

**Dow Danmark A/S**  
Sorgenfrivej 15  
DK-2800 Kgs. Lyngby  
Business Registration No  
52974216

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 28.05.2019

### **Chairman of the General Meeting**

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Name: Nils Kjellegaard Jensen

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## Entity details

### Entity

Dow Danmark A/S  
Sorgenfrivej 15  
DK-2800 Kgs. Lyngby

Central Business Registration No (CVR): 52974216  
Registered in: Lyngby-taarbæk  
Financial year: 01.01.2018 - 31.12.2018

### Board of Directors

Gino Eduardus Angela van Poorten  
Thomas Wagner Just  
Nils Kjellegaard Jensen

### Executive Board

Thomas Wagner Just

### Bank

Deutsche Bank

### Lawyer

Advokatfirmaet Kjellegaard Jensen  
Tuborg Boulevard 12  
DK-2900 Hellerup

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
0900 Copenhagen 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 Dow Danmark A/S 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

Thomas Wagner Just

### Board of Directors

Gino Eduardus Angela van  
Poorten

Thomas Wagner Just

Nils Kjellegaard Jensen

# Independent auditor's report

## To the shareholders of Dow Danmark A/S

### Opinion

We have audited the financial statements of Dow Danmark A/S 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.

## Independent auditor's report

### 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.

Copenhagen, 28.05.2019

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Flemming Larsen  
State Authorised Public Accountant  
Identification No (MNE) mne27790

## Management commentary

### Primary activities

The Company's activity consists of agency activities and trading of chemicals.

### Development in activities and finances

Profit before tax amounts to DKK 3.305 thousand. At 31 of December 2018 equity amounts to DKK 60.420 thousand.

### Unusual circumstances affecting recognition and measurement

No unusual circumstances are to be disclosed in connection with the presentation of the annual report.

### Events after the balance sheet date

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



## Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Revenue	1	18.043.260	15.597.136
<b>Gross profit/loss</b>		<b>18.043.260</b>	<b>15.597.136</b>
Staff costs	2	(397.376)	(1.107.401)
Other operating expenses		(14.682.531)	(12.642.403)
<b>Operating profit/loss</b>		<b>2.963.353</b>	<b>1.847.332</b>
Other financial income	3	345.023	372.649
Other financial expenses		(3.743)	(4.174)
<b>Profit/loss before tax</b>		<b>3.304.633</b>	<b>2.215.807</b>
Tax on profit/loss for the year	4	(729.470)	80.785
<b>Profit/loss for the year</b>		<b>2.575.163</b>	<b>2.296.592</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		2.575.163	2.296.592
		<b>2.575.163</b>	<b>2.296.592</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Receivables from group enterprises		64.813.730	91.869.931
Other receivables		75.045	704.529
Prepayments		<u>2.420</u>	<u>23.596</u>
<b>Receivables</b>		<b><u>64.891.195</u></b>	<b><u>92.598.056</u></b>
<b>Current assets</b>		<b><u>64.891.195</u></b>	<b><u>92.598.056</u></b>
<b>Assets</b>		<b><u>64.891.195</u></b>	<b><u>92.598.056</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		54.000.000	54.000.000
Retained earnings		36.420.201	33.845.038
Proposed dividend		(30.000.000)	0
<b>Equity</b>		<b><u>60.420.201</u></b>	<b><u>87.845.038</u></b>
Payables to group enterprises		3.484.027	3.778.503
Income tax payable		729.470	489.075
Other payables		257.497	485.440
<b>Current liabilities other than provisions</b>		<b><u>4.470.994</u></b>	<b><u>4.753.018</u></b>
<b>Liabilities other than provisions</b>		<b><u>4.470.994</u></b>	<b><u>4.753.018</u></b>
<b>Equity and liabilities</b>		<b><u>64.891.195</u></b>	<b><u>92.598.056</u></b>
Unrecognised rental and lease commitments	5		
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## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity beginning of year	54.000.000	33.845.038	0	87.845.038
Proposed dividend	0	0	(30.000.000)	(30.000.000)
Profit/loss for the year	<u>0</u>	<u>2.575.163</u>	<u>0</u>	<u>2.575.163</u>
<b>Equity end of year</b>	<b><u>54.000.000</u></b>	<b><u>36.420.201</u></b>	<b><u>(30.000.000)</u></b>	<b><u>60.420.201</u></b>

## Notes

### 1. Revenue

Revenue comprises commission income from group companies.

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Staff costs</b>		
Wages and salaries	363.377	1.034.450
Pension costs	33.999	72.951
	<b>397.376</b>	<b>1.107.401</b>
Average number of employees	<b>1</b>	<b>1</b>

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial income</b>		
Financial income arising from group enterprises	52.562	211.537
Exchange rate adjustments	292.461	161.112
	<b>345.023</b>	<b>372.649</b>

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Tax on profit/loss for the year</b>		
Current tax	729.470	489.075
Adjustment concerning previous years	0	(569.860)
	<b>729.470</b>	<b>(80.785)</b>

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>5. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b>399.408</b>	<b>13.224</b>

## Notes

### 6. Contingent liabilities

The Company participates in a Danish joint taxation arrangement, in which Dow AgroSciences Danmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and 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 in the joint taxation arrangement is stated in the financial statements of the administration company.

### 7. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

DowDuPont inc., Delaware, USA

The annual report for DowDuPont inc. may be obtained at the following adress:

DowDuPont inc.  
Corporate Truste 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 B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for 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.

### Foreign currency translation

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

### Income statement

#### Revenue

Revenue comprises commission income.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### Other operating expenses

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

## Accounting policies

### Other financial income

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

### Other financial expenses

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

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. Tax attributable to profit for the year is recognised in the income statement, whereas tax attributed to equity entries is recognised directly under equity.

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

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

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

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

### Balance sheet

#### Receivables

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

#### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

#### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

#### Other financial liabilities

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



## Accounting policies

### **Income tax receivable or payable**

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