

Huntsman Cancer Foundation

Financial Statements as of and for the
Years Ended December 31, 2023 and 2022, and
the Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Huntsman Cancer Foundation

Opinion

We have audited the financial statements of Huntsman Cancer Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

May 23, 2024

HUNTSMAN CANCER FOUNDATION

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 5,709,359	\$ 14,094,950
INVESTMENTS	113,753,808	116,989,242
CONTRIBUTIONS RECEIVABLE—Net	4,026,609	25,366,390
OTHER ASSETS	<u>300,370</u>	<u>295,559</u>
TOTAL	<u>\$ 123,790,146</u>	<u>\$ 156,746,141</u>
 LIABILITIES AND NET ASSETS		
ACCOUNTS PAYABLE	\$ 120,846	\$ 55,280
NOTES PAYABLE	26,151,041	31,661,434
DEFERRED INCOME	<u>910,426</u>	<u>-</u>
Total liabilities	27,182,313	31,716,714
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>96,607,833</u>	<u>125,029,427</u>
TOTAL	<u>\$ 123,790,146</u>	<u>\$ 156,746,141</u>

See notes to financial statements.

HUNTSMAN CANCER FOUNDATION

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Without Donor Restrictions	
	2023	2022
REVENUES, GAINS, AND OTHER SUPPORT:		
Contributions	\$ 20,122,929	\$ 15,494,729
Noncash contributions:		
In-kind services	10,485	29,598
Investments	1,063,586	259,329
Net unrealized (loss) gain on investments	(4,418,713)	(28,418,556)
Net investment income (including realized gains and interest)	<u>4,707,373</u>	<u>2,991,676</u>
Total revenues, gains (losses), and other support	<u>21,485,660</u>	<u>(9,643,224)</u>
EXPENSES:		
Grants	38,462,978	90,167,143
Interest expense	1,734,561	757,143
Management and general	990,588	980,754
Fundraising and development	<u>8,719,127</u>	<u>5,139,878</u>
Total expenses	<u>49,907,254</u>	<u>97,044,918</u>
CHANGE IN NET ASSETS	(28,421,594)	(106,688,142)
NET ASSETS:		
Beginning of year	<u>125,029,427</u>	<u>231,717,569</u>
End of year	<u>\$ 96,607,833</u>	<u>\$ 125,029,427</u>

See notes to financial statements.

HUNTSMAN CANCER FOUNDATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (28,421,594)	\$ (106,688,142)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Noncash investment contributions—net	(1,063,586)	(259,329)
Net unrealized loss (gain) on investments	4,418,713	28,418,556
Change in assets and liabilities:		
Contributions receivable	21,339,781	33,210,375
Other assets	(4,811)	(68,664)
Accounts payable	65,566	(236,669)
Deferred income	910,426	-
Net cash (used in) provided by operating activities	<u>(2,755,505)</u>	<u>(45,623,873)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of unrestricted investments	(15,483,335)	(14,759,863)
Proceeds from sales or maturities of unrestricted investments	<u>15,363,642</u>	<u>15,227,056</u>
Net cash provided by (used in) investing activities	<u>(119,693)</u>	<u>467,193</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of notes payable	<u>(5,510,393)</u>	<u>(2,940,007)</u>
Net cash used in financing activities	<u>(5,510,393)</u>	<u>(2,940,007)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,385,591)	(48,096,687)
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>14,094,950</u>	<u>62,191,637</u>
End of year	<u>\$ 5,709,359</u>	<u>\$ 14,094,950</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION—Cash paid for interest	<u>\$ 1,734,561</u>	<u>\$ 757,143</u>

See notes to financial statements.

HUNTSMAN CANCER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—The Huntsman Cancer Foundation (the “Foundation”) is a not-for-profit corporation organized to support the education, research, and promotion of health activities of the Health Sciences Center of the University of Utah through donations to the Huntsman Cancer Institute (HCI). The Foundation was incorporated on May 24, 1995. The Foundation has a three-member Board of Directors (the “Board”) that manages the affairs of the Foundation. Although HCI is not managed by, nor controlled by, the Foundation or its Board, the Foundation and HCI are financially interrelated entities as the Foundation’s purpose is to provide funding to HCI.

Basis of Accounting—The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The underlying accounting of the Foundation is maintained in accordance with the principles of fund accounting. These principles require that the resources of the Foundation be classified into groups or funds in accordance with activities or objectives specified for the resources.

Classification of Contributions and Net Assets—The accompanying financial statements have been prepared in accordance with the Not-for-Profit Entities Topic of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) (“ASC Section 958”).

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. ASC Section 958 defines a donor-imposed restriction as a stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from a) the nature of the not-for-profit entity, b) the environment in which it operates, or c) the purposes specified in its articles of incorporation or bylaws. As the nature and purpose of the Foundation is to provide funding to HCI through donations, restrictions placed on contributions related to specific areas of education, research, and promotion of health activities at HCI do not represent donor-imposed restrictions for the Foundation. Accordingly, the Foundation’s net assets are classified as without donor restrictions within the accompanying financial statements.

Contributions—Contributions are recorded as revenue at the time an unconditional promise to give has been received by the Foundation and the donor has the ability to satisfy the promise made. Occasionally, HCI receives contributions which are then forwarded to the Foundation at HCI’s discretion. Contributions of this nature received by the Foundation in 2023 and 2022 were \$517,995 and \$368,928, respectively. Additionally, there were \$3,900,000 and nil in contributions from other related parties, during the years ended December 31, 2023 and 2022, respectively. Noncash contributions, consisting primarily of equity securities and professional services, are recorded at the estimated fair value at the date of contribution.

Expected receipts related to contribution receivables that are temporarily restricted (determined using a discount rate of 3.84% and 3.99% for 2023 and 2022, respectively) are as follows:

	2023	2022
2023	\$ -	\$ 24,848,939
2024	2,666,270	910,764
2025	784,919	506,864
2026	489,280	160,000
2027	295,119	50,000
2028	10,000	-
Thereafter	40,000	-
Subtotal	4,285,588	26,476,567
Less discount	(258,979)	(1,110,177)
Total	<u>\$ 4,026,609</u>	<u>\$ 25,366,390</u>

Not-for-Profit and Exempt Status—The Foundation is a charitable entity organized as a not-for-profit corporation in accordance with the laws of the State of Delaware and is exempt from income taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates. Significant accounting estimates include the appropriate discount rate on long-term contributions receivable.

Cash and Cash Equivalents—The Foundation considers cash in checking accounts and cash in short-term investments with remaining maturities at the time of purchase of three months or less to be cash and cash equivalents.

Investments—Investments are recorded at fair value, determined by quoted market prices or estimated fair values, with any gains or losses being reflected in the statements of activities.

The Foundation invests its funds in or through the following:

Brokerage Accounts—Accounts are maintained with various investment advisors consisting of publicly traded stocks, bonds, mutual funds, privately held alternative fixed-income funds, and hedge funds.

Related-Party Stock—The Foundation held 3,193,459 shares of Huntsman Corporation common stock as of December 31, 2023 and 2022, which represents a concentration risk to the Foundation. Huntsman Corporation is considered a related party as Peter Huntsman, Chairman of the Board of Directors for the Foundation, was the Executive Chairman of the Board of Directors as of December 31, 2023, and directly or indirectly held a significant number of shares of Huntsman Corporation.

See Note 2, Fair Value Measurements, for a listing of the Foundation's investments.

Other Assets—Other assets primarily consist of a 1% ownership in Foundation Enterprises LLC, which was contributed to the Foundation during 2010 from The Huntsman Foundation, a foundation controlled by the family of Jon M. Huntsman, Sr. This investment does not have readily determinable fair value and is carried at cost, which is the estimated fair value at the date of donation.

Fair Value Measurements—The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. A fair value hierarchy is used to prioritize the quality and reliability of the information used to determine fair values (see Note 2).

Donations to HCI—The Foundation’s purpose is to provide funding to HCI. These donations or grants are recorded at the date the donation to HCI is approved.

Functional Expenses—The financial statements report expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated on the basis of estimates of time and effort. For the years ending December 31, 2023 and 2022, the following tables set forth expenses incurred by supporting function:

	2023			
	Program Services	Management and General	Fundraising and Development	Total
Grants awarded	\$ 38,462,978	\$ -	\$ -	\$ 38,462,978
Personnel	-	613,557	2,151,806	2,765,363
Advertising and promotion	-	-	84,097	84,097
Audit and accounting fees	-	45,639	-	45,639
Consultants and professional services	-	141,937	512,938	654,875
Information technology	-	35,374	177,070	212,444
Insurance	-	31,201	25,191	56,392
Legal fees	-	110,655	-	110,655
Office expense	-	12,225	-	12,225
Travel	-	-	236,028	236,028
Interest	1,734,561	-	-	1,734,561
Other	-	-	5,531,997	5,531,997
Total functional expenses	<u>\$ 40,197,539</u>	<u>\$ 990,588</u>	<u>\$ 8,719,127</u>	<u>\$ 49,907,254</u>

	2022			
	Program Services	Management and General	Fundraising and Development	Total
Grants awarded	\$90,167,143	\$ -	\$ -	\$90,167,143
Personnel	-	595,686	2,115,062	2,710,748
Advertising and promotion	-	-	37,188	37,188
Audit and accounting fees	-	29,024	-	29,024
Consultants and professional services	-	100,000	454,022	554,022
Information technology	-	34,344	11,790	46,134
Insurance	-	54,940	3,556	58,496
Legal fees	-	162,077	-	162,077
Office expense	-	4,683	-	4,683
Travel	-	-	155,486	155,486
Interest	757,143	-	-	757,143
Other	-	-	2,362,774	2,362,774
Total functional expenses	<u>\$90,924,286</u>	<u>\$980,754</u>	<u>\$5,139,878</u>	<u>\$97,044,918</u>

Subsequent Events—The Foundation has performed an evaluation of subsequent events through May 23, 2024, the date the financial statements were available to be issued.

Recent Accounting Pronouncements—There are no recent accounting pronouncements expected to have a material effect on the financial statements.

2. FAIR VALUE MEASUREMENTS

The Foundation's financial instruments reported in the financial statements at fair value are categorized into a three-level hierarchy based on the nature of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the fair value of the financial instrument fall within different levels of the hierarchy, the category level to which the financial instrument is assigned is based on the lowest-level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded in the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1—Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market.

Level 2—Financial assets and liabilities whose values are based on quoted prices in markets that are not active or inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- pricing models whose inputs are observable for substantially the full term of the asset or liability
- pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

Level 3—Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. They reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Asset Valuation Techniques—Valuation technologies maximize the use of relevant observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2023 and 2022. The following is a description of the valuation methodologies used for assets measured at fair value.

Equities and Restricted Investments—These investments are valued using quoted market prices for identical assets as of the valuation date.

Fixed Income—These investments are valued using pricing models of a third-party servicer with inputs derived from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or from quoted prices for similar assets with active markets.

Private Capital Assets—These investments are valued at the net asset value per unit as provided by the fund custodians, as quoted market prices are not available for these types of investments. These investments are recorded based on the most recent appraisals, adjusted for current market conditions; therefore, the reported value may differ from the value that would have been used had a quoted market price existed. The valuations for limited partnership investments are based on the net asset value of the Foundation’s ownership interest in the partners’ capital, which includes assumptions and methods that were prepared by the General Partners of the limited partnerships and were reviewed by Foundation management. The Foundation believes that the reported amounts for these investments are a reasonable estimate of their fair value at December 31, 2023 and 2022.

The following table summarizes the financial assets measured at fair value on a recurring basis as of December 31, 2023 and 2022:

	Fair Value Measurements as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Equities:				
Huntsman Corporation common stock	\$ 80,251,625	\$ -	\$ -	\$ 80,251,625
Other	18,718,181	10,355,615	-	29,073,796
Fixed income—mutual funds	<u>4,327,693</u>	<u>-</u>	<u>-</u>	<u>4,327,693</u>
Total	<u>\$103,297,499</u>	<u>\$10,355,615</u>	<u>\$ -</u>	<u>113,653,114</u>
Investments measured at Net Asset Value (NAV)				<u>100,694</u>
Total investments				<u>\$113,753,808</u>

	Fair Value Measurements as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Equities:				
Huntsman Corporation common stock	\$ 87,756,253	\$ -	\$ -	\$ 87,756,253
Other	14,589,874	12,016,723	-	26,606,597
Fixed income—mutual funds	<u>2,464,027</u>	<u>-</u>	<u>-</u>	<u>2,464,027</u>
Total	<u>\$ 104,810,154</u>	<u>\$ 12,016,723</u>	<u>\$ -</u>	<u>116,826,877</u>
Investments measured at Net Asset Value (NAV)				<u>162,365</u>
Total investments				<u>\$ 116,989,242</u>

The Foundation also did not have any financial assets or liabilities that were measured on a non-recurring basis.

The fair value of cash and cash equivalents, restricted cash, other assets, and accounts payable approximate their carrying amounts because of the immediate or short-term maturities of these financial instruments. Contribution receivables have been discounted, such that the carrying amounts approximate fair value.

Transfers between Levels—The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Foundation evaluates the significance of transfers between levels based on the nature of the financial instrument and the size of the transfer relative to total net assets. For the years ended December 31, 2023 and 2022, there were no transfers between levels.

At December 31, 2023 and 2022, the Foundation's investments valued at net asset value were as follows:

	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private capital assets	<u>\$ 100,694</u>	<u>\$ -</u>	See below	See below

	2022			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private capital assets	<u>\$ 162,365</u>	<u>\$ -</u>	See below	See below

Private capital assets are investments in funds organized as limited partnerships. The funds invest in private companies, both US and international. This category generally includes investments in a broad range of strategies, including venture capital, private equity, hedge funds, and real assets. The Foundation cannot redeem investments in this category. Instead, the Foundation receives distributions from the partnerships as underlying assets are liquidated. The Foundation estimates that the

underlying assets of the funds will be liquidated over the next 1 to 10 years, at which time the partnerships will be terminated.

3. LIQUIDITY AND AVAILABILITY

The following table reflects the Foundation's financial assets as of December 31, 2023, reduced by the amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, including contributions collectible beyond one year, monies restricted for debt service, and investments not convertible to cash within one year.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2023, are as follows:

Cash and cash equivalents	\$ 5,709,359
Contributions receivable	4,026,609
Investments	<u>113,753,808</u>
Total financial assets	123,489,776
Less those unavailable for general expenditure within one year, due to:	
Contributions receivable collectible beyond one year	1,619,318
Investments not convertible to cash within the next 12 months	<u>100,694</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 121,769,764</u></u>

4. NOTES PAYABLE

The Foundation entered into a revolving loan, payable on demand, with US Bank on April 8, 2020, that allows the Foundation to borrow up to a total of \$40,000,000. Due to lower financing costs through US Bank, the borrowing of this loan was used to pay off public debt in 2020. At December 31, 2023, the total outstanding balance on the revolving loan was \$26,151,041. Interest is payable at 0.75% above the Daily Simple Secured Overnight Financing Rate ("SOFR") (5.38% at December 31, 2023).

The loan agreement contains restrictions on the use of the proceeds from the loan, limiting the use of the proceeds. The covenants also include restrictions limiting the additional incurrence of debt and requires the Foundation to maintain a securities account consisting of Huntsman Corporation common stock as collateral for the revolving loan. Management believes that the Foundation was in compliance with all covenants as of December 31, 2023.

Interest expense in 2023 and 2022 was \$1,734,561 and \$757,143, respectively.

The carrying value of the Foundation's revolving loan in 2023 and 2022 approximates fair value based on the terms at which the Foundation could obtain similar financing.

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