DanCenter A/S

Lyngbyvej 20, 2100 København Ø

CVR no. 67 32 40 13

Annual report 1 January 2019 – 31 March 2020

Approved at the Company's annual general meeting on 18 December 2020

Chairman:

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Thomas Akselsen

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of DanCenter A/S for the financial year 1 January 2019 – 31 March 2020.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2020 and of the results of their operations and consolidated cash flows for the financial year 1 January 2019 – 31 March 2020.

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

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

Copenhagen, 18 December 2020
Executive Board:

Kim Holmsted

Thomas Akselsen

Board of Directors:

Raj Kamal
Chairman

Deepak Goyal

Nikhil Lohchab

Thomas Akselsen

Kim Holmsted

Independent auditor's report

To the shareholders of DanCenter A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of DanCenter A/S for the financial year 1 January 2019 – 31 March 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2020 and of the results of the Group's and the Parent Company's operations as well as consolidated cash flows for the financial year 1 January 2019 – 31 March 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

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

Copenhagen, 18 December 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Gath State Authorised Public Accountant mne19718	Kim Thomsen State Authorised Public Accountant mne26736

Management's review

Financial highlights for the Group

DKKm	2019/20 (15 months)	2018
Key figures		
Revenue	526,523	380,877
Gross profit/loss	247,803	182,070
Operating profit/loss	36,295	19,975
Profit/loss from net financials	1,171	798
Profit/loss for the year	20,817	9,562
Non-current assets	180,784	220,660
Current assets	351,990	210,902
Total assets	532,774	431,561
Amount relating to investments in property, plant and equipment	2,714	1,999
Equity	143,333	122,143
Long-term liabilities	4,793	6,763
Short-term liabilities	384,045	301,970
Financial ratios		
Operating margin	6,9%	5,2%
Gross margin	47,1%	47,8%
Current ratio	91,7%	69,8%
Cash conversion ratio	403,3%	246,6%
Equity ratio	26,9%	28,3%
Return on equity	15,75%	4,83%
Average number of full-time employees	**315**	**305**

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

Since consolidated financial statements have not been prepared for DanCenter earlier years only current year 2019/20 and comparison year 2018 is displayed in the above highlights. 2019/20 is not comparable with 2018 due to the extended financial year

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

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

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

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

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

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

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

Management's review

Principal activities

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

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

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

The DanCenter brand comprises more than 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.

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

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

The development of the season 2019 was in line with budget while the remaining part of the financial year was highly affected by the hit of the 1st wave of Covid-19 pandemic. See detailed description of the effects below

Development in activities and financial matters

The profit for the year after tax amount to DKK 20,817 thousand compared to DKK 9,562 thousand in 2018. The 2018 and 2019/20 results are not comparable as 2019/20 income statement represents a 15-month period (2018: 12 months) and the 2019/20 result is influenced by the effects of the Covid-19 cancellations. The effect of Covid-19 is further explained below in section "Covid-19 cancellations", to which reference is made

Based on the circumstances on how the year ended Management does believe that the year's earnings were satisfactory and in line with expectations when normalising the result for Covid-19 cancellation effects.

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

As the Covid-19 pandemic evolves, governments are implementing 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.

At the end of March, the group has taken certain 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 2021, if the decision is notified by 31 December 2020.

Management's review

Covid-19 outbreak has caused disruption to the group's economic activity in March 2020 among other things due to the Danish prime ministers' decision to close the border to Germany 13 March 2020. Based on the development in the early epicenters of e.g. Wuhan, China and Northern Italy, the managements expectation of DanCenter as at 31 March 2020 was that travel restrictions would be upheld until early summer 2020. Based on this assumption the group management of DanCenter has assessed that bookings made before 31 March 2020, but with a rental period until early summer 2020 is expected to be cancelled. The cancellation adjustment includes bookings covered by the force majeure provisions in the lease contract as well as expected increase in cancellations related to bookings not covered by force majeure provisions.

Management has concluded that Covid-19 pandemic and the closing of the border in March 2020 is an adjusting event as at 31 March 2020 and the impact of it is material. This adjusting event is limited to the first wave of Covid-19 that hit our markets in Spring 2020.

The effect can be specified as follows:

DKK' million	Revenue/profit before tax	Accounts receivables	Accounts payable
Admiral Strand	-4,4	-13,2	-8,8
DanCenter	-17,0	-54,0	-37,0
Group	-21,4	-67,2	-45,8

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

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 OYO Vacation homes 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 Groups competitive position. Ability to provide and develop measures to secure and further increase homeowner satisfaction will be decisive for future success.

Given the uncertainty of how long time our business will continue to be affected by the Covid-19 pandemic it is hard to estimate how the expected revenue and operating profit will be realised for 2020/21. Based on budgets for next year 2020/21 management expects the following:

DKK' million	Low	High
Revenue	379,1	463,3
Operating profit	26,1	31,9

Risks

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

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

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

Management's review

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.

Credit risks

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

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

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

Currency risks

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

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

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

Liquidity risks

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

Management's review

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

Employee relationships and knowledge resources

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

Statutory report on corporate social responsibility and the underrepresented gender

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 including policies on human right, social and labour conditions, climate, environment and anticoruption and the underrepresented gender for 2019/20 is available.

Events after the balance sheet date

The recent outbreak of Coronavirus may negatively affect Company’s economic conditions as the Danish government is imposing travel bans, quarantines and other emergency public safety measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus’ outbreak. The ultimate severity of the Corona virus 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.

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.

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Income statement

		Group		Parent	
Note	**DKK'000**	**1 January 2019 – 31 March 2020**	**1 January – 31 December 2018**	**1 January 2019 – 31 March 2020**	**1 January – 31 December 2018**
5	**Revenue**	526,523	380,587	463,998	331,873
	Other operating income / expenses	-539	-15	45	-24
7	Other external costs	-278,181	-198,502	-253,787	-180,438
	Gross margin	247,803	182,070	210,256	151,411
19	Staff costs	-169,277	-127,347	-144,210	-108,198
6	Depreciation, amortisation and impairment losses	-42,230	-34,748	-30,445	-24,554
	Operating profit	36,296	19,975	35,601	18,659
	Financial income from group entities	0	0	838	1,638
	Financial income from investments in associates	470	537	470	537
8	Financial income	701	258	802	314
9	Financial expenses	-1,171	-905	-2,539	-2,321
	Profit before tax	36,296	19,865	35,172	18,827
10	Tax for the year	-15,479	-10,303	-14,272	-9,274
	Profit for the year	20,817	9,562	20,900	9,553

Breakdown of the consolidated profit/loss:		
Shareholders in DanCenter A/S	20,900	9,553
Non-controlling interests	-83	9
	20,817	9,562

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Balance sheet

		Group		Parent	
Note	**DKK'000**	**31 March 2020**	**31 December 2018**	**31 March 2020**	**31 December 2018**
	ASSETS				
	Non-current assets				
11	**Intangible assets**				
	Contractual rights	982	1,800	982	1,800
	Goodwill	118,469	149,398	101,618	129,846
	Trademark and Customer relations	20,004	26,620	0	0
	Software	1,179	2,916	0	0
		140,634	180,734	102,600	131,646
12	**Property, plant and equipment**				
	Land and buildings	26,839	27,607	24,343	25,060
	Leasehold improvements	624	528	0	0
	Fixtures and fittings, plant and equipment	2,885	2,271	1,292	1,263
	Property, plant and equipment in progress	391	543	391	543
		30,739	30,949	26,026	26,866
	Other non-current assets				
13	Equity investments in group entities	0	0	68,532	82,693
14	Equity investments in associated entities	8,128	7,656	8,128	7,656
	Deposits	1,283	1,093	1,114	924
	Deferred tax asset	0	228	0	228
		9,411	8,977	77,774	91,501
	Total non-current assets	180,784	220,660	206,400	250,013
	Current assets				
	Receivables				
	Trade receivables	258,646	183,380	233,996	158,096
	Receivables from group entities	385	0	383	0
	Other receivables	3,302	1,370	1,368	1,015
	Corporate tax	3,228	2,440	5,655	2,440
	Financial fixed assets	0	21	0	0
15	Prepayments	4,168	3,138	1,981	2,084
		269,729	190,349	243,383	163,635
	Cash	82,261	20,552	80,965	1,966
	Total current assets	351,990	210,901	324,348	165,601
	TOTAL ASSETS	532,774	431,561	530,748	415,614

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Balance sheet

		Group		Parent	
Note	**DKK'000**	**31 March 2020**	**31 December 2018**	**31 March 2020**	**31 December 2018**
	EQUITY AND LIABILITIES				
	Equity				
16	Share capital	11,000	11,000	11,000	11,000
	Reserve for exchange rate adjustments	0	0	948	660
	Net revaluation reserve according to the equity method	0	0	5,435	4,126
	Retained earnings	132,333	111,143	125,950	106,357
	DanCenter A/S' shareholders' share of equity	143,333	122,143	143,333	122,143
	Non-controlling interests	602	685	0	0
	Total equity	143,935	122,828	143,333	122,143
	Long-term liabilities				
17	Deferred tax	4,793	6,763	284	446
	Total long-term liabilities	4,793	6,763	284	446
	Short-term liabilities				
	Trade payables	311,328	176,056	277,995	149,685
	Payables to group entities	0	83,834	45,732	107,612
	Corporation tax	15,636	2,665	15,362	512
	Other payables	42,726	34,216	36,812	30,465
18	Deferred income	14,356	5,199	11,230	4,751
	Total short-term liabilities	384,046	301,970	387,131	293,025
	Total liabilities	388,839	308,733	387,415	293,471
	TOTAL EQUITY AND LIABILITIES	532,774	431,561	530,748	415,614

1 Accounting policies
2 Material uncertainty related to recognition and measurement
3 Special items
4 Events after the balance sheet date
20 Contractual obligations and contingencies, etc.
21 Mortgages and collateral
22 Currency and interest rate risks and use of derivative financial instruments
23 Related parties
24 Distribution of profit/loss
25 Changes in working capital

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Statement of changes in equity

		Group						
Note	**DKK'000**	**Share capital**	**Reserve for exchange rate adjustments**	**Retained earnings**	**Proposed dividend**	**Total**	**Non-controlling interests**	**Total equity**
	Equity at 1 January 2018	11,000	466	100,930	125,000	237,396	676	238,072
	Distributed dividend	0	0	0	-125,000	-125,000	0	-125,000
	Foreign exchange adjustments	0	194	0	0	194	0	194
	Transferred; see distribution of profit/loss	0	0	9,553	0	9,553	9	9,562
	Equity at 1 January 2019	11,000	660	110,483	0	122,143	685	122,828
	Transferred; see distribution of profit/loss	0	0	20,900	0	20,900	-83	20,817
	Foreign exchange adjustments	0	290	0	0	290	0	290
	Equity at 31 March 2020	11,000	950	131,383	0	143,333	602	143,935

		Parent					
Note	**DKK'000**	**Share capital**	**Net revaluation reserve according to the equity method**	**Reserve for exchange rate adjustments**	**Retained earnings**	**Proposed dividend**	**Total**
	Equity at 1 January 2018	11,000	1,398	466	99,532	125,000	237,396
	Distributed dividend	0	0	0	0	-125,000	-125,000
	Transferred; see distribution of profit/loss	0	2,728	0	6,825	0	9,553
	Foreign exchange adjustments, foreign subsidiary	0	0	194	0	0	194
	Equity at 1 January 2019	11,000	4,126	660	106,356	0	122,143
24	Transferred; see distribution of profit/loss	0	-4,126	0	25,026	0	20,900
	Foreign exchange adjustments, foreign subsidiary	0	0	290	0	0	291
	Equity at 31 March 2020	11,000	0	950	131,383	0	143,333

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Cash flow statement

		Group	
Note	**DKK'000**	**1 January 2019 – 31 March 2020**	**1 January – 31 December 2018**
	Profit/loss before net financials	36,295	19,975
	Depreciation and amortisation	42,230	34,748
	Other adjustments of non-cash operating items	2,821	-482
	Cash generated from operations before changes in working capital	81,346	54,241
25	Changes in working capital	73,943	8,835
	Cash generated from operations	155,289	63,076
	Interest received	701	258
	Interest paid	-1,171	-905
	Corporation tax paid	-5,252	-10,441
	Cash flows from operating activities	**149,567**	**51,988**
11	Acquisition of intangible assets	-2,714	-1,999
12	Acquisition of property, plant and equipment	-737	-1,026
	Additional paid deposits	-188	-347
	Cash flows from investing activities	**-3,639**	**-3,372**
	Loan financing:		
	Changes in payables related to group entities	-84,219	67,151
	Shareholders:		
	Distributed dividend	-	-125,000
	Cash flows from financing activities	**-84,219**	**-57,849**
	Cash flows for the year	**61,709**	**-9,233**
	Cash and cash equivalents, beginning of year	20,552	29,785
	Cash and cash equivalents, year end	**82,261**	**20,552**

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

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Notes

1 Accounting policies

The annual report of DanCenter A/S for 2019/20 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In previous year DanCenter A/S did not prepare consolidated financial statements pursuant to section 112(1) of the Danish Financial Statements Act. New ownership structure has meant that DanCenter A/S has had to prepare consolidated financial statements for 2019/20 in accordance with the Danish Financial Statements Act.

The accounting policies used in the preparation of the parent company financial statements are consistent with those of last year.

DanCenter A/S has changed the financial year from 1 January – 31 December to 1 April - 31 March due the change in ownership structure in June 2019. The transition year includes 1 January 2019 to 31 March 2020.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company DanCenter A/S and subsidiaries controlled by DanCenter A/S.

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

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

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

Significant influence

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

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

Preparation of consolidated financial statements

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

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

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

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

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Notes

1 Accounting policies (continued)

The Group's activities in joint operations are recognised in the consolidated financial statements on a line-by-line basis.

Business combinations

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

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

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

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

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

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

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

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

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

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

Foreign currency translation

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

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Notes

1 Accounting policies (continued)

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

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

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

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

Income statement

Revenue

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

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

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

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

Vacation Rental Management

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

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Notes

1 Accounting policies (continued)

Other operating income

Other operating income comprises items secondary to the entities' activities, including gains on disposal of intangible assets and property, plant and equipment.

Other operating expenses

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

Profit/loss from equity investments in subsidiaries and associates

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

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

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

Financial income and expenses

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

Tax for the year

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

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

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

Balance sheet

Intangible assets

Contractual rights

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

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Notes

1 Accounting policies (continued)

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 20 years. The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Software

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

Property, plant and equipment

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

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

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

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

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

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

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

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

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

Leases

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

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

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Notes

1 Accounting policies (continued)

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

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

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

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

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

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

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

Dividend received is deducted from the carrying amount.

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

Impairment of non-current assets

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

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

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

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

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortised cost.

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

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

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Notes

1 Accounting policies (continued)

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

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

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term to maturity of three months or less, which are subject to only minor risks of changes in value.Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

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.

Reserve for exchange rate adjustments

Reserves for exchange rate adjustments comprise the share of exchange rate differences arising from the translation of accounts for units with a functional currency other than Danish kroner, value adjustments relating to assets and liabilities that form part of the company's net investments in such units, and value adjustments relating to hedging transactions, which hedges the company's net investments in such entities. The reserve is dissolved by the disposal of foreign entities or if the conditions for effective hedging are no longer present. If investments in subsidiaries and associates in the parent company's accounts are covered by the binding requirement in the reserve for net revaluation according to the equity method, exchange rate adjustments conversions will instead be included in this equity reserve.

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.

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Notes

1 Accounting policies (continued)

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

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

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

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

Liabilities other than provisions

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

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises negative goodwill, see the description of consolidation practice above, and payments received regarding income in subsequent years.Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Cash flow statement

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

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Notes

1 Accounting policies (continued)

Cash and cash equivalents

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

Segment information

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

2 Material uncertainty related to recognition and measurement

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

3 Special items

As the Covid-19 pandemic evolves, governments are implementing 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.

At the end of March, the group has taken certain 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 2021, if the decision is notified by 31 December 2020.

Covid-19 outbreak has caused disruption to the group's economic activity in March 2020 among other things due to the Danish prime ministers' decision to close the border to Germany 13 March 2020. Based on the development in the early epicenters of e.g. Wuhan, China and Northern Italy, the managements expectation of DanCenter as at 31 March 2020 was that travel restrictions would be upheld until early summer 2020. Based on this assumption the group management of DanCenter has assessed that bookings made before 31 March 2020, but with a rental period until early summer 2020 is expected to be cancelled. The cancellation adjustment includes bookings covered by the force majeure provisions in the lease contract as well as expected increase in cancellations related to bookings not covered by force majeure provisions.

Management has concluded that Covid-19 pandemic and the closing of the border in March 2020 is an adjusting event as at 31 March 2020 and the impact of it is material. This adjusting event is limited to the first wave of Covid-19 that hit our markets in Spring 2020.

The revenue has had the following effects:

DKK' million	Revenue/profit before tax	Accounts receivables	Accounts payable
Admiral Strand	-4,4	-13,2	-8,8
DanCenter	-17,0	-54,0	-37,0
Group	-21,4	-67,2	-45,8

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

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

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4 Events after the balance sheet date

The recent outbreak of Coronavirus may negatively affect Company's economic conditions as the Danish government is imposing travel bans, quarantines and other emergency public safety measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. The ultimate severity of the Corona virus 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.

5 Segment information

Geographical – secondary segment

	Group		
DKK'000	**Denmark and other countries**	**Germany**	**Total**
2019			
Revenue	305,038	221,485	526,523
2018			
Revenue	171,345	209,242	380,587

	Parent		
DKK'000	**Denmark and other countries**	**Germany**	**Total**
2019			
Revenue	268,814	195,184	463,998
2018			
Revenue	182,460	149,413	331,873

	Group		Parent	
DKK'000	**1 January 2019 – 31 March 2020**	**1 January – 31 December 2018**	**1 January 2019 – 31 March 2020**	**1 January – 31 December 2018**
6 Amortisation, depreciation and impairment losses				
Intangible assets	39,864	32,281	29,045	23,236
Property, plant and equipment	2,366	2,467	1,400	1,318
	42,230	34,748	30,445	24,554

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		Group		Parent	
	DKK'000	**1 January 2019 – 31 March 2020**	**1 January – 31 December 2018**	**1 January 2019 – 31 March 2020**	**1 January – 31 December 2018**
7	**Fees paid to auditor appointed at the annual general meeting**				
	Total fees to EY	1,052	747	655	558
	Fee for statutory audit	668	468	364	310
	Tax consultancy	41	41	41	41
	Assurance engagements	340	235	247	204
	Non-audit services	3	3	3	3
		1,052	747	655	558
8	**Financial income**				
	Interest income from subsidiaries	1	103	101	103
	Income from earn out	700	0	700	0
	Other interest income	0	155	1	211
		701	258	802	314
9	**Financial expenses**				
	Interest expenses to subsidiaries	766	775	2,183	2,225
	Foreign exchange losses	0	0	0	0
	Other interest expenses	405	130	356	96
		1,171	905	2,539	2,321
10	**Tax for the year**				
	Current tax for the year	17,158	11,534	14,144	9213
	Deferred tax adjustment for the year	-1,743	-1,234	66	55
	Prior-year adjustments	64	3	62	6
		15,479	10,303	14,272	9,274

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Notes

11 Intangible assets

	Group				
DKK'000	**Contractual rights**	**Goodwill**	**Software**	**Trademark & Customer relations**	**Total**
Cost at 1 January 2019	18,157	248,936	21,249	31,914	320,256
Adjustment 2018	0	0	366	0	366
Additions	0	0	737	0	737
Disposals	0	0	-2,617	0	-2,617
Cost at 31 March 2020	18,157	248,936	19,735	31,914	318,742
Amortisation and impairment losses at 1 January 2019	-16,356	-99,539	-18,332	-5,293	-139,520
Adjustment 2018	0	0	-366	0	-366
Amortisation	-819	-30,928	-1,500	-6,617	-39,864
Disposals	0	0	1,642	0	1,642
Amortisation and impairment losses at 31 March 2020	-17,175	-130,467	-18,556	-11,910	-178,108
Carrying amount at 31 March 2020	982	118,469	1,179	20,004	140,634

Rationale for choice of goodwill amortisation periods

The goodwill originates from the acquisition of DanCenter A/S, Danland A/S and Admiral Strand Feriehuse ApS. 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.

	Parent			
DKK'000	**Contractual rights**	**Goodwill**	**Software**	**Total**
Cost at 1 January 2019	18,157	225,818	3,502	247,477
Additions	0	0	0	0
Transferred	0	0	0	0
Cost at 31 March 2020	18,157	225,818	3,502	247,477
Amortisation and impairment losses at 1 January 2019	-16,356	-95,974	-3,502	-115,832
Impairment losses	0	0	0	0
Amortisation and depreciation	-819	-28,226	0	-29,045
Amortisation and impairment losses at 31 December 2019	-17,175	-124,200	-3,502	-144,877
Carrying amount at 31 March 2020	982	101,618	0	102,600

Consolidated financial statements and parent company financial statements 1 January 2019 – 31 March 2020

Notes

12 Property, plant and equipment

	Group				
DKK'000	**Land and buildings**	**Leasehold Improvement**	**Fixtures and fittings, tools and equipment**	**Property, plant and equipment in progress**	**Total**
Cost at 1 January 2019	37,515	4,048	17,668	543	59,774
Exchange rate adjustment relating to foreign entities	0	0	5	-4	1
Additions	0	380	1,939	395	2,714
Transferred	0	0	0	0	0
Disposals	0	0	-285	-543	-828
Cost at 31 March 2020	37,515	4,428	19,327	391	61,661
Depreciation and impairment losses at 1 January 2019	-9,908	-3,521	-15,399	0	-28,828
Exchange rate adjustment relating to foreign entities	0	-5	-8	0	-13
Depreciation	-768	-278	-1,320	0	-2,366
Disposals	0	0	285	0	285
Depreciation and impairment losses at 31 March 2020	-10,676	-3,804	-16,442	0	-30,922
Carrying amount at 31 March 2020	26,839	624	2,885	391	30,739
Property, plant and equipment include assets held under finance leases with a carrying amount totalling	-	-	-	-	-

	Parent				
DKK'000	**Land and buildings**	**Leasehold improvements**	**Fixtures and fittings, tools and equipment**	**Property, plant and equipment in progress**	**Total**
Cost at 1 January 2019	32,078	3,938	5,203	543	41,762
Additions	0	380	327	395	1,102
Exchange differences	0	0	5	-4	1
Disposals	0	0	-116	-543	-659
Cost at 31 March 2020	32,078	4,318	5,419	391	42,206
Depreciation and impairment losses at 1 January 2019	-7,018	-3,416	-4,462	0	-14,896
Depreciation	-717	-278	-405	0	-1,400
Disposals	0	0	116	0	116
Depreciation and impairment losses at 31 March 2020	-7,735	-3,694	-4,751	0	-16,180
Carrying amount at 31 March 2020	24,343	624	668	391	26,026
Property, plant and equipment include assets held under finance leases with a carrying amount totalling	-	-	-	-	-

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DKK'000	Parent 31 March 2020	Parent 31 December 2018
13 Equity investments in subsidiaries		
Cost at 1 January	78,913	22,456
Additions	0	62,000
Disposals	0	-5,543
Cost at 31 March	78,913	78,913
Value adjustments at 1 January	3,780	1,398
Foreign exchange adjustment	0	0
Distributed dividend	-15,000	0
Profit/loss for the year	839	1,638
Disposals	0	744
Value adjustments at 31 March	-10,381	3,780
Carrying amount at 31 March	68,532	82,693
Equity investments in subsidiaries include non-amortised differences	32,086	39,738

Differences on initial recognition of Admiral Strand Feriehuse ApS DKK 47,123 thousand, including goodwill of DKK 21,725 thousand.

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
DanCenter EDB Service ApS	100%	725	14,806
DanCenter GmbH	100%	1,228	5,536
Residence de Monbrison A/S	73,16%	-311	2,242
Admiral Strand Feriehuse ApS	100%	6,763	14,463

All subsidiaries are considered separate entities.

DKK'000	Group 31 March 2020	Group 31 December 2018	Parent 31 March 2020	Parent 31 December 2018
14 Equity investments in associates				
Cost at 1 January	7,311	7,311	7,311	7,311
Additions	0	0	0	0
Cost at 31 March	7,311	7,311	7,311	7,311
Value adjustments at 1 January	345	-213	345	-213
Profit/loss for the year	470	537	470	537
Foreign exchange adjustment	2	21	2	21
Value adjustments at 31 March	817	345	817	345
Carrying amount at 31 March	8,128	7,566	8,128	7,566

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Marina Wendtorf Invest II GmbH & Co. KG	49%	959	14,939

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DKK'000	Group 31 March 2020	Group 31 December 2018	Parent 31 March 2020	Parent 31 December 2018
15 Prepayments				
Rentals, insurance and subscriptions	4,168	3,138	1,981	2,084
	4,168	3,138	1,981	2,084

16 Share capital

The share capital comprises:

11.000 shares of DKK 1 each

Every share carries 1 voting right. The share capital has remained unchanged for the past five years.

DKK'000	Group 31 March 2020	Group 31 December 2018	Parent 31 March 2020	Parent 31 December 2018
17 Deferred tax				
Deferred tax at 1 January	-6,536	-7,769	-218	-163
Deferred tax adjustment for the year	1,743	1,234	-66	-55
Deferred tax at 31 March	-4,793	-6,535	-284	-218
Deferred tax relates to:				
Intangible assets	-4,843	-6,755	-216	-396
Property, plant and equipment	50	-10	-68	-50
Tax loss carryforwards	0	228	0	228
	-4,793	-6,535	-284	-218
Deferred tax is recognised in the balance sheet as follows:				
Deferred tax assets	0	228	0	228
Deferred tax liabilities	-4,793	-6,763	-284	-446
	-4,793	-6,535	-284	-218

18 Deferred income

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

DKK'000	Group 31 March 2020	Group 31 December 2018	Parent 31 March 2020	Parent 31 December 2018
Deferred income	14,356	5,199	11,230	4,751

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		Group		Parent	
	DKK'000	**31 March 2020**	**31 December 2018**	**31 March 2020**	**31 December 2018**
19	**Staff costs and incentive plans**				
	Wages and salaries	155,000	119,576	131,040	101,149
	Pensions	2,748	1,454	2,497	1,278
	Other staff costs	6,736	2,716	6,116	2,277
	Other social security costs	4,793	3,601	4,557	3,494
		169,277	127,347	144,210	108,198
	Average number of full-time employees	315	305	285	270

Staff costs include remuneration of the Parent Company's Executive Board totalling DKK 7,105 thousand (2018: DKK 10.673 thousand) and pensions totalling DKK 157 thousand (2018: DKK 90 thousand). No remuneration of the Parent Company's Board of Directors.

20 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company was up to 05 December 2019 jointly taxed with its subsidiaries; Residence de Monbrison A/S, Admiral Strand Feriehuse ApS and DanCenter EDB-Service ApS. As management company, the Company had joint and unlimited liability for payment of Danish income taxes. After 5 December 2019 Oravel Vacation Homes Denmark ApS took over the role as being administration company and thereby the joint and unlimited liability for payment of Danish income taxes

Operating lease commitments

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

	Group					
	31 March 2020			31 December 2018		
DKK'000	**Lease payment**	**Interest**	**Carrying amount**	**Lease payment**	**Interest**	**Carrying amount**
0-1 year	8,308	0	8,308	6,665	0	6,665
1-5 years	8,846	0	8,846	10,896	0	10,896
> 5 years	731	0	731	0	0	0
	17,885	0	17,885	17,561	0	17,561

	Parent					
	31 March 2020			31 December 2018		
DKK'000	**Lease payment**	**Interest**	**Carrying amount**	**Lease payment**	**Interest**	**Carrying amount**
0-1 year	7,647	0	7,647	16,555	0	16,555
1-5 years	8,587	0	8,587	0	0	0
> 5 years	731	0	731	0	0	0
	16,965	0	16,965	16,555	0	16,555

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	Group		Parent	
DKK'000	**31 March 2020**	**31 December 2018**	**31 March 2020**	**31 December 2018**

21 Mortgages and collateral

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

Cash	995	986	995	986

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

The Group uses no hedging instruments.

23 Related parties

DanCenter A/S's related parties comprise the following:

Control

Oravel Vacation Homes Denmark ApS holds 100% of the share capital in the company.

Related party transactions

DKK'000	31 March 2020	31 December 2018
Group		
Financial expenses, net	-765	-671
Receivables to group entities	385	0
Payables to group entities	0	83,834
Parent		
Sales to group entities	5,305	3,955
Purchases from group entities	-5,800	-12,242
Financial expenses, net	-2,082	-2,121
Receivables from group entities	383	0
Payables to group entities	45,732	107,612

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

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

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DKK'000	Parent 1 January 2019 – 31 March 2020	 1 January – 31 December 2018
24 Distribution of profit/loss		
Proposed distribution of profit/loss		
Transferred to equity reserves	20,900	9,553
	20,900	9,553

DKK'000	Group 1 January 2019 – 31 March 2020	 1 January – 31 December 2018
25 Changes in working capital		
Changes in receivables	-78,995	-17,033
Changes in trade and other payables	152,938	25,868
	73,943	8,835