
Denmark Holdco I ApS

Ny Carlsberg Vej 80, DK-1799 København V

Annual Report for 2023

CVR No. 25 29 72 45

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 20/6 2024

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 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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, 20 June 2024

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 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

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 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 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.

Independent Auditor's report

- 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.

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.

Copenhagen, 20 June 2024

EY Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Peter Andersen

State Authorised Public Accountant

mne34313

Company information

The Company	Denmark Holdco I ApS Ny Carlsberg Vej 80 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 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross loss	-287	-164	-114	-142	-185
Profit/loss of ordinary primary operations	-287	-164	-114	-142	-185
Profit/loss of financial income and expenses	425,868	376,175	267,319	301,348	415,932
Net profit/loss for the year	425,645	376,021	267,018	301,206	415,747
Balance sheet					
Balance sheet total	767,523	514,639	514,856	513,412	513,232
Equity	514,390	514,617	514,653	513,376	391,073
Ratios					
Solvency ratio	67.0%	100.0%	100.0%	100.0%	76.2%
Return on equity	82.7%	73.1%	51.9%	66.6%	106.3%

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 process 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 2023 shows a profit of TDKK 425,645 (TDKK 376,021 in 2022), and at 31 December 2023 the balance sheet of the Company shows equity of TDKK 514,390 (TDKK 514,617 in 2022), which is in line with the expectations in outlook from last years financial statement.

Outlook

In FY2023, Denmark Holdco I ApS is not expecting any revenue, similar to prior years. On February 5, 2024 a dividend in the amount of TDKK 169,158 was received from the subsidiaries. The dividend was fully shared to the Shareholder entity.

Subsequent events

In February 2024 Amway Euro Holdings Limited made a capital injection in amount of TDKK 78,872 to its wholly-owned subsidiary Denmark Holdco I ApS. Next Denmark Holdco I ApS made a contribution in the amount of TDKK 78,525 to its wholly owned subsidiary Amway Danmark ApS.

Extraordinary dividend after year end was distributed on February 5, 2024. A corresponding amount was received as dividend from group entities.

In 2023, the tax authority initiated an audit of the dividend withholding tax (WHT) liability. Following an internal investigation, the entity anticipates an additional WHT payment for the past four years. Based on the information available as of the financial statement date, the expected WHT amount is TDKK 252,962. However, as the investigation is still ongoing, this amount may be subject to change. The tax liability will be settled by the shareholder, Amway Euro Holdings Limited. And the potential payment will therefore be neutral for the company and will not effect the company's financial position.

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Other external expenses		-287	-164
Gross loss		-287	-164
Income from investments in subsidiaries		425,872	376,057
Financial income		38	122
Financial expenses		-42	-4
Profit/loss before tax		425,581	376,011
Tax on profit/loss for the year	2	64	10
Net profit/loss for the year	3	425,645	376,021

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Investments in subsidiaries	4	513,223	513,223
Fixed asset investments		513,223	513,223
Fixed assets		513,223	513,223
Receivables from group enterprises		252,962	0
Deferred tax asset	5	74	10
Receivables		253,036	10
Cash at bank and in hand		1,264	1,406
Current assets		254,300	1,416
Assets		767,523	514,639

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	6	600	600
Retained earnings		513,790	514,017
Equity		514,390	514,617
Trade payables		171	22
Corporation tax		252,962	0
Short-term debt		253,133	22
Debt		253,133	22
Liabilities and equity		767,523	514,639
Staff	1		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	600	514,017	514,617
Extraordinary dividend paid	0	-425,872	-425,872
Net profit/loss for the year	0	425,645	425,645
Equity at 31 December	600	513,790	514,390

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
1. Staff		
Average number of employees	<u>0</u>	<u>0</u>
No wages or salaries was paid in the financial year.		
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
2. Income tax expense		
Deferred tax for the year	<u>-64</u>	<u>-10</u>
	<u>-64</u>	<u>-10</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
3. Profit allocation		
Extraordinary dividend paid	425,872	376,057
Retained earnings	<u>-227</u>	<u>-36</u>
	<u>425,645</u>	<u>376,021</u>

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
4. Investments in subsidiaries		
Cost at 1 January	713,223	713,223
Cost at 31 December	713,223	713,223
Value adjustments at 1 January	-200,000	-200,000
Value adjustments at 31 December	-200,000	-200,000
Carrying amount at 31 December	513,223	513,223

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
Amway Danmark ApS	Denmark	100%	86,539	-346
Amway Europe Ltd.	UK	100%	1,417,945	385,209
			1,504,484	384,863

Most recently approved annual report for Amway Europe Ltd. is 2022.

The foreign subsidiary is measured in DKK currency and is recognised at FX rate at the closing date December 31., 2022.

	2023	2022
	TDKK	TDKK
5. Deferred tax asset		
Deferred tax asset at 1 January	10	0
Amounts recognised in the income statement for the year	64	10
Deferred tax asset at 31 December	74	10

6. Share capital

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

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

Notes to the Financial Statements

7. Contingent assets, liabilities and other financial obligations

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.

There are no other security and contingent liabilities at 31 December 2023.

8. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
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 425,872 (TDKK 376,057 in 2022)

Dividend received from Group entities: TDKK 425,872 (TDKK 376,057 in 2022)

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

9. Subsequent events

In February 2024 Amway Euro Holdings Limited made a capital injection in amount of TDKK 78,872 to its wholly-owned subsidiary Denmark Holdco I ApS. Next Denmark Holdco I ApS made a contribution in the amount of TDKK 78,525 to its wholly owned subsidiary Amway Danmark ApS.

Extraordinary dividend after year end was distributed on February 5, 2024. A corresponding amount was received as dividend from group entities.

In 2023, the tax authority initiated an audit of the dividend withholding tax (WHT) liability. Following an internal investigation, the entity anticipates an additional WHT payment for the past four years. Based on the information available as of the financial statement date, the expected WHT amount is TDKK 252,962. However, as the investigation is still ongoing, this amount may be subject to change. The tax liability will be settled by the shareholder, Amway Euro Holdings Limited. And the potential payment will therefore be neutral for the company and will not effect the company's financial position.

Notes to the Financial Statements

10. Accounting policies

The Annual Report of Denmark Holdco I ApS for 2023 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 2023 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 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.

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.

Notes to the Financial Statements

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

Investments in subsidiaries

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

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.

For investments indicating potential impairment, the company assesses their recoverable amount by forecasting future cash flows and discounting them to present value. As of the end of 2023, management concluded that no investments required adjustments below their carrying amount due to impairment.

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.

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.

Notes to the Financial Statements

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 liabilities

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

Financial Highlights

Explanation of financial ratios

Solvency ratio $\text{Equity at year end} \times 100 / \text{Total assets at year end}$

Return on equity $\text{Net profit for the year} \times 100 / \text{Average equity}$