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# ***Denmark Holdco I ApS***

Ny Carlsberg Vej 80, DK-1799 København V

## **Annual Report for 1 January - 31 December 2022**

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CVR No 25 29 72 45

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
20/3 2023

Melodie Ann Nakhle  
Chairman of the General  
Meeting

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# **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Denmark Holdco I ApS 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.

København, 20 March 2023

## **Executive Board**

Melodie Ann Nakhle  
Executive Officer

Colin Neil Seegmiller  
Executive Officer

# Independent Auditor's Report

To the Shareholder of Denmark Holdco I ApS

## Opinion

We have audited the financial statements of Denmark Holdco I ApS for the financial year 1 January – 31 December 2022, 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 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.

## 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' 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.

## 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, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 20 March 2023

**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**

Denmark Holdco I ApS  
Ny Carlsberg Vej 80  
DK-1799 København V

CVR No: 25 29 72 45

Financial period: 1 January - 31 December

Municipality of reg. office: København

### **Executive Board**

Melodie Ann Nakhle  
Colin Neil Seegmiller

### **Auditors**

EY  
Godkendt Revisionspartnerselskab  
Dirch Passers Allé 36  
DK-2000 Frederiksberg

### **Bankers**

Nordea

## Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Operating profit/loss	-164	-114	-142	-185	-93
Profit/loss before financial income and expenses	-164	-114	-142	-185	-93
Net financials	376,175	267,319	301,348	415,932	307,208
Net profit/loss for the year	376,021	267,018	301,206	415,747	307,115
<b>Balance sheet</b>					
Balance sheet total	514,639	514,856	513,412	513,232	513,417
Equity	514,617	514,653	513,376	391,073	391,258
<b>Ratios</b>					
Gross margin	0.0%	0.0%	0.0%	0.0%	0.0%
Profit margin	0.0%	0.0%	0.0%	0.0%	0.0%
Return on assets	0.0%	0.0%	0.0%	0.0%	0.0%
Solvency ratio	100.0%	100.0%	100.0%	76.2%	76.2%
Return on equity	73.1%	51.9%	66.6%	106.3%	68.6%

In connection with changes to accounting policies in 2020, the comparative figures from 2018 to 2019 have not been restated.



# Management's Review

## Key activities

The objective of Denmark Holdco I ApS is to hold shares in other companies as long-term investments and to carry on other commercial and investment business. The Group's principal operating entities are located in Germany and Korea.

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

Marketing is handled by a network of independent distributors, who receive training support, etc., who are contractually affiliated with the group, and whose earnings are entirely based on sales.

It is not Amway's ambition to supply discount products. The Company seeks to provide differentiated products representing quality, value, service and the Amway Satisfactory Guarantee justifies the comparatively high retail prices of the Company's products. Moreover, the Company believes that its person-to-person, direct selling structure leads to competitive customer services.

## Development in the year

The Income statement of the Company for 2022 shows a profit of TDKK 376,021, and at 31 December 2022 the balance sheet of the Company shows equity of TDKK 514,617, which is in line with the expectations in outlook from last year's financial statement.

## Outlook

In FY2023, Denmark Holdco I ApS is not expecting any revenue, similar to prior years. A dividend in the range of DKKM 428 to 448 is expected to be received from the subsidiaries, resulting in a net profit for the year in the range of DKKM 428 to 448. The dividend is expected to be fully shared to the Shareholder entity.

## 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

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
Other external expenses		-164	-114
<b>Gross profit/loss</b>		<b>-164</b>	<b>-114</b>
Income from investments in subsidiaries		376,057	265,952
Financial income		122	1,371
Financial expenses		-4	-4
<b>Profit/loss before tax</b>		<b>376,011</b>	<b>267,205</b>
Tax on profit/loss for the year	3	10	-187
<b>Net profit/loss for the year</b>		<b>376,021</b>	<b>267,018</b>

## Balance Sheet 31 December

	Note	2022 TDKK	2021 TDKK
<b>Assets</b>			
Investments in subsidiaries	4	513,223	513,223
<b>Fixed asset investments</b>		<b>513,223</b>	<b>513,223</b>
<b>Fixed assets</b>		<b>513,223</b>	<b>513,223</b>
Deferred tax asset	7	10	0
<b>Receivables</b>		<b>10</b>	<b>0</b>
<b>Cash at bank and in hand</b>		<b>1,406</b>	<b>1,633</b>
<b>Currents assets</b>		<b>1,416</b>	<b>1,633</b>
<b>Assets</b>		<b>514,639</b>	<b>514,856</b>
<b>Liabilities and equity</b>			
Share capital	5	600	600
Retained earnings		514,017	514,053
<b>Equity</b>		<b>514,617</b>	<b>514,653</b>
Trade payables		22	16
Corporation tax		0	187
<b>Short-term debt</b>		<b>22</b>	<b>203</b>
<b>Debt</b>		<b>22</b>	<b>203</b>
<b>Liabilities and equity</b>		<b>514,639</b>	<b>514,856</b>
Subsequent events	1		
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## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	600	514,053	514,653
Extraordinary dividend paid	0	-376,057	-376,057
Net profit/loss for the year	0	376,021	376,021
<b>Equity at 31 December</b>	<b>600</b>	<b>514,017</b>	<b>514,617</b>

# Notes to the Financial Statements

## 1 Subsequent events

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

## 2 Staff expenses

### Average number of employees

No wages or salaries was paid in the financial year.

	2022 TDKK	2021 TDKK
	<u>0</u>	<u>0</u>

## 3 Tax on profit/loss for the year

Current tax for the year

Deferred tax for the year

	0	0
	-10	187
	<u>-10</u>	<u>187</u>

## 4 Investments in subsidiaries

Cost at 1 January

Cost at 31 December

Value adjustments at 1 January

Value adjustments at 31 December

### Carrying amount at 31 December

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Amway Danmark ApS	Denmark	100%	86,880	825
Amway Europe Ltd.	UK	100%	1,462,108	257,926
			<u>1,548,988</u>	<u>258,751</u>

Most recently approved annual report for Amway Danmark ApS and Amway Europe Ltd. is 2021.

The foreign subsidiary is measured in DKK currency and is recognised at FX rate at the closing date December 31., 2021.

## Notes to the Financial Statements

### 5 Equity

The share capital consists of 600 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

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

	2022 TDKK	2021 TDKK
<b>6 Distribution of profit</b>		
Extraordinary dividend paid	376,057	265,741
Retained earnings	-36	1,277
	<b>376,021</b>	<b>267,018</b>

### 7 Deferred tax asset

Deferred tax asset at 1 January	0	0
Amounts recognised in the income statement for the year	10	0
<b>Deferred tax asset at 31 December</b>	<b>10</b>	<b>0</b>

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

#### 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.

There are no other security and contingent liabilities at 31 December 2022.

# Notes to the Financial Statements

## 9 Related parties

	<u>Basis</u>
<b>Controlling interest</b>	
Amway Euro Holdings Limited, USA	Parent
Solstice Holdings Inc, USA	Ultimate Parent

### Transactions

During the year, the Company had the following transaction with related parties:

Dividend paid to Group entities: TDKK 376,057 (TDKK 265,741 in 2021)

Dividend received from Group entities: TDKK 376,057 (TDKK 265,952 in 2021)

### 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

## 10 Accounting Policies

The Annual Report of Denmark Holdco I ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 ad (1) of the Danish Financial Statements Act and to the consolidated financial statements of Solstice Holdings Inc., the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Solstice Holdings Inc., the Company has not prepared a cash flow statement.

### 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.

### 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

## 10 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

### Other external expenses

Other external expenses comprise expenses for administration etc.

### 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.

### 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

### Impairment of fixed assets

The carrying amounts of investments in subsidiaries 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.

### 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

## 10 Accounting Policies (continued)

### 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, 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.

#### **Financial debts**

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

## Notes to the Financial Statements

### 10 Accounting Policies (continued)

#### Financial Highlights

##### Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$