SSTS A/S

Annual Report
for the year 2021

The Annual General Meeting adopted the annual report on 24.05.2022

Chairman of the General Meeting

Henrik Kaltoft

SSTS A/S
Nytorv 5
1450 Copenhagen K
Denmark

Reg. no. 30 27 85 93

Content

Statement by the Board of Directors and Management

Today, the Board of Directors and the Management have discussed and approved the annual report of SSTS A/S for the financial year 2021.

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

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at December 31, 2021 and of the results of the Group's and the Company's operations and cash flows for the financial year 2021.

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

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

Copenhagen, May 24 2022

Board of Directors:

Arnar Thorisson
Chairman

Tapio Kiiskinen

Claus Hincheli Hejlesen

Sigurdur Kiernan

Managing director:

Claus Hincheli Hejlesen

Independent Auditor's Report

To the shareholders of SSTS A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of SSTS A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity, cash flow statement for the group, accounting policies and notes for the Group as well as for the parent company. 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 Group's and the Parent Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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" section of our report.

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 the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements and the parent company 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 that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists.
Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

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

— identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company 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, May 24 2022

KPMG
Statsautoriseret Revisionspartnerselskab
CVR-no. 25 57 81 98

Anja Bjørnholt Lüthcke
State Authorised Public Accountant
mne26779

Management's review

Company information

SSTS A/S
Nytorv 5
1450 Copenhagen K

Phone:	33 48 07 00
Web:	www.kilroy.net
CVR-nr.:	30 27 85 93
Founded:	January 1 2007
Registered in:	Copenhagen K.
Accounting year:	January 1 - December 31

Board of directors:

Arnar Thorisson (Chairman)
Tapio Kiiskinen
Claus Hincheli Hejlesen
Sigurdur Kiernan

Managing Director:

Claus Hincheli Hejlesen

Auditors:

KPMG
Statsautoriseret Revisionspartnerskab
Dampfærgevej 28
2100 Copenhagen

Annual General Meeting:

The annual general meeting will take place on May 24 2022 at the company address.

Keyfigures

		2021	2020	2019	2018	2017
Profit & Loss Accounts (mDKK)						
Turnover		335	-26	1.696	1.620	1.660
EBITDA		-35	-130	32	24	40
Ordinary operating profit (EBIT)		-51	-149	12	6	27
Net financial income		-4	1	3	-1	17
Profit before income tax (EBT)		-55	-148	16	6	44
Net profit for the year		-45	-120	7	1	35
Balance Sheet (mDKK)						
Cash and bonds		137	114	218	203	200
Current assets		299	267	383	388	386
Total assets		324	302	430	445	433
Capital expenditure		6	9	10	38	16
Equity		-55	-25	93	99	125
Current liabilities		208	240	331	340	305
Cash flow from operating activities		2	-205	31	44	37
Key Figures						
EBITDA - Margin (%)	EBITDA / Turnover	NA	NA	1,9	1,5	2,4
EBIT - Margin (%)	EBIT / turnover	NA	NA	0,7	0,4	1,6
Return on assets (%)	EBIT / total assets	-15,6	-49,5	2,9	1,4	6,3
Return on equity (%)	Net profit / average equity	NA	NA	7,8	0,9	28,8
Liquidity ratio (%)	Current assets / current liabilities	143,8	111,0	115,8	114,0	126,7
Equity ratio (%)	Equity / total assets	-17,1	-8,3	21,7	22,2	28,8
Earnings per share (DKK)	Net profit / number of shares	-300,0	-800,0	46,7	6,7	233,3
Cash flow per share (DKK)	Cash flow from operating activities / number of shares	13,3	-1.366,7	206,7	293,3	246,7
Proposed Dividend (DKK million)		0,0	0,0	0,0	37,4	35,0
Average number of full-time employees (FTE)		210	317	413	415	383

Management's review

Main activities
SSTS' only activity is share holding of the KILROY Group. Extended information about the financial year 2021 can be found in the annual report for the KILROY Group on kilroy.net/about.

Development in activities, finances, and other events during the year
The Group closed 2021 with a profit before tax (EBT) of DKK -55 million, compared with a profit of DKK -148 million in 2020.

Net sales for the Group totals to kDKK 335 (2020: kDKK -26). Profit after tax and minority interest amounts to tDKK -45.406 (2020: tDKK -120.245).

Equity after minority interests is per December 31, 2021 calculated at kDKK -55.301 (2020: kDKK -28.107) and total assets are kDKK 324.218 (2020: kDKK 302.114).

By all standards, 2021 was like 2020 a noncomparable year and the financial result extremely disappointing!

Uncertainty relating to recognition and measurement
As a direct consequence of the Covid-19 pandemic increased risk on receivables from the business partners are experienced. The Company has reflected this risk in the recognition and measurement of receivables.

Risk assessment
Operating globally, the travel industry is by nature affected by numerous risks. The majority of these are beyond our control, such as war, terror, natural disasters and political unrest. disease, and political unrest. The Covid 19 pandemic is a prime example of an uncontrollable event.

Every link in the value chain is constantly challenged, either by traditional suppliers, new players or by the customers themselves. As in many other industries, the Internet has created an atmosphere of “direct trading is cheapest.”
We address this challenge by constantly focusing on internal training and customer service, and by making value-addition tangible and apparent to customers.

The financial risk of doing business in multiple countries and currencies is reduced through cautious execution by the KILROY Group’s cash management function. It has established policies to ensure that currency exposure is mitigated to the extent possible.
KILROY only hedges commercial exposures. The primary financial instruments include currency forward contracts.

Dividend
Due to COVID-19 no dividend is proposed for the financial year 2021.

Organization
The average number of employees (full-time equivalents) was 210 (2020: 317). There will continuously be invested in significant resources in training and upgrading of the Group's operating companies.

Corporate Social Responsibility (CSR)
Information on SSTS A/S’ Corporate Social Responsibility and gender composition policy can be found in the annual report of KILROY International A/S and on the website kilroy.net/about-us/policies.

Events after the balance sheet date and outlook for 2022
In the beginning of 2022, the Company will still experience the aftershocks of the pandemic. However, important destinations were becoming available for tourism again, raising hopes that 2022, step by step, will restore some normalcy into the travel industry.

Until all of the Company’s key destinations have re-opened fully, it will be difficult to assess the impact of the 2022 result. However, the management expects operating results for 2022 to improve compared with this financial year.

In February 2022, war broke out in Ukraine, and it has the potential to escalate with catastrophic consequences. The current zones of conflict are not key destinations for the Company, so the imminent impact is considered minimal for 2022. Still, the economic challenges stemming from the war are expected to have a negative impact beyond 2022 and on the travel industry in general in our market.

No material events have occurred since the balance sheet date that would affect the assessment of the Annual Report for 2021.

Profit & Loss Account 1 January to 31 December 2021

	Notes	Group 2021 (tDKK)	Group 2020 (tDKK)	Parent 2021 (tDKK)	Parent 2020 (tDKK)
Operating income:					
Turnover	2	335.305	-25.737	0	0
Other operating income	3	33.598	51.919	0	0
Cost of products		-262.171	35.704	0	0
Gross profit		106.732	61.886	0	0
Operating expenses:					
Salaries and other personnel expenses	4	-96.228	-138.215	0	0
Other operating expenses	5	-45.183	-53.768	-10	-10
		-141.411	-191.983	-10	-10
Operating profit before depreciation and amortisation (EBITDA)		-34.679	-130.097	-10	-10
Depreciations and amortizations	6	-15.932	-19.346	0	0
Operating profit before net financial income (EBIT)		-50.611	-149.443	-10	-10
Dividend from subsidiaries		-	-	0	0
Financial expenses, net	7	-4.170	1.387	-390	-414
Net financial income		-4.170	1.387	-390	-414
Profit before income tax (EBT)		-54.781	-148.056	-400	-424
Tax	8	9.375	27.811	88	93
Profit for the year		-45.406	-120.245	-312	-331
Gain/loss attributable to minority interest		387	1.131	0	0
Result attributable to SSTS A/S	9	-45.019	-119.114	-312	-331

Balance Sheet as at 31 December 2021

	Notes	Group 2021 (tDKK)	Group 2020 (tDKK)	Parent 2021 (tDKK)	Parent 2020 (tDKK)
Assets:					
Software		12.640	19.420	0	0
Goodwill		6.229	11.701	0	0
Total intangible fixed assets	6	18.869	31.121	0	0
Land and buildings		575	608	0	0
Leasehold improvements		1.077	1.703	0	0
IT hardware and other equipments		1.309	1.516	0	0
Total property, plant and equipment	6	2.961	3.827	0	0
Shares in subsidiaries	10, 15	0	0	47.400	37.400
Shares in associated companies	10	627	616	0	0
Other financial assets		2.271	0	0	0
Total financial fixed assets		2.898	616	47.400	37.400
Total non-current assets		24.728	35.564	47.400	37.400
Inventories		1.273	1.473	0	0
Trade receivables		59.151	13.452	0	0
Deferred tax asset		35.631	25.123	0	0
Tax asset		431	1.804	88	93
Other receivables		9.647	16.932	0	0
Prepaid expenses and accrued income	11	55.628	90.365	0	0
Intra group loans		795	3.726	0	0
Cash and cash equivalents		136.934	113.675	35	32
Total current assets		299.490	266.550	123	125
Total assets		324.218	302.114	47.523	37.525

Balance Sheet as at 31 December 2021

	Notes	Group 2021 (tDKK)	Group 2020 (tDKK)	Parent 2021 (tDKK)	Parent 2020 (tDKK)
Equity:					
Share capital		15.150	15.000	15.150	15.000
Retained earnings		-70.451	-40.022	21.914	12.376
		-55.301	-25.022	37.064	27.376
Minority interests		0	-3.085	-	-
Total equity		-55.301	-28.107	37.064	27.376
Subordinated loan:					
Subordinated loan:		52.023	2.275	0	0
Total provisions		52.023	2.275	0	0
Provisions:					
Other provisions		1.843	1.843	0	0
Total provisions		1.843	1.843	0	0
Long-term liabilities:					
Long-term debt	12	117.347	85.969	0	0
Total long-term liabilities		117.347	85.969	0	0
Current liabilities:					
Short-term of long-term debt	12	955	73.976	0	0
Trade creditors		107.447	19.120	0	0
Loans from group entities		0	0	10.450	10.140
Other payables		5.030	28.158	0	0
Tax payables		1.606	0	0	0
Accrued liabilities	13	93.268	118.880	9	9
Advance payments					
Total current liabilities		208.306	240.134	10.459	10.149
Total liabilities		327.496	327.946	10.459	10.149
Total equity and liabilities		324.218	302.114	47.523	37.525

	Notes
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Statement of changes in Equity

	Group		Parent	
	2021 (tDKK)	2020 (tDKK)	2021 (tDKK)	2020 (tDKK)
Share capital at the beginning of the year	15.000	15.000	15.000	15.000
Capital contribution	150	0	150	0
Share capital at the end of the year	15.150	15.000	15.150	15.000
Retained earnings at the beginning of the year	-40.022	78.306	12.376	12.707
Exchange rate and other adjustments	4.740	786	0	0
Capital contribution	9.850		9.850	
Net result of the year	-45.019	-119.114	-312	-331
Retained earnings at the end of the year	-70.451	-40.022	21.914	12.376
Proposed dividend beginning of the year	0	0	0	0
Proposed dividend	0	0	0	0
Paid dividend	0	0	0	0
Proposed dividend at the of the year	0	0	0	0
Total equity	-55.301	-25.022	37.064	27.376
Minority shareholders' share of equity beginning of the year	-3.085	-1.844		
Additions/Disposals	3.085	-1.241		
Dividend paid	0	0		
Minority shareholders' share of equity end of the year	0	-3.085		
Total Group shareholders' equity	-55.301	-28.107		

The share capital comprises of 150.000 shares of DKK 100 each.
There has been no changes to issued capital during the past five years.

Cash Flow Statement

	Group 2021 (tDKK)	2020 (tDKK)
Cash flows from operating activities:		
Profit for the year - before net finance income	-50.611	-149.443
Adjustment for:		
Depreciations and amortizations	15.932	19.346
Exchange rates and other adjustments	1.819	522
Working capital	-32.860	-129.575
Change in inventories	200	49
Change in receivables	-3.583	14.781
Change in trade creditors	88.326	-193.750
Change in other liabilities	-47.136	104.553
Cash flow from operating activities before financial items	4.947	-203.942
Net interest income	-5.097	1.916
Paid taxes	2.545	-2.800
	2.395	-204.826
Cash flow from investing activities:		
Purchase/sale of shares	5.383	0
Purchase/sale of bond	0	91.750
Purchase of plant, operating equipment etc.	-5.575	-8.543
Cash flow from investing activities	-192	83.207
Cash flow from financial activities:		
Capital contribution	10.000	0
Loans to subsidiaries	2.931	23.438
Long-term debt	-41.643	85.087
Subordinated loan	49.748	340
Dividends paid/received	20	0
Cash flow from financial activities	21.056	108.865
Net cash flow from operating, investing and financing activities	23.259	-12.754
Cash and cash equivalents at the beginning of the year	113.675	126.429
Cash and cash equivalents at the end of the year	136.934	113.675

Notes

1. Unusual conditions

Due to the global travel restrictions, the Company's financial year was also in 2021 substantially and negatively impacted by the COVID-19 pandemic.

However, the Company completed an external funding program at the end of April 2021. It consists of new equity and subordinated loans from the current owners (DKK 19 million), subordinated loans from Vækstfonden (DKK 39 million) and loan from Danske Bank (DKK 10 million).

With the funding and not least the positive signs of recovery end of 2021 and the increasing demand for travel in the beginning of 2022, it is the management's assessment that the SSTS Group's financial resources are adequately secured for the Company to continue as a going concern for the coming financial year.

The management expects to establish the equity to the pre Covid pandemic level by means of earnings in the coming years.

2. Turnover

	Group		Parent	
	2021 (tDKK)	2020 (tDKK)	2021 (tDKK)	2020 (tDKK)
Turnover by geographical markets				
Belgium	6.486	-1.858	0	0
Denmark	228.082	-49.479	0	0
Finland	22.503	21.960	0	0
Iceland	4.761	-575	0	0
Netherlands	22.154	1.784	0	0
Norway	29.631	-3.121	0	0
Poland	-11	-48	0	0
Sweden	21.699	5.600	0	0
Total turnover	335.305	-25.737	0	0

In 2021, turnover in the Group was affected by the Covid-19 pandemic due to repayment of cancelled or disrupted travel arrangements

3. Other operating income

The KILROY Group's income is affected by recognition of income from government aid and compensation schemes as a result of COVID-19. The KILROY Group has received DKK 33.6 million in compensation for fixed costs and salary.
The parent company did not receivee any compensation in 2021.

4. Salaries and other personnel expenses

	Group		Parent	
	2021 (tDKK)	2020 (tDKK)	2021 (tDKK)	2020 (tDKK)
Salaries and wages	83.888	120.900	0	0
Hereof remuneration to parent's management and board of directors tDKK 1.395 (2020: tDKK 1.536)				
Pensions	6.020	8.389	0	0
Other social security costs	3.513	4.996	0	0
Total salaries and related expenses	93.421	134.285	0	0
Other personnel costs	2.807	3.930	0	0
Total salaries and other personnel expenses	96.228	138.215	0	0
Average number of employees (full year equivalents)	210	317	0	0

5. Fees to auditors appointed at the general meeting

	Group		Parent	
	2021 (tDKK)	2020 (tDKK)	2021 (tDKK)	2020 (tDKK)
Statutory	1.039	796	7	7
Tax assistance	72	72	0	0
Other fees	1.202	1.084	0	0
	2.313	1.952	7	7

Notes, continued:

6. Non-current assets

GROUP	Goodwill	Land and buildings	Leasehold improve-ments	IT and other equipment	IT-software	Total
	(tDKK)	(tDKK)	(tDKK)	(tDKK)	(tDKK)	(tDKK)
Cost at the beginning of 2021	66.226	1.393	11.414	13.933	99.273	192.239
Exchange rate adjustments	137	0	33	19	-16	173
Additions in year	0	0	0	767	4.808	5.575
Disposals in year	-1.971	0	0	-79	-713	-2.763
Cost at the end of 2021	64.392	1.393	11.447	14.640	103.352	195.224
Depreciations and amortizations at the beginning of 2021	-54.525	-785	-9.711	-12.417	-79.853	-157.291
Exchange rate adjustments	-141	-1	-26	-19	16	-171
Depreciations and amortizations in year	-3.497	-32	-633	-895	-10.875	-15.932
Depreciations and amortizations at the end of 2021	-58.163	-818	-10.370	-13.331	-90.712	-173.394
Carrying amount at the end of 2021	6.229	575	1.077	1.309	12.640	21.830
Carrying amount at the end of 2020	11.701	608	1.703	1.516	19.420	34.948

7. Financial expenses, net

	Group		Parent	
	2021 (tDKK)	2020 (tDKK)	2021 (tDKK)	2020 (tDKK)
Financial income	0	0	0	0
Sales of shares in associated companies	-44	0	0	0
Financial expenses	-4.126	1.387	-390	-414
Financial income, net	-4.170	1.387	-390	-414

Of the parent company´s financial expenses, tDKK 388 is interest to subsidiaries (2020: tDKK 412).

8. Tax

	Group		Parent	
	2021 (tDKK)	2020 (tDKK)	2021 (tDKK)	2020 (tDKK)
Current tax charge	1.518	-526	-88	-93
Adjustments to previous year´s tax charge	-160	222	0	0
Change in deferred tax and other changes	-10.733	-27.507	0	0
	-9.375	-27.811	-88	-93
Deferred tax at the beginning of the year	-25.123	2.490	0	0
Adjustments to previous year´s tax charge	387	0	0	0
Exchange rate and other adjustments	-162	-106	0	0
Change in deferred tax, net	-10.733	-27.507	0	0
Deferred tax at the end of the year	-35.631	-25.123	0	0
Paid corporate taxes	-2.638	2.724	-93	-76

The deferred tax liability is based on the temporary difference between the book value and the statutory value of assets and liabilities. The parent company is taxed jointly with the Danish subsidiaries. The Danish companies are jointly and severally liable for the joint taxation.

9. Proposed appropriation of net result

	Group		Parent	
	2021 (tDKK)	2020 (tDKK)	2021 (tDKK)	2020 (tDKK)
Extraordinary diividend paid during the year	0	0	0	0
Proposed dividend	0	0	0	0
Transfer from retained earnings	-45.019	-119.114	-312	-331
	-45.019	-119.114	-312	-331

Notes, continued:

10. Shares in associated companies and subsidiaries

	Group 2021 (tDKK)	Group 2020 (tDKK)	Parent 2021 (tDKK)	Parent 2020 (tDKK)
Cost at the beginning of the year	616	621	37.400	37.400
Exchange rates adjustments	11	-5	0	0
Capital contributions	0	0	10.000	0
Cost at the end of the year	627	616	47.400	37.400

11. Prepaid expenses and accrued income

Deferred expenses and earned, but not paid incentives.

12. Long-term debt

	Group 2021 (tDKK)	Group 2020 (tDKK)	Parent 2021 (tDKK)	Parent 2020 (tDKK)
Bank loan	0	1.757	0	0
Loans from travel foundations	955	72.219	0	0
Loans within one year	955	73.976	0	0
Bank loan	7.538	201	0	0
Loans from travel foundations	75.392	51359	0	0
Other loans	4.060	1249	0	0
Loans between one and five years	86.990	52.809	0	0
Bank loan	2.500	0	0	0
Loans from travel foundations	18.134	33.160	0	0
Other loans	9.723	0	0	0
Loans after five years	30.357	33.160	0	0
	118.302	159.945	0	0

13. Advance payments

Primarily prepayments from travel ordered for 2022.

14. Contingent assets, liabilities and secured debt

	Group 2021 (tDKK)	Group 2020 (tDKK)	Parent 2021 (tDKK)	Parent 2020 (tDKK)
Rent, lease and other contractual obligations within one year	10.908	11.000	0	0
Rent and lease obligations between one and five years	19.167	19.640	0	0
Rent and lease obligations over five years	411	3.940	0	0
	30.486	34.580	0	0
The KILROY Group has issued guarantees/letters of credit, which are secured by an equal cash pledge of deposits	36.948	32.106	0	0

The KILROY Group is exposed to currency risk to the extent that transactions are denominated in a currency other than the functional currency. Except for the parent company, all foreign entities' transactions are generally denominated in local currency which is also the foreign entities' functional currency. The Company has chosen to eliminate part of the currency risk by entering into currency forward contracts on main currencies of sold trips. Current liabilities include negative fair value of derivative financial instruments of DKK 74 thousand as at 31 December 2021 (2020: negative fair value of DKK 11 thousand). All forward contracts expire in the financial year 2022.

To ensure ability to continue as a going concern for the next 12 months, KILROY International A/S has issued letters of financial support to the subsidiaries in Belgium, Denmark, Finland and the Netherlands.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

Notes, continued:

15. Subsidiaries

	Country and place of incorporation	Share Capital (tDKK)	Profit for the year (tDKK)	Equity (tDKK)	Capital share
KILROY International A/S	Copenhager Denmark	18.000	-44.249	-47.252	100%

16. Related parties

Related parties are Eignarhaldsfélagið KILROY ehf., which owns and controls more than 50% of the shares in SSTS A/S. Other related parties are KILROY International A/S' management.

SSTS A/S is a part of the consolidated annual report of Islenskar Fjarfesting ehf., which is both the smallest and the largest group in which the Company is included as a subsidiary.
Eignarhaldsfélagið KILROY ehf is situated in Iceland.
The consolidated financial statements of Islenskar Fjarfesting ehf. can be obtained by contacting the company, at islenskfjarfesting.is.
Ultimate Parent Company Eignarhaldsfélagið KILROY ehf has at the date of this financial statement, not issued their financial statement for 2020.

Related party transactions

	Parent	
	2021 (tDKK)	2020 (tDKK)
Sales of services to a subsidiary	0	0
Purchase of services from a subsidiary	-388	-412
	-388	-412

Remuneration to the Management and Board of Directors is disclosed in note 4.
Intercompany balances with subsidiary are disclosed in the balance sheet, and expensed interest is disclosed in note 7.

Notes, continued:

17. Accounting Policies

General

The Annual Report for 2021 for SSTS A/S is presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class large-C companies.

The consolidated accounts are presented in Danish kroner (DKK thousand), which is the Parent Company's functional currency.

The accounting policies used in the preparation of the financial statements are consistent with last year. There has been minor reclassifications in the income statement and the balance sheet. Comparative figures have been restated accordingly.

Consolidated Accounts

The consolidated accounts comprise the parent company, SSTS A/S, and consolidated accounts of KILROY International A/S in which the parent company controls more than 50% of the voting rights, directly or indirectly.

The consolidated accounts are prepared by adding items of a similar nature in the accounts of SSTS A/S and it's subsidiaries.

Subsidiary accounts that are included in the consolidated accounts are prepared in accordance with the accounting policies of the parent company.

Profit and loss statements of foreign subsidiaries are translated into Danish kroner (DKK) using the average exchange rates for the year. Balance sheet items are translated at the exchange rate at the end of the year.

Exchange rate adjustments of the equity of foreign subsidiaries at the beginning of the year, and exchange rate adjustments of the profit and loss accounts from average rates to year-end rates, are posted against the Group shareholders' equity. In the consolidation of the accounts, intercompany income and expenses, intercompany accounts, and intercompany profits and losses are eliminated. The parent company's share in a subsidiary is calculated as its share of the subsidiary's net assets.

Companies in which the Group holds between 20% and 50% of the share capital without having obtained significant influence are considered as associated companies and are measured at cost.

Business combinations

When acquiring new entities, the purchase method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition.
Restructuring costs recognised in the acquiring company at the acquisition date that are not a part of the acquisition are included in the pre acquisition balance sheet and thus the determination of goodwill.
Restructuring that is adopted after the acquisition is recognised in the income statement. The tax effect of revaluations is recognised as deferred tax.

Positive differences (goodwill) between cost and the fair value of identifiable assets and liabilities acquired, including restructuring provisions, are recognised as intangible assets and amortised systematically in the income statement based on an individual assessment of the useful life. Negative goodwill is recognised as income in the income statement at the acquisition date when the usual conditions for recognition of income are met.

Newly acquired or newly established entities are recognised in the consolidated financial statements at the date of acquisition or establishment. Divested entities are recognised in the consolidated income statement up to the date of divestment. Comparative figures are not restated to reflect acquisitions or divestments.

Gains or losses on the divestment of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non amortised goodwill and projected costs of divestment.

Goodwill in connection to acquisitions is capitalised and amortised over a maximum 10-year period.

Notes, continued:

Profit and Loss Account

Turnover

Turnover includes the year's sales of travel products, other services and incentives from suppliers.

Revenues from individual-focused products are booked at the time of invoicing, regardless of departure date. Upon receipt of a part (or full) payment, the individual products are booked with the supplier and travel documents are issued. Most flight tickets need to be issued immediately to guarantee availability and in most cases, there are no changes to the itinerary before departure. As main part of the value increase is performed at the time of the sale and invoicing (e.g. the risk is transferred to the customer when the tickets are issued), the turnover is booked at invoicing. Turnover recognized is adjusted for expected cancellations based on the cancellation history.

Revenues from group travel products are booked in the accounting period that coincides with the departure date of the trip.

Revenue is measured at the fair value excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of products

Cost of products comprises invoiced and accrued cost of travel related products and other services incurred by generated revenue of the year.

Sales and administrative costs

These are costs incurred indirectly from distributing travel products and other services sold during the year. Also included are other overhead costs, e.g., office premises, office expenses, IT and all costs for web-technology with an assessed lifetime of less than 3 years.

Salaries and other personnel expenses

Personnel costs comprise expenses incurred during the year for all management, sales consultants and administrative staff.

Result from shares in subsidiaries

Net profits or losses in subsidiaries contains only of received dividend by the cost method.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding 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

SSTS A/S is jointly taxed with Danish subsidiaries, in accordance with the Danish rules on mandatory joint taxation. Danish subsidiaries are either included or excluded in the joint taxation at the same time as they are included or excluded in the consolidation.

The parent company, SSTS A/S, is the administrative company under the joint taxation scheme and, accordingly, pays all income taxes to the tax authorities. The jointly-taxed Danish companies are taxed under the on-account tax

The current Danish corporation tax is allocated among the jointly-taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses).Tax for the year comprises current tax, joint taxation and changes in deferred tax for the year, including adjustments to 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 changes directly recognised in equity is recognised directly in equity.

Corporate tax on account is recognized in the balance sheet under current assets.

Deferred tax is provided under the liability method, and covers all temporary differences between accounting and tax values of the assets and liabilities.

Deferred tax is, furthermore, provided for re-taxation of tax-deductible losses realised in non-Danish associated companies, if the re-taxation is expected to be realised by the associated companies' departure from the Danish joint taxation scheme.

The tax value of tax loss carry-forwards will be set off against deferred tax liabilities to the extent that the tax losses and other tax assets are expected to be utilised in the future taxable income. Deferred tax is calculated according to applicable tax laws and according to the expected tax rate.

Notes, continued:

Balance Sheet

Intangible assets

Goodwill is initially recognised in the balance sheet at cost as described under consolidated accounts. Goodwill is amortised on a straight-line basis over the estimated useful life time determined on the basis of Management's experience within the individual business areas.

Software comprises external development cost of substantial IT systems that are capitalised over their estimated useful life.

Depreciation is calculated on a straight-line basis of the cost according to the following guidelines, based on the estimated economic life of the asset:

- Software 3-5 years
- Goodwill 2-10 years

Property, plant and equipment

Tangible assets are measured at cost less accumulated depreciation and impairment. Cost includes retirement obligations if it meets the conditions for recognition of provisions.

Assets are written down if their value has depreciated and cannot be seen as appreciating in the near future.

Depreciation is calculated on a straight-line basis of the cost according to the following guidelines, based on the estimated economic life of the asset:

- Buildings 33-50 years
- Leasehold improvements 5 years
- IT and other equipment 3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Shares in associated companies

Participating interests in subsidiaries and associated companies are measured at cost. When the cost exceeds the recoverable amount, write-down is made to the lower amount.

Other financial assets

Other financial assets are recognised at amortised cost.

Inventories

Goods for resale are measured at cost price.

Write-downs are made according to obsolescence and other forms of value depreciation.

Receivables

Receivables are stated at amortized cost net of provisions for possible losses.

Prepaid expenses

Prepaid expenses are measured at cost.

Intra group loans

Intra group loans are measured at amortized cost, with deduction of a value adjustment for bad debts, if necessary.

Bonds and securities

Publicly traded bonds are stated at the market value at year-end. Investments hold-to-maturity are measured at fair value. Realised and unrealised gains and losses are included in the profit and loss account.

Equity

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a seperate item under equity.

Provisions

Provisions include asset retirement obilgations. Provisions are recognised when, at the balance sheet date, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation.

When the Company is obligated to dismantle an asset or restore the site on which the asset is used, a facility equal to the present value of the expected future costs is recognised. After initial recognition of the present value, the accretion expense is recognised as a financial expense in the income statement.

Notes, continued:

Financial liabilities
These are stated at net realisable value, if not stated otherwise.

Rent and leasing
The Group have entered into operational rental agreements for offices and equipment for multi-year periods.

Rental and leasing expenses are stated in the profit and loss account for the applicable period.

The aggregate rental and leasing liability is stated under contingent liabilities.

Currency conversion
Accounts in foreign currency are stated at the exchange rate at year-end. Gains and losses are included in financial items.

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Changes in the fair value of derivative financial instruments used for hedging of net investments in separate foreign subsidiaries or associates are recognised directly in equity; see above.

Cash Flow Statement
The cash flow statement is presented according to the indirect method, based on the operating profit.

The cash flow statement shows the Group's cash flow for the year and is divided into cash flow from operating, investing and financial activities.

Cash flow from operating activities covers cash flow from the year’s operations, adjusted for operating items of a non-cash nature and changes in working capital.

Working capital includes current assets less liquid assets and current, non-interest bearing liabilities and dividends.

Cash flow from investing activities covers cash flow in connection with the purchase and sale of fixed assets, including participating interests and other long-term securities.

Cash flow from financing activities covers payments to and from shareholders, together with the raising of, and repayment of, interest-bearing liabilities.

Cash and cash equivalents are cash holdings, money market deposits in banks, and marketable securities stated under current assets.

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"By my signature I confirm all dates and content in this document."

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