
Amway Danmark ApS

Carl Gustavs Gade 3, 1. th., DK-2630 Taastrup

Annual Report for 1 January - 31 December 2021

CVR No 21 26 42 96

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
18/5 2022

Melodie Ann Nakhle
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Amway Danmark ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our 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.

Taastrup, 18 May 2022

Executive Board

Melodie Ann Nakhle

Board of Directors

Melodie Ann Nakhle

Colin Neil Seegmiller

Independent Auditor's Report

To the Shareholder of Amway Danmark ApS

Opinion

We have audited the financial statements of Amway Danmark ApS for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 eco-

Independent Auditor's Report

nommic 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 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.

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.

Independent Auditor's Report

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 Financials 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.

Copenhagen, 18 May 2022

EY Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Peter Jensen
State Authorised Public Accountant
mne33246

Anders Mathias Jessen
State Authorised Public Accountant
mne46620

Company Information

The Company

Amway Danmark ApS
Carl Gustavs Gade 3, 1. th.
DK-2630 Taastrup
Website: www.amway.dk

CVR No: 21 26 42 96
Financial period: 1 January - 31 December
Municipality of reg. office: Høje Taastrup

Board of Directors

Melodie Ann Nakhle
Colin Neil Seegmiller

Executive Board

Melodie Ann Nakhle

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Bankers

Nordea

Management's Review

Key activities

The Company distributes a range of household articles and other consumer products, largely supplied by other group entities.

Marketing takes place solely through a network of independent distributors, who receive training and support etc., who are contractually affiliated with the group, and whose earnings are entirely based on sales.

Amway does not seek to be a low-cost or discount supplier of products. The Company seeks to provide differentiated products representing quality, value and service, and the Amway Satisfactory Guarantee justifies the comparatively high retail prices of the Company's products.

The Company believes that its person-to-person, direct selling structure leads to competitive customer service.

Development in the year

The income statement of the Company for 2021 shows a profit of TDKK 825, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 86,880.

In connection with the financial reporting, the ultimate Parent Company has provided the Company with a letter of support, in which they declare that they will provide liquidity to the company in order to cover its current working capital, and to the extent deemed necessary at least 12 months from the date of the signing of the financial statements for 2021.

Unusual events

During March 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak of a strain of the coronavirus has resulted in governments worldwide enacting emergency measures to combat the spread of the virus.

Amway (Denmark) Sales performance in 2021 financial year was stable exceeding prior year levels. The Sales growth was mainly driven by higher demand for immunity products and strong Amway response to Covid crisis. The company strengthen partnership with Amway Business Owners (ABOs) and applied active portfolio management around immunity products.

The pandemic impact in the upcoming months cannot be reasonably estimated, however due to stable demand for Amway immunity products it is not expected that COVID-19 will have negative impact on company's financial performance also in the foreseeable future.

Management's Review

Subsequent events

As per current status the war in Ukraine does not affect Amway Danmark ApS. The war impact in the upcoming months cannot be reasonably estimated.

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Gross profit/loss		14.063	20.177
Staff expenses	1	-13.004	-18.282
Depreciation and impairment of property, plant and equipment		-217	-60
Other operating expenses		<u>0</u>	<u>-17</u>
Profit/loss before financial income and expenses		842	1.818
Financial expenses	2	<u>-204</u>	<u>-324</u>
Profit/loss before tax		638	1.494
Tax on profit/loss for the year	3	<u>187</u>	<u>0</u>
Net profit/loss for the year		<u>825</u>	<u>1.494</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>825</u>	<u>1.494</u>
		<u>825</u>	<u>1.494</u>

Balance Sheet 31 December

Assets

	Note	2021 TDKK	2020 TDKK
Other fixtures and fittings, tools and equipment		75	99
Leasehold improvements		482	662
Property, plant and equipment	4	557	761
Investments in subsidiaries	5	95.491	95.491
Other receivables	6	281	281
Fixed asset investments		95.772	95.772
Fixed assets		96.329	96.533
Trade receivables		794	694
Receivables from group enterprises		1.367	3.297
Other receivables		56	125
Corporation tax receivable from group enterprises		187	0
Prepayments		58	63
Receivables		2.462	4.179
Cash at bank and in hand		2.219	2.801
Currents assets		4.681	6.980
Assets		101.010	103.513

Balance Sheet 31 December

Liabilities and equity

	Note	2021 TDKK	2020 TDKK
Share capital	7	300	300
Retained earnings		86.580	85.755
Equity		86.880	86.055
Other payables		0	1.227
Long-term debt	8	0	1.227
Prepayments received from customers		796	511
Trade payables		168	424
Payables to group enterprises		7.727	9.218
Other payables	8	5.439	6.078
Short-term debt		14.130	16.231
Debt		14.130	17.458
Liabilities and equity		101.010	103.513
Contingent liabilities and other financial obligations	9		
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Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	300	85.755	86.055
Net profit/loss for the year	0	825	825
Equity at 31 December	300	86.580	86.880

In connection with the financial reporting, the ultimate Parent Company has provided the Company with a letter of support, in which they declare that they will provide liquidity to the company in order to cover its current working capital, and to the extent deemed necessary at least 12 months from the date of the signing of the financial statements for 2021.

Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
	TDKK	TDKK
1 Staff expenses		
Wages and salaries	11.357	15.999
Pensions	1.461	1.690
Other social security expenses	186	519
Other staff expenses	0	74
	<u>13.004</u>	<u>18.282</u>
Average number of employees	<u>18</u>	<u>19</u>
2 Financial expenses		
Interest etc. regarding group enterprises	147	180
Other financial expenses	18	25
Exchange adjustments, expenses	0	113
Exchange loss	39	6
	<u>204</u>	<u>324</u>
3 Tax on profit/loss for the year		
Current tax for the year	<u>-187</u>	<u>0</u>
	<u>-187</u>	<u>0</u>

Notes to the Financial Statements

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment TDKK	Leasehold improvements TDKK	Total TDKK
Cost at 1 January	4.359	725	5.084
Additions for the year	13	0	13
Cost at 31 December	4.372	725	5.097
Impairment losses and depreciation at 1 January	4.260	63	4.323
Depreciation for the year	37	180	217
Impairment losses and depreciation at 31 December	4.297	243	4.540
Carrying amount at 31 December	75	482	557

5 Investments in subsidiaries

	2021 TDKK	2020 TDKK
Cost at 1 January	95.491	95.491
Carrying amount at 31 December	95.491	95.491

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Amway GmbH	Germany	100%

6 Other fixed asset investments

	Other receiv- ables TDKK
Cost at 1 January	281
Cost at 31 December	281
Carrying amount at 31 December	281

Notes to the Financial Statements

7 Equity

The share capital consists of 3,000 shares of a nominal value of TDKK 100. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021 TDKK	2020 TDKK
Other payables		
Between 1 and 5 years	0	1.227
Long-term part	0	1.227
Other short-term payables	5.439	6.078
	5.439	7.305

9 Contingent liabilities and other financial obligations

Rental and lease obligations

Office rent and company car lease obligations in case of termination	362	361
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Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Denmark Holdco I ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on interest and royalty payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

10 Related parties

	<u>Basis</u>
Controlling interest	
Denmark Holdco I ApS	Parent

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Ultimate Parent Company

<u>Name</u>	<u>Place of registered office</u>
Solstice Holdings Inc.	USA

The Group Annual Report of Solstice Holdings Inc. may be obtained at the following address:

7575 Fulton Street East Ada, MI 49355-0001, United States

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of Amway Danmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Solstice Holdings Inc., the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

11 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, cost of sales and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, primarily income from providing services to group companies.

Notes to the Financial Statements

11 Accounting Policies (continued)

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10	years
Leasehold improvements	5	years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Notes to the Financial Statements

11 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposit.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial reporting years.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

11 Accounting Policies (continued)

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".