

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

Annual report 2017

The Annual General Meeting adopted the annual report on 30.05.2018

Chairman of the General Meeting

Name: Finn Jeff Lernø

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	7
Balance sheet at 31.12.2017	8
Statement of changes in equity for 2017	10
Notes	11
Accounting policies	13

Entity details

Entity

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

Central Business Registration No: 52974216
Registered in: Lyngby-Taarbæk
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Finn Jeff Lernø, Chairman
Clas Bertil Filip Tauson
Gino Eduardus Angela van Poorten

Executive Board

Clas Bertil Filip Tauson

Bank

Deutsche Bank

Lawyer

Plesner
Amerika Plads 37
DK-2100 Copenhagen Ø

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 01.01.2017 - 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

Clas Bertil Filip Tauson

Board of Directors

Finn Jeff Lernø

Chairman

Clas Bertil Filip Tauson

Gino Eduardus Angela van
Poorten

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 01.01.2017 - 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.

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, 30.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Flemming Larsen
State Authorised Public Accountant
Identification number (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 2.216 thousand. At 31 of December 2017 equity amounts to DKK 87.845 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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Revenue	1	15.597.136	14.051.783
Other operating income		<u>0</u>	<u>5.369.479</u>
Gross profit/loss		15.597.136	19.421.262
Staff costs	2	(1.107.401)	(1.609.379)
Other operating expenses		<u>(12.642.403)</u>	<u>(6.454.917)</u>
Operating profit/loss		1.847.332	11.356.966
Other financial income	3	372.649	158.595
Other financial expenses	4	<u>(4.174)</u>	<u>(3.526)</u>
Profit/loss before tax		2.215.807	11.512.035
Tax on profit/loss for the year	5	<u>80.785</u>	<u>(2.247.476)</u>
Profit/loss for the year		<u>2.296.592</u>	<u>9.264.559</u>
Proposed distribution of profit/loss			
Retained earnings		<u>2.296.592</u>	<u>9.264.559</u>
		<u>2.296.592</u>	<u>9.264.559</u>

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Receivables from group enterprises		91.869.931	90.768.913
Other receivables		704.529	52.970
Prepayments		23.596	114.558
Receivables		92.598.056	90.936.441
Current assets		92.598.056	90.936.441
Assets		92.598.056	90.936.441

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		54.000.000	54.000.000
Retained earnings		33.845.038	31.548.446
Equity		87.845.038	85.548.446
Payables to group enterprises		3.778.503	2.449.723
Income tax payable		489.075	2.247.476
Other payables		485.440	690.796
Current liabilities other than provisions		4.753.018	5.387.995
Liabilities other than provisions		4.753.018	5.387.995
Equity and liabilities		92.598.056	90.936.441
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		
Group relations	8		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	54.000.000	31.548.446	85.548.446
Profit/loss for the year	0	2.296.592	2.296.592
Equity end of year	54.000.000	33.845.038	87.845.038

Notes

1. Revenue

Revenue comprises commission income from group companies.

	<u>2017</u>	<u>2016</u>
2. Staff costs		
Average number of employees	<u>1</u>	<u>1</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
3. Other financial income		
Financial income arising from group enterprises	211.537	196.904
Exchange rate adjustments	161.112	(38.309)
	<u>372.649</u>	<u>158.595</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
4. Other financial expenses		
Interest expenses	4.174	3.526
	<u>4.174</u>	<u>3.526</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
5. Tax on profit/loss for the year		
Tax on current year taxable income	489.075	2.247.476
Adjustment concerning previous years	(569.860)	0
	<u>(80.785)</u>	<u>2.247.476</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
6. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>13.224</u>	<u>257.868</u>

Notes

7. 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.

8. Group relations

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

The annual report is presented in DKK.

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Accounting policies

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.

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.

Accounting policies

Other financial liabilities

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

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.