

# DanCenter A/S

Lyngbyvej 20, 2100 Copenhagen Ø

CVR no 67 32 40 13

## Annual report 2021/22

Approved at the Company's annual general meeting on 4 October 2022

Chairman:



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Thomas Akselsen

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## Statement by Management

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 2021 - 31 March 2022.

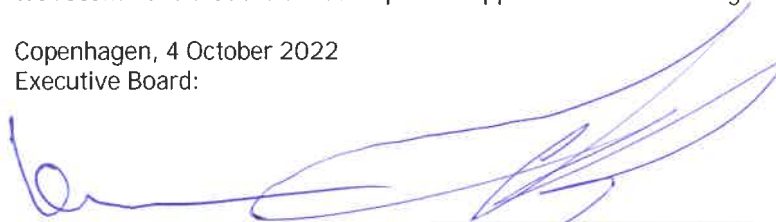
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022.

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 be approved at the annual general meeting.

Copenhagen, 4 October 2022  
Executive Board:




Kim Stengaard Holmsted      Thomas Akselsen

Board of Directors:



Mandar Purushottam Vaidya      Ayush Mathur      Deepak Goyal  
Chairman



Kim Stengaard Holmsted      Thomas Akselsen

## Independent auditor's report

To the shareholder of DanCenter A/S

### Opinion

We have audited the financial statements of DanCenter A/S for the financial year 1 April 2021 – 31 March 2022, 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 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control that 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 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.

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.

## Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note 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 4 October 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Kim Thomsen  
State Authorised  
Public Accountant  
mne26736

## Management's review

### Company details

Name	DanCenter A/S
Address, postal code, city	Lyngbyvej 20, 2100 Copenhagen Ø
CVR no.	67 32 40 13
Established	6 May 1982
Registered office	Copenhagen
Financial year	1 April – 31 March
Website	<a href="http://www.dancenter.dk">www.dancenter.dk</a>
Telephone	+45 70130000
Board of Directors	Mandar Purushottam Vaidya Ayush Mathur Deepak Goyal Kim Stengaard Holmsted Thomas Akselsen
Executive Board	Kim Stengaard Holmsted Thomas Akselsen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg

## Management's review

### Financial highlights

DKK'000	2021/22	2020/21	2019/20 (15 mos.)	2018	2017
<b>Key figures</b>					
Revenue	508,318	402,813	463,998	331,877	322,141
Gross profit	242,592	201,344	210,256	151,523	141,378
Profit before net financials	96,703	68,666	35,601	18,659	18,372
Profit/loss from financial income and expenses	-876	-1,593	-1,737	-2,007	-361
Profit for the year	75,898	47,552	20,900	9,553	9,196
<b>Assets and liabilities</b>					
Non-current assets	146,655	181,678	206,400	250,012	271,166
Investment in tangible assets	461	226	1,020	1,565	1,038
Current assets	492,841	442,298	324,348	165,601	153,581
Total assets	639,496	623,976	530,748	415,613	424,747
Equity	101,461	190,457	143,333	122,143	237,396
Non-current liabilities	7,783	8,115	284	446	392
Current liabilities	530,252	425,404	387,131	293,024	186,959
<b>Financial ratios</b>					
Operating margin	19.0%	17.0%	7.7%	5.6%	5.7%
Gross margin	48.7%	50.5%	45.3%	45.7%	43.9%
Current ratio	0.94	1.02	0.83	0.56	0.82
Equity ratio	0.16	0.31	0.27	0.29	0.56
Return on equity	52.0%	22.2%	10.6%	5.3%	3.8%
<b>Average number of full-time employees</b>					
Average number of full-time employees	324	310	285	270	258

Financial ratios are calculated in accordance with the 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 the arrangement of 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 8,000 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. 2,000 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 75,898 thousand compared to DKK 47,552 thousand in 2020/2021. The increase is DKK 28,346 thousand which is mainly attributable to the increase in rental revenue by DKK 105,505 thousand compared to 2020/21.

The results achieved for the year exceed by far our expectations for 2021/22. Covid-19 did not have much impact on the season 2021 and actually again resulted in a high domestic demand. When cross-border closure between Denmark and Germany finally was over in June 2021 a high growth especially from German guests led to a season where demand has been high and spread over a longer period than previous seasons.

Based on this, Management believes that the year's earnings of DKK 75,898 thousand were satisfactory.

#### Events after the balance sheet date

On 25 July 2022, DanCenter acquired the holiday rental company Bornholmske Feriehuse ApS. Bornholmske Feriehuse ApS has over 730 homes on contract located on Bornholm, and DanCenter thus obtains a very prominent market position on Bornholm.

There have not been any events after the balance sheet date, that can affect the results for the year.



## Management's review

### Operating review (continued)

#### Outlook

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 OYO 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.

The growth in recent years has by far surpassed our expectations. Domestic demand for holidays in Scandinavia is expected still to be high but given the ongoing war in Ukraine and increasing crisis and inflation, it is our expectation that growth will slow down.

DKK' million	Low	High
Revenue	432	534
Operating profit	65	91

#### 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 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.

## Management's review

### Operating review (continued)

#### Risks (continued)

##### *Credit risks*

The primary credit risk of the Company relates to receivables from rental activities, etc. A 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 are 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 – expose the Company 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. In 2021/22 and past years, no hedging has taken place. Currency risks attributable to investments in foreign group entities 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 complies with legislation and rules where it operates.

The statutory report on corporate social responsibility and the underrepresented gender for 2022 is available on the Company's website: <https://www.dancenter.dk/csr-rapportering>.

## Management's review

### Operating review (continued)

#### Statement of policy on data ethics, section 99d of the Danish Financial Statements Act

DanCenter A/S does not currently have a data ethics policy but is working on preparing and implementing such a policy. Several organisational changes in the Group will have an impact on our policies around data protection and data ethics.

We will ensure compliance with applicable data protection laws and our goal for data ethical behaviour is to always act responsibly using of data and to create transparency in the Company's data collection, data handling and data development. Our data ethics behaviour must contribute positively to the customers' security because the data the customer hands over to the company is the customer's own and is processed within the applicable legal framework.

We aim at drawing up and implementing a data ethics policy in the coming years.

#### 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.
- Västkostbokningen, Swedish branch for DanCenter A/S, Denmark.

## Financial statements 1 April 2021 – 31 March 2022

### Income statement

Note	DKK'000	1 April 2021 – 31 March 2022	1 April 2020 – 31 March 2021
3	Revenue	508,318	402,813
	Other operating income	0	4,280
	Other operating expenses	-579	0
4	Other external costs	-265,147	-205,749
	Gross profit	242,592	201,344
5	Staff costs	-121,916	-108,397
6	Depreciation, amortisation and impairment losses	-23,973	-24,281
	Profit before net financials	96,703	68,666
	Financial income from group entities	8,617	-493
	Financial income from investments in associates	-141	-130
7	Financial income	2,032	1,384
8	Financial expenses	-2,908	-2,977
	Profit before tax	104,303	66,450
9	Tax for the year	-28,405	-18,898
	Profit for the year	75,898	47,552

## Financial statements 1 April 2021 – 31 March 2022

### Balance sheet

Note	DKK'000	31 March 2022	31 March 2021
	ASSETS		
	Non-current assets		
10	Intangible assets		
	Contractual rights	0	327
	Goodwill	56,454	79,036
		<u>56,454</u>	<u>79,363</u>
11	Property, plant and equipment		
	Land and buildings	23,243	23,770
	Leasehold improvements	591	742
	Fixtures and fittings, tools and equipment	708	664
	Property, plant and equipment under construction	31	95
		<u>24,573</u>	<u>25,271</u>
	Financial assets		
12	Equity investments in group entities	56,556	67,938
12	Equity investments in associated entities	7,823	7,963
	Deposits	1,249	1,143
		<u>65,628</u>	<u>77,044</u>
	Total non-current assets	<u>146,655</u>	<u>181,678</u>
	Current assets		
	Receivables		
	Trade receivables	382,610	249,781
13	Receivables from group entities	37,600	129,952
	Other receivables	48	1
	Income tax receivables	184	2,354
14	Prepayments	3,274	3,024
		<u>423,716</u>	<u>385,112</u>
	Cash	69,125	57,186
	Total current assets	<u>492,841</u>	<u>442,298</u>
	TOTAL ASSETS	<u>639,496</u>	<u>623,976</u>

## Financial statements 1 April 2021 – 31 March 2022

### Balance sheet

Note	DKK'000	31 March 2022	31 March 2021
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
15	Share capital	11,000	11,000
	Translation reserve	634	524
	Reserve for net revaluation according to the equity method	0	10,409
	Retained earnings	39,827	3,524
	Dividend proposed for the year	50,000	165,000
	<b>Total equity</b>	<b>101,461</b>	<b>190,457</b>
	Non-current liabilities		
16	Deferred tax	191	206
17	Other payables	7,592	7,909
	<b>Total non-current liabilities</b>	<b>7,783</b>	<b>8,115</b>
	Current liabilities		
	Payables to group entities	43,346	55,690
	Trade payables	386,151	291,323
	Corporate tax	25,703	19,944
	Other payables	63,313	46,486
	Deferred income	11,739	11,961
	<b>Total current liabilities</b>	<b>530,252</b>	<b>425,404</b>
	<b>Total liabilities</b>	<b>538,035</b>	<b>433,519</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>639,496</b>	<b>623,976</b>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 18 Contractual obligations and contingencies, etc.
- 19 Mortgages and collateral
- 20 Related parties
- 21 Appropriation of profit

## Financial statements 1 April 2021 – 31 March 2022

### 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 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/	0	-428	-132	0	0	-560
	Adjustment other	0	0	-49	0	0	-49
21	Transfer, see "Appropriation of profit"	0	0	5,158	-122,425	0	-117,267
	Equity at 1 April 2021	11,000	524	10,409	3,524	165,000	190,457
	Transfers	0	0	-24,671	24,671	0	0
	Dividend distribution	0	0	0	0	-165,000	-165,000
	Foreign exchange adjustment, foreign subsidiary/branches	0	106	0	0	0	106
	Adjustment other	0	4	-4	0	0	0
21	Transfer, see "Appropriation of profit"	0	0	14,266	11,632	50,000	75,898
	Equity at 31 March 2022	11,000	634	0	39,827	50,000	101,461

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 1 Accounting policies

The annual report of DanCenter A/S for 2021/22 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

OYO Hospitality Netherlands B.V.  
Barbara Strozziilaan 101  
1083 HN Amsterdam

#### 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

OYO Hospitality Netherlands B.V.  
Barbara Strozziilaan 101  
1083 HN Amsterdam

#### 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.

#### Measurement and recognition

Income is recognised in the income statement as earned, including adjustments of financial assets and liabilities. Moreover, all costs, including amortisation, depreciation and impairment losses, are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that future economic resources will flow from the Company and the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual accounting item below.

Certain financial assets and liabilities are measured at amortised cost, and thus, constant effective interest is recognised over the term. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.



## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 1 Accounting policies (continued)

##### Reporting currency

The financial statements are presented in Danish kroner (DKK)

##### 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 group entities 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 group entities' 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 group entities 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 group entities are recognised directly in equity.

Upon recognition of foreign group entities 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.

##### 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.

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 1 Accounting policies (continued)

##### Income statement

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 exceed 12 months.

##### *Vacation rental management*

The performance relates to retrieval of individual bookings for the homeowner with guest bookings. For each successfully retrieved booking, DanCenter A/S and the homeowner enter into a single rental agreement, which can be determined as the distinct performance obligation.

When homeowner 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 and expenses

Other operating income/expenses comprise items secondary to the Company's activities, including gains/losses 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 group entities 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 group entities 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 group entities. 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 Company is liable to pay tax in Denmark on income and expenses relating to activities in Denmark.

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish companies. Oravel Vacation Homes Denmark ApS is the administrative company of the joint taxation and thus settles all payments of corporation tax in the Group with the tax authorities.

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 1 Accounting policies (continued)

On payment of joint taxation contributions, current Danish corporation tax 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 used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised 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.

##### *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 amortised 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. The basis of depreciation is cost less any expected residual value at the end of the useful life. 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.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets and any residual value. The expected useful lives are as follows:

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

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 1 Accounting policies (continued)

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 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.

#### 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 group entities and associates and participating interests are measured according to the equity method. The Parent Company has chosen to consider the equity method a measurement method.

On initial recognition, equity investments in group entities and associates and participating interests are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method.

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 for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

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

Net revaluation of equity investments is recognised under equity in the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds cost.

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 1 Accounting policies (continued)

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Gains or losses on disposal of group entities, equity interests and associates are made up as the difference between the net selling price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill. The gains and losses are recognised in the income statement as financial income or financial expenses.

Acquisitions of new group entities, equity interests and associates are accounted for using the purchase method according to which the acquired entities' assets and liabilities are measured at fair value at the date of acquisition. The tax effect of revaluations made is taken into account.

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.

Any excess of the cost over the fair value of identifiable assets and liabilities, including restructuring provisions, is recognised as equity investments in group entities and associates and participating interests and depreciated over the estimated useful life determined on the basis of Management's experiences of the individual business areas. The maximum depreciation period is 10 years, longest for strategically acquired entities with strong market positions and long-term earnings profiles. The carrying amount of goodwill is tested for impairment and any impairment losses are taken to the income statement in cases where the carrying amount exceeds the expected future net income from the business or the activity to which the goodwill relates.

#### 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.

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 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.

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 1 Accounting policies (continued)

##### Equity

###### *Net revaluation reserve according to the equity method*

The net revaluation reserve according to the equity method comprises net revaluations of equity investments in group entities and associates compared to cost comprising recognised shares of profit/loss and foreign exchange adjustments less dividends.

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 group entities 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.

##### 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.

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 1 Accounting policies (continued)

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

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 2 Events after the balance sheet date

On 25 July 2022, DanCenter acquired the holiday rental company Bornholmske Feriehuse ApS. Bornholmske Feriehuse ApS has over 730 homes on contract located on Bornholm and DanCenter thus obtains a very prominent market position on Bornholm.

There have not been any events after the balance sheet date, that can affect the results for the year.

DKK'000	31 March 2022	31 March 2021
3 Revenue – segment information		
Germany	248,416	141,533
Scandinavia	234,270	255,014
Other countries	25,632	6,266
	<u>508,318</u>	<u>402,813</u>
Accommodation	416,575	328,029
Cleaning	67,268	52,968
Linnen	6,863	5,443
Other	17,612	16,373
	<u>508,318</u>	<u>402,813</u>

#### 4 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 auditor's fee is included in the consolidated financial statements of OYO Hospitality Netherlands B.V.

DKK'000	31 March 2022	31 March 2021
5 Staff costs		
Wages and salaries	112,755	100,773
Pensions	5,195	3,723
Other social security costs	3,966	3,901
	<u>121,916</u>	<u>108,397</u>
Average number of full-time employees	<u>324</u>	<u>310</u>

Staff costs include remuneration to the Executive Board, totalling DKK 4,541 thousand (1 April 2020 – 31 March 2021: DKK 3,190 thousand) and pension costs of DKK 204 thousand (1 April 2020 – 31 March 2021: DKK 117 thousand).



Financial statements 1 April 2021 – 31 March 2022

Notes

DKK'000	31 March 2022	31 March 2021
6 Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	22,909	23,237
Depreciation of property, plant and equipment	1,064	1,044
	<u>23,973</u>	<u>24,281</u>
7 Financial income		
Interest income	1	1
Interest income group entities	2,031	1,383
	<u>2,032</u>	<u>1,384</u>
8 Financial expenses		
Interest expenses	509	1,394
Interest expenses group entities	2,399	1,583
	<u>2,908</u>	<u>2,977</u>
9 Tax for the year		
Current tax for the year	28,298	20,774
Deferred tax adjustment for the year	-16	-78
Prior-year adjustments	123	-1,798
	<u>28,405</u>	<u>18,898</u>

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 10 Intangible assets

DKK'000	Contractual rights	Goodwill	Software	Total
Cost at 1 April 2021	18,157	225,818	3,502	247,477
Cost at 31 March 2022	18,157	225,818	3,502	247,477
Amortisation and impairment losses at 1 April 2021	-17,830	-146,782	-3,502	-168,114
Amortisation	-327	-22,582	0	-22,909
Amortisation and impairment losses at 31 March 2022	-18,157	-169,364	-3,502	-191,023
Carrying amount at 31 March 2022	0	56,454	0	56,454
Amortised over	5-20 years	10 years		

The goodwill originates from the acquisition of DanCenter A/S and Danland A/S. Investments in DanCenter A/S and Danland A/S are considered to be strategically important to the Group and 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.

#### 11 Property, plant and equipment

DKK'000	Land and buildings	Leasehold improvements	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 April 2021	32,078	4,699	5,624	95	42,496
Disposals	0	0	0	-95	-95
Additions	32	88	310	31	461
Cost at 31 March 2022	32,110	4,787	5,934	31	42,862
Depreciation and impairment losses at 1 April 2021	-8,308	-3,957	-4,960	0	-17,225
Depreciations	-559	-239	-266	0	-1,064
Depreciation and impairment losses at 31 March 2022	-8,867	-4,196	-5,226	0	-18,289
Carrying amount at 31 March 2022	23,243	591	708	31	24,573
Depreciated over	50 years	5-20 years	5-7 years		

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 12 Financial assets

DKK'000	Equity investments in group entities	Equity invest- ments in associates
Cost at 1 April 2021	65,481	7,311
Transfer to value adjustment	13,432	0
Cost at 31 March 2022	<u>78,913</u>	<u>7,311</u>
Value adjustments at 1 April 2021	2,457	652
Exchange rate adjustments	1	1
Transfer from cost	-13,432	0
Amortisation, group entities	-6,301	0
Dividend	-20,000	0
Profit for the year	<u>14,919</u>	<u>-141</u>
Value adjustments at 31 March 2022	<u>-2,624</u>	<u>512</u>
Carrying amount at 31 March 2022	<u>56,556</u>	<u>7,823</u>

The goodwill originates from the acquisition of Admiral Strand Feriehuse ApS. 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.

Investments in group entities are as follows:

Name	Domicile	Ownership	Equity	Profit for the year
DanCenter EDB Service ApS	Copenhagen	100%	15,951	589
DanCenter GmbH	Hamburg	100%	3,004	-42
Residence de Monbrison A/S	Copenhagen	73.16%	1,243	-897
Admiral Strand Feriehuse ApS	Copenhagen	100%	16,686	15,027

Investments in associates are as follows:

Name	Domicile	Ownership	Equity	Profit for the year
Marina Wendtorf Invest II GmbH & Co. KG	Kiel	49%	15,969	403

Equity investments in group entities include increases in value of DKK 20,004 thousand (2021: DKK 26,305 thousand).

## Financial statements 1 April 2021 – 31 March 2022

Notes	31 March 2022	31 March 2021
DKK'000		
13 Receivables from group entities		
Receivables from group entities	37,600	3,282
Intercompany loan	0	126,670
Receivables from group entities	<u>37,600</u>	<u>129,952</u>
14 Prepayments		
Prepayments of expenses relate to rentals, insurance and subscriptions	3,274	3,024
	<u>3,274</u>	<u>3,024</u>
15 Share capital		
The share capital comprises 11,000 shares of DKK 1,000 nominal value each. All shares rank equally.		
DKK'000	31 March 2022	31 March 2021
16 Deferred tax		
Deferred tax at 1 April 2021	206	284
Adjustment of the deferred tax charge for the year	-15	-78
Deferred tax at 31 March 2022	<u>191</u>	<u>206</u>
The deferred tax charge relates to:		
Intangible assets	0	72
Property, plant and equipment	191	134
	<u>191</u>	<u>206</u>
Deferred tax is recognised in the balance sheet as:		
Deferred tax assets	0	0
Deferred tax liabilities	191	206
	<u>191</u>	<u>206</u>
Deferred tax is split in different tax jurisdictions:		
Denmark	191	206
	<u>191</u>	<u>206</u>
17 Other payables		
1-5 years	1,199	1,249
> 5 years	6,393	6,660
Total liabilities	<u>7,592</u>	<u>7,909</u>

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 18 Contractual obligations and contingencies, etc.

##### Contingent assets and liabilities

The Company is jointly taxed with its parent, Oravel Vacation Homes Denmark ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

##### Operating lease liabilities

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

DKK'000	31 March 2022	31 March 2021
Lease liabilities		
0-1 year	5,683	6,957
1-5 years	4,154	5,664
> 5 years	913	1,271
Total liabilities	10,750	13,892

#### 19 Mortgages and collateral

Assets pledged as security for the rent deposit to Datea A/S amount to DKK 995 thousand (2021 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 OYO Hospitality Netherlands B.V and Oravel Stays Private Limited. OYO Hospitality Netherlands B.V. Barbara Strozziiaan 101, 1083 HN Amsterdam is the smallest group while Oravel Stays Private Limited, Mauryansh Elanza, Shyamal cross road, Nr. Parekh Hospital, Satelite Ahmedabad GJ 380015 IN is the largest.

The consolidated financial statements of OYO Hospitality Netherlands B.V. Barbara Strozziiaan 101, 1083 HN Amsterdam 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

## Financial statements 1 April 2021 – 31 March 2022

### Notes

#### 20 Related parties(continued)

##### Related party transactions

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

DKK'000	31 March 2022	31 March 2021
Related party transactions		
Income statement:		
Sales to group entities	22,885	18,659
Purchases from group entities	-18,253	-13,334
Financial income	-1,125	-1,393
Financial expenses	1,109	1,488
Total	<u>4,616</u>	<u>5,420</u>
Balance sheet:		
Receivables from group entities	18,445	141,924
Payables to group entities	<u>31,832</u>	<u>22,763</u>
21 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	50,000	165,000
Net revaluation reserve according to the equity method	14,266	5,158
Retained earnings	<u>11,632</u>	<u>-122,606</u>
	<u>75,898</u>	<u>47,552</u>