DanCenter A/S

Lyngbyvej 20, 2100 København Ø

CVR no. 67 32 40 13

Annual report 1 April 2020 – 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 on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of DanCenter A/S for the financial year 1 April 2020 - 31 March 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2021 and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 2021.

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

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

Copenhagen, 1 October 2021
Executive Board:

Kim Stengaard Holmsted	Thomas Akselsen

Board of Directors:

Mandar Purushottam Vaidya Chairman	Nikhil Lohchab	Deepak Goyal
Kim Stengaard Holmsted	Thomas Akselsen	

Independent auditor's report

To the shareholders of DanCenter A/S

Opinion

We have audited the financial statements of DanCenter A/S for the financial year 1 April 2020 – 31 March 2021, which comprise an income statement, balance sheet, statement of changes in equity, and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2021 and of the results of the Company's operations for the financial year 1 April 2020 – 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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.

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on 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.

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

Copenhagen 1 October 2021

E&Y Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kim Thomsen
State Authorised
Public Accountant
MNE no.: mne26736

Management's review

Company details

DanCenter A/S

Lyngbyvej 20

2100 København Ø

Telephone: 70130000

Website: www.dancenter.dk

CVR no.: 67 32 40 13

Established: 6 May 1982

Registered office: Copenhagen

Financial period: 1 April 2020 – 31 March 2021

Board of Directors

Mandar Purushottam Vaidya

Nikhil Lohchab

Deepak Goyal

Thomas Akselsen

Kim Stengaard Holmsted

Executive Board

Kim Stengaard Holmsted

Thomas Akselsen

Auditor

EY Godkendt Revisionspartnerselskab

Dirch Passers Allé 36

P.O.Box 250

2000 Frederikberg

CVR no. 30 70 02 28

Financial highlights

In DKK '000	2020/21	2019/20 (15 mths)	2018	2017	2015/16 (15 mths)
Key figures					
Revenue	402,813	463,998	331,877	322,141	360,425
Gross profit	203,306	210,256	151,523	141,378	140,915
Profit/loss from financial income and expenses	-1,593	-1,737	-2,007	-361	-1
Operating profit	68,666	35,601	18,659	18,372	-11,855
Profit for the year	47,552	20,900	9,553	9,196	-17,348
Non-current assets	181,678	206,400	250,012	271,166	240,547
Investment in tangible assets	226	1,020	1,565	1,038	817
Current assets	442,298	324,348	165,601	153,581	175,247
Total assets	623,976	530,748	415,613	424,747	415,794
Equity	190,457	143,333	122,143	237,396	250,881
Non-current liabilities	206	284	446	392	1,457
Current liabilities	433,313	387,131	293,024	186,959	163,456
Financial ratios					
Operating margin	17,0%	7,7%	5,6%	5,7%	-3.3%
Gross margin	50,5%	45,3%	45,7%	43.9%	39.1%
Current ratio	1,02	0,83	0,56	0.82	1.07
Equity ratio	0,31	0,27	0,29	0.56	0.60
Return on equity	22,2%	10,6%	5,3%	3.8%	-5.9%
Average number of full-time employees	310	285	270	258	243

Financial ratios are calculated in accordance with recommendations of the Danish Finance Society. For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activities

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

DanCenter A/S is one of Denmark's leading intermediaries of vacation rental with approx. 10,000 holiday homes for rent in Denmark, Sweden, Norway and Germany, which makes the Company one of the largest intermediaries on a European scale.

DanCenter A/S has two main brands: DanCenter and Danland.

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.

DanCenter A/S' primary source markets are Denmark, Germany, the Netherlands, Norway and Sweden with Germany being the largest rental market.

The development in the current season is in line with budget.

Development in activities and financial position

The profit for the year after tax amount to DKK 47,552 thousand compared to DKK 20,900 thousand in 2019/2020 (15 months).

Profit for the year 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.

The result for the year has been materially affected by covid-19 in the form of cancellations amounting to DKK 25,698 thousand (2019/20: DKK 17,034 thousand). Covid-19 cancellations has been further described below. Our high season has however been longer than normal with an increased revenue and this overshadows the negative effects of above mentioned cancellations due to Covid-19.

DanCenter A/S has in the year received government grants regarding Covid-19 compensation of DKK 4,280 thousand, which are also included in the profit for the year.

Based on this, Management believes that the year's earnings of DKK 47,552 thousand 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.

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 DanCenter A/S 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 profit has been reduced by DKK 12.0 million, accounts receivable by DKK 39.0 million and accounts payable by DKK 27.0 million.

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	383	423
Operating profit	57	72

Risks

It is the Company's 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.

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. The Company has a small share of floating-rate interest-bearing debt that is not considered to pose any significant interest rate risk.

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.

For significant commercial currency risks, it is company policy to hedge these risks by means of forward exchange contracts. 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 Company's 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.

Corporate social responsibility

Statutory report on corporate social responsibility and the underrepresented gender

It is of high priority that the Company comply with legislation and rules where it operates.

On the Company's website https://www.dancenter.dk/csr-rapportering/, the statutory report on corporate social responsibility and the underrepresented gender for 2021 is available.

Description of foreign branches

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

- DanCenter A/S Niederlassung, Deutschland, German branch for Dancenter A/S Denmark.
- Västkustbokningen, Swedish branch for DanCenter A/S, Denmark.

Financial statements 1 April 2020 – 31 March 2021

Income statement

Note	DKK'000	1 April 2020 – 31 March 2021	1 January 2019– 31 March 2021 (15 mths)
4	**Revenue**	**402,813**	**463,998**
	Other operating income	4,280	45
5	Other external costs	-203,787	-253,787
	Gross margin	**203,306**	**210,256**
6	Staff costs	-110,359	-144,210
7	Depreciation, amortisation and impairment losses	-24,281	-30,445
	Operating profit	**68,666**	**35,601**
	Financial income from group entities	-493	838
	Financial income from investments in associates	-130	470
8	Financial income	1,384	802
9	Financial expenses	-2,977	-2,539
	Profit before tax	**66,450**	**35,172**
10	Tax for the year	-18,898	-14,272
	Profit for the year	**47,552**	**20,900**

Financial statements 1 April 2020 – 31 March 2021

Balance sheet

Note	DKK'000	31 March 2021	31 March 2020
	ASSETS		
	Non-current assets		
11	**Intangible assets**		
	Contractual rights	327	982
	Goodwill	79,036	101,618
		79,363	102,600
12	**Property, plant and equipment**		
	Land and buildings	23,770	23,343
	Leasehold improvements	742	624
	Fixtures and fittings, plant and equipment	664	668
	Property, plant and equipment in progress	95	391
		25,271	26,026
	Financial assets		
13	Equity investments in group entities	67,938	68,532
13	Equity investments in associated entities	7,963	8,128
	Deposits	1,143	1,114
		77,044	77,774
	Total non-current assets	181,678	206,400
	Current assets		
	Receivables		
	Trade receivables	249,781	233,996
14	Receivables from group entities	129,952	383
	Other receivables	1	1,368
	Joint taxation	2,354	5,655
15	Prepayments	3,024	1,981
		385,112	243,383
	Cash	57,186	80,965
	Total current assets	442,298	324,348
	TOTAL ASSETS	623,976	530,748

Financial statements 1 April 2020 – 31 March 2021

Balance sheet

Note	DKK'000	31 March 2021	31 March 2020
	EQUITY AND LIABILITIES		
	Equity		
16	Share capital	11,000	11,000
	Reserve for net revaluation under equity method	10,409	5,434
	Translation reserve	524	950
	Retained earnings	3,524	125,949
	Dividend proposed	165,000	0
	Total equity	190,457	143,333
	Non-current liabilities		
17	Deferred tax	206	284
	Total non-current liabilities	206	284
	Current liabilities		
	Payables to group entities	55,690	45,732
	Trade payables	291,323	277,995
	Corporate tax	19,944	15,362
	Other payables	54,395	36,812
	Deferred income	11,961	11,230
	Total current liabilities	433,313	387,131
	Total liabilities	433,519	387,415
	TOTAL EQUITY AND LIABILITIES	623,976	530,748

1 Accounting policies
2 Material uncertainty related to recognition and measurement
3 Special items
18 Contractual obligations and contingencies, etc.
19 Mortgages and collateral
20 Related parties
21 Appropriation of profit

Financial statements 1 April 2020 – 31 March 2021

Statement of changes in equity

Note	DKK'000	Share capital	Translation reserve	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 January 2019	**11,000**	**660**	**4,126**	**106,357**	**0**	**122,143**
	Dividend distribution	0	0	0	0	0	0
	Dividend treasury shares	0	0	0	0	0	0
	Foreign exchange adjustment, foreign subsidiary/	0	290	0	0	0	290
20	Transfer, see "Appropriation of profit"	0	0	1,308	19,592	0	20,900
	Equity at 1 April 2020	**11,000**	**950**	**5,434**	**125,949**	**0**	**143,333**
	Dividend distribution	0	0	0	0	165,000	165,000
	Foreign exchange adjustment, foreign subsidiary/branches	0	-428	-132	0	0	-560
	Adjustment other	0	0	-49	0	0	-49
20	Transfer, see "Appropriation of profit"	0	0	5,158	-122,425	0	-117,267
	Equity at 31 March 2021	**11,000**	**524**	**10,409**	**3,524**	**150,000**	**190,457**

Financial statements 1 April 2020– 31 March 2021

Notes

1 **Accounting policies**

The annual report of DanCenter A/S for 31 March 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Omission of consolidated financial statements
Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of DanCenter A/S and group entities are included in the consolidated financial statements of Oravel Vacation Homes Denmark ApS

Oravel Vacation Homes Denmark ApS

Lyngbyvej 20

2100 København Ø

Denmark.

Omission of cash flow statement
Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Oravel Vacation Homes Denmark ApS.

Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc., involving enterprises controlled by the parent company, the pooling-of-interests method is used. Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognised in equity. Moreover, comparative figures for previous financial years are restated.

Financial statements 1 April 2020– 31 March 2021

Notes

1 Accounting policies (continued)

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

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 rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. 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.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries that are integrated 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 date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

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.

Financial statements 1 April 2020– 31 March 2021

Notes

1 **Accounting policies (continued)**

Vacation Rental Management

The performance relates to retrieval of individual bookings for the home owner with guest bookings. For each successfully retrieved booking, DanCenter A/S 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.

Other operating income

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

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Income from 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.

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 tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge – including changes arising from changes in tax rates – is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Financial statements 1 April 2020– 31 March 2021

Notes

1 **Accounting policies (continued)**

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.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. Goodwill is amortized over 10 years, and longest for strategically acquired entities with a strong market position and long-term earnings profile.

Gains and losses on the disposal of intangible assets are determined 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 costs, respectively.

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, and wages and salaries as well as borrowing costs relating to specific and general borrowing directly attributable to the construction of the individual asset.

Interest expenses on loans to finance the production of items of property, plant and equipment, and which relate to the production period, are recognised in cost. All other borrowing costs are recognised in the income statement.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

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

The basis of 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 time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the amortisation 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.

Financial statements 1 April 2020– 31 March 2021

Notes

1 **Accounting policies (continued)**

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

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast 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.

Equity investments in group entities and associates

Equity investments in subsidiaries are measured and recognised in accordance with the equity method. This means that equity investments in the balance sheet are measured at the proportionate share of the entities' net asset value plus or minus unamortised positive and negative consolidated goodwill and plus or minus unrealised consolidated gains and losses.

The Company's share of the entities' profit/loss after elimination of unrealised intragroup gains and losses is recognised in the income statement less or plus amortisation of positive and negative consolidated goodwill.

Subsidiaries with negative net asset value are measured at nil, and any receivables from these entities are written down by the Company's share of the negative net asset value to the extent that they are considered irrecoverable. If the negative net asset value exceeds the receivable, the remaining amount is recognised in provisions to the extent that the Company has a legal or constructive obligation to cover the liabilities of the entity in question.

Net revaluation of equity investments in subsidiaries is transferred to the net revaluation reserve for equity investments to the extent that the carrying amount

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are assessed 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 Group's credit risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Financial statements 1 April 2020– 31 March 2021

Notes

1 **Accounting policies (continued)**

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

Prepayments

Prepayments recognised under "Current assets" comprise expenses 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.

Equity

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

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the general meeting (declaration date). Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

Income 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 prior-year taxable income and tax paid on account.

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 goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences arise at the date of acquisition without affecting neither the profit/loss for the year nor the 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.

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Notes

1 **Accounting policies (continued)**

Deferred tax assets, including the tax value of tax loss carry-forwards, 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

Financial liabilities are recognised at the date of borrowing at the net 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.

Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

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

Financial ratios

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

Operating margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

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Notes

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 DanCenter A/S 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 profit has been reduced by DKK 25,698 thousand, accounts receivable by DKK 78,557 thousand and accounts payable by DKK 52,859 thousand.

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	-25,698	-17,034
Covid-19 salary compensation	4,280	0
Special items are recognised in the below line items		
Other operating income		
Revenue	-25,698	-17,034
Other operating income	4,280	0
Net profit/loss from special items	**-21,418**	**-17,034**

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DKK'000		31 March 2021	31 March 2020
4	**Revenue – segment information**		
	Germany	141,533	268,815
	Scandinavia	255,014	166,930
	Other countries	6,266	28,253
		402,813	463,998

5 **Fees to the auditor appointed by the Annual General Meeting**

Pursuant to section 96(3) of the Danish Financial Statements Act, no specification of the auditor's fee has been prepared. The Company's auditors fee is included in the consolidated financial statements of Oravel Vacation Homes Denmark ApS.

		31 March 2021	31 March 2020
6	**Staff costs**		
	Wages and salaries	100,773	131,038
	Pensions	3,723	2,497
	Other staff costs	1,962	6,116
	Other social security costs	3,901	4,559
		110,359	144,210
	Average number of full-time employees	310	285

Staff costs include remuneration to the Executive Board, totalling DKK 3,190 thousand (1 January 2019 – 31 March 2020: DKK 7,105 thousand and pension costs of DKK 117 thousand (1 January 2019- 31 March 2020: DKK 157 thousand).

		31 March 2021	31 March 2020
7	**Depreciation, amortisation and impairment losses**		
	Amortisation of intangible assets	23,237	29,045
	Depreciation of property, plant and equipment	1,044	1,400
		24,281	30,445
8	**Financial income**		
	Interest income	1	1
	Interest income group entities	1,383	101
	Other interest income	0	700
		1,384	802
9	**Financial expenses**		
	Interest expenses	1,394	356
	Interest expenses group entities	1,583	2,183
		2,977	2,539

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10 Tax for the year

Estimated tax charge for the year	20,774	14,144
Adjustment of the deferred tax charge for the year	-78	66
Prior-year adjustments	-1,798	62
	18,898	14,271

11 Intangible assets

DKK'000	Contractual rights	Goodwill	Software	Total
Cost at 1 April 2020	18,157	225,818	3,502	247,477
Additions	0	0	0	0
Disposals	0	0	0	0
Cost at 31 March 2021	18,157	225,818	3,502	247,477
Amortisation and impairment losses at 1 April 2020	-17,175	-124,200	-3,502	-144,877
Amortisation	-655	-22,582	0	-23,237
Disposals	0	0	0	0
Amortisation and impairment losses at 31 March 2021	-17,830	-146,782	-3,502	168,114
Carrying amount at 31 March 2021	327	79,036	0	79,363
Amortised over	5-20 years	10 years		

The goodwill originates from the acquisition of DanCenter A/S and Danland A/S. Investment in DanCenter A/S and Danland A/S are considered to be strategically important to the Group were made by the prior holding company; Land & Leisure – now merged with DanCenter A/S. 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.

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12 Property, plant and equipment

DKK'000	Land and buildings	Leasehold Improvements	Fixtures and fittings, plant and equipment	Property, plant and equipment in progress	Total
Cost at 1 April 2020	32,078	4,318	5,419	391	42,206
Change in group	0	379	0	-379	0
Additions	0	0	226	95	321
Disposals	0	0	-20	-12	-32
Exchange rate differences	0	2	-1	0	1
Cost at 31 March 2021	32,078	4,699	5,624	95	42,496
Depreciation and impairment losses at 1 April 2020	-7,735	-3,694	-4,751	0	-16,180
Change in group	0	-3	0	0	-3
Depreciations	-573	-260	-211	0	-1,044
Impairment losses	0	0	0	0	0
Exchange rate differences	0	0	2	0	2
Depreciation and impairment losses at 31 March 2021	-8,308	-3,957	-4,960	0	-17,225
Carrying amount at 31 March 2021	23,770	742	664	95	25,271
Depreciated over	50 years	5-20 years	5-7 years		

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13 Financial assets

DKK'000	Equity Investments in group entities	Equity Investment s in associates
Cost at 1 April 2020	71,262	7,311
Additions	0	0
Disposals	-5,781	0
Cost at 31 March 2021	65,481	7,311
Value adjustments at 1 April 2020	-2,731	818
Exchange rates adjustments	-100	-36
Disposals	0	0
Value adjustments in the year	5,288	-130
Value adjustments at 31 March 2021	2,457	652
Carrying amount at 31 March 2021	67,938	7,963

Investments in affiliated companies are as follows:

Name	Domicile	Ownership	Equity	Profit for the year
DanCenter EDB Service ApS	Copenhagen	100%	15,362	555
DanCenter GmbH	Hamburg	100%	3,047	-2,389
Residence de Monbrison A/S	Copenhagen	73,16%	2,140	-101
Admiral Strand Feriehuse ApS	Copenhagen	100%	21,659	7,196

Investments in associate companies are as follows:

Name	Domicile	Ownership	Equity	Profit for the year
Marina Wendtorf Invest II GmbH & Co. KG	Kiel	49%	14,346	1,096

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DKK'000	31 March 2021	31 March 2020

14 Receivables from group entities

Receivables from group entities	3,282	383
Intercompany loan	126,670	0
Receivables from group entities	**129,952**	**383**

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.

15 Prepayments

Prepayments of expenses relates to rentals, insurance and subscriptions	3,024	1,981

16 Share capital

The share capital comprises 11.000 shares of DKK 1.000 nominal value each. The share capital has not been changed for the past five years. All shares rank equally.

17 Deferred tax

Deferred tax at 1 April 2020	-284	-218
Adjustment of the deferred tax charge for the year	78	-66
Deferred tax at 31 March 2021	-206	-284

The deferred tax charge relates to:

Intangible assets	-72	-216
Property, plant and equipment	-134	-68
Tax loss carry forward	0	0
	-206	-284

Deferred tax is recognised in the balance as:

Deferred tax assets	0	0
Deferred tax liabilities	-206	-284

Deferred tax is split in different tax jurisdictions:

Denmark	-206	-284
	-206	-284

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18 Contractual obligations and contingencies, etc.

Contingent assets and liabilities
The Company is jointly taxed with its parent company Oravel Vacation Homes Denmark ApS as the management company. The company has a claim or debt to the tax on the Group's jointly taxed income and any tax withheld at source.

Operating lease liabilities

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

Lease liabilities		
0-1 year	6,957	7,904
1-5 years	5,664	7,831
> 5 years	1,271	632
Total liabilities	13,892	16,367

19 Mortgages and collateral

Assets pledged as security for the rent deposit to Datea A/S amount to DKK 995 thousand (2020 March DKK 995 thousand) and are recognised as financial assets held to maturity as well as cash.

20 Related parties

DanCenter A/S' related parties comprise the following:

Significant influence

Dancenter A/S is part of the consolidated financial statements of Oravel Vacation Homes Denmark ApS, which is the largest group in which the company is included as a subsidiary. DanCenter A/S is also part the consolidated financial statements of Oravel Stays Private Limited, India.

The consolidated financial statements of Oravel Vacation Homes Denmark ApS can be obtained by contacting the Company.

Parties exercising control

Oravel Vacation Homes Denmark ApS is 100% owner of the share capital in the entity

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20 Related party transactions

DanCenter A/S was engaged in the below related party transactions with group entities:

DKK'000	31 March 2021	31 March 2020
Related party transactions		
Income statement:		
Sales to group entities	18,659	5,305
Purchases from group entities	-13,334	-5,800
Financial income	1,393	101
Financial expenses	-1,488	-2,183
Total	5,420	-2,682
Balance sheet:		
Receivables from group entities	141,924	383
Payables to group entities	22,763	45,732

21 Appropriation of profit

Recommended appropriation of profit		
Proposed dividend recognised under equity	165,000	0
Net revaluation reserve according to the equity method	5,158	1,308
Retained earnings	-122,606	19,592
	47,552	20,900