

Awaze A/S

Virumgårdsvej 27

2830 Virum

Central Business Registration

No 17484575

Annual report 2022

The Annual General Meeting adopted the annual report on 25.05.2023

Chairman of the General Meeting

Name: Mary Ann Sigler

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Entity details

Entity

Awaze A/S

Virumgårdsvej 27

2830 Virum

Denmark

Central Business Registration No: 17484575

Registered in: Lyngby-Taarbæk, Denmark

Financial year: 01.01.2022 – 31.12.2022

Phone: +4570424424

Website: www.novasol.dk

E-mail: novasol@novasol.dk

Board of Directors

Rupa Pravin Patel, Chairwoman

Henrik V. Kjellberg

Dennis Kilian

Martin Røvsing

Executive Board

Henrik V. Kjellberg

Dennis Kilian

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Herredsvej 32

7100 Vejle

Denmark

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Awaze A/S for the financial year 01.01.2022 – 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2022 and of the results of their operations for the financial year 01.01.2022 – 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Virum, 25.05.2023

Board of directors

Rupa Parvin Patel
Chairwoman

Henrik Vilhelm Kjellberg

Dennis Kilian

Martin Rovsing

Executive Board

Henrik Vilhelm Kjellberg

Dennis Kilian

Independent auditor's report

To the Shareholders of Awaze 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 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 Awaze 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 summary of significant accounting policies ("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.

Independent auditor's report

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 judgment 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.

Independent auditor's report

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.

Trekantomraadet, 25.05.2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lars Almskou Ohmeyer
State Authorised Public Accountant
mne24817

Lasse Berg
State Authorised Public Accountant
mne35811

Management Commentary

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Rental revenue	1.053.840	904.523	774.841	881.305	850.563
Gross profit/loss	418.972	412.384	340.888	345.046	288.337
Operating profit/loss	35.797	60.518	28.632	54.303	-21.630
Net financials	1.789	-53.598	-56.299	-10.707	8.875
Profit/loss for the year	22.254	-28.301	-37.972	6.958	-24.193
Total assets	2.387.595	1.783.012	1.749.523	1.848.952	1.628.749
Investments in property, plant and equipment	9.502	10.085	2.931	18.956	25.611
Equity	472.523	453.654	483.851	522.861	470.753
Ratios					
Operating margin	3,4%	6,7%	3,7%	6,2%	-2,5%
Revenue/Assets	0,4	0,5	0,4	0,5	0,5
Assets/Equity	5,1	3,9	3,6	3,5	3,4
Return on equity	4,8%	-6,0%	-7,5%	1,4%	-5,3%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analyst. For definitions see under accounting policies.

Management Commentary

Primary activities

Awaze is a Danish intermediary of individual holiday homes rental in more than 25 European countries under the brands Novasol, Dansommer, Fanøspecialisten, Dansk Familieferie, BornholmTours as well as Ardennes Etape located in Belgium, and Fincallorca focused on the German market. The Company focuses on continuous development of its products and services to ensure that the house or apartment owner obtains a cash profit from the collaboration with Awaze.

Based on an agreement concluded with the individual owner, the holiday home or apartment is offered for rental either directly to the end-user or via travel agencies in the European countries.

The Company is the market leader in Europe within holiday home rental and has around 50,000 holiday homes under its wings. The Company aspires to be the preferred partner for house owners and holiday guests alike.

Development in activities and finances

In 2022 Awaze had an increase in rental revenue by DKK 149.3 million, when compared to the previous year. The previous year was heavily impacted by the Covid-19 pandemic, whereas 2022 was only partially affected in the spring by cross boarder restrictions in Europe. The increase in revenue was due to a significant increase in arrivals in the high season period in most countries, as well as material increase in the willingness from northern and central European customers to travel to the South of Europe in the high season of the summer. Domestic accommodation continued to be high in demand especially Denmark, Germany and the Netherlands – and were high in demand all through the autumn months as well.

In 2022 Awaze has finalized the centralization of activities into Virum, but are still serving all of its main guest markets to drive continued growth in both rental income and occupancy and to improve the Awazes position in a market characterised by major competition.

The management considers the result in 2022 as being satisfying, seen in the light of the Covid-19 pandemic impacting the early part of the season and its impact on society in general and especially the travel industry.

Equity amounted to DKK 472.523 million corresponding to an equity ratio of 19,8%.

Awaze had an average of 709 employees compared to 657 prior year.

Unusual circumstances affecting recognition and measurement

Awaze was also in 2022 impacted by the Covid-19 pandemic in the first part of the year, but did not seek any governmental support.

Management Commentary

Capital resources

After making enquiries as well as a projection for 2022, Management have confidence in that Awaze has adequate resources to continue in operational existence for the foreseeable future. The present ongoing war in Ukraine constitutes a risk to the business, but is at present not seen as material. First quarter bookings are at the expected and projected levels. This is also basis of fact that the paramount of the demand and supply is in the western part of Europe.

Branches

Awaze has branches in Belgium, Spain and Italy. In addition Awaze has representation offices in Germany and France.

Outlook

In 2023, Awaze expects revenues to be fully unaffected by the past Covid-19 pandemic and only limited impacted by the ongoing war in Ukraine. No travel nor accommodation restriction are implemented by the governments in Europe at present. The summer season carries positive outlooks, due to continued appetite for domestic holiday making as well as the return of cross boarder bookings in Denmark, Germany and the Netherlands. The Southern part of Europe is also back to normal in terms of demand – though bookings are coming in slightly later for the high season compared to previous normal years. This is not perceived to be a problem as product offering has shown to be robust also in troubled times. Awaze plans to keep the adding of properties to the portfolio as in 2022.

In total, Awaze expects a 2023 with a positive result exceeding 2022.

Operating risks

Awaze has an ongoing collaboration with relevant consultants in the individual European countries to monitor compliance with the European legislation. Management does not believe that this presents a significant operating risk. In respect to VAT "Skattestyrelsen" in Denmark has ruled, that Awaze is liable for paying VAT on non-mandatory cleaning purchased at the time of booking. Awaze does not agree in this ruling and has decided to take the case to court.

Financial risks

Management does not believe that there are any significant financial risks.

Management Commentary

Currency risks

The activities abroad mean that the results, cash flows and equity are affected by developments in foreign exchange for the various currencies. The most important foreign currencies are EUR, NOK and SEK. No hedging is taking place due to the fact that the EUR/DKK is very stable and the exposure to NOK and SEK is limited as cash inflows (customer payments) and outflows (house owner payments) are settled in the same currency.

Awaze does not engage in speculative currency transactions.

Exchange risks attributable to investments in subsidiaries abroad are not hedged, as such risks are not deemed to be significant.

Interest-rate risks

As Awaze does not have any significant interest-bearing items over prolonged periods, changes in the level of interest rates will not have any material impact on the profit for the year.

Credit risks

Awaze does not have significant risks regarding any single customer as there is a large spread among customers, as well as all rental payments are mandatory due before arrival.

Statutory report on corporate social responsibility, Danish Financial Statements Act § 99a

In respect of Awaze's business model we refer to description above.

Awaze wishes to comply with legislation and rules in the countries and local communities in which it operates. Awaze operates in well-regulated markets, where legislation and voluntary agreements set relatively clear guidelines for corporate social responsibility. Based on the fact that Awaze operates within the guidelines and legislations in Denmark and the other European countries it is Awaze's assessment that risk of having a significantly negative impact on climate and environment, human rights, social- and employee relations, anti-corruption and bribery is very limited. This is founded in the nature of the business model we operate. The business model is a predominately online based intermediary of individual holiday homes rental.

As the company does not own the houses that it rents to guests, our environmental impact is limited to resource consumption arising from administrative task.

The company has therefore assessed that the risks are low, and the company has therefore not found it necessary to have a policy for the climate and environment area.

The company does not own the houses that it rents to guests and does not have a supply chain the company has assessed that the risk of violating human rights is limited and therefore the company does not have a policy within the area.

Management Commentary

Employees are of considerable importance to the success of the business and their welfare and development is always high on the agenda. A changing environment provides opportunity for career progression and focus is therefore being placed on the development of management skills to ensure all individuals receive the best chance of progression. The Company is committed to a culture in which extensive dialogue and team working is strongly prevalent and continues to keep them informed on the various factors affecting the performance of the company. Employees are consulted on matters directly impacting their business areas wherever practicable. A good benefits package is already offered but is under continual review to ensure it remains competitive or better than comparable companies in the local areas. Employee involvement in the performance of the business is encouraged by various incentive schemes across the Group.

The Company's policy is to provide equal recruitment and other opportunities for all employees, regardless of sex, religion, colour, age and race. Our policy is to give full consideration to employment applications from disabled people and to ensure that disabled employees have equal opportunity with other employees for advancement and access to training programs. It is also our policy to provide every possible help to retain employees who have become disabled whilst working within the company. It is the practice to encourage lines of employee communications through means such as briefing groups and newsletters.

In 2022 the first round of the program "Awaze Women In Leadership Mentoring Programme" where 3 people finalized the course and the programme continues in 2023 where a new course has started. The company will continue to make and develop these programs to ensure equal opportunities.

The company operates within Europe where corruption and bribery risks are low and limited cash transaction anti-corruption and bribery are assessed as low risk areas and therefore no policy are implemented at the moment.

Statutory report on the underrepresented gender, Danish Financial Statements Act § 99b

Awaze has set qualitative target figures for the purpose of female employees from 1 April 2013 still feeling that they have the same career and leadership opportunities as the male employees.

The target for the Board

Members of the Board are and will be designated on the basis of the total qualifications of the member and not with regard to the gender. The current gender distribution of Awaze's shareholder-elected directors is the following in 2022 1 woman (Chairwoman) and 3 men. Our target is to increase the number of women in the Board to 2 by 2024.

The current gender distribution at Awaze's other management levels are approximately 67% men and 33% women. Based on Act No. 1383 of 23 December 2012, Awaze has established qualitative target figures for the purpose of female employees from 1 April 2013 still feeling that they have the same career and leadership opportunities as the male employees. As of today, the senior management team comprises of 3 men and 1 woman.

Management Commentary

Statement of policy on data ethics, Danish Financial Statement Act § 99d

We are committed to using data in an ethical way. As part of this, we are committed to protecting the personal data entrusted to us by customers, partners and employees in line with the General Data Protection Regulation (GDPR). We aim to be as transparent as possible when explaining how we use their data and use it in fair ways that do not have unjust effects on them. We ensure this data is properly secured by adhering to recognised operational and technical security best practice safeguards which enable us to monitor, detect and, where necessary, respond to cyber security events. Our internal awareness training includes mandatory data protection and cyber security e-learning to ensure our employees understand the importance of data protection and security. In 2023 we will continue to further refine our approach to data ethics by reviewing evolving laws and guidance and implementing any necessary changes to our processes.

Events after the balance sheet date

In February 2023, Awaze established a branch in Portugal to explore the Portuguese market. In April 2023 the board approved the merger of Samsø Feriehusudlejning ApS into Awaze A/S effectively 1st of January 2023.

Income statement

	Notes	2022 DKK'000	2021 DKK'000
Rental Revenue	2	1.053.840	904.523
Other external expenses		- 634.868	- 495.230
Other operating income over gross profit	3	-	3.091
Gross profit/Loss		418.972	412.384
Staff costs	4	- 362.621	- 329.241
Depreciation, amortisation and impairment losses	5	- 20.554	- 22.625
Operating profit/loss		35.797	60.518
Income from investmens in group enterprises		4.500	-
Other financial income	6	51.692	40.165
Other financial expenses	7	- 49.903	- 93.763
Profit/loss before tax		42.086	6.920
Tax on profit/loss for the year	8	- 19.832	- 35.221
Profit/loss for the year	9	22.254	- 28.301

Balance sheet

	Notes	2022 DKK'000	2021 DKK'000
Acquired rights		12.967	14.557
Goodwill		-	1.110
Other intangible assets		18.991	18.964
Intangible assets	10	31.958	34.631
Land and buildings		4.621	6.619
Plant and machinery		8.784	8.909
Leasehold improvements		6.363	4.286
Property, plant and equipment	11	19.768	19.814
Investments in group enterprises		753.585	239.676
Deposits		43.542	43.401
Fixed asset investments	12	797.127	283.077
Fixed assets		848.853	337.521
Maintenance and cleaning materials		3.404	3.020
Inventories		3.404	3.020
Trade receivables		807.582	757.072
Receivables from group enterprises		641.306	614.234
Other receivables		4.681	3.821
Prepayments	13	6.426	9.950
Corporation tax		125	-
Receivables		1.460.120	1.385.077
Cash	14	75.218	57.394
Current assets		1.538.742	1.445.491
Assets		2.387.595	1.783.012

Balance sheet

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital	15	3.750	3.750
Retained earnings		468.773	449.904
Equity		472.523	453.654
Deferred tax	16	28.415	30.543
Provisions		28.415	30.543
Other payables	17	5.085	6.321
Non-current liabilities other than provisions		5.085	6.321
Trade payables		812.786	800.834
Payables to group enterprises		860.704	200.402
Income tax payable		17.465	40.769
Other payables	17	140.364	188.100
Deferred income	18	50.253	62.389
Current liabilities other than provisions		1.881.572	1.292.494
Liabilities other than provisions		1.886.657	1.298.815
Equity and liabilities		2.387.595	1.783.012
Subsequent events	1		
Unrecognised rental and lease commitments	19		
Contigent Liabilities	20		
Related parties with controlling interest	21		
Fee to auditors appointed at the general meeting	22		

Statement of changes in equity for 2022

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	3.750	449.904	453.654
Exchange rate adjustments	-	(3.385)	(3.385)
Profit/loss for the year	-	22.254	22.254
Equity end of year	3.750	468.773	472.523

Notes to financial statement

1. Subsequent events

No further events have occurred after the balance sheet date that affect the company's financial position.

	2022	2021
	DKK'000	DKK'000
2. Rental revenue		
Germany	532.025	436.750
Scandinavia	345.680	338.192
Other countries	176.135	129.581
	1.053.840	904.523

3. Other operating income

Covid-19 support	-	3.091
	-	3.091

4. Staff costs

Wages and salaries	332.099	303.775
Pension costs	22.315	17.756
Other social security costs	8.207	7.710
	362.621	329.241

Average number of employees	709	657
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	Remuneration of management 2022 DKK'000	Remuneration of management 2021 DKK'000
Executive Board	7.768	8.862
	7.768	8.862

Notes to financial statement

	2022 DKK'000	2021 DKK'000
5. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	14.531	17.134
Depreciation of property, plant and equipment	6.023	5.491
	20.554	22.625
6. Other financial income		
Financial income arising from group enterprises	35.203	30.267
Gain on fixed assets	5.788	-
Interest income	10.701	9.898
	51.692	40.165
7. Other financial expenses		
Financial expenses from group enterprises	32.275	8.744
Interest expenses	7.962	3.675
Impairment losses on investments in group enterprises	-	79.249
Other financial expenses	-	212
Currency loss	9.666	1.883
	49.903	93.763
8. Tax on profit/loss for the year		
Tax on current year taxable income	7.956	23.737
Change in deferred tax for the year	(2.128)	13.085
Adjustment concerning previous years	14.004	(1.601)
	19.832	35.221
9. Proposed distribution of profit/loss		
Retained earnings	22.254	(28.301)
	22.254	(28.301)

Notes to financial statement

	2022	2022	2022
	Acquired rights	Goodwill	Computer software
	DKK'000	DKK'000	DKK'000
10. Intangible assets			
Cost beginning of year	46.116	20.893	81.614
Adjustments	100	-	(805)
Additions	-	-	12.775
Cost end of year	46.216	20.893	93.584
Amortisation and impairment losses beginning of year	(31.559)	(19.783)	(62.650)
Adjustments	-	-	(212)
Amortisation for the year	(1.690)	(1.110)	(11.731)
Amortisation and impairment losses end of year	(33.249)	(20.893)	(74.593)
Carrying amount end of year	12.967	-	18.991

Notes to financial statement

	2022 Land and buildings DKK'000	2022 Plant and machinery DKK'000	2022 Leasehold improvements DKK'000
11. Property, plant and equipment			
Cost beginning of year	13.312	58.090	12.380
Adjustments	-	(1.158)	(667)
Additions	6	5.560	3.936
Disposals	(2.800)	(75)	(42)
Cost end of year	10.518	62.417	15.607
Depreciation and impairment losses beginning of the year	(6.693)	(49.181)	(8.094)
Depreciation for the year	(296)	(4.536)	(1.192)
Disposals	1.093	75	41
Adjustments	(1)	8	1
Depreciation and impairment losses end of the year	(5.897)	(53.633)	(9.244)
Carrying amount end of year	4.621	8.784	6.363

Notes to financial statement

	2022	2022
	Investments in group enterprises DKK'000	Deposits DKK'000
12. Fixed asset investments		
Cost beginning of year	318.925	43.401
Additions	513.909	141
Cost end of year	832.834	43.542
Impairment losses beginning of year	(79.249)	-
Impairment losses end of year	(79.249)	-
Carrying amount end of year	753.585	43.542

Name:

	Place of registered office	Votes and ownership	Currency	Result DKK'000	Equity DKK'000
Novasol AS	Oslo	100%	NOK	1.190	7.404
Novasol Service GmbH*	Hamburg	100%	EUR	9	2.302
Novasol AB	Göteborg	100%	SEK	1.663	5.437
Novasol B.V.	Terheijden	100%	EUR	229	3.475
Novasol S.R.O.*	Prague	100%	CZK	-74	2.802
Novasol Polska Sp.Z.o.o.	Stettin	100%	PLN	123	1.261
Novasol Reise GmbH*	Hamburg	100%	EUR	76	3.812
Novasol d.o.o.	Pula	100%	HRK	4.927	12.736
Asteria Srl.	Stavelot	100%	EUR	3.787	8.462
Esoledad S.A.	Wempehardt	97,3%	EUR	47	824
Vacation Rentals SARL	Cannes	100%	EUR	45	1.912
Fincallorca GmbH	Bielefeld	100%	EUR	2.377	1.620
StrandBergen B.V.	Bergen aan Zee	100%	EUR	309	777
BornholmTours ApS	Nexø	100%	DKK	15.569	18.268
Samsø feriehusudlejning ApS	Tranebjerg	100%	DKK	2.993	4.500
Meus d.o.o	Zagreb	100%	HRK	15.107	23.385
My Istria d.o.o.	Poreč	100%	EUR	4.819	4.799
Adria Luxury Rent d.o.o	Zadar	100%	EUR	3.692	7.112
Anaka SAS	Vanves	100%	EUR	116	252
Die Ferienhaus-Agentur GmbH*	Kappeln	100%	EUR	104	313
Sandy Blue LDA	Almancil	100%	EUR	443	451

2021 accounts are the latest signed accounts for these entities.

* 2020 figures

Notes to financial statement

13. Prepayments

Prepayments consist of prepaid expenses concerning rent, IT, service costs, etc.

14. Cash

The Novasol companies participate in a cash pool scheme.

	Number	Par value DKK'000	Nominal value DKK'000
15. Contributed capital			
Ordinary A shares	37.500	100	3.750
	37.500		3.750

	2022 DKK'000	2021 DKK'000
16. Deferred tax		
Beginning of year	30.543	17.489
Adjustment concerning previous years	-	(32)
Recognised in the income statement	(2.128)	13.085
End of year	28.415	30.543

17. Other payables		
Due within 1 year	140.364	188.100
Due between 1 and 5 years	-	-
Due after 5 years	5.085	6.321
	145.449	194.421

18. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

19. Unrecognised rental and lease commitments

Hereof liabilities under rental or lease agreements until maturity in total

139.087	149.491
139.087	149.491

Notes to financial statement

20. Contingent liabilities

The 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 Compass Bidco ApS, which is the management company of the joint taxation purposes.

21. Related parties with controlling interest

Controlling interest

Compass Bidco ApS, Amaliegade 10, 1256 Copenhagen K, Denmark, Owner.

PE Compass Holding SARL, a limited liability company registered in Luxembourg, which is an investment vehicle ultimately controlled by Platinum Equity Capital Partners International IV (Cayman), LP, Ultimate owner.

Transactions

The company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The company is included in the consolidated report for the parent company:

PE Compass Holding II Limited
100 New Bridge Street
London
United Kingdom
EC4V 6JA

The Group annual report of PE Compass Holding II Limited may be obtained at the following address:

PE Compass Holding II Limited
100 New Bridge Street
London
United Kingdom
EC4V 6JA

22. Fee to auditors appointed at the general meeting

According to section 96(3) of the Danish Financial Statement Act, audit fees are only specified in the consolidated financial statement for the parent company PE Compass Holding II Limited.

Accounting policies

Reporting class and currency

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large). The annual report is presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of PE Compass Holding II Limited, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86 (4) of the Danish Financial Statements Act the company has not prepared a cash flow statement.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Segment information on revenue

The disclosure on revenue allocated on geographical areas has been prepared based on the geography of the customer. No disclosure on activities has been prepared as management sees the activities of the company as one.

Income statement

Revenue

Rental revenue comprises of gross revenue from guest deducted with payment to houseowner.

The recognition criterion for revenue for rental of holiday houses is acceptance of the rental agreement. For revenue relating to services regarding the rental of holiday houses the revenue is recognized at the time of delivery.

Other external expenses

Other external expenses comprise costs for catalogues, distribution, sales, advertising, administration, premises, bad debts etc.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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, including gains and losses on the sale of property, plant and equipment.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

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.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Accounting policies

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the year's taxable income, adjusted for paid on-account tax.

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc. comprise acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. The amortisation periods used are 7 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 20 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Accounting policies

Computer software

Computer software are measured at cost less accumulated amortization and impairment. Amortization is provided on a straight-line basis over the expected useful lives of the assets.

The amortisation periods used are 3 years.

Computer software are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, sub suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	30 years
Plant and machinery	25 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in subsidiaries are recognised and measured to the lower of historical cost and net realisable value.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

The cost of goods for resale, raw materials and consumables comprises the acquisition price plus delivery costs.

The net realizable value of inventories is stated as the expected selling price less costs of completion and costs incurred to execute the sale.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised and measured under the balance sheet liability method comprising all temporary differences between the carrying amount and the tax base of assets and liabilities. The tax base of the assets is stated based on the planned use of the individual assets.

Deferred tax is measured in accordance with the tax rules and tax rates in the various countries that will apply under the legislation in force at the balance sheet date when the deferred tax. Any change in deferred tax as a consequence of changes in tax rates are recognised in the income statement.

Deferred tax assets, including the tax value of tax losses allowed for carry forward, are measured in the balance sheet at the value at which the asset is expected to be realisable, either through offsetting in deferred tax liabilities or as net tax assets.

The parent company is jointly taxed with Danish companies in the Compass Bidco ApS. The current income tax is distributed between the jointly taxed companies in proportion to their taxable incomes (full absorption with refunds for tax losses).

Other taxes

This item includes tax amounts calculated on another basis than income for the year, including environmental tax etc., which are not refunded to the Entity.

Deferred tax relating to re-taxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Debt

At the time of borrowing, debt is measured at cost which corresponds to the proceeds received less transaction costs incurred. Debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Accounting policies

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income is measured in the balance sheet at cost of services not yet provided added expected profit.

Financial highlights

Definition of financial ratios

Operating Margin:	$\frac{\text{Operating Profit}}{\text{Rental Revenue}}$
Revenue/Assets:	$\frac{\text{Rental Revenue}}{\text{Total Assets}}$
Assets/Equity:	$\frac{\text{Total Assets}}{\text{Equity}}$
Return on Equity:	$\frac{\text{Profit for the year}}{\text{Average Equity}}$