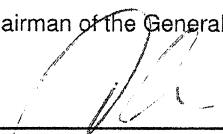


Horizons A/S
Annual Report
for the year 2017

The Annual General Meeting adopted the annual report on 25 05 2018

Chairman of the General Meeting



Name

Horizons A/S
Nytov 5
1450 Copenhagen K
Denmark

Reg. no. 11 15 33 80

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Statement by the Board of Directors and Management

The Company is a subsidiary of KILROY International A/S which is an international travel agency with headquarters in Denmark.

The Board of Directors and the the managing director have today discussed and approved the annual report for the financial year January 1 - December 31 2017 for Horizons A/S.

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

It is our opinion that the annual report gives a fair and true view of the company's assets, liabilities and financial position as pr. December 31 2017 and the result of the company's activities for the financial year January 1 - December 31 2017.

In our opinion, the Managements's review includes a fair review of the development in the Company's operations and financial conditions, the results for the year and financial position.

The Financial statement is send for approval for the annual general meeting.

Copenhagen, 25/5 2018

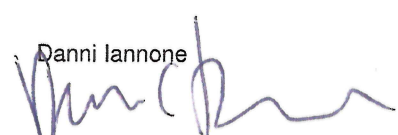
Managing Director


Henrik Kaltoft

The Board of Directors:


Claus Hincheli Hejlesen
Chairman


Lars Horst-Mikkelsen


Danni Iannone


Henrik Kaltoft


Henrik Møller Nielsen

Independent Auditors' Report

To the shareholders of Horizons A/S

Opinion

We have audited the financial statements of Horizons A/S for the financial year 1 January – 31 December 2017 comprising accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statement 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 financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and 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 Financial Statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

— conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 25 May 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR nr. 25578198



Anja Bjørnholt Lütchke

State Authorised Public Accountant

MNE-nr: 26779

Management's review

Company information

Horizons A/S
Nytorv 5
1450 Copenhagen K

Phone: 70 15 40 15 / 70 20 19 15
Web: www.kilroy.dk / www.jr.dk

CVR-nr.: 11 15 33 80
Founded: 2. september 1987
Registered in: Copenhagen K.
Accounting year: 1. januar - 31. december

Board of directors:

Claus Hincheli Hejlesen (Chairman)
Henrik Kaltoft
Lars Holst-Mikkelsen
Henrik Møller Nielsen
Danni Iannone

Managing Director:

Henrik Kaltoft

Auditors:

KPMG
Statsautoriseret revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen

Annual General Meeting:

The annual general meeting will take place on 25 May 2018 at the company's office at Nytorv 5, 1450 Copenhagen K.

Keyfigures

	2017	2016	2015	2014	2013	
Profit & Loss Accounts (mDKK)						
Turnover	585	542	532	476	453	
EBITDA	24,0	21,3	22,7	17,8	16,8	
Ordinary operating profit (EBIT)	23,1	19,0	20,5	15,8	14,9	
Net financial income	1,2	0,0	0,1	0,4	0,6	
Profit before income tax (EBT)	24,4	19,0	20,5	16,2	15,5	
Net profit for the year	19,0	14,5	15,4	11,8	11,3	
Balance Sheet (mDKK)						
Non-current assets	2,2	2,9	4,6	6,0	5,8	
Current assets	149,6	127,2	108,2	90,2	80,9	
Total assets	151,8	130,1	112,8	96,2	86,6	
Share capital	5,2	5,2	5,2	5,2	5,2	
Equity	32,5	28,5	28,0	25,6	25,8	
Current liabilities	119,3	101,6	84,8	70,6	60,7	
Investments in tangible assets	0,2	0,7	0,9	2,0	0,5	
Key Figures						
EBITDA - Margin (%)	EBITDA / Turnover	4,1	3,9	4,3	3,7	3,7
Return on assets (%)	EBIT / total assets	15,2	14,6	18,1	16,3	17,2
Return on equity (%)	Net profit / average equity	62	51	57	46	48
Liquidity ratio (%)	Current assets / current liabilities	125	125	128	128	133
Equity ratio (%)	Equity / total assets	21	22	25	27	30
Average number of full-time employees (FTE)		116	113	103	94	91

Management's review

Main activities

The main activity – which remains unchanged from previous years – is to carry on sale of travel related services and products under the two brands Jysk Rejsebureau and KILROY.

Sales are conducted from the seven shops in larger cities in Denmark as well as via online channels.

Development in activities, finances, and other events during the year

Through increases in turnover and improved earnings, the operating profit has improved significantly, which is considered very satisfactory and in consists with the expectation from last year.

Uncertainty relating to recognition and measurement

There have not been any uncertainty regarding recognition and measurement in the annual report.

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.

Each year brings new and sometimes extraordinary challenges to the travel industry. 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, which has established policies to ensure that currency exposure is mitigated to the extent possible.

The KILROY Group only hedges commercial exposures. The primary financial instruments include currency forward contracts.

Corporate Social Responsibility (CSR)

It is a goal of the KILROY Group that employees, suppliers and customers all do their best to support the neighbouring community and, to the extent possible, limit any negative impact on the environment.

By its very nature, the KILROY Group business promotes understanding and respect among cultures. However, our business also involves a significant amount of air travel, and this carries an inevitable environmental impact. Our suppliers of hotel accommodation, cars and other ground products also make varying impact.

The KILROY Group has a formalized CSR strategy named "Walk-the-Talk". It defines goals for climate, sourcing, suppliers, social responsibility, human rights and animal welfare.

Our CSR policy aims to ensure that all our companies and employees act as good corporate citizens with due respect for differences in culture, history and economy. We encourage climate-friendly yet profitable investments with necessary consideration of human and labour rights.

Due to other priorities, the focus areas of 2017 did not get the attention that was originally intended. Therefore the focus areas of 2018 will remain as those for the previous year.

The strategy and policy can be found on kilroy.net/policies

Intellectual capital

In order to maintain sustained development of the business areas and complementary areas, our employees are central. Hence, training and competence upgrade within travel are continuously prioritized.

Management's review

Subsequent events and expectations for 2017

No material events have occurred since the balance sheet date that would affect the assessment of the annual report for 2017.

The expectation for 2018 is that Horizons A/S will deliver a result similar to 2017, save for any external events beyond own control.

Profit & Loss Account 1 January to 31 December 2017

	Notes	2017 '000 DKK	2016 '000 DKK
Turnover	1	585.338	542.241
Cost of products		-472.884	-438.045
Gross profit		<u>112.454</u>	<u>104.196</u>
Salaries and other personnel expenses	2	-50.967	-47.953
Other operating expenses		-37.447	-34.896
		<u>-88.414</u>	<u>-82.849</u>
Operating profit before depreciation and amortisation (EBITDA)		24.040	21.347
Depreciations and amortizations	3	-897	-2.355
Operating profit before net financial income (EBIT)		23.143	18.992
Financial income	4	1.289	65
Financial expenses		-68	-39
Net financial income		<u>1.221</u>	<u>26</u>
Profit before income tax (EBT)		24.364	19.018
Tax on profit for the year	5	-5.369	-4.502
Net profit for the year	6	<u>18.995</u>	<u>14.516</u>

Balance Sheet as at 31 December 2017

Assets:	Notes	2017 '000 DKK	2016 '000 DKK
Land and buildings		604	634
Improvements own buildings		88	144
Leasehold improvements		1.319	1.806
IT hardware and other equipments		235	363
Total property, plant and equipment	7	<u>2.246</u>	<u>2.947</u>
Total non-current assets		<u>2.246</u>	<u>2.947</u>
Inventories		749	532
Trade receivables		26.836	23.508
Amounts due from group entities		94.357	77.607
Receivable tax		0	113
Deferred tax		13	25
Other receivables		1.967	2.517
Prepaid expenses and accrued income	8	9.999	6.418
Total Receivables		<u>133.172</u>	<u>110.188</u>
Cash and cash equivalents		15.645	16.447
Total current assets		<u>149.566</u>	<u>127.167</u>
Total assets		<u>151.812</u>	<u>130.114</u>
Equity:			
Share capital		5.177	5.177
Proposed dividend	6	17.000	15.000
Retained earnings		10.306	8.320
Total equity		<u>32.483</u>	<u>28.497</u>
Current liabilities:			
Tax payable		357	0
Trade creditors		88.279	74.198
Amounts due to group entities		4.387	0
Other payables		8.801	9.086
Prepayments received		17.505	18.333
Total current liabilities		<u>119.329</u>	<u>101.617</u>
Total liabilities		<u>119.329</u>	<u>101.617</u>
Total equity and liabilities		<u>151.812</u>	<u>130.114</u>
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Statement of changes in Equity

Equity

The share capital is divided into stocks with the printed amount of 1 DKK each.

The share capital is divided between 2.951.000 A and 2.226.193 B shares but with the same voting rights.

	Share capital	Retained earnings	Proposed dividend	Total equity
	'000 DKK	'000 DKK	'000 DKK	'000 DKK
Equity 1.1.2017	5.177	8.320	15.000	28.479
Transferred over the profit appropriation	0	1.995	17.000	18.995
Dividends paid	0	0	-15.000	-15.000
Equity 31.12.2017	<u>5.177</u>	<u>10.306</u>	<u>17.000</u>	<u>32.483</u>

There have not been any changes in the share capital during the last 5 years.

Notes

1. Turnover

Pursuant to the damage clause in section 96(1) of the Danish Financial Statements Act, segment information has not been disclosed.

2. Salaries and other personnel expenses

	2017	2016
	'000 DKK	'000 DKK
Wages and salaries	44.400	41.464
Pensions	3.157	2.916
Other social security costs	764	540
Total salaries and related expenses	48.321	44.920
Other personnel expenses	2.646	3.033
Total salaries and other personnel expenses	50.967	47.953
 Average number of employees (full year equivalents)	 116	 113

Remuneration to executive board are included in the Management fee from the parent company.

3. Depreciations and amortizations

	2017	2016
	'000 DKK	'000 DKK
Depreciation of property, plant and equipment, see note 7	897	934
Amortization of intangible assets, see note 6	0	1.421
Depreciation and amortization recognised in the income statement	897	2.355

4. Financial income

	2017	2016
	'000 DKK	'000 DKK
Interest income from affiliated companies	1.289	31
Other Financial income	1	34
	1.289	65

5. Tax on profit for the year

	2017	2016
	'000 DKK	'000 DKK
Joint tax contribution	5.356	4.487
Adjustment of deferred tax for the year	13	15
	5.369	4.502
 Deferred tax at the beginning of 2017	 25	 41
Adjustment of deferred tax for the year	-13	-15
Deferred tax at the end of 2017	13	25

6. Appropriation of net profit

	2017	2016
	'000 DKK	'000 DKK
Proposed dividend	17.000	15.000
Retained earnings	1.995	-484
	18.995	14.516

Notes, continued:

7. Property, plant and equipment

	Land and buildings '000 DKK	Improvements own buildings '000 DKK	Leasehold improvements '000 DKK	Hardware and other equipment '000 DKK	Total '000 DKK
Cost at the beginning of 2017	1.668	278	3.489	811	6.246
Additions in year	0	0	164	32	196
Cost at the end of 2017	1.668	278	3.653	843	6.442
Depreciations at the beginning of 2017	1.034	134	1.683	448	3.299
Depreciations for the year	30	56	651	160	897
Depreciations at the end of 2017	1.064	190	2.334	608	4.196
Carrying amount at the end of 2017	604	88	1.319	235	2.246

8. Prepaid expenses and accrued income

Prepaid expenses and accrued income consists of payments to suppliers that relate to the following year and earned, but not paid incentive.

9. Contingent assets, liabilities and secured debt

The company is a member of Rejsegarantifonden and KILROY International A/S has through the bank issued a bank guarantee tDKK 2.500 as security.

Horizons has made a number of rental agreements with variable unbreakable tenures.

	2017 '000 DKK	2016 '000 DKK
Rent and lease obligations within 1 year	4.216	1.994
Rent and lease obligations between 1 and 10 years	27.537	20.591
	<u>31.753</u>	<u>22.585</u>

As a subsidiary to KILROY International A/S, Horizons A/S operates under joint taxation along with other danish companies in the KILROY Group.

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). The Danish Companies are jointly and severally liable for the joint taxation.

Notes, continued:

10. Related parties

Horizons A/S' related parties comprise the following:

Eignarhaldsfélagið KILROY ehf, Laugavegur 182, 105 Reykjavík
SSTS A/S, Nytorv 5, 1450 Copenhagen K.
KILROY International A/S, Nytorv 5, 1450 Copenhagen K.
KILROY Belgium B.V.B.A., Sint-Pietersnieuwstraat 105, 9000 Gent
KILROY Group Travel A/S, Nytorv 5, 1450 Copenhagen K
OY KILROY Finland AB, Kaivokatu 10 D, 00100 Helsinki
KILROY Iceland ehf., Lækjartorg 5, 101 Reykjavík, 101 Reykjavík
KILROY Netherlands B.V., Singel 413-415, 1012 Amsterdam
KILROY Norway AS, Kirkegata 32, 0153 Oslo
KILROY Poland Sp. Z o.o., Inflancka 4A, 00189 Warszawa
KILROY Sweden AB, Mäster Samuelsgatan 42, 103 87 Stockholm

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statement Act:

Membership of the Board of Directors in one or more of the Group's subsidiaries is not remunerated separately but considered as part of senior management responsibilities, thus part of their ordinary remuneration.

Horizons A/S is a part of the consolidated annual report for KILROY International A/S, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of KILROY International A/S can be found at www.KILROY.dk

Horizons A/S is a part of the consolidated annual report of Eignarhaldsfélagið KILROY ehf, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Eignarhaldsfélagið KILROY ehf can be obtained by contacting the company.

11. Subsequent events and expectations for 2018

No material events have occurred since the balance sheet date that would affect the assessment of the annual report for 2017.

Accounting Policies

General

The Annual Report for 2017 for Horizons A/S is presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class large-C companies.

The accounting policies applied, as described below, are consistent with those applied last year.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement is included in the consolidated cash flow statement for KILROY International A/S.

Pursuant to section 96(3) of the Danish Financial Statements Act, fee paid to the Company's auditor appointed at the general meeting has not been disclosed.

The Annual Report for 2016 for Horizons A/S is included in the consolidated financial statements for KILROY International A/S.

Foreign currency conversion

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date.

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.

Derivative financial instruments

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 intercompany 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.

Profit and Loss Account

Turnover

Turnover includes the year's sales of travel products and other services.

Turnover from individual-oriented products are recognised at the time of invoicing, regardless of departure date.

Turnover is measured at the fair value of the agreed remuneration excluding VAT. All discounts granted are included in turnover.

Cost of products

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

Other operating expenses

Other operating expenses include expenses relating to the entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting Policies

Salaries and other personnel expenses

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Finance income and expenses comprise interest, capital gains and losses on securities, liabilities and conversion in foreign currencies and surcharges/allowances regarding tax.

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.

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

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.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any direct costs directly attributable to the acquisition until the date on which the asset is available for use.

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.

Accounting Policies

Impairment of non-current assets

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

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

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

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 measured at amortised cost. Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired.

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 separate item under equity.

Liabilities other than provisions

Prepayments from customers, trade payables and other payables are measured at net realizable value.