

**Rohm And Haas Europe Trading  
ApS**

Tuborg Boulevard 12, 3.  
2900 Hellerup  
CVR No. 29973881

**Annual report 2019**

The Annual General Meeting adopted the  
annual report on 29.06.2020

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**Nils Kjellegaard Jensen**  
Chairman of the General Meeting

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# Entity details

## Entity

Rohm And Haas Europe Trading ApS

Tuborg Boulevard 12, 3.

2900 Hellerup

CVR No.: 29973881

Registered office: Gentofte

Financial year: 01.01.2019 - 31.12.2019

## 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

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 Europe Trading 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

**Gino Eduardus Angela van Poorten**

Board of Directors

**Gino Eduardus Angela van Poorten**  
Chairman



**Thomas Wagner Just**

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Copenhagen, 29.06.2020

Executive




Gino Eduardus Angela van Poorten

and



Gino Eduardus Angela van Poorten  
Chairman



Thomas Wagner Just

# Independent auditor's report

## To the shareholders of Rohm And Haas Europe Trading ApS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Rohm And Haas Europe Trading 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
<b>Key figures</b>					
Revenue	0	0	0	0	1,023,095
Operating profit/loss	0	0	0	0	30,882
Net financials	(664)	557	19,256	108	408
Profit/loss for the year	(9,505)	(3,151)	16,726	45,383	266
Total assets	147,056	151,370	166,544	157,103	353,562
Investments in property, plant and equipment	0	0	0	0	44
Equity	98,787	108,292	111,440	94,893	68,636
Average number of employees	0	0	0	75	126
<b>Ratios</b>					
Gross margin (%)	-	-	-	-	3.0
Return on equity (%)	(9.18)	(2.87)	16.21	55.50	0.5

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

### Gross margin (%):

Gross profit/loss \* 100  
Revenue

### Return on equity (%):

Profit/loss for the year \* 100  
Average equity

### **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 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 financial income	2	0	603
Other financial expenses		(664)	(46)
<b>Profit/loss before tax</b>		<b>(664)</b>	<b>557</b>
Tax on profit/loss for the year	3	142	(7)
<b>Profit/loss from continuing operations</b>		<b>(522)</b>	<b>550</b>
<b>Profit/loss from discontinued operations</b>	4	<b>(8,983)</b>	<b>(3,701)</b>
<b>Profit/loss for the year</b>	5	<b>(9,505)</b>	<b>(3,151)</b>

## Balance sheet at 31.12.2019

### Assets

	Notes	2019 EUR'000	2018 EUR'000
Receivables from group enterprises		124,433	127,606
Other receivables		304	308
Income tax receivable	6	22,187	23,405
<b>Receivables</b>		<b>146,924</b>	<b>151,319</b>
<b>Cash</b>		<b>101</b>	<b>0</b>
<b>Current assets</b>		<b>147,025</b>	<b>151,319</b>
<b>Assets regarding discontinued operations</b>	4	<b>31</b>	<b>51</b>
<b>Assets</b>		<b>147,056</b>	<b>151,370</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 EUR'000</b>	<b>2018 EUR'000</b>
Contributed capital		83	83
Retained earnings		98,704	108,209
<b>Equity</b>		<b>98,787</b>	<b>108,292</b>
Provisions for pension liabilities etc	7	26,976	21,705
<b>Provisions</b>		<b>26,976</b>	<b>21,705</b>
Payables to other credit institutions		0	33
Trade payables		92	104
Payables to group enterprises		21,121	21,110
Income tax payable		0	43
Other payables		80	83
<b>Current liabilities other than provisions</b>		<b>21,293</b>	<b>21,373</b>
<b>Liabilities other than provisions</b>		<b>21,293</b>	<b>21,373</b>
<b>Equity and liabilities</b>		<b>147,056</b>	<b>151,370</b>
Events after the balance sheet date	1		
Contingent liabilities	8		
Related parties with controlling interest	9		
Transactions with related parties	10		
Group relations	11		

## Statement of changes in equity for 2019

	<b>Contributed capital EUR'000</b>	<b>Retained earnings EUR'000</b>	<b>Total EUR'000</b>
Equity beginning of year	83	108,209	108,292
Profit/loss for the year	0	(9,505)	(9,505)
<b>Equity end of year</b>	<b>83</b>	<b>98,704</b>	<b>98,787</b>

# 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 financial income

	2019 EUR'000	2018 EUR'000
Financial income from group enterprises	0	85
Other financial income	0	518
	<b>0</b>	<b>603</b>

Average number of employees is 0.

## 3 Tax on profit/loss for the year

	2019 EUR'000	2018 EUR'000
Current tax	(142)	7
	<b>(142)</b>	<b>7</b>

## 4 Discontinued operations

	2019 EUR'000	2018 EUR'000
Administrative costs	(6,290)	(105)
Other operating income	(12)	1,998
Other operating expenses	340	(1,263)
<b>Pre-tax profit/loss from discontinued operations</b>	<b>(5,962)</b>	<b>630</b>
Tax on profit/loss from discontinued operations	(3,021)	(4,331)
<b>Post-tax profit/loss from discontinued operations</b>	<b>(8,983)</b>	<b>(3,701)</b>
Other fixtures and fittings, tools and equipment	31	31
Trade receivables	0	20
<b>Assets related to discontinued operations</b>	<b>31</b>	<b>51</b>

## 5 Proposed distribution of profit and loss

	2019 EUR'000	2018 EUR'000
Retained earnings	(9,505)	(3,151)
	<b>(9,505)</b>	<b>(3,151)</b>

## 6 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 2019.

## 7 Provisions for pension liabilities etc

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 2019.

Discount rate 0.94% (2018: 1,69%)

Rate of compensation increase 3,0% (2018: 3%)

Social security increase 2,0% (2018: 2%)

Expected long-term return on asset plan 3,25% (2018: 3,25%)

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

## 8 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.

## 9 Related parties with controlling interest

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 Switzerland Holding GmbH

Dammstrasse 19

6300 Zug



Switzerland

Intermediate Parent:

Dow International Holdings S.A.  
Bachtobelstrasse 3  
CH-8810 Horgen  
Switzerland

Intermediate Parent:

Dow Europe Holding BV  
Herbert H. Dowweg 5  
4542NM Hoek  
Netherlands

Immediate Parent:

Rohm and Haas Denmark Holding Company ApS  
Tuborg Boulevard 12, 3.  
DK-2900 Hellerup  
Denmark

## 10 Transactions with related parties

	<b>Other related parties EUR'000</b>
Intercompany recharges	1
Financial expenses	30
Receivables from group enterprises	124,468
Payables to group enterprises	21,061

## 11 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.

## 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 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 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 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

### 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.

### 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.

### Cash

Cash comprises cash in hand and bank deposits.

### 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 Dow Inc., Delaware, USA (Ultimate Parent Company).