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# ***Nu Skin Scandinavia A/S***

Havneholmen 25, DK-1561 København V

## **Annual Report for 1 January - 31 December 2021**

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CVR No 21 48 09 08

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
27/5 2022

Lise Lauridsen  
Chairman of the General  
Meeting



**pwc**

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nu Skin Scandinavia A/S 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.

Copenhagen, 27 May 2022

## Executive Board

Ryan Shea Napierski  
Executive Officer

## Board of Directors

Mark Harold Lawrence  
Chairman

Mikael Frans Georg Linder

Ryan Shea Napierski

Elna de Moraes

# Independent Auditor's Report

To the Shareholder of Nu Skin Scandinavia A/S

## Opinion

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.

We have audited the Financial Statements of Nu Skin Scandinavia A/S for the financial year 1 January - 31 December 2021, 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 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.

## 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 misstate-

# Independent Auditor's Report

ment, 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 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.

# Independent Auditor's Report

- 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.

Hellerup, 27 May 2022

**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  
Havneholmen 25  
DK-1561 København V

Telephone: + 45 39 54 80 00

CVR No: 21 48 09 08

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

### **Board of Directors**

Mark Harold Lawrence, Chairman  
Mikael Frans Georg Linder  
Ryan Shea Napierski  
Elna de Moraes

### **Executive Board**

Ryan Shea Napierski

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-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 2021 shows a profit of DKK 7,511,430, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 8,122,943.

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

## 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	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>44,817,009</b>	<b>40,140,431</b>
Staff expenses	1	-33,906,656	-31,119,563
Depreciation, amortisation and impairment of property, plant and equipment	2	-704,865	-913,925
<b>Profit/loss before financial income and expenses</b>		<b>10,205,488</b>	<b>8,106,943</b>
Financial income		0	331,257
Financial expenses		-553,187	-37,124
<b>Profit/loss before tax</b>		<b>9,652,301</b>	<b>8,401,076</b>
Tax on profit/loss for the year	3	-2,140,871	-1,932,152
<b>Net profit/loss for the year</b>		<b>7,511,430</b>	<b>6,468,924</b>

## Distribution of profit

### Proposed distribution of profit

Proposed dividend for the year	7,000,000	9,000,000
Retained earnings	511,430	-2,531,076
	<b>7,511,430</b>	<b>6,468,924</b>

# Balance Sheet 31 December

## Assets

	Note	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		883,803	1,005,433
Leasehold improvements		157,401	317,092
<b>Tangible assets</b>	4	<b>1,041,204</b>	<b>1,322,525</b>
Other receivables		1,578,283	1,547,760
<b>Fixed asset investments</b>		<b>1,578,283</b>	<b>1,547,760</b>
<b>Fixed assets</b>		<b>2,619,487</b>	<b>2,870,285</b>
Receivables from group enterprises		4,093,794	10,176,202
Other receivables		1,000,000	7,914
Deferred tax asset		160,067	143,815
Prepayments		254,840	85,130
<b>Receivables</b>		<b>5,508,701</b>	<b>10,413,061</b>
<b>Cash at bank and in hand</b>		<b>18,515,220</b>	<b>29,761,122</b>
<b>Currents assets</b>		<b>24,023,921</b>	<b>40,174,183</b>
<b>Assets</b>		<b>26,643,408</b>	<b>43,044,468</b>

# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Share capital		500,000	500,000
Retained earnings		622,943	111,513
Proposed dividend for the year		7,000,000	9,000,000
<b>Equity</b>		<b><u>8,122,943</u></b>	<b><u>9,611,513</u></b>
Trade payables		486,024	613,515
Payables to group enterprises		0	1,363,344
Corporation tax		1,317,122	1,114,468
Other payables		16,717,319	30,341,628
<b>Short term debt</b>		<b><u>18,520,465</u></b>	<b><u>33,432,955</u></b>
<b>Debt</b>		<b><u>18,520,465</u></b>	<b><u>33,432,955</u></b>
<b>Liabilities and equity</b>		<b><u>26,643,408</u></b>	<b><u>43,044,468</u></b>
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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	111,513	9,000,000	9,611,513
Ordinary dividend paid	0	0	-9,000,000	-9,000,000
Net profit/loss for the year	0	511,430	7,000,000	7,511,430
<b>Equity at 31 December</b>	<b>500,000</b>	<b>622,943</b>	<b>7,000,000</b>	<b>8,122,943</b>

## Notes to the Financial Statements

	2021 <u>DKK</u>	2020 <u>DKK</u>
<b>1 Staff expenses</b>		
Wages and salaries	32,020,745	29,408,973
Pensions	1,842,449	1,643,166
Other social security expenses	43,462	67,424
	<u><b>33,906,656</b></u>	<u><b>31,119,563</b></u>
<b>Average number of employees</b>	<u><b>59</b></u>	<u><b>54</b></u>
<b>2 Depreciation, amortisation and impairment of property, plant and equipment</b>		
Depreciation of property, plant and equipment	704,865	906,082
Gain and loss on disposal	0	7,843
	<u><b>704,865</b></u>	<u><b>913,925</b></u>
	2021 <u>DKK</u>	2020 <u>DKK</u>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	2,157,122	1,920,468
Deferred tax for the year	-16,251	-64,826
Adjustment of tax concerning previous years	0	76,510
	<u><b>2,140,871</b></u>	<u><b>1,932,152</b></u>

## Notes to the Financial Statements

### 4 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	5,251,084	1,912,516
Additions for the year	423,543	0
Disposals for the year	-79,648	0
Cost at 31 December	<u>5,594,979</u>	<u>1,912,516</u>
Impairment losses and depreciation at 1 January	4,245,651	1,595,424
Depreciation for the year	545,173	159,691
Reversal of impairment and depreciation of sold assets	-79,648	0
Impairment losses and depreciation at 31 December	<u>4,711,176</u>	<u>1,755,115</u>
<b>Carrying amount at 31 December</b>	<b><u>883,803</u></b>	<b><u>157,401</u></b>
Depreciated over	<u>3-5 years</u>	<u>6 years</u>

### 5 Contingent assets, liabilities and other financial obligations

#### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	3,896,497	4,245,698
Between 1 and 5 years	267,185	4,149,922
	<b><u>4,163,682</u></b>	<b><u>8,395,620</u></b>

# Notes to the Financial Statements

## 6 Accounting Policies

The Annual Report of Nu Skin Scandinavia A/S 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 DKK.

### 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

# Notes to the Financial Statements

## 6 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.

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

## Income Statement

### Revenue

Revenue is recognised in the income statement when the sale is considered effected.

### Other external expenses

Other external expenses comprise expenses for premises, sales and 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.



# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### 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

### Tangible assets

Tangible assets 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

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.

### 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.

# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### **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 equity 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.