Oravel Vacation Homes Denmark ApS

Lyngbyvej 20, 2100 København Ø

CVR no. 40 98 97 14

Annual report 6 December 2019 – 31 March 2021

Approved at the Company's annual general meeting on 4 October 2021

Chairman:

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Thomas Akselsen

Contents

Statement by Management

The Executive Board has today discussed and approved the annual report of Oravel Vacation Homes Denmark ApS for the financial year 6 December 2019 – 31 March 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2021 and of the results of their operations and consolidated cash flows for the financial year 6 December 2019 – 31 March 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 4 October 2021
Executive Board:

Kim Stengaard Holmsted	Thomas Akselsen

Independent auditor's report

To the shareholders of Oravel Vacation Homes Denmark ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Oravel Vacation Homes Denmark ApS for the financial year 6 December 2019 – 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2021 and of the results of the Group's and the Parent Company's operations as well as consolidated cash flows for the financial year 6 December 2019 – 31 March 2021 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 as to 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent 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 the Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 4 October 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kim Thomsen
State Authorised
Public Accountant
mne26736

Management's review

Financial highlights for the Group

DKKm	2019/21 (16 months)
Key figures	
Revenue	537
Gross profit/loss	263
EBITDA	97
Operating profit/loss	-72
Profit/loss from net financials	-27
Profit/loss for the year	-66
Non-current assets	896
Current assets	474
Total assets	1,369
Amount relating to investments in property, plant and equipment	678
Equity	354
Long-term liabilities	592
Short-term liabilities	423
Financial ratios	
Operating margin	-13.5%
Gross margin	49%
Current ratio	112%
Cash conversion ratio	-316.5%
Equity ratio	25.8%
Return on equity	-18.8%
Average number of full-time employees	**355**

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

Since this is the first financial year for Oravel Vacation Homes Denmark ApS there is no comparison figures displayed in the above highlights.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin $$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$$

Gross margin $$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$$

Current ratio $$\frac{\text{Current assets x 100}}{\text{current liabilities}}$$

Cash conversion ratio $$\frac{\text{Free cash flows before acquisitions x 100}}{\text{Operating profit/loss (EBIT)}}$$

Equity ratio $$\frac{\text{Equity ex. non-controlling interest at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Return on equity $$\frac{\text{Profit/loss for the year after tax ex. non-controlling interests x 100}}{\text{Average equity ex. non-controlling interests}}$$

EBITDA, which is mentioned in the management's review, consists of the result of operating profit before depreciation and amortization write-downs.

Management's review

Principal activities

In December 2019 Oravel Vacation Homes Denmark ApS was incorporated and became the holding company for the previous DanCenter group. All 100% shares in DanCenter A/S were acquired in December 2019 via a loan and a contribution from the earlier parent company to DanCenter A/S in Netherlands. The total cost price including value of contribution was DKK 868,188 thousand.

The Group's principal activities comprise arranging vacation rental of private holiday accommodation in Scandinavia and, to a lesser extent, in Germany.

The group was expanded with a holding company on top of the operational entities where DanCenter now no longer serve as both the primary operational company and financial holding company.

The group is one of Denmark's leading intermediaries of vacation rental with approx. 11,000 holiday homes for rent in Denmark, Sweden, Norway and Germany, which makes the Company one of the largest intermediaries on a European scale.

Three main brands are operated by the group: DanCenter, Danland and Admiral Strand

The DanCenter brand comprises more than 9,000 holiday homes, of which two thirds are located in Denmark and the remaining part in Norway, Sweden and Germany. The holiday homes are privately owned holiday homes in the form of cottages.

The Danland brand comprises approx. 1,600 holiday homes that are all located in Denmark. The holiday homes are privately owned holiday flats located in holiday centres with varying shared facilities.

Admiral Strand brand comprises approx. 800 holiday homes that are all located in Denmark

The group's primary source markets are Denmark, Germany, the Netherlands, Norway and Sweden with Germany being the largest rental market.

Development in activities and financial matters

The loss for the period after tax amount to DKK -66,329 thousand.

Operating profit in 2020/21 has been negatively impacted by amortization of intangible assets (goodwill, customer relations and brands) identified and valued in the PPA as at 30 December 2019. The majority of the intangible assets (including goodwill) will be amortized over 10 years for account purposes resulting in an annual amortization of DKK 110 million. The amortizations result in a negative operating profit – however, without cash flow effect and therefore the operating cash flow in the value-in-use calculation to estimate the recoverable amount is positive.

The total value-in-use (recoverable amount) exceed reported equity (carrying amount) and no impairment loss has been identified as at 31 March 2021. Going forward the significant annual amortization of intangible assets is expected to reduce the reported equity, and all other things being equal, increase the headroom in the impairment test.

EBITDA for the period is better than our expectations for 2020/2021. This is largely due to a fantastic season where the Covid-19 pandemic has made especially Danish guest to stay home and demanded domestic vacation home rentals instead of held their vacation abroad. Our revenue has as a consequence of increased demand been higher than expected and together with improved margins this has contributed hugely to a better profit. In addition, we have had a high focus on reduced staff costs and other external costs in order to make sure the company gets well through the pandemic.

Based on the circumstances on how the year ended Management does believe that the year's earnings were satisfactory.

Material uncertainty related to recognition and measurement

Revenue is recognised based on the historic evidence that only a minor part of the bookings will normally be cancelled and even though the company is guaranteed a cancellation fee, which will cover the costs and normally a cancellation received in time gives a new possibility of a booking of the same premises. Due to the Covid-19 pandemic this situation is totally changed and there is therefore significant uncertainty associated with the recognition and measurement of the Covid-19 effect on the revenue due to expected cancellation of bookings.

Management's review

Covid-19 cancellations

During the financial year the Covid-19 pandemic has had a huge impact and continues to wave back and forth. Governments continues to implement additional measures to address the resulting public health issues and the economic impact. Entities need to assess if they are affected, or expect to be impacted, by developments and measures taken after the end of their reporting period. A critical judgement and evaluation management needs to make is whether and, if so, what these events provide of evidence of conditions that existed at the end of the reporting period for the entity's activities or their assets and liabilities.

During the financial year and since the Covid-19 pandemic began Oravel Vacation Homes Denmark ApS has continued taking actions in order to reduce the negative consequence of the Covid-19 pandemic for the customers. This includes, inter alia, that the customers, whose bookings contracts are cancelled due to force majeure, are given an opportunity to postpone the lease period until end 2021.

Based on the development in the Covid-19 pandemic and the progress in the vaccination programs in the European countries, as at 31 March 2021 management expected that cross-border travel restrictions would be upheld until 31 May 2021. Based on this assumption the management has assessed that bookings from guests outside Denmark made before 31 March 2021with a rental period until 31 May 2021 are expected to be cancelled. In addition, management has assessed that there will be an increase in the general cancellations not related to force majeure but due to relaxed cancellation options.

Management has concluded that Covid-19 pandemic and the continued closing of the border in Spring 2021 is an adjusting event as at 31 March 2021 and the impact of it is material. This adjusting event is limited to the current wave of Covid-19 that hit our markets in Spring 2021.

The management of the group expected as at 31 March 2021 that travel restrictions would be continued upheld until early summer 2021 in all of Scandinavia. Based on this assumption the group's management has assessed that bookings made before 31 March 2021, but with a rental period until early summer 2021 is expected to be cancelled. The cancellation adjustment includes bookings covered by the force majeure provisions in the lease contract as well as expected increase in cancellations related to bookings not covered by force majeure provisions.

Management has concluded that again per the balance sheet date 31 March 2021 the Covid-19 pandemic and the closing of the borders is an adjusting event as at 31 March 2021 and the impact of it is material. This adjusting event is limited to the still ongoing Covid-19 pandemic that hit our markets in Spring 2021.

The effect can be specified as follows:

DKK' million	Revenue/profit before tax	Accounts receivables	Accounts payable
Admiral Strand	-5.6	-16.9	-11.3
DanCenter	-25.7	-78.6	-52.8
Group	-31.3	-95.5	-64.1

Subsequent development in bookings have shown that the preliminary assumptions of the Covid-19 effects on cancellations have been reasonable.

Management's review

Events after the balance sheet date

The ongoing Covid-19 pandemic has affected the Company's economic conditions both negatively and positively, but overall the business of DanCenter has improved due to higher activity on especially the Danish market. Travel bans and other measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. The ultimate severity of the Covid-19 pandemic outbreak is uncertain at this time and therefore the management cannot reasonably estimate the impact it may have on the Company's markets and operations.

However, it is management belief that the Company will be able to maintain a profitable business albeit it is susceptible to Covid-19 consequences.

Outlook

The growth in recent years is expected to continue with focus on development of product range and market conditions.

The Company has a strong position in the market for vacation rental. It is a position that the Company believes can be strengthened further in the coming years, among others by a strong partnership with @Leisure and continued focus on improving customers' holiday experiences and constantly developing the content and volume of the product range. Focus will still be on efficiency measures to ensure optimum use of resources and thus maintenance of the Company's competitive position. Ability to provide and develop measures to secure and further increase homeowner satisfaction will be decisive for future success

DKK' million	Low	High
Revenue	415.9	459.7
Operating profit	-47.6	-31.9

Risks

It is the Groups policy to limit the exposure to risks and the Company uses various instruments and policies to limit these exposures.

It is the objective of the Company that risks are continuously hedged and limited when possible. As an integrated part of Management's work, a number of internal control systems have been implemented to ensure effective risk management.

The day-to-day operations entail a number of business and financial risks. In the below section, which is not exhaustive or prioritised, we have described the risks affecting the Company.

Operating risks

It is Management's assessment that, apart from the usual market risks, the Company has no significant operating risks.

Financial risks

No significant financial risks exist to the best of the management's assessment.

Tax risks

The Company has operations in several markets and is thus subject to several countries' VAT rules and indirect taxes. Any changes to these rules and taxes may entail business risks, which the Company continuously seeks to minimise in cooperation with external advisers.

Litigation and disputes

The Company is involved in a few legal actions. These legal actions are not considered to pose any significant risk to the Company.

Management's review

Interest rate risks

The interest rate risk is the risk that, due to interest rate fluctuations, the Company will incur additional costs. During the entire year, the Company's cash has been positive, and thus, the risk is considered to be limited to the interest yield thereof.

Credit risks

The primary credit risk of the Company is related to receivables from rental activities, etc. The major part of revenue, and thus receivables from rental activities, etc., is generated/recognised based on the payment term "payment before occupation". Thus, this is not subject to any significant credit risk.

Consequently, the Company does not have significant risks relating to individual private customers. For large business partners/travel agencies, the terms of payment of the industry is most often "payment after moving out", which means that the Company assumes credit risks in relation to the bookings. The Company only works with third parties with a high creditworthiness.

Risk management of credit exposures includes monitoring and dunning every two weeks. Generally, the Company thus has no special risks but may incur losses if unforeseen circumstances at individual business partners/travel agencies suddenly arise making them unable to meet their liabilities.

Currency risks

The Company's business activities – primarily sales activities – exposes it to currency risks related to exchange rate fluctuations.

As the Company's presentation currency is Danish kroner, activities in foreign currencies entail a risk of adverse effects on results, cash flows and equity.

Currency risks attributable to investments in foreign subsidiaries and branches are not hedged as these risks are not considered material.

Liquidity risks

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due by not having sufficient cash resources.

The Company's objective is to have sufficient cash resources to continuously be able to make appropriate transactions in case of unforeseen changes in cash flows. Continuous cash management meets the objective.

Employee relationships and knowledge resources

The Groups main activity is to provide intermediary services and other related services to the vacation rental activity. It is therefore of the utmost importance that the Company can maintain its loyal and competent employees. They are the Company's most important asset. Development of the employees' competencies and other initiatives is always a priority and a prerequisite for being able to attract and retain competent employees.

Statutory report on corporate social responsibility and the underrepresented gender

The Groups main activity is the arrangement of vacation rentals of private holiday accommodation. The Group consists of the three companies, DanCenter, Danland and Admiral Strand. The Group operates in Denmark, Sweden, Norway and Germany. The main environmental and social impact on the surroundings from the Group occurs in DanCenter A/S. Therefore, the below statement refers to the Group’s activities in DanCenter A/S. DanCenter A/S' main impacts on society are related to social and environmental issues such as health and safety of employees and waste and energy use related to the company’s operation.

Management's review

Labor Conditions

Policy: DanCenter A/S recognizes our employees as the most valuable asset for the company. Therefore, the company aspires to provide a safe and healthy work environment.

Risks, actions, and results: With regards to labor conditions, DanCenter A/S has identified safety among employees as a risk. To mitigate the risk and to secure a safe and healthy work environment, DanCenter A/S has provided first aid courses for employees during in the latest years and has an active OSH group with a meeting structure of 3-4 meetings a year. The aim is to continuously work with the management to pinpoint areas of improvement and actively work together to improve these areas.

Human Rights

Policy: DanCenter A/S supports and respects the internationally recognized human rights as formulated in the UN Human Rights Declaration and the internationally recognized labor rights as specified in the International Labor Organization (ILO) core conventions.

Risks, actions and results: DanCenter A/S' most material risk of violating human rights is related to our customers' private information. During the fiscal period 2019-21, DanCenter has taken all necessary steps to mitigate the risk, and to be fully compliant with the General Data Protection Regulation (GDPR). We will continue to train new colleagues and provide information through guidelines for our employees.

Environment and Climate

Policy: Environmental protection is important to DanCenter A/S and as a commercial and socially responsible company, DanCenter works to minimize the use of resources and establish emission-reducing business processes.

Risks, actions and results: DanCenter A/S has identified waste in our offices as a material issue with a risk to the environment. In the fiscal period 2019-21, DanCenter A/S has continued its efforts to improve waste sorting in most of the offices, resulting a relative decrease in total waste amounts for incineration. The main risk of having a negative climate impact is identified as our customers' energy consumption in the vacation houses. In the fiscal period 2019-21, DanCenter A/S continued to inform and guide all of our customers on how to minimize their electricity consumption in the vacation houses through direct dialogue and marketing materials, resulting in a relative decrease in total electricity consumption in the fiscal period 2019-21. Going forward we will continue these efforts and are looking to further decrease paper waste & our environmental footprint by introducing electronic devices to onboard new homeowners and inform guests of electronic ways to report electricity, water etc. expenditure during their stay.

Anti-corruption

Policy: DanCenter A/S does not tolerate corruption or bribery in any form, and expects their employees to act according to the company guidelines set in the Code of Conduct and employee handbook.

Risks, actions, and results: DanCenter A/S has identified the most material risks associated with anticorruption as related to gifts and entertainment that employees may give or receive. To mitigate the risk DanCenter's Code of Conduct and whistleblower system are continuously communicated to employees. During the fiscal period 2019-21, no cases were reported in the whistleblower system. The Code of Conduct and Whistleblower channel is and will continuously be promoted to the employees at town halls and on the intranet.

Covid-19 precautions

In the second year of the outbreak of the Covid-19 pandemic DanCenter has kept all actions in place to mitigate the risk of virus to spread. Guests are encouraged to keep distance and not to enter DanCenter offices physical and instead do self-service check-in. DanCenter have screened the areas where guests meet staff with glas. Employees servicing the vacation homes have been additional trained to clean with higher standards to disinfect before new guests arrives.

Management's review

Gender Distribution in Management
Oravel Vacation Homes Denmark APS has no board of directors and also no employees. Therefore, the company will not report on the gender distribution in Management.

Description of foreign branches

To handle rental activities abroad, the Company has established branches in Germany and Sweden under the following names:

- DanCenter Niederlassung, Deutschland, German branch for Oravel Vacation Homes Denmark ApS Denmark.
- Västkustbokningen, Swedish branch for Oravel Vacation Homes Denmark ApS, Denmark.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Income statement

Note	DKK'000	Group 1 January 2020 – 31 March 2021	Parent 1 January 2020 – 31 March 2021
4	**Revenue**	537,359	0
	Other operating income / expenses	4,672	0
5	Other external costs	-279,042	-199
	Gross margin	262,989	-199
6	Staff costs	-166,421	0
7	Depreciation, amortisation and impairment losses	-142,013	0
	Operating profit	-45,445	-199
	Financial income from group entities	0	-44,440
	Financial income from investments in associates	339	0
8	Financial income	3,535	2,189
9	Financial expenses	-30,909	-30,069
	Profit before tax	-72,480	-72,519
10	Tax for the period	6,061	6,190
	Profit for the peiod	-66,419	-66,329
	Breakdown of the consolidated profit/loss:		
	Shareholders in Oravel Vacation Homes Denmark ApS	-66,329	
	Non-controlling interests	-90	
		-66,419	

Consolidated financial statements and parent company financial statements 6 December 2020 – 31 March 2021

Balance sheet

Note	DKK'000	Group 31 March 2021	Parent 31 March 2021
	ASSETS		
	Non-current assets		
11	**Intangible assets**		
	Contractual rights	327	0
	Goodwill	328,608	0
	Trademark and Customer relations	525,638	0
	Software	2,463	0
		857,036	0
12	**Property, plant and equipment**		
	Land and buildings	26,212	0
	Leasehold improvements	758	0
	Fixtures and fittings, plant and equipment	2,411	0
	Property, plant and equipment in progress	95	0
		29,476	0
	Other non-current assets		
13	Equity investments in group entities	0	823,748
14	Equity investments in associated entities	7,963	0
	Deposits	1,312	0
		9,275	823,748
	Total non-current assets	895,787	823,748
	Current assets		
	Receivables		
	Trade receivables	269,929	0
15	Receivables from group entities	126,670	0
	Other receivables	6	0
	Corporate tax	13,390	9,415
16	Prepayments	4,762	41
		414,757	9,456
	Cash	58,826	0
	Total current assets	473,583	9,456
	TOTAL ASSETS	1.369,370	833,204

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Balance sheet

Note	DKK'000	Group 31 March 2021	Parent 31 March 2021
	EQUITY AND LIABILITIES		
	Equity		
17	Share capital	40	40
	Translation reserve	-608	0
	Proposed dividend	0	0
	Net revaluation reserve according to the equity method	0	0
	Retained earnings	354,178	353,570
	Oravel Vacation Homes Denmark ApS' shareholders' share of equity	353,610	353,610
	Non-controlling interests	574	0
	Total equity	354,184	353,610
	Long-term liabilities		
18	Payables to group entities	476,113	476,113
19	Deferred tax	116,166	0
	Total long-term liabilities	592,279	476,113
	Short-term liabilities		
	Trade payables	321,137	11
	Payables to group entities	0	3,282
	Corporation tax	21,660	0
	Other payables	65,425	188
20	Deferred income	14,685	0
	Total short-term liabilities	422,907	3,481
	Total liabilities	1,015,185	479,594
	TOTAL EQUITY AND LIABILITIES	1,369,370	833,204

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Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Statement of changes in equity

		Group					
Note	**DKK'000**	**Share capital**	**Retained earnings**	**Proposed dividend**	**Total**	**Non-controlling interests**	**Total equity**
	Equity at 6 December 2019	40	0	0	40	0	40
	Transferred; see distribution of profit/loss	0	-665,721	0	-65,721	574	-65,145
	Contribution of shares	0	419,899	0	419,899	0	419,899
	Equity at 31 March 2021	40	354,178	0	353,610	574	354,184

		Parent				
Note	**DKK'000**	**Share capital**	**Net revaluation reserve according to the equity method**	**Retained earnings**	**Proposed dividend**	**Total equity**
	Equity at 6 December 2019	40	0	0	0	40
25	Transferred; see distribution of profit/loss	0	0	-66,329	0	-66,329
	Contribution of shares in DanCenter A/S	0	0	419,899	0	419,899
	Equity at 31 March 2021	40	0	353,570	0	353,610

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Cash flow statement

Note	DKK'000	Group 6 December 2019 – 31 March 2021
	Profit/loss before net financials	-45,355
	Depreciation and amortisation	142,013
	Other adjustments of non-cash operating items	220
	Cash generated from operations before changes in working capital	96,788
26	Changes in working capital	82,362
	Cash generated from operations	179,150
	Interest received	0
	Interest paid	-30,909
	Corporation tax paid	-4,751
	Cash flows from operating activities	**143,491**
11	Acquisition of intangible assets	2,081
12	Acquisition of property, plant and equipment	678
	Additional paid deposits	0
	Acquisition of shares in DanCenter A/S	-448,290
	Cash flows from investing activities	**-445,530**
	Loan financing:	
	Changes in payables related to group entities	-113,993
	Contribution of share capital	40
	Proceeds from loan related to purchase of shares in DanCenter A/S	448,290
	Cash flows from financing activities	**334,337**
	Cash flows for the period	**32,296**
	Cash and cash equivalents, beginning of year	26,530
	Cash and cash equivalents, year end	**58,826**

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

1 Accounting policies

The annual report of Oravel Vacation Homes Denmark ApS for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company Oravel Vacation Homes Denmark ApS and subsidiaries controlled by Oravel Vacation Homes Denmark ApS.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as associates. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The subsidiaries' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Equity investments in associates are recognised in the consolidated financial statements using the equity method.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

1 Accounting policies (continued)

Business combinations

Newly acquired entities are recognised in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The acquisition date is the date when the Group actually obtains control of the acquired entity.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquired entity, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the Group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.

Gains or losses from the disposal of subsidiaries resulting in a loss of control are calculated as the difference between, on the one hand, the net selling price and, on the other hand, the proportionate share of the carrying amount of net assets. If the Parent Company still holds equity investments in the divested entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of equity investments in associates or securities and equity investments.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with foreign subsidiaries that are considered part of the total investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries that are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Income statement

Revenue

The transaction type of services of the Vacation Rental Management activities relate to arrange and secure a booking for a holiday accommodation, where the company acts as agent for the accommodation owner. The company applies IFRS 15 Revenue from Contracts with Customers for interpretation when recognizing revenue in the financial statements.

On the conclusion of sales contracts which consist of separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods or services are met.

A contract is split up into individual sale transactions when the fair value of each individual sales transaction can be calculated reliably and when each individual sales transaction has a separate value for the purchaser. Sales transactions are deemed to have a separate value for the purchaser when the transaction is individually identifiable and is usually sold separately.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue. Fair value corresponds to the agreed discounted sales price if the payment terms exceeds 12 months.

Vacation Rental Management

The performance relates to retrieval of individual bookings for the home owner with guest bookings. For each successfully retrieved booking, Oravel Vacation Homes Denmark ApS and the home owner enter into a single rental agreement, which can be determined as the distinct performance obligation.

When home owner services are applicable (e.g. coordination of cleaning, linen and key handling), these types of services are seen as separate performance obligations and are separately included in the rental agreement. Also, the pricing applicable for this service is separately agreed in the master agreement and separately mentioned in the rental agreement.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

1 Accounting policies (continued)

Other operating income

Other operating income comprises items secondary to the entities' activities, including gains on disposal of intangible assets and property, plant and equipment, and government grants related to Covid-19 salary compensation.

Other operating expenses

Other operating expenses comprise items secondary to the entities' activities, including losses on disposal of intangible assets and property, plant and equipment.

Profit/loss from equity investments in subsidiaries and associates

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries and associates are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries. Only proportionate elimination of intra-group gains/losses is made for equity investments in associates.

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the Parent Company after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates is recognised in both the consolidated and the parent company income statement after elimination of the proportionate share of intra-group profits/gains.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Balance sheet

Intangible assets

Contractual rights

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

1 Accounting policies (continued)

Goodwill, trademark and customer relationship

Goodwill, trademark and customer relationship is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill, trademark and customer relationship is amortised on a straight-line basis over the amortisation period, which is between 7 and 10 years. The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Software

Software is measured at cost. Amortisation period is 5 years.

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, wages and salaries as well as borrowing costs relating to specific and general borrowing directly attributable to the construction of the individual asset.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately. Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

Buildings	50 years
Fixtures and fittings, plant and equipment	5-7 years
Leasehold improvements	5-20 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

1 Accounting policies (continued)

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Equity investments in subsidiaries and associates in the parent company financial statements

Equity investments in subsidiaries and associates are measured according to the equity method in the parent company financial statements. The Parent Company has chosen to consider the equity method a measurement method.

On initial recognition, equity investments in subsidiaries and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and equity investments in subsidiaries and associates is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is indication of impairment. Write-down is made to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

1 Accounting policies (continued)

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the credit risk management policy of the Parent Company and the Group. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate of the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term to maturity of three months or less, which are subject to only minor risks of changes in value.Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Equity

Contributions

Contributions from the parent company are recognized as contributions of equity (free reserves).

Net revaluation reserve according to the equity method

Net revaluation of equity investments in subsidiaries and associates is recognised at cost in the net revaluation reserve according to the equity method.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences – apart from acquisitions – arise at the acquisition date without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income, recognised under "Liabilities", comprise payments received concerning income in subsequent years.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

1 Accounting policies (continued)

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less that are subject to only minor risks of changes in value.

Segment information

Information is only disclosed by geographical markets. Segment information is based on the Group's accounting policies, risks and management control.

2 Material uncertainty related to recognition and measurement

Revenue is recognised based on the historic evidence that only a minor part of the bookings will normally be cancelled and even though the company is guaranteed a cancellation fee, which will cover the costs and normally a cancellation received in time gives a new possibility of a booking of the same premises. Due to the Covid-19 pandemic this situation is totally changed and there is therefore significant uncertainty associated with the recognition and measurement of the Covid-19 effect on the revenue due to expected cancellation of bookings.

3 Special items
Covid-19 cancellations

During the financial year the Covid-19 pandemic has had a huge impact and continues to wave back and forth. Governments continues to implement additional measures to address the resulting public health issues and the economic impact. Entities need to assess if they are affected, or expect to be impacted, by developments and measures taken after the end of their reporting period. A critical judgement and evaluation management needs to make is whether and, if so, what these events provide of evidence of conditions that existed at the end of the reporting period for the entity’s activities or their assets and liabilities.

During the financial year and since the Covid-19 pandemic began Oravel Vacation Homes Denmark ApS has continued taking actions in order to reduce the negative consequence of the Covid-19 pandemic for the customers. This includes, inter alia, that the customers, whose bookings contracts are cancelled due to force majeure, are given an opportunity to postpone the lease period until end 2021.

Based on the development in the Covid-19 pandemic and the progress in the vaccination programs in the European countries, as at 31 March 2021 management expected that cross-border travel restrictions would be upheld until 31 May 2021. Based on this assumption the management has assessed that bookings from guests outside Denmark made before 31 March 2021with a rental period until 31 May 2021 are expected to be cancelled. In addition management has assessed that there will be an increase in the general cancellations not related to force majeure but due to relaxed cancellation options.

Management has concluded that Covid-19 pandemic and the continued closing of the border in Spring 2021 is an adjusting event as at 31 March 2021 and the impact of it is material. This adjusting event is limited to the current wave of Covid-19 that hit our markets in Spring 2021.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

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3 Special items (continued)

The revenue has had the following effects:

DKK' million	Revenue/profit before tax	Accounts receivables	Accounts payable
Admiral Strand	-5.6	-16.9	-11.3
DanCenter	-25.7	-78.6	-52.8
Group	-31.3	-95.5	-64.1

Subsequent development in bookings have shown that the preliminary assumptions of the Covid-19 effects on cancellations have been reasonable.

In addition, the entity has received salary compensation as part of the Covid-19 compensational packages provided by the Danish Government, which has been recognised in the income statement as follows.

DKK'000	2020	2019
Gross profit		
Covid-19 cancellations	-31,329	-21,387
Covid-19 salary compensation	4,665	0
Special items are recognised in the below line items		
Other operating income		
Revenue	-31,329	-21,387
Other operating income	4,665	0
Net profit/loss from special items	**-26,664**	**-21,387**

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

DKK'000	Group 6 December 2019 – 31 March 2021	Parent 6 December 2019 – 31 March 2021
4 Revenue – segment information		
Germany	188,808	0
Scandinavia	340,192	0
Other countries	8,359	0
	537,359	0
5 Fees paid to auditor appointed at the annual general meeting		
Total fees to EY	1,493	250
Fee for statutory audit	866	250
Tax consultancy	46	0
Assurance engagements	426	0
Non-audit services	155	0
	1,493	250
6 Staff costs and incentive plans		
Wages and salaries	152,209	0
Pensions	4,797	0
Other staff costs	4,025	0
Other social security costs	5,390	0
	166,421	0
Average number of full-time employees	355	0

Staff costs include remuneration to the Executive Board, totaling DKK 4,431 thousand and pension costs of DKK 136 thousand in 2020/21. No remuneration of the parent Company's Board of Directors.

	Group	Parent
7 Amortisation, depreciation and impairment losses		
Intangible assets	139,527	0
Property, plant and equipment	2,486	0
	142,013	0

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

DKK'000	Group 6 December 2019 – 31 March 2021	Parent 6 December 2019 – 31 March 2021
8 Financial income		
Interest income from group entities	1,346	0
Interest income	2,189	2,189
Other interest income	0	0
	3,535	2,189
9 Financial expenses		
Interest expenses to related parties	30,012	30,012
Interest expenses to group entities	16	0
Interest expenses	881	57
	30,909	30,069
10 Tax for the period		
Current tax for the period	16,057	-6,190
Deferred tax adjustment for the period	-20,146	0
Prior-year adjustments	-1,972	0
	-6,061	-6,190

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

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11 Intangible assets

	Group				
DKK'000	Contractual rights	Goodwill	Software	Trademark & Customer relations	Total
Cost at 6 December 2019	0	0	0	0	0
Additions due to acquisition	18,157	0	15,585	0	33,742
Additions	0	376,197	2,081	615,954	994,232
Disposals	0	0	-154	0	-154
Cost at 31 March 2021	18,157	376,197	17,512	615,954	1,027,820
Amortisation and impairment losses at 6 December 2019	0	0	0	0	0
Additions due to acquisition	-17,175	0	-14,082	0	-31,257
Amortisation	-655	-47,589	-967	-90,316	-139,527
Disposals	0	0	0	0	0
Amortisation and impairment losses at 31 March 2021	-17,830	-47,589	-15,049	-90,316	-170,784
Carrying amount at 31 March 2021	327	328,608	2,463	525,638	857,036

Rationale for choice of goodwill amortisation periods

The goodwill originates from the acquisition of DanCenter A/S. Investment in Oravel Vacation Homes Denmark ApS are considered to be strategically important to the Group. The economic life of the acquired goodwill has been set at 10 years. The investment horizon and, thus, the economic life has been set in consideration of the fact that the entity's business model and segment will be unchanged going forward and business is constant growing.

Impairment considerations

The recoverable amount is determined on the basis of value-in-use, calculated by applying certain key assumptions i.e. revenue growth, operating margin, net working capital and discount rate.

Value-in-use cash flow projections are based on financial budget for the following year as approved by management. Assumptions applied in the short to medium term (forecast period of five years) generally reflect management's expectations considering all relevant factors including internal initiatives as well as external market information where relevant. Budgets and forecasts have been updated to reflect the impact from Covid-19 and best estimate of the business in a post Covid-19 environment.

Operating profit in 2020/21 has been negatively impacted by amortization of intangible assets (goodwill, customer relations and brands) identified and valued in the PPA as at 30 December 2019. The majority of the intangible assets (including goodwill) will be amortized over 10 years for account purposes resulting in an annual amortization of DKK 110 million. The amortizations result in a negative operating profit – however, without cash flow effect and therefore the operating cash flow in the value-in-use calculation to estimate the recoverable amount is positive.

The total value-in-use (recoverable amount) exceed reported equity (carrying amount) and no impairment loss has been identified as at 31 March 2021. Going forward the significant annual amortization of intangible assets is expected to reduce the reported equity, and all other things being equal, increase the headroom in the impairment test.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

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12 Property, plant and equipment

	Group				
DKK'000	**Land and buildings**	**Leasehold Improvement**	**Fixtures and fittings, tools and equipment**	**Property, plant and equipment in progress**	**Total**
Cost at 6 December 2019	0	0	0	0	0
Additions due to acquisition	37,574	4,428	19,367	391	61,760
Exchange rate adjustment relating to foreign entities	0	0	-1	0	-1
Additions	0	25	583	95	703
Transferred	0	379	0	-379	0
Disposals	0	0	-35	-12	-47
Cost at 31 March 2021	37,574	4,832	19,914	95	62,415
Depreciation and impairment losses at 6 December 2019	0	0	0	0	0
Additions due to acquisition	-10,617	-3,748	-16,096	0	-30,461
Exchange rate adjustment relating to foreign entities	0	-6	2	0	-4
Depreciation	-745	-320	-1,421	0	-2,486
Disposals	0	0	12	0	12
Depreciation and impairment losses at 31 March 2021	-11,362	-4,074	-17,503	95	-32,939
Carrying amount at 31 March 2021	26,212	758	2,411	95	29,476

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DKK'000	Parent 31 March 2021
13 Equity investments in subsidiaries	
Cost at 6 December 2019	0
Additions due to acquisition	868,188
Disposals	0
Cost at 31 March 2021	868,188
Value adjustments at 6 December 2019	0
Foreign exchange adjustment	0
Distributed dividend	0
Profit/loss for the period	-44,440
Disposals	0
Value adjustments at 31 March 2021	-44,440
Carrying amount at 31 March 2021	823,748
Equity investments in subsidiaries include non-amortised differences	0

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
DanCenter A/S, Lyngbyvej 20, DK-2100 Copenhagen Denmark	100%	47,552	190,457

All subsidiaries are considered separate entities.

DKK'000	Group 31 March 2021	Parent 31 March 2021
14 Equity investments in associates		
Cost at 6 December 2019	0	0
Additions due to acquisition	7,311	0
Cost at 31 March 2021	7,311	0
Value adjustments at 6 December 2019	0	0
Value adjustments due to acquisition	313	0
Profit/loss for the period	339	0
Foreign exchange adjustment	0	0
Value adjustments at 31 March 2021	7,963	0
Carrying amount at 31 March 2021	0	0

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Marina Wendtorf Invest II GmbH & Co. KG	49%	339	14,614

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DKK'000	Group 31 March 2021	Parent 31 March 2021
15 Receivables from group entities		
Intercompany loan	126,670	0
	126,670	0

The loan with an outstanding amount of DKK 126,670 thousand as of 31 March 2021 has been granted to OYO Vacation Homes Holding B.V. The loan shall be repaid no later than 31 December 2025, however DanCenter may request repayment at any time.

The loan has subsequent to the balance sheet date been repaid end of September 2021.

DKK'000	Group 31 March 2021	Parent 31 March 2021
16 Prepayments		
Rentals, insurance and subscriptions	4,762	41
	4,762	41

17 Share capital

The share capital comprises:

40.000 shares of DKK 1 each

Every share carries 1 voting right.

DKK'000	Group 31 March 2021	Parent 31 March 2021
18 Payables to group entities		
Intercompany loan	476,113	476,113
	476,113	476,113

The loan with an outstanding amount of DKK 476,113 thousand as of 31 March 2021 has been borrowed from OYO Vacation Homes Holding B.V. The loan shall be repaid no later than 3 June 2025.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

DKK'000	Group 31 March 2021	Parent 31 March 2021
19 Deferred tax		
Deferred tax at 6 December	0	0
Addition deferred tax due to acquisition	-136,312	
Deferred tax adjustment for the period	-20,146	0
Deferred tax at 31 March	-116,166	0
Deferred tax relates to:		
Intangible assets	-116,166	0
	-116,166	0
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	0	0
Deferred tax liabilities	-116,166	0
	-116,166	0

20 Deferred income

Deferred income, consists of payments received from customers that cannot be recognised as revenue until in the subsequent financial year.

	Group	Parent
Deferred income	14,685	0

21 Contractual obligations and contingencies, etc.

Contingent liabilities

Oravel Vacation Homes Denmark ApS is jointly taxed with the Danish entities within the group and works as the administration company. Thereby Oravel Vacation Homes Denmark ApS has the joint and unlimited liability for payment of Danish income taxes

Operating lease commitments

Contractual liabilities comprise rent, car leases and lease of other operating equipment.

	Group		
	31 March 2021		
DKK'000	Carrying amount	Interest	Carrying amount
0-1 year	7,375	0	7,375
1-5 years	7,513	0	7,513
> 5 years	470	0	470
	15,358	0	15,358

The parent company has no lease commitments.

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Notes

DKK'000	Group 31 March 2021	Parent 31 March 2021

22 Mortgages and collateral

The following assets have been pledged as security for the Group's debt to credit institutions:

	Group 31 March 2021	Parent 31 March 2021
Cash	995	0

23 Currency and interest rate risks and use of derivative financial instruments

The Group uses no hedging instruments.

24 Related parties

Oravel Vacation Homes Denmark ApS's related parties comprise the following:

Control

OYO Vacation homes Holding B.V holds 100% of the share capital in the company.

Related party transactions

DKK'000	31 March 2021
Group	
Financial expenses, net	-28,669
Trade receivables from group entities	15,255
Receivables from group entities	126,670
Payables to group entities	-476,113
Parent	
Financial expenses, net	-30,012
Payables to group entities	-476,113

Apart from distribution of dividend, no transactions were carried out with shareholders.

Remuneration of the Parent Company's Executive Board and the Board of Directors is disclosed in note 19.

Consolidated financial statements and parent company financial statements 6 December 2019 – 31 March 2021

Notes

DKK'000	Parent 6 December 2019 – 31 March 2021
25 Distribution of profit/loss	
Proposed distribution of profit/loss	
Proposed dividend recognised under equity	0
Net revaluation reserve according to the equity method	-44,440
Retained earnings	-21,889
	-66,329

DKK'000	Group 6 December 2019 – 31 March 2021
26 Changes in working capital	
Changes in receivables	-39,403
Changes in trade and other payables	121,765
	82,362