
Nu Skin Scandinavia A/S

Amagerfælledvej 106, DK-2300 København S

Annual Report for 2022

CVR No. 21 48 09 08

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 30/6 2023

Lise Lauridsen
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 Financial Statements of Nu Skin Scandinavia A/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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.

Copenhagen, 30 June 2023

Executive Board

Ryan Shea Napierski
Executive Officer

Board of Directors

Ryan Shea Napierski

Elna de Moraes

Mikael Frans Georg Linder
Chairman

Independent Auditor's report

To the shareholder of Nu Skin Scandinavia A/S

Report on the Financial Statements

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nu Skin Scandinavia A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

Independent Auditor's report

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:

- 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.

Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

Non-compliance with the Danish Companies Act

We point out that, contrary to the provisions of the Danish Companies Act, the Company has not prepared the minute book of meetings of the Board of Directors. Consequently, Management may incur liability.

Independent Auditor's report

Hellerup, 30 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Nikolaj Bo Pedersen
State Authorised Public Accountant
mne47264

Company information

The Company	Nu Skin Scandinavia A/S Amagerfælledvej 106 DK-2300 København S Telephone: +45 39 54 80 00 CVR No: 21 48 09 08 Financial period: 1 January - 31 December Incorporated: 1 January 1999 Financial year: 24th financial year Municipality of reg. office: Copenhagen
Board of Directors	Ryan Shea Napierski Elna de Moraes Mikael Frans Georg Linder, chairman
Executive Board	Ryan Shea Napierski
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup
Lawyers	Bech-Bruun Langelinie Allé 35 2100 København Ø

Management's review

Key activities

The company's main activity is as in previous years sales of products for personal care and nutrition, directly to end users as well as to independent distributors in the Scandinavian countries.

Development in the year

The income statement of the Company for 2022 shows a profit of DKK 4,102,761, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 3,270,026.

The result, activity and financial development of the company were satisfactory and met expectations.

A material misstatement of DKK 1,956k has been corrected in the Financial Statements for 2022. The material misstatement of DKK 1,956k was recognized as intercompany receivables (Nu Skin Norway AS) which should have been recognized as expenses as a result of sale of investment in Nu Skin Norway AS in 2016.

The change implies a negative impact on the intercompany receivables at 31 December 2022 and equity per 1 January 2021 of DKK 1,956k. Comparative figures for 2021 have been restated.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross profit		35,535,927	44,817,009
Staff expenses	1	-29,070,498	-33,906,656
Depreciation and impairment losses of property, plant and equipment	2	-720,518	-704,865
Profit/loss before financial income and expenses		5,744,911	10,205,488
Financial income		1,445,341	1,777,070
Financial expenses		-1,926,791	-2,330,257
Profit/loss before tax		5,263,461	9,652,301
Tax on profit/loss for the year	3	-1,160,700	-2,140,871
Net profit/loss for the year		4,102,761	7,511,430

Distribution of profit

	2022 DKK	2021 DKK
Proposed distribution of profit		
Proposed dividend for the year	0	7,000,000
Retained earnings	4,102,761	511,430
	4,102,761	7,511,430

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		1,767,291	883,803
Leasehold improvements		179,551	157,401
Property, plant and equipment	4	1,946,842	1,041,204
Other receivables		2,326,516	1,578,283
Fixed asset investments		2,326,516	1,578,283
Fixed assets		4,273,358	2,619,487
Receivables from group enterprises		2,887,627	2,138,116
Other receivables		88,672	1,000,000
Deferred tax asset		100,269	160,067
Prepayments		562,137	254,840
Receivables		3,638,705	3,553,023
Cash at bank and in hand		11,271,880	18,515,220
Current assets		14,910,585	22,068,243
Assets		19,183,943	24,687,730

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		2,770,026	-1,332,735
Proposed dividend for the year		0	7,000,000
Equity		3,270,026	6,167,265
Trade payables		1,799,295	486,024
Payables to group enterprises		1,443,043	0
Corporation tax		238,902	1,317,122
Other payables		12,432,677	16,717,319
Short-term debt		15,913,917	18,520,465
Debt		15,913,917	18,520,465
Liabilities and equity		19,183,943	24,687,730

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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	500,000	622,943	7,000,000	8,122,943
Net effect of correction of material misstatements	0	-1,955,678	0	-1,955,678
Adjusted equity at 1 January	500,000	-1,332,735	7,000,000	6,167,265
Ordinary dividend paid	0	0	-7,000,000	-7,000,000
Net profit/loss for the year	0	4,102,761	0	4,102,761
Equity at 31 December	500,000	2,770,026	0	3,270,026

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	27,011,212	32,020,745
Pensions	1,998,412	1,842,449
Other social security expenses	60,874	43,462
	<u>29,070,498</u>	<u>33,906,656</u>
 Average number of employees	 <u>56</u>	 <u>59</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Depreciation and impairment losses of property, plant and equipment		
Depreciation of property, plant and equipment	644,036	704,865
Gain and loss on disposal	76,482	0
	<u>720,518</u>	<u>704,865</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
3. Income tax expense		
Current tax for the year	1,100,902	2,157,122
Deferred tax for the year	59,798	-16,251
	<u>1,160,700</u>	<u>2,140,871</u>

Notes to the Financial Statements

4. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	5,594,979	1,912,516
Additions for the year	1,472,365	179,551
Disposals for the year	-3,816,527	-1,912,516
Cost at 31 December	<u>3,250,817</u>	<u>179,551</u>
Impairment losses and depreciation at 1 January	4,711,176	1,755,115
Depreciation for the year	528,705	115,332
Reversal for the year of previous years impairment losses	-3,756,355	-1,870,447
Impairment losses and depreciation at 31 December	<u>1,483,526</u>	<u>0</u>
Carrying amount at 31 December	<u>1,767,291</u>	<u>179,551</u>
Depreciated over	<u>3-5 years</u>	<u>6 years</u>
	<u>2022</u>	<u>2021</u>
	DKK	DKK

5. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	2,291,877	3,896,497
Between 1 and 5 years	9,663,542	267,185
	<u>11,955,419</u>	<u>4,163,682</u>

6. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Nu Skin International Inc.	75 West Center Provo, UT 84601 United States

Notes to the Financial Statements

7. Accounting policies

The Annual Report of Nu Skin Scandinavia A/S for 2022 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 2022 are presented in DKK.

Correction of material misstatements

A material misstatement of DKK 1,956k has been corrected in the Financial Statements for 2022. The material misstatement of DKK 1,956k was recognized as intercompany receivables (Nu Skin Norway AS) which should have been recognized as expenses as a result of sale of investment in Nu Skin Norway AS in 2016.

The change implies a negative impact on the intercompany receivables at 31 December 2022 and equity per 1 January 2021 of DKK 1,956k. Comparative figures for 2021 have been restated.

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

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.

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

Income statement

Net sales

Revenue is recognised in the income statement when the sale is earned.

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 as well as office expenses, etc.

Gross profit

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

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment, including gain and losses on the sale 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.

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.

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	3-5 years
Leasehold improvements	6 years

Notes to the Financial Statements

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

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 amortisation and depreciation.

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

Other fixed asset investments

Fixed asset investments consist of deposits.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums and leasing etc.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

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 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.

Financial debts

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