprises	0	118
Other interest expenses	17	149
Exchange rate adjustments	<u>29</u>	<u>0</u>
	46	267

	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
4. Tax on profit/loss for the year		
Current tax	<u>7</u>	<u>19</u>
	7	19

Notes

	2018	2017
	EUR'000	EUR'000
5. Discontinued operations		
Income statement		
Distribution costs	0	(47)
Administrative costs	(105)	(1.013)
Other operating income	1.998	2.234
Other operating expenses	<u>(1.263)</u>	<u>(3.106)</u>
Profit/loss for the period	630	(1.932)
Tax on profit/loss from discontinued operations	<u>(4.331)</u>	<u>(579)</u>
Post-tax profit/loss from discontinued operations	<u>(3.701)</u>	<u>(2.511)</u>
Assets		
Other fixtures and fittings, tools and equipment	31	31
Trade receivables	<u>20</u>	<u>1.317</u>
Assets related to discontinued operations	<u>51</u>	<u>1.348</u>
	2018	2017
	EUR'000	EUR'000
6. Proposed distribution of profit/loss		
Retained earnings	<u>(3.151)</u>	<u>16.726</u>
	<u>(3.151)</u>	<u>16.726</u>

7. Income tax receivable

SKAT has adjusted the taxable income for the years 2010-2014. The reassessments have been appealed to the National Tax Tribunal. The additional taxes and interest has been paid to SKAT in 2017. We are of the opinion that it is more likely than not that the company will prevail and that the income adjustment for these years will be reversed implying a refund of paid taxes and interest. Based on this the paid amounts have been capitalized as receivables at 31 December 2018.

8. Provisions for pensions and similar liabilities

Provision are for pensions and similar liabilities comprise underfunded defined benefitplans in Germany. The most material assumptions when estimating the provision is:

Weighted average assumptions used to determine benefit obligation at 31 December 2018.

Discount rate 1,69% (2017: 1,68%)

Rate of compensation increase 3,0% (2017: 3%)

Social security increase 2,0% (2017: 2%)

Expected long-term return on asset plan 3,25% (2017: 3,25%)

Actuarial specialists has been involved in the estimation of the underfunded defined benefitplan.

Notes

9. 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 Danmark A/S served as the administration company.

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.

10. Related parties with controlling interest

The Company is a wholly owned subsidiary of Rohm and Haas Denmark Holding Company ApS, Kgs. Lyngby, Denmark, the ultimate parent is the DowDuPont Inc.

	Other related parties.
	EUR'000
11. Transactions with related parties	
Intercompany recharges	121
Proceeds from liquidation of subsidiary	0
Financial income	244
Financial expenses	98
Receivables from group enterprises	127.606
Payables to group enterprises	21.110

12. 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

Notes

The annual report for the DowDuPont Inc. 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 company has changed reporting class from C (Large) last year to C (Medium). The change in reporting class has only effected the presentation and disclosures.

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.

Discontinued operations

Discontinued operations are material business areas or geographical areas planned, or decided, to be disposed of, discontinued or abandoned and which may be separated from the entity's other operations.

Results from discontinued operations are presented in the income statement as a separate item consisting of operating profit/loss after tax of the relevant operation and any gains or losses from fair value adjustments or sale of the assets and liabilities related to the operation.

Assets relating to the discontinued operations are presented separately in the balance sheet as assets related to discontinued operations. Liabilities directly related to the discontinued operations are presented separately in the balance sheet as liabilities related to discontinued operations.

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

Accounting policies

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.

Administrative costs

Administrative costs comprise expenses incurred for the Entity's administrative functions.

Other operating income

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

Other operating expenses

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

Other financial income

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 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

Receivables

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

Accounting policies

Deferred tax

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

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.

Provisions for pension liabilities etc

To the extent that pension commitments are not covered by the insurance, they are included in the balance sheet as provisions. The calculation of the liability is based on actuarial computations.

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).