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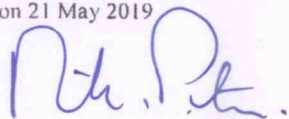
Herbalife Denmark ApS

**C/O Advokat Richard Petersen
Hovedvagtsgade 6,4.
1103 København K**

Annual Report 2018

CVR No. 17 07 14 83

The Annual Report
was presented and adopted
at the Annual General Meeting
of the Company
on 21 May 2019



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Richard Petersen
Chairman

The annual report contains 16 pages

Statement by the Executive Board

The Executive Board has today discussed and adopted the annual report for 2018 of Herbalife Denmark ApS.

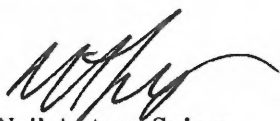
The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2018 and of the results of the Company's operations for the financial year ended 31 December 2018.

In my opinion, Management's review includes a true and fair account of the matters addressed in the Review.

We recommend that the annual report be adopted at the annual general meeting.

Copenhagen, 21 May 2019
Executive Board:



Neil Antony Spiers
Chief Executive Officer

Independent Auditor's Report

To the Shareholder of Herbalife Denmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Herbalife Denmark ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is

materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 judgment and maintain professional skepticism 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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.

Copenhagen, 21 May 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Ole Tjørnelund Thomsen
State Authorised Public Accountant
MNE 10637



James Liang
State Authorised Public Accountant
MNE 34549

Company details

Herbalife Denmark ApS
c/o Advokat *Attorney* Richard Petersen
Hovedvagtsgade 6, 4. sal/4 th. Floor
DK-1103 København K/Copenhagen K

Website: www.herbalife.com

Registration No.: 17 07 14 83

Registered office: Copenhagen

Financial year: 1 January - 31 December

Executive Board

Neil Antony Spiers

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management's review

Activities in Herbalife Denmark ApS

The Company's primary activity consists of the wholesale of nutritional and personal care products.

Significant events during the year

None.

Development in activities and financial position

The Company's net profit for the year 2018 is DKK 1,525 thousand against the net profit in 2017 of DKK 648 thousand.

Capital and reserves

The Company's equity as at 31 December 2018 amounts to DKK 4,537 thousand. (31 December 2017: DKK 3,762 thousand).

Ownership

The Company's share capital is held by Herbalife International Inc., Los Angeles, USA.

Financial statements for the period 1 January - 31 December

Accounting policies

The annual report of Herbalife Denmark ApS for 2018 has been prepared in accordance with the provisions applying to class B enterprises under the Danish Financial Statements Act.

The accounting policies applied in the preparation of the Financial Statements are consistent with those of last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item. In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest Financial Statements is recognised in the income statement as interest income or expense and similar items.

The annual report has been prepared in Danish Kroner.

Income statement

Revenue

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex VAT and taxes.

Other external costs

Other external costs comprise costs for distribution, sales, advertising, administration, bad debts, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Interest income and expense and similar items

Interest income and expense and similar items comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies etc.

Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in capital and reserves is recognised directly in capital and reserves.

Balance sheet

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses at net realisable value.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Equity - dividends

Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under capital and reserves.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forward, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Financial liabilities

Other liabilities comprising trade payables, amounts owed to group enterprises and other payables are measured at amortised cost.

Deferred income

Deferred income comprises received payments concerning income in subsequent years.

Income statement

	Notes	2018	2017
Gross profit		<u>1,857,803</u>	<u>953,455</u>
Profit/loss before financial income and expense		1,857,803	953,455
Interest income and similar items	1	22,839	18,698
Interest expense and similar items	2	<u>(10,838)</u>	<u>(30,602)</u>
Profit/loss before tax		1,869,804	941,551
Tax on profit/loss for the year	3	<u>(345,295)</u>	<u>(294,035)</u>
Profit/loss for the year		<u>1,524,509</u>	<u>647,516</u>

Proposed distribution of profit

Profit/(loss) for the year	1,524,509	647,516
Extraordinary dividend paid	(750,000)	(750,000)
Retained earnings	<u>2,562,357</u>	<u>2,664,841</u>
Available for distribution	<u>3,336,866</u>	<u>2,562,357</u>
To be distributed as follows:		
Retained earnings	<u>3,336,866</u>	<u>2,562,357</u>
	<u>3,336,866</u>	<u>2,562,357</u>

Balance sheet

	Notes	31 December 2018	31 December 2017
ASSETS			
Current assets			
Receivables			
Trade receivables		823,902	504,581
Tax receivable		6,702	-
Amounts receivable from group enterprises		72,978	29,574
Prepayments		16,033	18,443
Deferred Tax		43,912	-
Total receivables		963,527	552,598
Cash at bank and in hand		11,820,278	9,948,152
Total current assets		12,783,805	10,500,750
TOTAL ASSETS		12,783,805	10,500,750

	Notes	<u>31 December 2018</u>	<u>31 December 2017</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	4	1,200,000	1,200,000
Retained earnings	5	<u>3,336,866</u>	<u>2,562,357</u>
Total capital and reserves		<u>4,536,866</u>	<u>3,762,357</u>
Liabilities			
Short-term liabilities			
Amounts owed to group enterprises		1,980,767	1,055,624
Other payables	6	5,734,530	5,125,378
Income Tax payables		-	246,048
Deferred income		<u>531,642</u>	<u>311,343</u>
Total liabilities		<u>8,246,939</u>	<u>6,738,393</u>
TOTAL EQUITY AND LIABILITIES		<u>12,783,805</u>	<u>10,500,750</u>
Related parties	7		

Notes

	<u>2018</u>	<u>2017</u>
1 Interest income and similar items		
Realised exchange gain	10,697	18,698
Other financial income and similar items	<u>12,142</u>	<u>-</u>
Total interest income	<u>22,839</u>	<u>18,698</u>
2 Interest expense and similar items		
Interest expense	-	1,918
Realised exchange loss	10,838	4,951
Unrealised exchange gain	-	8,982
Other financial expenses and similar items	<u>-</u>	<u>14,751</u>
Total interest expense	<u>10,838</u>	<u>30,602</u>
3 Corporation tax		
Current tax		
Tax on profit for the year	397,298	294,057
Adjustment prior years	(8,090)	(22)
Deferred tax	<u>(43,913)</u>	<u>-</u>
	<u>345,295</u>	<u>294,035</u>
4 Share capital		
The share capital amounts to DKK 1,200 thousand consisting of A shares of DKK 200 thousand with full voting and dividend rights and B shares of DKK 1,000 thousand without voting rights and with no rights to dividend. The share capital is divided into shares of DKK 1 thousand each or multiples thereof.		

5 Retained earnings

	31 December 2018	31 December 2017
Retained earnings at 1 January	2,562,357	2,664,841
Extraordinary dividend paid	(750,000)	(750,000)
Proposed profit appropriation/distribution of loss	1,524,509	647,516
Retained earnings at 31 December	3,336,866	2,562,357

6 Other payables

	31 December 2018	31 December 2017
VAT	1,561,179	1,219,051
Production bonus and royalty	3,265,851	3,068,838
Other	907,499	837,489
Balance at 31 December	5,734,529	5,125,378

7 Related parties

Related parties include entities within the Herbalife Group.
All goods are purchased through related parties.

Controlling interest

Herbalife International Inc., Los Angeles, USA.

Ownership

The Company's share capital is held by:

- Herbalife International Inc., Los Angeles, USA.

Herbalife Denmark ApS is included in the consolidated Financial Statements of Herbalife Limited, USA. The consolidated Financial Statements of Herbalife Limited, USA are available at the Company's address or on the Company's website www.herbalife.com.