



## Wyndham Worldwide Denmark ApS

Vestergade 3 B, 1.  
8000 Aarhus C  
CVR No. 26443849

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 16.09.2020

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**Joseph Michael Hollingshead**  
Chairman of the General Meeting

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# Entity details

## Entity

Wyndham Worldwide Denmark ApS  
Vestergade 3 B, 1.  
8000 Aarhus C

CVR No.: 26443849  
Registered office: Aarhus  
Financial year: 01.01.2019 - 31.12.2019

## Executive Board

Joseph Michael Hollingshead  
Sherri Yvonne Avara

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P. O. Box 1600  
0900 Copenhagen C

# Statement by Management

The Executive Board has today considered and approved the annual report of Wyndham Worldwide Denmark ApS for the financial year 01.01.2019 - 31.12.2019.

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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Aarhus, 16.09.2020

**Executive Board**

**Joseph Michael Hollingshead**

**Sherri Yvonne Avara**

# Independent auditor's report

## To the shareholder of Wyndham Worldwide Denmark ApS

### Opinion

We have audited the financial statements of Wyndham Worldwide Denmark ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the 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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter regarding circumstances in the financial statements

We draw attention to the disclosures in note 2 to the financial statements, which describe the impact of the outbreak of the coronavirus disease on the Company's activities and liquidity, as well as the continued uncertainty about the duration and extent of the pandemic, and with it the impact on the Company's measurement of investments in associates. Our conclusion has not been modified in this regard.

Moreover, we also draw attention to the disclosures in note 1 to the financial statements, which describe the consequences of the adjustment to the purchase price of the investments in associates and the agreement made with the seller on 31.08.2020. Our conclusion has not been modified in this regard.

### 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 16.09.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Flemming Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne27790

# Management commentary

## Primary activities

The primary activity of the Company is to own shares in group companies.

The Company owns the following entities:

EMEA Holdings C.V. (2.68%)

## Development in activities and finances

Results for the year constitute a loss of DKK 17 million. On 31.12.2019, equity amounted to DKK 654 million. In 2019, the Company did neither sell nor acquire any new equity investments. Management does not consider the loss satisfactory.

On 04.01.2018, Wyndham Worldwide Denmark ApS acquired an ownership interest in EMEA Holdings C.V., the Netherlands, for a consideration of DKK 506 million, from a group company. The transaction was based on a valuation prepared by an independent third-party service provider.

In autumn 2019, Management and the Group discovered that the valuation was materially overstated due to the exclusion of appropriate assets and liabilities associated with the EMEA Holdings C.V. Group and certain trading operations within the RCI Europe Group (subsidiary of the EMEA Holdings C.V. Group). In autumn 2019, Management commenced negotiations with the seller and a new valuation report dated January 2020 was prepared. The parties agreed to extend the 90 day period for which adjustments to the fair market value could be made. The above-mentioned errors were corrected in this valuation report. The value of DKK 69 million in the new valuation report is significantly less than the original purchase price of DKK 506 million. Management of Wyndham Worldwide Denmark ApS and the seller have renegotiated the price for the ownership interest in EMEA Holdings CV, and on 31.08.2020 the parties agreed on the following:

- Wyndham Worldwide Denmark ApS has received a loan note of DKK 570 million from the seller which comprises the valuation difference of DKK 437 million and accumulated interest of DKK 133 million from 04.01.2018 to 31.08.2020.
- The loan note (loan and accumulated interest) falls due on 10.08.2027.
- In the period 04.01.2018 to 31.08.2020, the rate of interest is 10.05% p.a.
- The payment of interest from 01.09.2020 to 10.08.2027 is an annual fixed interest rate that is renewed every 12 months. At present, the interest rate is 4.66% p.a.

The above is accounted for as follows:

- As Management of Wyndham Worldwide Denmark ApS has had ongoing discussions about the value of the investment at 31.12.2019, the change in the cost price is treated as an adjustment to the purchase price (cost) of the investments in associates of DKK 437 million in 2019. A long-term receivable of DKK 437 million has been recognised in the balance sheet at 31.12.2019. The comparative figures have not been restated.
- Meanwhile, in connection with the updated impairment test at 31.12.2018 (based on the new valuation report), Management identified an indication of impairment of the investment of DKK 19 million at 31.12.2019. The impairment loss has been recognised in 2019.
- The loan note agreement was not in place on 31.12.2019. Consequently, the accrued interest income up to and including 31.12.2019 will be recognised in the financial statements for 2020. The accrued interest income up to and including 31.12.2019 amounts to DKK 96.5 million.





**Uncertainty relating to recognition and measurement**

The outbreak of the coronavirus disease (COVID-19) escalated in early 2020, and on 11.03.2020, the WHO declared the outbreak a worldwide pandemic. The outbreak has led to a number of precautions that affect the organisation and the execution of the day-to-day operations in the subsidiaries, just as the Group's suppliers and customers may be affected. Their actual financial impact cannot be determined at present.

The primary activities of the subsidiaries of EMEA Holdings C.V. are the directory and magazine for subscribing members and the co-ordination of timeshare holiday exchanges. The holiday industry is significantly affected by the COVID-19 outbreak. Consequently, it is not possible to assess with sufficient accuracy the potential future impact on the measurement of the investments in associates. The Group is closely following the situation.

**Events after the balance sheet date**

According to above, on 31.08.2020, Management signed an agreement by which the purchase price of the investment in EMEA Holdings C.V. was changed. Further, on 31.08.2020, Management signed a loan note of DKK 570 million nominal, being the price adjustment of DKK 437 million and the accumulated interest income up to and including 31.08.2020 of DKK 133 million.

Part of the EMEA Holdings C.V. Group is strongly affected by COVID-19 with a considerable decline in turnover and profitability from March 2020 onwards.

Except for the above, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
<b>Gross profit/loss</b>		<b>(366)</b>	<b>(291)</b>
Income from investments in group enterprises		0	847,978
Income from investments in associates		(18,980)	0
Other financial income	3	227	18,991
Other financial expenses	4	(54)	(13,255)
<b>Profit/loss before tax</b>		<b>(19,173)</b>	<b>853,423</b>
Tax on profit/loss for the year	5	2,503	0
<b>Profit/loss for the year</b>		<b>(16,670)</b>	<b>853,423</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(16,670)	853,423
<b>Proposed distribution of profit and loss</b>		<b>(16,670)</b>	<b>853,423</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK'000	2018 DKK'000
Investments in associates		50,539	506,870
Receivables from associates		437,351	0
Deferred tax		23,494	0
<b>Other financial assets</b>	6	<b>511,384</b>	<b>506,870</b>
<b>Fixed assets</b>		<b>511,384</b>	<b>506,870</b>
Receivables from group enterprises		148,671	148,681
Income tax receivable		0	15,079
Prepayments		0	53
<b>Receivables</b>		<b>148,671</b>	<b>163,813</b>
<b>Cash</b>		<b>13,025</b>	<b>49</b>
<b>Current assets</b>		<b>161,696</b>	<b>163,862</b>
<b>Assets</b>		<b>673,080</b>	<b>670,732</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK'000</b>	<b>2018 DKK'000</b>
Contributed capital	7	128	128
Retained earnings		653,854	670,524
<b>Equity</b>		<b>653,982</b>	<b>670,652</b>
Income tax payable		18,964	0
Other payables		134	80
<b>Current liabilities other than provisions</b>		<b>19,098</b>	<b>80</b>
<b>Liabilities other than provisions</b>		<b>19,098</b>	<b>80</b>
<b>Equity and liabilities</b>		<b>673,080</b>	<b>670,732</b>
Unusual circumstances	1		
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# Statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	128	670,524	670,652
Profit/loss for the year	0	(16,670)	(16,670)
<b>Equity end of year</b>	<b>128</b>	<b>653,854</b>	<b>653,982</b>

# Notes

## 1 Unusual circumstances

On 04.01.2018, Wyndham Worldwide Denmark ApS acquired an ownership interest in EMEA Holdings C.V., the Netherlands, for a consideration of DKK 506 million, from a group company. The transaction was based on a valuation prepared by an independent third-party service provider.

In autumn 2019, Management and the Group discovered that the valuation was materially overstated due to the exclusion of appropriate assets and liabilities associated with the EMEA Holdings C.V. Group and certain trading operations within the RCI Europe Group (subsidiary of the EMEA Holdings C.V. Group). In autumn 2019, Management commenced negotiations with the seller and a new valuation report dated January 2020 was prepared. The parties agreed to extend the 90 day period for which adjustments to the fair market value could be made. The above-mentioned errors were corrected in this valuation report. The value of DKK 69 million in the new valuation report is significantly less than the original purchase price of DKK 506 million. Management of Wyndham Worldwide Denmark ApS and the seller have renegotiated the price for the ownership interest in EMEA Holdings CV, and on 31.08.2020 the parties agreed on the following:

- Wyndham Worldwide Denmark ApS has received a loan note of DKK 570 million from the seller which comprises the valuation difference of DKK 437 million and accumulated interest of DKK 133 million from 04.01.2018 to 31.08.2020.
- The loan note (loan and accumulated interest) falls due on 10.08.2027.
- In the period 04.01.2018 to 31.08.2020, the rate of interest is 10.05% p.a.
- The payment of interest from 01.09.2020 to 10.08.2027 is an annual fixed interest rate that is renewed every 12 month. At present, the interest rate is 4.66% p.a.

The above is accounted for as follows:

- As Management of Wyndham Worldwide Denmark ApS has had ongoing discussions about the value of the investment at 31.12.2019, the change in the cost price is treated as an adjustment to the purchase price (cost) of the investments in associates of DKK 437 million in 2019. A long-term receivable of DKK 437 million has been recognised in the balance sheet at 31.12.2019. The comparative figures have not been restated.
- Meanwhile, in connection with the updated impairment test at 31.12.2018 (based on the new valuation report), Management identified an indication of impairment of the investment of DKK 19 million at 31.12.2019. The impairment loss has been recognised in 2019.
- The loan note agreement was not in place on 31.12.2019. Consequently, the accrued interest income up to and including 31.12.2019 will be recognised in the financial statements for 2020. The accrued interest income up to and including 31.12.2019 amounts to DKK 96.5 million.

## 2 Uncertainty relating to recognition and measurement

The outbreak of the coronavirus disease (COVID-19) escalated in early 2020, and on 11.03.2020, the WHO declared the outbreak a worldwide pandemic. The outbreak has led to a number of precautions that affect the organisation and the execution of the day-to-day operations in the subsidiaries, just as the Group's suppliers and customers may be affected. Their actual financial impact cannot be determined at present.

The primary activities of the subsidiaries of EMEA Holdings C.V. are the directory and magazine for subscribing members and the co-ordination of timeshare holiday exchanges. The holiday industry is significantly affected by the COVID-19 outbreak. Consequently, it is not possible to assess with sufficient accuracy the potential future

impact on the measurement of the investments in associates. The Group is closely following the situation.

### 3 Other financial income

	2019 DKK'000	2018 DKK'000
Financial income from group enterprises	222	0
Other interest income	5	0
Exchange rate adjustments	0	18,991
	<b>227</b>	<b>18,991</b>

### 4 Other financial expenses

	2019 DKK'000	2018 DKK'000
Financial expenses from group enterprises	54	13,243
Other interest expenses	0	10
Other financial expenses	0	2
	<b>54</b>	<b>13,255</b>

### 5 Tax on profit/loss for the year

	2019 DKK'000	2018 DKK'000
Current tax	(2,503)	0
	<b>(2,503)</b>	<b>0</b>

### 6 Financial assets

	Investments in associates DKK'000	Receivables from associates DKK'000
Cost beginning of year	506,870	0
Additions	0	437,351
Disposals	(437,351)	0
<b>Cost end of year</b>	<b>69,519</b>	<b>437,351</b>
Impairment losses for the year	(18,980)	0
<b>Impairment losses end of year</b>	<b>(18,980)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>50,539</b>	<b>437,351</b>

Investments in associates	Registered in	Corporate form	Equity interest %
EMEA Holdings C.V.	BC Leidschendam, the Netherlands	General partnership	2.68



## 7 Share capital

	<b>Number</b>	<b>Par value DKK'000</b>	<b>Nominal value DKK'000</b>	<b>Recorded par value DKK'000</b>
Ordinary shares	128	1	128	128
	<b>128</b>		<b>128</b>	<b>128</b>

## 8 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Wyndham Destinations Inc., 6277 Sea Harbor Drive, Orlando FL 32821, United States

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Wyndham Destinations Inc., 6277 Sea Harbor Drive, Orlando FL 32821, United States

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## 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 effected 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.

## Income statement

### Gross profit or loss

Gross profit or loss comprises other external expenses.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### Income from investments in associates

Income from investments in associates comprises dividends received from the individual associates in the financial year.

**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

**Balance sheet****Investments in associates**

Investments in associates are measured at cost and are written down to the lower of recoverable amount and carrying amount.

**Receivables**

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

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. # However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Income tax payable or receivable**

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.

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.