



Memorable
mountain
experiences
– all year round

OUR POSITION

As the leading holiday organiser for Scandinavia, our vision is to create memorable mountain experiences all year round

OUR HISTORY

- 2022** The new Stockholm Hammarbybacken opens
- 2021** Launch of SkiStar Sports & Adventures
- 2005** Acquisition of Trysil
- 2001** The Group adopts the name SkiStar
- 2000** Acquisition of Hemsedal
- 1999** Acquisition of Åre and Vemdalen
- 1997** Acquisition of Tandådalen and Hundfjället
- 1994** Lindvallen i Sälen AB is listed on the Stockholm Stock Exchange
- 1975** Brothers Erik and Mats Paulsson buy the ski resort Lindvallen in Sälen.

28

MILLION VISITS
TO SKISTAR'S DIGITAL
PLATFORMS

57%

REDUCTION IN CO₂
YEAR-ON-YEAR²

6

MILLION SKIER DAYS

57,317

SHAREHOLDERS AT YEAR-END

8.10_{AV}

SATISFIED GUESTS

We are SkiStar

As the leading holiday organiser for Scandinavia, we at SkiStar want to create memorable mountain experiences with a focus on alpine skiing in the winter and active holidays in the summer. Our operations are divided into three segments: Operation of Mountain Resorts, Property Development and Exploitation and Operation of Hotels.

We continuously develop skistar.com as the leading holiday distribution platform in our markets. Skistar.com, skistarshop.com and the SkiStar app have 28 million visits per year combined. Thanks to our scalable business model, we are currently able to offer core products such as the SkiPass, ski school, ski and bike rentals and the SkiStar Lodge accommodation concept – always with a focus on our guests' experience. Active business development forms the basis of our efforts to continually grow in both new and existing areas. This active development, along with our fantastic employees, is critical for ensuring satisfied guests.

The strong staycation trend in Scandinavia – with active mountain holidays all year round together with family and friends – is here to stay. We continue to invest all year round, and in the summer of 2022 we launched new Stockholm Hammarbybacken as our sixth destination, as a part of SkiStar Sports & Adventures. There is a strong interest in alpine skiing and this remains the core of our operations, while the summer period offers further opportunities through lift-assisted hiking, MTB cycling, running and other activities such as climbing parks and padel courts.



SUSTAINABLE MOUNTAIN EXPERIENCES

We want to protect both nature and humans in the short and long term so that more people can enjoy memorable and sustainable mountain experiences in the future. Our sustainability strategy is

based on Agenda 2030 and the UN's 17 Sustainable Development Goals. To best integrate the sustainability initiatives into SkiStar's business, the strategy focuses on three prioritised areas:



ACTIVITY & RECREATION

We work to promote an active lifestyle that contributes to greater wellbeing. We can reach more guests and contribute to active holiday experiences in nature all year round through collaborations and initiatives.



ECOSYSTEM & IMPACT

We at SkiStar protect nature, just as nature protects us. We work to minimise our impact through ambitious climate targets and more circular systems. We make it possible for our guests to make climate-smart choices.



DIALOGUE & INTERACTION

By collaborating we can accelerate sustainable development. We take responsibility in the areas in which we operate and throughout the entire value chain by focusing on dialogue and interaction. Together with our stakeholders, we enable long-term and sustainable solutions that contribute to positive trends in business and the wider community.

➤ Read more about our sustainability initiatives on pages 35–48, 98–112.

BUSINESS CONCEPT

Our business concept is to create memorable mountain experiences, develop sustainable destinations and offer accommodation, activities, products and services of the highest quality with a focus on our guests.



SkiStar's destinations

Sälen*

Northern Europe's largest alpine skiing area: Scandinavia's best family resort.

STOCKHOLM*

HAMMARBYBACKEN

Stockholm's most central alpine ski slope and now also a summer destination. Belongs organisationally to Sälen.

HEMSEDAL*

Scandinavia's alps: High peaks, staggering views and adventurous skiing.

VEMDALEN*

A mountain gem: Great skiing with many vertical metres as well as state-of-the-art holiday carving.

TRYSIL*

Norway's largest ski resort: A modern destination for families who love skiing.

ÅRE*

Cosmopolitan atmosphere: A unique combination of skiing and entertainment in northern Europe's cosiest and trendiest mountain village.

> Read more on pages 29-34.

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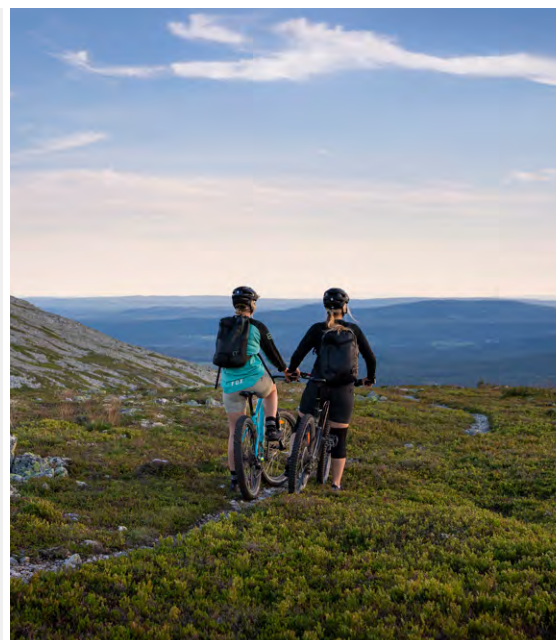
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* Section forms part of the administration report



Comments from the CEO

In spring 2020, we adopted an updated strategy with a focus on Scandinavia and mountain tourism all year round. This proved to be a successful decision. As we close the 2021/22 financial year, the transformation has helped us to become a stronger and more prosperous company with good liquidity, a stronger balance sheet, better profitability, more satisfied guests, great employees and a stronger brand than before the pandemic.

Our full-year result is the best in the Company's history. Sales and earnings increased in all business areas and we have reported a profit before tax of SEK 866 million, SEK 620 million better than in the previous year. This gives us a strong cash flow and the conditions to continue building a successful SkiStar in the coming years with more initiatives and investments for the future.

The repositioning as the leading holiday organiser for Scandinavia has gone better and faster than expected, mainly due to strong momentum in business development and digitalisation with faster and more efficient processes. Digital SkiPass purchases currently account for 75 percent of total SkiPass sales. Our digital platforms are the basis of our business model and the main sales channel, with skistar.com as the hub, to which we had 28 million visits during the year.

Our all-year-round focus contributed to both increased revenue in the fourth quarter and also 21 percent new guests, providing future growth potential in winter as well. With our six destinations, including the new Stockholm Hammarbybacken, we broke records during the period – for example, SkiStar Mountain Coaster with over 40,000 rides in just two months, which is unique. It is also home to Sweden's first modern alpine ski arena on artificial turf – SkiStar SummerSki – which opened in early September.

The sale of our hotel properties and certain land assets to the jointly-owned company Skiab Invest AB has proved to be a success, enabling a stronger balance sheet, clear hotel operation within SkiStar and faster exploitation at our destinations.

THE PAST YEAR: SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- SkiStar Lodge Hundfjället – a brand new international resort in Sälen opened up in December.
- Taiga made European debut of electric snowmobiles at SkiStar in Sweden in April.
- Strong demand for mountain holidays all year round and the easing of travel restrictions contributed to increased revenue from core operations during the financial year. All destinations had record visitor numbers during the winter season, resulting in both a higher number of skier days and record sales of all products related to alpine skiing, such as SkiPass, ski rental and sporting goods outlet sales.
- SkiStar is investing over SEK 600 million in the core business for 2022/23 in order to increase the attractiveness of the Company's resorts and to meet continuing strong demand from guests. In addition to operational investments, SkiStar has acquired an area of land totaling 400 hectares in Vemdalen which is ideal for continuing development of the popular Vemdalen mountains.
- Premiere for the new SkiStar Stockholm Hammarbybacken in June: All year-round investment to attract new visitors.

866
SEK MILLION PROFIT
BEFORE TAX

“ Our full-year result is the best in the Company's history. Sales and earnings increased in all business areas.

Unlike the situation for many other players, our sports shop business continues to show strong growth both online at skistarshop.com (+25%) and in our physical stores (+50%).

We remain committed to our sustainability goal of reducing our carbon footprint by 50 percent by 2030, and switched during the year to running our snow groomer machines exclusively on HVO100 (renewable diesel) in Norway too, despite increased fuel prices. As an important step towards our goal of electrification, we have electric snowmobiles in operation this year and are working on the renewable snow groomer machines of the future. We have taken long-term measures to keep our electricity contracts at reasonable levels through portfolio management, creating security both in terms of costs and for our guests, as we have not been forced to make large price adjustments.

Getting more people moving is an important part of our sustainability work. With the 37-percent increase in the number of skier days and activities during the year, we are on track to achieve the target of 7 million by 2030.

SkiStar is continuing to invest in the future. In 2022/23, we will invest over SEK 600 million in better and more modern mountain resorts, digital development and continued year-round operation. This includes an investment in new snow systems in order to safeguard our core business of alpine skiing in the long term. We are also extremely pleased with our recent investment in a six-chair lift - Stjärnliften in Åre - which will significantly increase the capacity of the skiing area, an important step in the development of our second-largest and highly popular destination Åre. Our recent acquisition of Klyftvallen, an area of 400 hectares, is ideal for both alpine skiing and summer activities in the attractive Skalspasset at Vemdalskalet. It also provides exploitation opportunities for highly attractive mountain accommodation as well as many other exciting development projects.

We plan to open the 2022/23 winter season as normal and, despite the instability in the outside world, we can report that bookings (expressed as the number of overnight stays booked through SkiStar's accommodation agency) are positive compared with the same period

before the 2019/20 winter season, which is the last comparable winter season before the pandemic. We are particularly pleased that our Danish and Swedish guests are back in force in Norway.

The future looks bright, with a continuation of the very strong demand for active holidays in the Scandinavian mountains, where we create memorable mountain experiences for our guests. I look forward with great confidence to a long winter season at all our destinations with a focus on our crucial core product and the Company's DNA - alpine skiing.

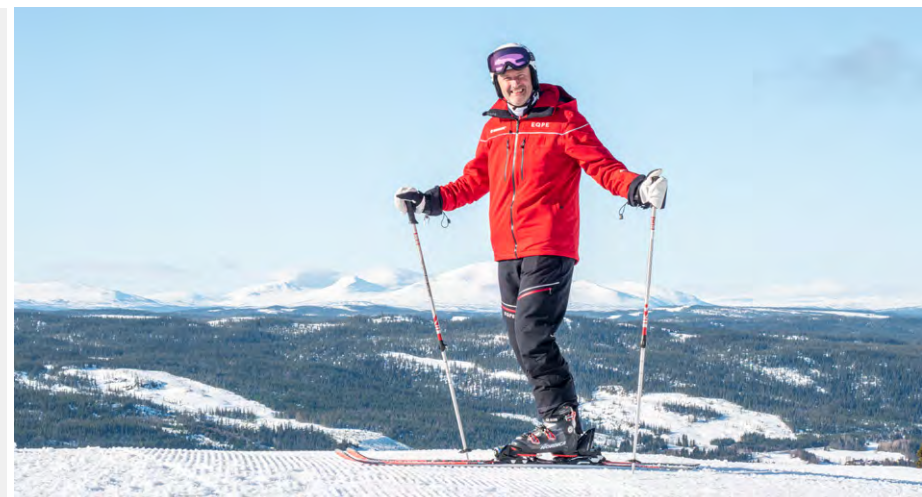
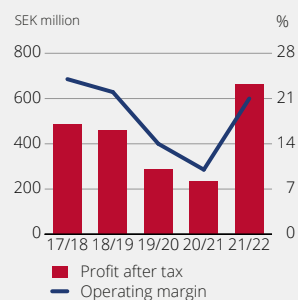
Stefan Sjöstrand, CEO

PERFORMANCE MEASURES

	2021/22	2020/21
Revenue	4,092	2,689 ¹⁾
Operating income	4,118	2,759 ¹⁾
Profit before tax	866	246
Profit/loss after tax	665	234
Earnings per share, SEK	8.50	3.04
Cash flow from operating activities	1,238	699
Operating margin, %	21	10
Equity/assets ratio, %	42	40
Equity/assets ratio % excl. IFRS 16	57	51

¹⁾ The Group's comparative figures for 2020/21 have been adjusted to rectify a previous misclassification. In the comparative year, income and expenses have been netted by SEK 62 million, in the Operation of Mountain Resorts segment, which in the previous year's accounts were grossed. This adjustment does not have any impact on the Group's operating profit.

FINANCIAL TRENDS



SkiStar news for the 2022/23 winter season

A ROUND UP OF IMPROVEMENTS AT THE SKI RESORTS AND NEW PRODUCTS:

Åre:

In Åre, the old two-seater WC lift will be replaced by the new six-seater Stjärnliften, an express lift with the capacity for 2,600 people an hour in winter and 1,000 in summer. It's the first lift in Sweden that's open to guests in both summer and winter. We're adding a new SkiStar Snow Park, with the help of SkiStar's ambassador and Olympic medalist Jesper Tjäder, and a ski cross track in Åre Duved.

Sälen:

In Sälen, we've built a new water reservoir in Hundfjället to increase the supply of water to the snow cannons; this will triple the snow capacity in the ski area in the long run. Lindvallen, Sälen is getting a new button lift and a children's area at Timmerbyn, which will provide better ski-in ski-out facilities for all cabins in the area.

Vemdalen:

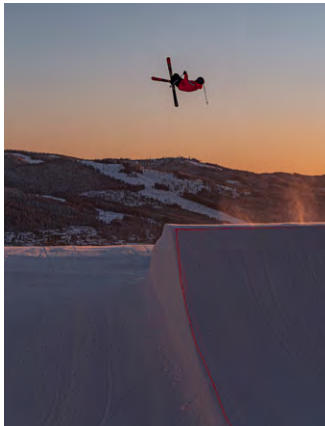
The classic Turisten slope in Vemdalen has been widened and extended to the top of Hovde, so you can reach it easily and give your legs a rest on the Hovde Express on the way up. We're also installing lighting on the whole slope.

Trysil:

In Trysil, several slopes are being widened and the capacity of the Høgekspresen lift has been increased. Lighting is being installed at the Skarven lift at Fageråsen to improve the evening skiing experience, including the SkiStar Fun Ride. We're opening new childcare facilities at the Tourist Centre.

Hemsedal:

In Hemsedal, the Fjellheisen is being renovated and we're moving and developing the SkiStar Snow Parks for all levels of skier and several of the slopes; we're also providing more and better lighting and improved snow production.



Several new air routes to Scandinavian Mountains Airport:

This winter, there will be a total of eight direct routes to the airport: three domestic routes in Sweden, one from Germany, two from the Netherlands and two from Denmark.

SkiStar Youth Camp by Charlotte Kalla:

SkiStar Youth Camp by Charlotte Kalla 1-4 Dec Sälen: Charlotte Kalla and her team come to Sälen to inspire and develop young cross-country skiers where training sessions and lectures are interspersed with fun activities, challenges and socialising.

SkiStar Banked Slalom & Music Festival by Helene Olafsen:

Helene Olafsen, SkiStar's ambassador, extends our cooperation and develops a new closing event in Trysil, SkiStar Banked Slalom and Music Festival by Helene Olafsen.

A SUSTAINABLE MOUNTAIN EXPERIENCE:

Recycling and hire:

We're continuing to work on improving the sustainability of our destinations and the great news is that SkiStar is starting to sell used skis from its own warehouse on skistarshop.com, and used clothing in collaboration with Circulate at the SkiStarshop Concept Store in Lindvallen. We're also testing ski clothing hire at the SkiStarshop at SkiStar Lodge Hundfjället and SkiStar's group and conference booking centre in Sälen. Another development is unmanned SkiStarshops at the Swedish destinations, which will be open 24 hours a day, so you can walk in and buy a selection of essential products simply and easily with an app.

Sustainable travel:

For those travelling by electric car, mobile charging stations will be provided at strategic locations on the way to the destination during high season. Last year we installed over 150 new charging points for electric cars and this year we plan to double the capacity, mainly in SkiStar's car parks and at the building projects SkiStar is involved in, like Sadeln in Åre, Timmerbyn in Sälen and Fjellnest in Hemsedal. This year, SkiStar will also be the first to use electric snowmobiles to reduce climate emissions. Much of the lighting in the ski areas has been replaced by LED lights.

A BETTER DIGITAL EXPERIENCE

The SkiStar app is being improved in a number of ways to make it easier to access customer services and pay for your SkiPass, for example.

> All news is available at skistar.com: <https://www.skistar.com/en/inspiration/news/>

Our strategies

How SkiStar creates growth and success – today and in the future.



Mountain tourism company SkiStar all year round

A key feature of efforts to develop SkiStar from purely a winter and lift company to a mountain tourism company all year round with a focus on guests is the updated strategic plan set out in our strategic framework, which was further developed in 2020/21. This strategy was elaborated during the financial year and work is continuing on its implementation.

STRATEGIC FRAMEWORK

VISION

SkiStar creates memorable mountain experiences

POSITION

The leading holiday organiser for Scandinavia

TARGETS

Financial targets Sustainability targets

STRATEGIES

1. Further develop core operations
2. Find more sources of revenue
3. Sustainable property transactions
4. Digitalisation: Interact with customers wherever they want to be
5. Creating future business

FOUNDATIONS

SAFE & SECURE

Book
Stay
Lift & Piste

SUSTAINABILITY

Activity & Recreation
Ecosystem & Impact
Dialogue & Interaction

EMPLOYEES & CULTURE

Culture & Values
Leadership
Organisation



Our foundations permeate everything we do. Safe and Secure is our promise to guests, as is sustainability, together with our employees and culture, which are a prerequisite today for achieving success and results.

SkiStar's strategies

SkiStar's vision is to create memorable mountain experiences for all of our guests. As the leading holiday organiser for Scandinavia, our core business is designed to create value for our guests, customers, employees, shareholders, municipalities and regions.

1. FURTHER DEVELOP CORE OPERATIONS

To strengthen our position as the leading holiday organiser for Scandinavia, alpine skiing will remain SkiStar's main focus when creating memorable mountain experiences. During the financial year we continued investing even further in the summer season, thus creating new revenue. To increase the number of skier and activity days and thus increase profitability, the key is to attract more guests to our destinations who are also more satisfied with the experience and more guests who return year after year. Another important aspect is to strengthen the competitiveness of the destinations, which involves important factors such as the range of products, development of ski systems, summer activities and offering guests better accommodation while away than at home. As people's lifestyles and holiday habits are shifting, with them moving in recent years towards more active holidays over more periods of the year, work is under way to review how we can meet demand for adapted opening times, lift-assisted summer activities and guaranteed snow. At the same time, we are continuing to make investments in our mountain resorts, such as new lifts and skiing areas with a plan to implement several new lifts to weatherproof Åre ahead of the 2022/23 winter season, for example.

2. FIND MORE SOURCES OF REVENUE

SkiStar wants to be a forerunner and further develop operations with a focus on increasing the number of guests and activity days at our destinations and driving sustained profitable growth. The basis for this is the sale of our SkiPass, which saw strong growth during the financial year thanks to a large number of visitors to our destinations. Based on that successful product, we have since developed new revenue sources



in the form of ski rentals through SkiStarshop, our snowman Valle and Valle's Ski School, the SkiStar Living accommodation concept and much more. Another important part of finding more sources of revenue is to even more efficiently base our actions on guests' behaviours, purchasing patterns, satisfaction and preferences through the customer data we have from skistar.com and guest surveys but also through memberships in SkiStar Member, using an updated strategy and development during the financial year to generate add-on sales and loyalty to SkiStar. By linking our sustainability target of seven million skier days and activities to the new SkiStar Member club – with each purchased ski or activity day leading to bonuses – we are bringing our guests and members closer to our core values of 'activity & recreation'. Guests also receive all the benefits of being both loyal guests and members over time, such as bonus points on all purchases in the SkiStarshop, be it physically or online, as well as on bookings and rentals via skistar.com. To put it simply – it should pay to be active.

3. SUSTAINABLE PROPERTY TRANSACTIONS

For SkiStar, it is important for all land exploitation and property development in the Scandinavian mountains to be sustainable. An important goal for us is to see a positive performance in the value of our exploitable land. This is achieved by active detailed development plans, which lead to new projects being launched more quickly. Another vital aspect of the strategy is to ensure a strong performance in the value of the property portfolio by developing and enhancing the efficiency of properties owned by SkiStar, not least in terms of energy efficiency and systematic maintenance. For more information, see the section 'Property Development and Exploitation' on pages 27–28.

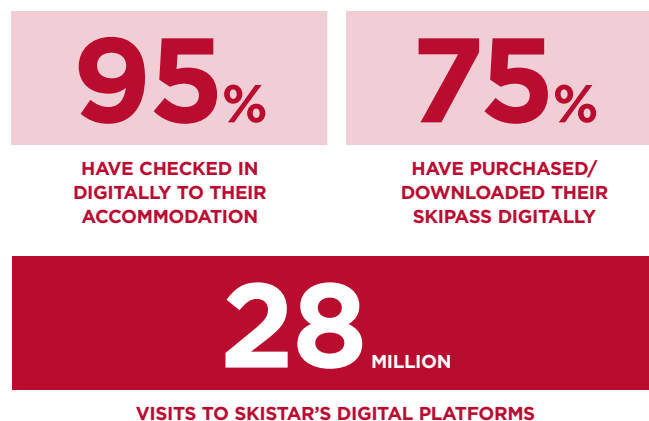
4. DIGITALISATION: INTERACT WITH CUSTOMERS WHERE THEY WANT TO BE

For SkiStar, digitalisation means developing our destinations and digital platforms based on customer insight and data analysis, with the

concepts of simplicity, satisfaction, accessibility and security for guests serving as a guide. Over the past year, SkiStar has continued to develop a number of products and services – everything from the SkiStar app to digital check-in and check-out at their accommodation. A major project involving digital keys at the new SkiStar Lodge Hundfjället was also completed, along with a digital purchase flow and communication linked to the new products at Stockholm Hammarbacken.

Digital business development will continue over the coming years with a focus on further guest-centric adjustments. It is a question of being at the forefront of digital interaction with guests, to create a memorable and carefree mountain experience, before, during and after their trip.

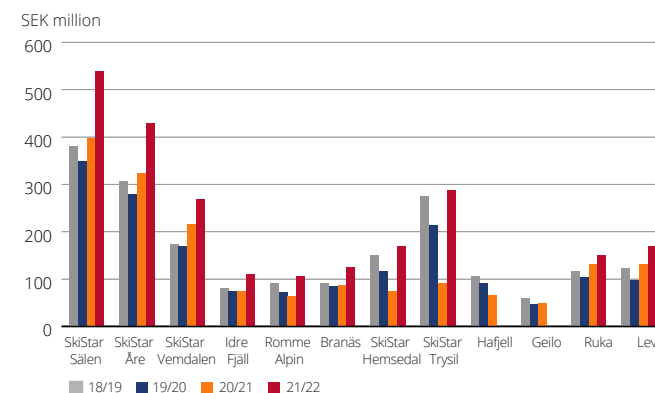
IN 2020/21



5. CREATING FUTURE BUSINESS

Based on our brand and existing assets, we identify, analyse and generate future business through ongoing business development, thus reinforcing and intensifying our pace of innovation. There was an intense pace of development during the year, not least within SkiStar Sports & Adventures where several products were developed for the new venture at Stockholm Hammarbybacken, a new adventure arena in the middle of the city offering SummerSki, Climbing Park, Mountain Coaster and Mountain Tube. Read more about the new Stockholm Hammarbybacken on page 34.

SKIPASS SALES IN THE NORDIC REGION



How we create meaningful and memorable mountain experiences

SkiStar's vision is to create memorable mountain experiences for all of our guests. As the leading holiday organiser for Scandinavia, our operations are designed to create value for our guests, customers, employees, shareholders, municipalities and regions.

These operations generate growth and business opportunities. We contribute to jobs, tax revenue, diversity, culture and the exchange of knowledge for the company's stakeholders. To ensure our operations are successful, the business model must also be sustainable and consider the environment, social responsibility, employees' perspectives and respect for human rights.

HELPING RURAL AREAS THRIVE

The tourism industry is a lynchpin of the municipalities and regions in which we operate. Our presence generates more tourism and enables other operators to work at or near our destinations. Our operations provide jobs in the local area and thus greater tax revenues, which in turn allows opportunities for a positive impact on the region and improvements to infrastructure. In this way, visitors to the region, permanent residents and local businesses benefit from SkiStar, which is an operator that adopts a long-term and sustainable approach to mountain tourism.

INTERACTION BETWEEN GUESTS AND EMPLOYEES

Guests are our focus at SkiStar, and their experience at our destinations is largely influenced by the employees who make their holidays memorable. Our culture is characterised by a high level of dedication and pride in what we do and the areas in which we operate. We offer not only a job, but a lifestyle. Committed, motivated and satisfied employees who are happy at work are a prerequisite for our ability to deliver memorable experiences for our guests, and to ensure they return year after year to create thriving communities where we are located.

RESPONSIBLE EMPLOYER

SkiStar is one of the largest employers in the areas where we operate – a responsibility we take seriously. We have employed more than 12,000 young people aged 18 to 24 over the past ten years, and the company receives thousands of new applications every year. We view being a major employer of young people and offering a way into the job market as a vital social responsibility. The combination of stimulating tasks with the opportunity to lead an active lifestyle and a strong sense of belonging among colleagues is a major appeal for us as an employer. We are proud of the fact that more than 65 percent of our seasonal employees return the following year.

STRONG MUNICIPALITIES AND LOCAL COMMUNITIES

We strengthen the municipalities and local communities in which we are active by participating in and contributing to the development of our destinations and local areas. SkiStar participates in multiple projects to help develop its regions. One example is the European Regional Development Fund project, which since early 2010 has worked to develop the four municipalities in the SITE regions (Sälen, Idre, Trysil and Engerdal). The objective is to create an international and sustainable region with an attractive tourism industry. SkiStar is the largest operator in both the Norwegian and Swedish parts of the project, which led to extensive commitment to the development of the regions.

65
PERCENT OF OUR
SEASONAL EMPLOYEES
RETURN THE FOLLOWING
YEAR



Operating environment and trends affect our business

SkiStar takes active steps to monitor, adapt and develop operations based on major trends in the operating environment that affect guest demand and our business. To be in a position to tackle both major societal trends and small consumer trends, SkiStar works continuously to develop its products, concept and service. It is important for us to live up to and exceed guests' expectations both before, during and after their journey with SkiStar.

ACTIVE HOLIDAY

People increasingly want to be active on their holiday, whatever the season. This applies to all target groups, from families with children to retirees. SkiStar is meeting this trend by offering the opportunity to have an active holiday, in winter as well as in summer. SkiStar's newly developed Sports & Adventures concept now allows us to offer our guests – in addition to skiing holidays – the opportunity to have an active holiday all year round, with cycling, hiking, climbing and padel – all examples of activities. We also offer exciting concepts for children and young people. SkiStar's brand, operations, products and services should contribute to better public health and a love of exercise all year round.

SUSTAINABLE LIFESTYLE, SUSTAINABLE HOLIDAY

As more and more people have become sedentary, just as many people want to have a more active and sustainable lifestyle 24/7. This means exercise in their daily routine, active experiences on holiday and living a healthy life in terms of food and training. Society is also changing through the electrification of private cars, for example, which is putting greater demands on us as a company. Guests want to travel to our destinations in a sustainable way and we want to be able to offer infrastructure on site for electric vehicles. We are working to make our destinations more sustainable through dialogue and collaboration with partners, politicians and decision-makers at both the national and municipal level.

Many more people have started holidaying in Scandinavia over the past few years. This increased demand has been driven in part by a greater focus on sustainability and the environment, due to

some degree to weaker interest in long-distance travel and flights since 2017. But many people have discovered Scandinavia during the pandemic as travel restrictions and new habits affected people's interest in the domestic market. SkiStar's aim is to be the leading holiday organiser for Scandinavia, whereby we aim to attract both domestic and international guests to our Scandinavian destinations through an attractive range of products and concepts.

SIMPLICITY AND ACCESSIBILITY

A clear trend in the tourism industry is greater demand for simplicity and accessibility. This means simplicity right from the point of booking, in the form of digital bookings for all products. Simple and accessible transport solutions are in demand, as are simple and accessible on-site services. SkiStar has managed this trend by making it possible to sell all products and services in SkiStar's most important sales channel – skistar.com – all year round. In addition, SkiStar is working to develop various transport solutions to all destinations and to offer guests a broad range of accommodation on site and other relevant products linked to an active holiday.

INCREASED DEMAND FOR DIGITAL SERVICES

Our guests are increasingly requesting digital services that can make their holiday simpler. This partly means information and booking ahead of the trip, and partly digital services on site during the holiday. SkiStar's objective is to be at the forefront of digital developments to interact with guests where they want to be. Today, skistar.com welcomes 28 million visitors per year, including all of SkiStar's digital platforms, with net sales of SEK 2.3 billion. The SkiStar app mainly

offers information and purchases on site for guests, but also digital check-in and check-out that makes guests' arrival and departure easier.

TAILOR-MADE COMMUNICATION AND OFFERS

To meet the higher demand for individual communication containing relevant offers for our guests, SkiStar is currently working on data-driven communication. The objective is to use SkiStar's customer database to enable communication with each unique guest at the right opportunity and the right moment. SkiStar's customer database, together with our own distribution and digital development of systems and products, are all key features of SkiStar's sales and communication initiatives. They also ensure greater guest satisfaction, extend the customer life cycle and strengthen loyalty to SkiStar. A vital part of the initiative concerning individual communication is also SkiStar's member's club, SkiStar Member, which currently has over 1.5 million members.



SkiStar's offering generates profitable business

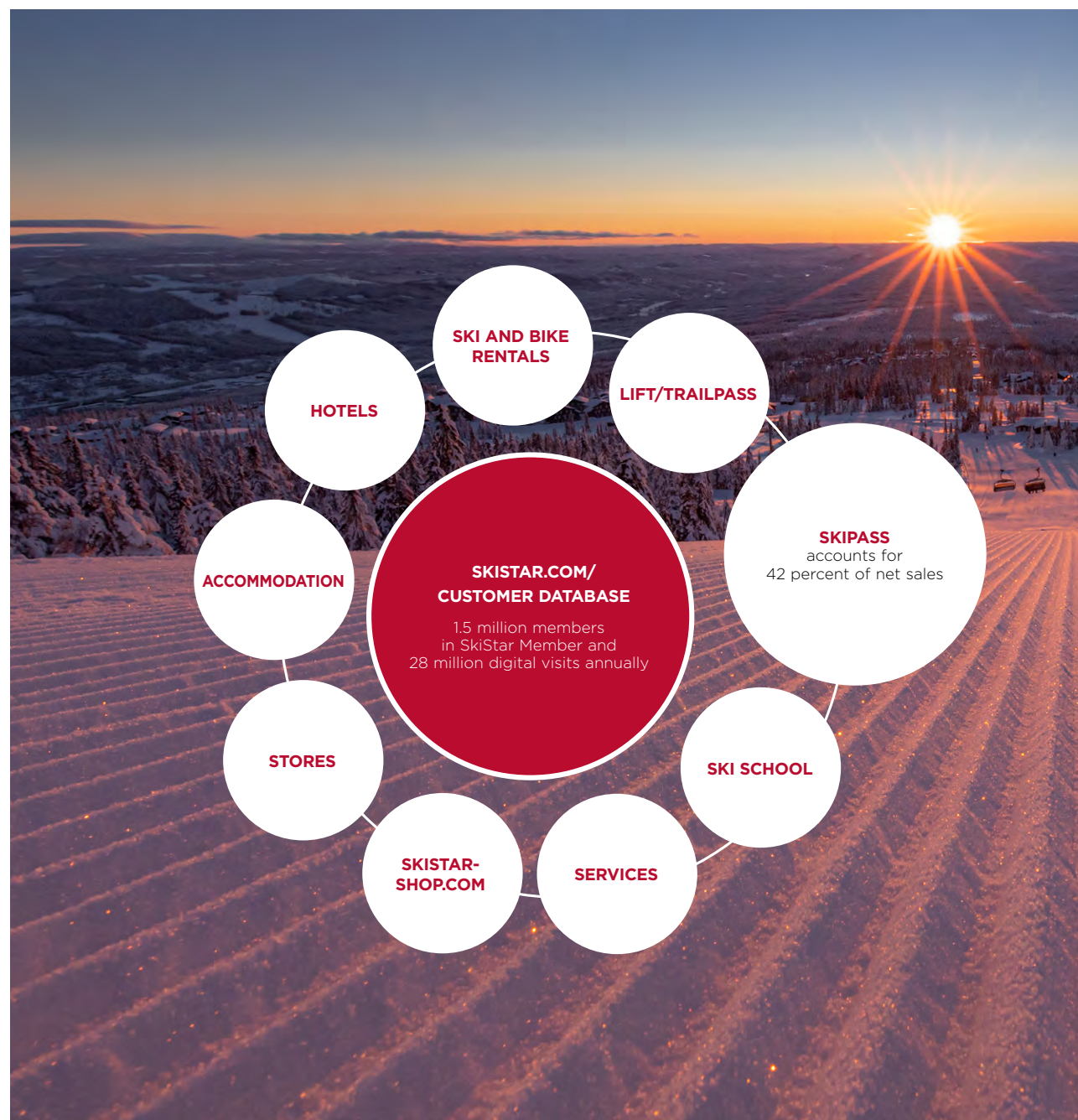
The basis of SkiStar's offering is to generate sales before the guest arrives at the destination. Over 70 percent of SkiStar's sales happen on skistar.com, which is the largest sales channel and the most vital component of the business model.

On skistar.com guests can book their entire holiday, including travel arrangements, accommodation, ski school, ski and bike rental, SkiPass or Lift/TrailPass, sports goods and insurance all in the same place. A considerable portion of the investments made in SkiStar's business systems relates to making it easier for customers to book on skistar.com and creating more satisfied and loyal guests.

MEDIATED BEDS WITH HIGH OCCUPANCY RATES

High and consistent accommodation occupancy rates over the entire winter season are the foundation for high profitability. To achieve this, the sales department works actively with differentiated pricing based on underlying demand. To optimise demand during the low season, different special offers and events are marketed, aimed at the various target groups, such as packages, theme weeks and events. SkiStar actively works to mediate as many beds as possible on skistar.com. A basic prerequisite for such high occupancy and early booking is SkiStar's CRM efforts to effectively communicate with our guests through our customer database. This ensures a high level of returning guests and leads to early bookings, often as early as when a guest finishes their holiday.

In the 2021/22 season, SkiStar destinations had a total of 39,075 beds in 5,969 properties (cabins and apartments) to mediate through skistar.com. Another new feature from 1 July 2021 is that SkiStar runs six hotels (mainly apartment hotels) in Trysil, Hemsedal and Sälen, which contain 4,080 beds. A total of 76 percent of accommodation sales came from online





sales in 2021/22. Skilodge Skalspasset in Vemdalen was also acquired, becoming part of SkiStar from 1 July 2022.

Accommodation owners who rent out their places via SkiStar are entitled to several benefits and great offers via SkiStar. Such benefits include a unique discount on the SkiStar All Season Pass for themselves and family members.

TAILOR-MADE ACTIVE HOLIDAY EXPERIENCE

SkiStar's overall market strategy is to offer each individual guest a customised active holiday, tailored to their own specific requirements. Guests can choose between five different means of transport: car, bus, train, plane or boat, or a combination of these, depending on the chosen destination. Transportation can in turn be combined with a range of accommodation alternatives in different price ranges, encompassing everything from self-catering cabins to hotels with all amenities under one roof. In addition, guests have access to a broad range of activities and products, such as the ski school, ski and bike rental, SkiPass and Lift/TrailPass, the SkiStarshop and the SkiStarshop Concept Store. Guests also have the option of choosing the length of their holiday, whether it happens to be a couple of days, a weekend, a short break, an entire week or an even longer visit on occasion. Specially designed insurance products for mountain holidays at SkiStar destinations are also available via external insurance companies, which can be simply added at the time of booking the winter holiday.

MEMBER

**AT THE END OF THE 2021/22 FINANCIAL YEAR,
SKISTAR MEMBER HAD MORE THAN
1.5 MILLION REGISTERED USERS,
WHICH IS AN INCREASE OF OVER
17 PERCENT ON THE PREVIOUS YEAR.**

Our employees

Our key to success

At SkiStar, our employees are the key to the company's success and our biggest asset. Their commitment and hospitality is a prerequisite for ensuring our guests have memorable mountain experiences. Our Employees & Culture foundation enables us to strengthen strategic initiatives together with our employees, managers and organisation.

We conducted employee surveys during the year to gather important insights and ensure we are heading in the right direction. The three areas in focus include: our culture and values, continuing to invest in strong leadership and developing the organisation. We have also worked to develop SkiStar's new values that are intended to permeate everything we do. Our key values – Together, Credible, Commitment and Simple – are illustrated in the image on the following page.

A SPECIAL WORKPLACE

We offer not only a job, but a lifestyle. We offer the opportunity to combine a challenging job with varied tasks and an active lifestyle. Moving to the mountains and living at our destinations is a unique experience that creates a strong community among colleagues. We have a wide range of tasks to perform, and in a normal winter season we recruit for over 80 different positions. Many choose to stay with us for a long time because it is a lifestyle they enjoy, they want to continue developing and like meeting people. Our goal is for two-thirds of our seasonal employees to return each year, as over 65 percent of our seasonal employees did in 2021/22. Many of our employees choose to work on new tasks or at new destinations, and 88 percent of our employees state that they enjoy their work.



1,514

AVERAGE NUMBER OF EMPLOYEES

NUMBER OF RETURNING
SEASONAL EMPLOYEES

65

OVER %



57% MEN



43% WOMEN

8 OUT OF 10

CAN RECOMMEND SKISTAR
AS A WORKPLACE

9 OUT OF 10

ARE HAPPY AT WORK

All figures apply to the 2021/22 financial year.

EMPLOYER FOR YOUNG PEOPLE

We are proud to be a major employer for young people that offers many a start in the labour market. Over the past ten years, more than 12,000 young people aged 18–24 have been given the opportunity to gain a foothold in the labour market at our destinations. This also entails a great responsibility for us as an employer.

RECRUITMENT

SkiStar operates a seasonal business and has a great need for seasonal employees. A major recruitment effort is undertaken before each season, with thousands of applications being received. Much of our recruitment takes place through a web-based recruitment tool that also takes our values into account so we can attract the best possible recruits. We also collaborate with companies in the tourism industry that have similar seasonal activities during the summer to recruit and supply staff.

TRAINING AND EDUCATION

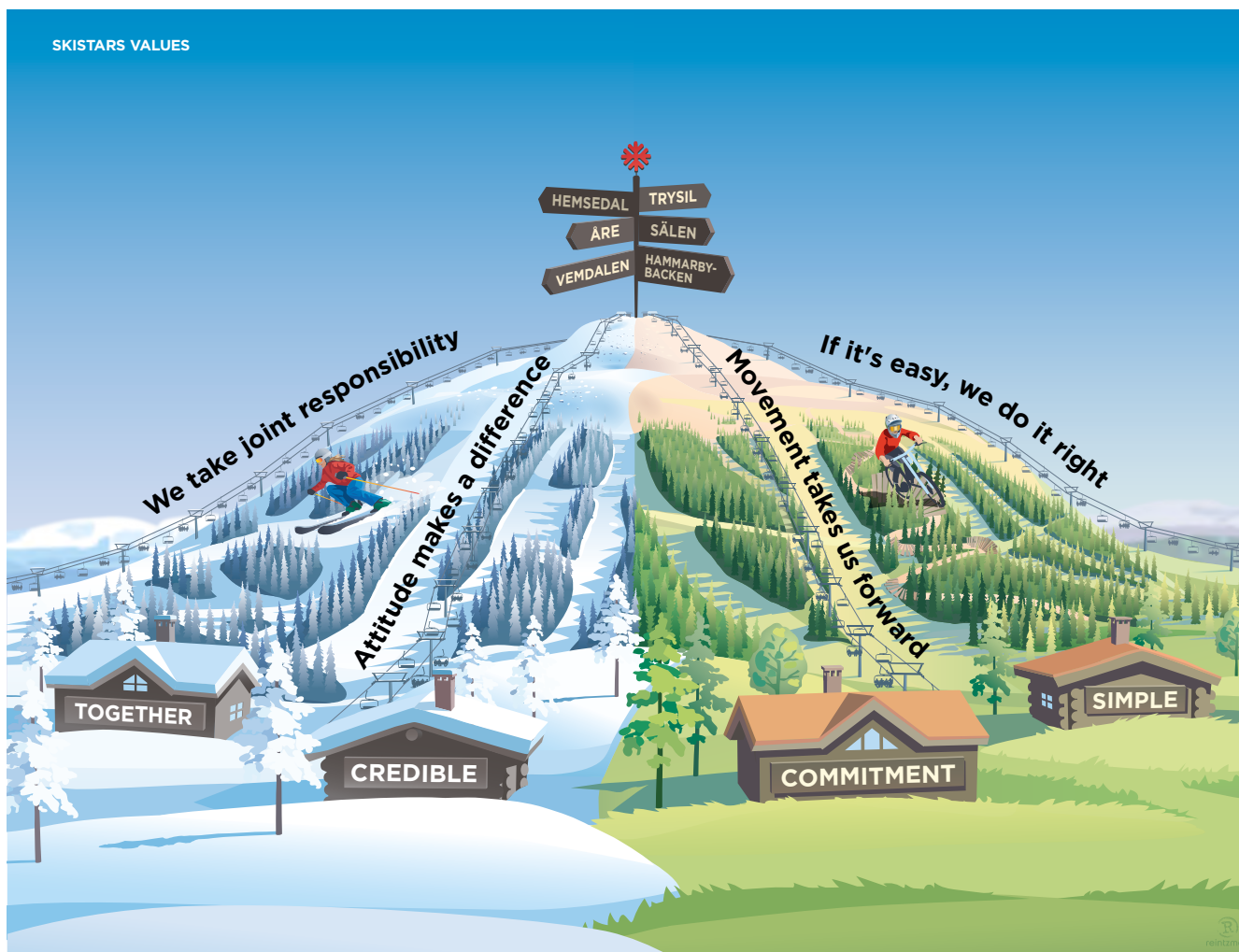
SkiStar attaches major importance to the training and education of our employees, and various professional development and training opportunities are offered depending on their role and skills requirements. Every year we receive a large volume of seasonal employees, and we have a systematic induction and training programme to prepare them for performing their tasks and thriving with us. Our goal is for all employees to be trained in relevant areas of sustainability.

ONGOING EMPLOYMENT

Many of our employees continue their career at the company by taking on more qualified tasks, both as seasonal employees and year-round employees. For example, many internal recruitments take place for our various leadership roles each year, and all vacant positions are always made available via our intranet to make internal career opportunities visible. Future objectives are an important point in our regular performance reviews, with a focus on personal motivation among our employees.

Thanks to our long-term summer initiative as well as our lodge and hotel operations, we are able to hire more employees all year round, thus making the company's supply of skills increasingly consistent and long-term.

➤ Read more about our employees and HR in the sustainability report on pages 46–47.



Our guests

The engine of growth and development

Providing memorable mountain experiences is the promise we make to our customers. In addition to offering accommodation, activities, products and services of the highest quality all year round for our guests, our aim is to constantly improve and develop together with our guests and in step with changes to our operating environment. Our goal is to always have highly satisfied guests, both new ones and those who return year after year. We are to deliver a top-class service and experience whether it's before, during or after the stay, and whether it's digitally, via telephone or in personal interactions at the lift, the ski rental outlet, the climbing park or the ski school. An important part of those efforts is to get to know our guests, who they are, what needs they have, what they are satisfied with or less satisfied with, and ensure they have an opportunity to submit comments concerning areas for improvement. Another piece of this puzzle is contributing to sustainable destinations, helping our guests to make sustainable choices and following up on how we can improve in that area.

TARGET MAP: OUR THERMOMETER MEASURING CUSTOMER SATISFACTION

Through our systematic tool known as the 'Target Map', we give our guests

the opportunity to submit feedback at the end of their stay throughout the year. The results then become an important part of our guest strategy to work on continuous improvements and areas for development, but also to foster insight and pride among our employees in terms of their interaction with our guests in various channels and contexts. This also gives us an opportunity to follow up on our performance measures and targets over time.

SCANDINAVIAN GUESTS DOMINATE

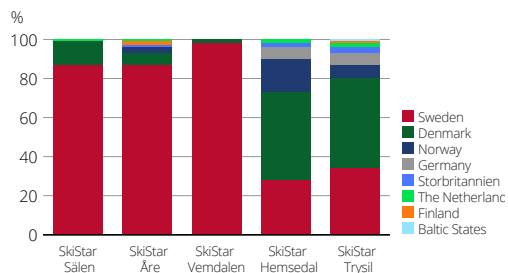
The most common nationality at all destinations in 2021/22 was Swedish, making up 79 percent of all guests. Following them were the Danes, who accounted for 17 percent, and Norwegians at three percent. During the financial year, the proportion of guests from both Denmark and other countries beyond Sweden and Norway increased due to eased Covid restrictions, which continued to affect a large part of the foreign market during the year. The figures above and those in the table below only refer to SkiStar's guests at each destination.



We are proud that our customer service received the "ImBox Customer Service Award" in 2022, based on us successfully offering our customers and visitors a fast and easily accessible service.

OUR MARKET

Nationalities per destination

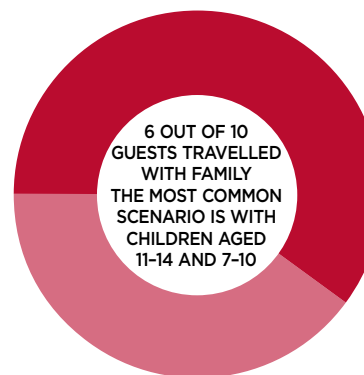


85%

TRAVELLED BY CAR

50%

OF ALL GUESTS VISIT US AT LEAST ONCE A YEAR



All figures apply to the 2021/22 financial year.

7%

VISITED US FOR THE FIRST TIME

95%

DID ALPINE SKIING

GUEST SATISFACTION

8 OUT OF 10

- felt safe and secure in the skiing area
- felt that the overall impression contributed to a memorable mountain experience

77%
CYCLED (SUMMER)

Targets and target achievement

The overall goal is for the value of shareholders' capital to increase sustainably over the long term. During the four most recent financial years, the share price has increased annually by an average of 7.6 percent.

FINANCIAL TARGETS

Equity/assets ratio

To pursue a proactive strategy while balancing operational risk, SkiStar must have a strong financial base. The target is an equity ratio of at least 35 percent, before additional debt via IFRS 16. The result for the financial year was 56 percent. This year's result was as a result of a strong financial foundation and a strong result from previous financial years.

Return on capital employed and equity

It is important for SkiStar's investments to generate a return. At current interest rates, the target for return on equity is at least 14 percent and for return on capital employed at least 9 percent. The targets are set based on three-month treasury bills, where the average interest rate during the 2021/22 financial year was 0.09 percent (0.5). Levels of return increased and exceeded the 2021/22 targets, which is a natural extension of the strong operating profit.

Operating margin

It is important for SkiStar to be cost-effective and to focus on profitability in all parts of the business. The operating margin target is to exceed 22 percent in the long term. The result for the financial year was 20.8 percent. Despite a fundamentally strong operating profit, the target was not reached. This was mainly due to the fact that the newly launched hotel division had a considerably lower operating margin than core operations.

Organic growth above inflation

SkiStar's growth target is an annual organic growth rate exceeding inflation by at least 4 percentage points, on top of any growth through acquisitions. Inflation in Sweden during the financial year was 9.8 percent (2.1). SkiStar's growth (above inflation) is 34.6 percent. The main reasons for this are, of course, the record result, but also effects of our newly launched hotel division and a previous year partly affected by the Covid pandemic.

CLIMATE TARGETS

A climate investment was carried out during the financial year at SkiStar's Norwegian operations, whereby all snow groomers switched to running on renewable fuel, HVO100. This resulted in a reduction in SkiStar's direct climate emissions of 57 percent. To ensure that our efforts to reduce our climate impact are sufficient, and in line with what is needed to achieve the Paris Agreement's goal of limiting global warming to two degrees, we have developed our Science Based Targets during the year. After the end of 2021/22, we submitted these for approval by SBTi, to ensure that our ambitious climate targets are in line with research and science. See also Note 38. Read more on pages 40–43.

50%
REDUCTION IN
CLIMATE EMISSIONS
BY 2030



FINANCIAL TARGETS

	Result 21/22	Result 20/21	Result 19/20	Result 18/19
Equity/assets ratio ¹⁾	57	51	49	51
Return on capital employed, %	14	6	9	15
Return on equity, %	22	9	11	18
Operating margin, %	21	10	14	22
Organic growth above inflation, %	35	-1	-11	4

¹⁾ Before additional debt via IFRS 16.

Our operations

Our operations are divided into three segments: Operation of Mountain Resorts, Property Development and Exploitation and Operation of Hotels, as well as a number of central functions.

Our operations

OPERATION OF MOUNTAIN RESORTS

In addition to the operation of the resorts themselves, this area also involves sales of all products and services such as the SkiPass, accommodation, activities and articles in SkiStarshops and SkiStarshop Concept Stores. Focus areas principally include sales and running the resorts as efficiently as possible. Earnings are charged with the segment's own costs as well as internal rents, mainly for guest accommodation rented from Property Development and Exploitation. The segment's non-current assets are mainly property, plant and equipment used directly in the operations, such as pistes and lifts, or used or rented out for activities that complement the segment, such as SkiStarshops, equipment hire and restaurants.

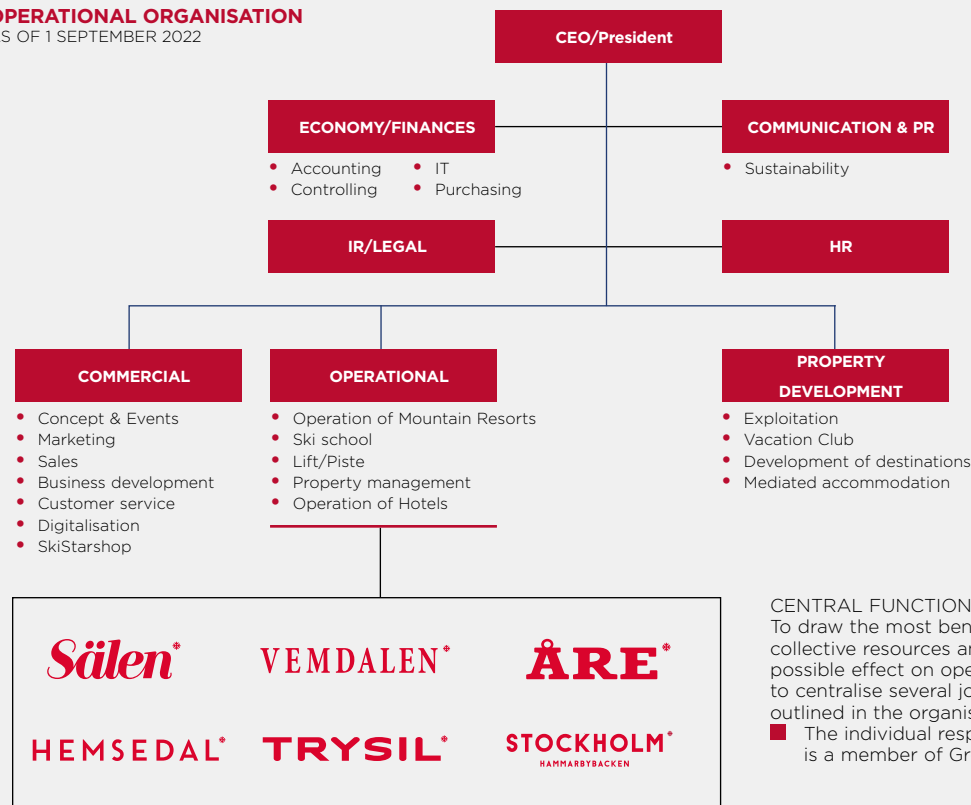
PROPERTY DEVELOPMENT AND EXPLOITATION

Property Development and Exploitation comprises the management of assets that can be exploited or utilised in the segment or leased to the Operation of Mountain Resorts segment. Segment revenue comes from the sale of land and other properties, the sale of unit weeks in Vacation Club and the renting of accommodation, both through the segment and associated companies, to guests in the Operation of Mountain Resorts segment. The segment's assets consist of land and other properties, as well as shares in tenant-owner associations and associated companies focusing on hotels and the renting of cabins and apartments close to the Group's skiing and activity areas.

OPERATION OF HOTELS

Operation of Hotels includes activities related to hotels conducted under the SkiStar brand and under SkiStar's management from 1 July 2021. SkiStar's operation of hotels is conducted as a tenant of the hotel properties in question. Operation of Hotels includes revenue from accommodation, restaurants and other goods and services provided in connection with the hotels. The hotels included in the new segment are SkiStar Lodge Experium Lindvallen, Sälen, SkiStar Lodge Hundfjället, Sälen, SkiStar Lodge Suites, Hemsedal, SkiStar Lodge Alpin, Hemsedal, Radisson Blu Resort, Trysil and Radisson Blu Mountain Resort & Residences, Trysil. As of 1 July, the Ski Lodge Skalspasset apartment complex in Vemdalen will also be included.

OPERATIONAL ORGANISATION AS OF 1 SEPTEMBER 2022



CENTRAL FUNCTIONS

To draw the most benefit from SkiStar's collective resources and thus have the greatest possible effect on operations, we choose to centralise several joint functions that are outlined in the organisational chart.

■ The individual responsible for the function is a member of Group management.

NET SALES PER SEGMENT



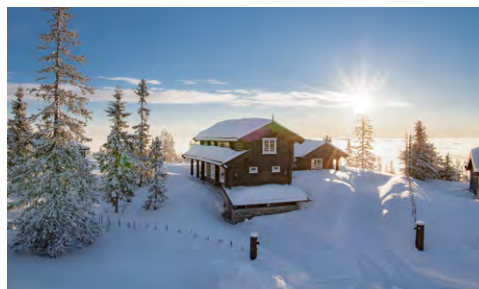
Operation of Mountain Resorts

Strategic product areas



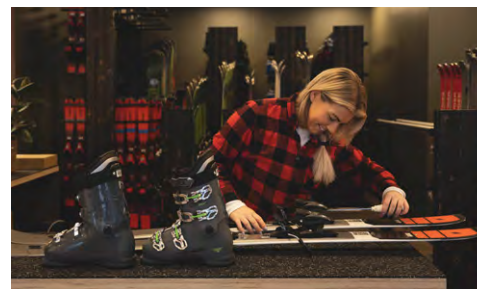
LIFT-ASSISTED OPERATIONS

Alpine skiing is SkiStar's core business. The majority of SkiStar's profits are generated by SkiPass sales. The marginal revenue for each additional SkiPass that is sold is high. SkiPass sales during the 2021/22 financial year totalled SEK 1,731 million (1,143). SkiStar's market share of SkiPass sales during the financial year in Sweden was 52 percent (53) and in Norway it was 32 percent (17). The market share in Scandinavia was 44 percent (41). The number of skier days amounted to 6,030,660 (4,405,000), which is an increase of 37 percent compared with the previous year. The Lift/TrailPass is an important revenue component during the summer season. Sales amounted to SEK 19 million (32) in 2022.



MEDIATED ACCOMMODATION

To ensure that we have as high a volume of guests as possible, we also need to have control over our ability to have a high number of beds for rental at all of SkiStar's destinations. In this way, we can optimise the occupancy rate and any weak sales can be adjusted at an early stage via proactive marketing efforts. The occupancy rate in cabins and apartments owned and mediated by the Group during the 2021/22 winter season (weeks 44–18) amounted to 86 percent (65). The number of mediated beds was 39,075 during the year. As of summer 2022, cabins and apartments will also be mediated during the summer season and the occupancy rate during the period between week 25–34 amounted to 21 percent (30).



SKI AND BIKE RENTALS

The equipment from our ski rental shops should always be prepared, waxed and correctly adjusted. Products should also always be offered for all levels, even during the summer for both trail and downhill cycling. Ensuring there is always equipment to rent of the right quality is strategically important for SkiStar. During the financial year, we operated a total of 30 ski rental outlets: nine in Sälen, nine in Åre, six in Vemdalen, two in Hemsedal and four in Trysil. Sales totalled SEK 212 million (119). Bike rentals were offered during the financial year through SkiStarshops at all destinations, including Trysil thanks to the acquisition of the Sport Lodge from 1 December 2021. Total sales for bike rentals amounted to SEK 11 million (5).



SKI SCHOOL AND CAMPS

Ski school operations are strategically important for SkiStar, as a life-long interest in skiing is established and long-term contacts are forged between the destination, the skiing instructors and the guests. Children and youngsters who learn to ski early in life often develop a lasting interest in the sport, which they, in turn, pass on to their children. We have a unique ski school brand – Valle's Ski School – which is aimed at the 3–9 age group. Net sales for the ski schools amounted to SEK 61 million (41) during the financial year. The number of learners at SkiStar's wholly owned ski schools totalled 95,010. This figure excludes Trysil's ski school, in which SkiStar only has a participating interest. During the summer season, 533 children and young people also participated in SkiStar's various camps, such as Valle Kids' Club, the Olympic Youth Camp and Teen Camp Bike.

Other product areas

SKISTARSHOP AND SKISTARSHOP.COM

SkiStar sells alpine sports goods in stores and online. The company operates its own SkiStarshop Concept Store in Åre and Hemsedal, and there are two stores in Sälen and Vemdalen respectively. As of 1 December 2021 the Sport Lodge in Trysil is also included in SkiStar's operations, consisting of four stores during the year. We sell sporting goods related to alpine skiing and cycling during the summer at our SkiStarshop ski rental outlets. Skistarshop.com is an online store stocking the market's strongest alpine sports brands. The e-store is fully integrated into the flow of bookings for other products and services on skistar.com, which means that customers can buy a ski jacket while topping up their SkiPass. Customers can then choose to have the goods delivered to their home or pick them up from any of our SkiStarshop Concept Stores. In the 2021/22 financial year, the Group's retail operations generated sales of SEK 289 million (207). Online sales continued to 108 (86) during the year which is +25 percent.

PROPERTY SERVICES

The property services product area is made up of building superintendents, carpenters, electricians, janitors and other service personnel. Revenues within property services comprise rental income for the business premises and remuneration for cabin service and cleaning. During the financial year, revenues totalled SEK 127 million (113).

SKISTAR SPORTS & ADVENTURES.

A new concept was launched before summer 2021 to attract guests to our destinations during the summer months too. SkiStar Sports & Adventures was launched in Sälen, Åre and Trysil. Investments related to this initiative amounted to SEK 58 million during the financial year. This mainly involved the development of climbing parks, different types of trail and downhill cycling, lift-assisted hiking and new rides at Stockholm Hammarbybacken. Further expansions of bike rentals, Valle Kids' Club, Teen Camp Bike, Olympic Youth Camp, tailor-made cycling packages and guidance, along with bundling of new Lift and TrailPasses have focused on generating new revenue, but also on getting more guests to test new products and return the following summer, or ideally also the next winter.

OTHER

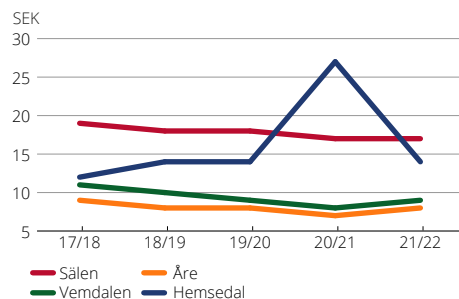
Other revenue includes income from events, advertising sales, kiosks, sales of Ski*Direct cards (the plastic card for the electronic SkiPass) and grants received. Other income during the financial year amounted to SEK 232 million (180).

289

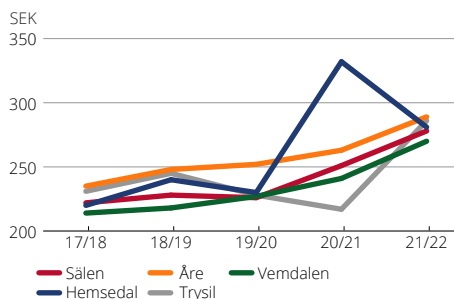
MILLION SEK OF SALES
IN RETAIL OPERATIONS
2021/22



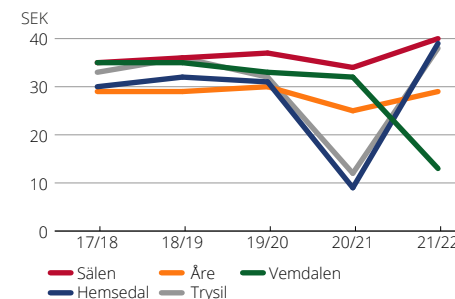
SKI SCHOOL SALES PER SKIER DAY



SKIPASS SALES PER SKIER DAY



SKI RENTAL SALES PER SKIER DAY



Operation of Hotels

Demand for active holiday experiences in Scandinavia – both in summer and winter – has increased hugely in recent years in line with the strong staycation trend in which quality accommodation in attractive locations with a high level of comfort and easy access to experiences on site has become increasingly important.

SkiStar has been running six hotels since 1 July 2021, mainly apartment hotels, at Norway and Sweden's top mountain destinations. By operating the hotels ourselves, we are able to offer first-rate accommodation while bundling package solutions and sales of SkiStar's entire product portfolio all year round in line with our business strategies. The assets at the facilities include hotel rooms, apartments, restaurants, bars, conference facilities, swimming facilities and a spa. The hotel operations, also known as the 'SkiStar Lodge och Hotel', consist of four lodges and two activity hotels; SkiStar Lodge Experium Lindvallen, SkiStar Lodge Hundfjället, SkiStar Lodge Suites and SkiStar Lodge Alpine Hemsedal, and the Radisson Blu Resort and Radisson Blu Mountain Resort & Residences in Trysil. All units have direct access to the lift system. Skilodge Skalpasset in Vemdalen was acquired and incorporated into the Lodge family from 1 July 2022.

ABOUT SKISTAR LODGE

Our best accommodation concept for families. The aim of our SkiStar Lodge accommodation concept is to simplify the choice of accommodation for guests and to strengthen loyalty to SkiStar and SkiStar Lodge. Each SkiStar Lodge has its own unique character. SkiStar Lodge has generous areas for socialising. The Lodge bar is at the heart of the property and is the obvious meeting point for family and friends. The apartments and hotel rooms are tastefully decorated and functionally designed for an active holiday. Features shared by each SkiStar Lodge are the top location with ski-in ski-out option and proximity to activities. Comfort, sustainability, security, safety and freedom of choice are all keywords throughout a stay at a SkiStar Lodge. The atmosphere is one of relaxed luxury, and visitors have access to all necessary services and a broad range of food options in and around the SkiStar Lodge, with both children and adults feeling like VIP guests.





88%
FELT CHECK-IN WAS
EASY AND SMOOTH

89%
FELT THE ACCOMMODATION
WAS CLEAN

86%
FELT THAT THE WELCOME
AND SERVICE FROM
RECEPTION STAFF
WAS VERY GOOD

These figures apply to SkiStar Lodge Hundfjället for the 2021/22 winter season.

NEWS IN 2021/22

The new SkiStar Lodge Hundfjället opened its doors in December 2021, and has seen strong visitor numbers and been highly appreciated by guests during the winter season.

We opened the Radisson Blu Mountain Resort & Residences for summer operations for the first time in June 2022, meaning both of our activity hotels in Trysil now welcome guests all year round.

Skiab Invest AB, the company owned jointly by SkiStar AB and Peab, is investing further in the development of accommodation concepts and has acquired three properties and a development right in Vemdalsskalet, with access from 1 July 2022. Through this transaction, which includes Ski Lodge Skalspasset (27 apartments), Skiab now owns seven top-class activity hotels and lodges in Trysil, Hemsedal, Sälen and Vemdalen, where SkiStar manages operations. Find more information under the section 'Property Development and Exploitation' on page 27.

LOOKING AHEAD TO 2022/23

SkiStar Lodge Hundfjället will also be ready to receive summertime guests by summer 2023. Expanding service and experiences at our lodges and hotels is our priority. Valle's children's concept, new serving offerings and a range of activities inside and outside the hotels are all under development.

Hotel operations

SWEDEN

SkiStar Lodge Experium in Lindvallen was built in 2004 with 121 rooms and apartments spread over 9,860 sq m. We also run restaurants here, and there is access to Experium's facilities, such as swimming, relaxation, spa, conference, sports shop, cinema and bowling.

SkiStar Lodge Hundfjället was built in 2021. Across its 18,650 sq m, Skistar Lodge Hundfjället offers 786 beds distributed over 153 apartments, of which 32 are double rooms, 8 are studios, 106 are apartments and 7 are suites. The site contains a restaurant, lounge bar, gym, spa/relaxation centre, conference area, play area for children and SkiStarshop.

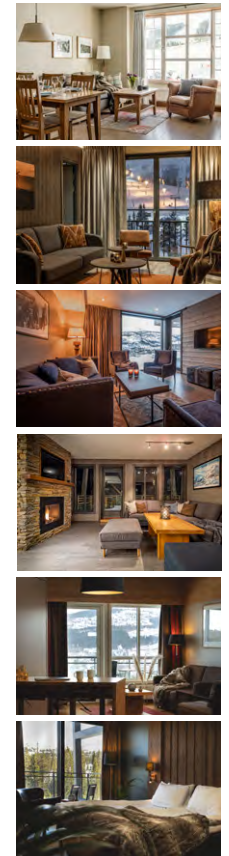
NORWAY

SkiStar Lodge Suites was completed in 2017 in Hemsedal, with its 100 apartments over an area of 11,570 sq m.

A suspension bridge connects it to **SkiStar Lodge Alpine** (built in 2008) with its additional 35 apartments and eight hotel rooms, as well as a supermarket, sports shop, bar and restaurant.

Radisson Blu Resort was built at the foot of Trysil's ski resort in 2008, containing 212 rooms, suites and apartments. There are restaurants, bars, a sports store, conference facilities, swimming, Flowrider, gym, arcade, bowling and a spa spread over 22,445 sq m.

The sister hotel at Fageråsen, **Radisson Blu Mountain Resort & Residences**, was built in 2011. There are a total of 369 rooms, suites and apartments here over an area of 21,212 sq m. The resort hotel contains restaurants, bars, conference facilities, spa, gym, sports shop and ski rentals. Both hotels have a franchise agreement with the Radisson Hotel Group.



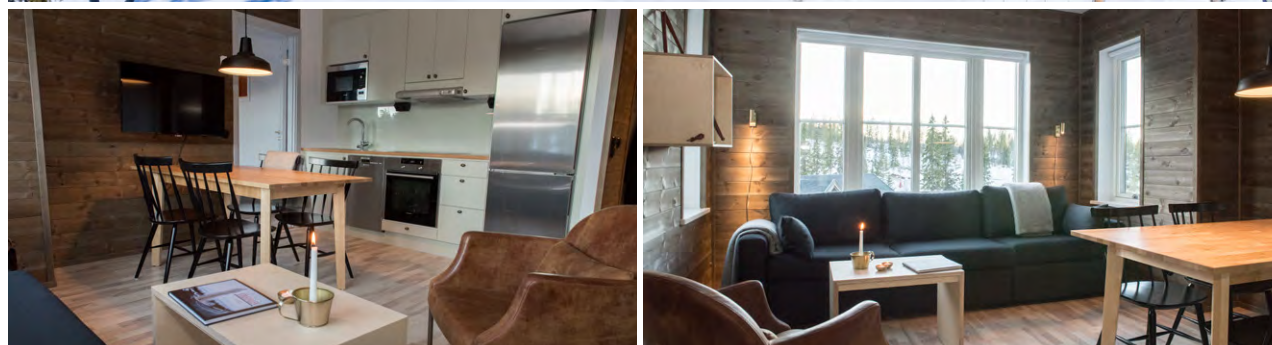
Property Development and Exploitation

The strategy for our Property Development and Exploitation is to create value by producing long-term development plans for future investments at SkiStar's destinations.

By identifying interesting plots of land for either exploitation or slopes, the land assets SkiStar has at its disposal constantly increase in value. This trend in value is usually seen on SkiStar's own land, but also in some cases in the form of joint ventures together with other developers. We also continuously review opportunities to acquire land that can contribute to the destinations' ongoing development and attractiveness. In all of these cases, the objective is to produce completed development plans. Our strategy is also based on exploiting our own land as much as possible, or selling it to the jointly owned company, Skiab Invest AB.

Whenever SkiStar is involved in property development and exploitation, we also want to ensure that it is sustainable and that the lift and piste system is developed simultaneously to achieve a balance between the development of skiing in winter and summer activities, for example, and property development. Our goal is to build properties that are sustainable and adapted to year-round use as far as possible. A further requirement is that all SkiStar's new builds must be environmentally certified.

A strategic acquisition took place during the year when SkiStar acquired Klyftvallen, Vemdalen from Holmen AB. This area will enable continued development of both slopes and new construction. The area is viewed as the natural step towards expanding guest benefits in Vemdalen and helping develop Skalpasset, see below. As of the 2018/19 financial year, the Property Development and Exploitation segment encompasses non-current assets such as land, property and investments in co-owned companies.





On 1 July 2022, Skiab Invest AB acquired three properties and one development right in Skalspasset, Vemdalen. The properties largely contain apartments for visiting guests and a number of commercial premises: 'Passet' restaurant, Ski Lodge Skalspasset (27 apartments), Bergsgården (17 apartments), and one development right. The total lettable area amounts to approximately 4,000 sq m, with the adjacent development right covering some 7,000 GFA. SkiStar rents all of the properties from Skiab. The acquisition strengthens SkiStar's number of 'warm beds' in the area and creates the conditions for ongoing development of Vemdalen in the form of the development right. The acquisition is strategically important based on the effects described above.

LAND ASSETS

SkiStar's land development assets and unsold plots total 5.3 million m² (5.4). Most of the assets were acquired a long time ago and therefore have a low acquisition value. No market valuation of the assets has been conducted, as it is difficult to make a reasonable assessment of the possible exploitation rate of the land assets. Based on our own assumptions and experience, around 50 percent of the land can be built on, which is 2.7 million m². If the land is sold as plots, it would mean 2,700 plots, each comprising 1,000 m².

SKISTAR VACATION CLUB

SkiStar Vacation Club is a form of accommodation that is customised to meet guests' demands and requirements. The apartments are divided into weekly units, and guests purchasing one or more of these units are entitled to the additional benefits of membership of the international exchange and placement organisation, RCI, as well as membership of SkiStar Vacation Club. This form of accommodation is cost-effective, simple and flexible for the timeshare owner. Cost-effectiveness is achieved either through the utilisation of a purchased week, compared with the equivalent cost of renting for that week, or by exchanging the week with a trip abroad through RCI. In addition, the timeshare owner can purchase foreign trips through the RCI system. SkiStar Vacation Club also provides timeshare owners with a raft of advantages and benefits during their stay. The simplicity of timeshares comes from the fact that the guest is not responsible for the maintenance of their ownership share. Instead, the tenant-owner association, of which the timeshare owner automatically becomes a part, takes care of the maintenance and development. The apartment is always clean, the beds made up, and it is warm and ready ahead of the guest's arrival. Flexibility is achieved as the timeshare owners can enjoy RCI's entire range of over 7,000 destinations worldwide. SkiStar Vacation Club is currently offered in Sälen, Vemdalen and Åre, however, the intention is to roll out the concept to more destinations.

INVESTMENTS

The investments expected to be used in the Group's own operations amounted to SEK 13 million (166) during the financial year. The SkiStarshop Concept Store in Lindvallen was completed during the year. It is located centrally in Lindvallen's new retail area. Skiab owns the property, which is rented out in turn to SkiStar. Under Skiab's management, the first stage has got under way at Timmerbyn Village in Sälen, where all apartments have signed binding contracts concluded in advance. Stage two of this project is scheduled to start in late autumn 2022. A further two areas being developed in collaboration with Skiab are Tegerfjäll in Åre and Björnrike in Vemdalen. Both of these projects are targeted at those purchasing mountain accommodation. Depending on the situation in the market, production is due to start in spring 2023.

The final stage of the 'Sadeln' project in Åre is due to be completed in December 2022. All of the apartments have been divested and have signed contracts concluded in advance. This project was also developed by Skiab. The Fjellnest project in Hemsedal progressed as planned during the year, and there is strong demand for these 69 apartments. A further plot of land in Hemsedal connected to the SkiStar Lodge was acquired during the year. This will enable continued development and consolidation of both slopes and accommodation in a very attractive area. In Åre, planning for an expansion of Rödkullen and a restructuring and extension of Björnen Centrum is continuing. These two projects are being conducted together with other developers in each area.

Our destinations

Sälen*

SkiStar Sälen consists of four resorts – Lindvallen, Högfjället, Tandådalen and Hundfjället – which together offer varied skiing across 100 slopes. During the financial year, summer operations were mainly focused on Lindvallen as the range of summer activities is continuously growing at that destination.

The region offers everything from Scandinavia's largest button lift area, to challenging skiing on one of Sweden's steepest groomed pistes, Väggen, along with several park and off-piste areas. Valle the snowman, SkiStar's concept for children, can be found all over Sälen providing theatre performances and the opportunity to meet Valle at various locations. There are over 400 talking wood sculptures in Trollskogen in Hundfjället. To complement the skiing, there is SkiStar Lodge Experium Lindvallen – an 11,500-m² experience and accommodation centre that houses the SkiStar Lodge Hundfjället as of December 2021. Sälen's skiing area also offers a wide range of restaurants, nightclubs, cafés, shops, dog sledding and snowmobile operators, cross country ski tracks and much more. A broad range of activities were available for the snow-free season as of summer 2021, including climbing parks, cycling by trail/pump track/skills area, padel courts, crazy golf and Valle activities similar to the winter ski school – Valle Kids' Club, Teen Camp Bike and Olympic Youth Camp. All of this was in addition to the existing Experium and lift-assisted activities such as hiking, cycling and running.

OPERATIONS

Operations in the skiing and activity areas are pursued almost exclusively on land owned by SkiStar. SkiStar mediates approximately 15,100 beds in the area, around 5,200 of which are SkiStar-owned. Two SkiStar Lodges are offered: the classic SkiStar Lodge Experium Lindvallen and the entirely new SkiStar Lodge Hundfjället. In addition, SkiStar sublets Sälen's Högfjällshotell, two sporting goods shops and all restaurants on the slopes to external operators. Stockholm Hammarbybacken is also operated under Sälen's organisation, see page 34.

INVESTMENTS

Investments amounted to SEK 128 million before the 2021/22 season, principally consisting of snow capacity, summer and reinvestments.

FUTURE

SkiStar Sälen is being developed with a focus on excellent accessibility, modern lift-adjacent beds, guaranteed snow and a sustainable, fun



family product. Efforts to ensure guaranteed snow are continuing via new reservoirs for snow production in Hundfjället and Tandådalen, as well as additional snow cannons to increase snow production capacity. International developments are continuing, with a broad range of airlines flying to Scandinavian Mountains Airport as of the 2021/22 winter season, not least the Danish market with two direct routes from Denmark. During the summertime, SkiStar Sälen will continue to offer a wide range of activities in addition to hiking, running and cycling in the mountains: pump track and trail cycling, a climbing park, padel courts and crazy golf. There are plans for the ongoing development of Mountain Coaster, Mountain Tube and SummerSki ahead of summer 2023.



VEMDALEN*

Vemdalen consists of three ski areas: Björnrike, Vemdals skalet and Klövsjö/Storhogna. 58 varied slopes are offered altogether, with the highest groomed ski area at almost 1,000 metres above sea level. The strategic position in the centre of the country means Vemdalen has a long season with guaranteed snow, offering excellent skiing well into spring.

During the past few years, more and more guests have been discovering Vemdalen and SkiStar's operations. The genuine sense of how the mountains once were, the personal welcome and small-scale nature combined with modern solutions that offer a comfortable alpine holiday are some of the things that lead people to choose a holiday in Vemdalen. Vemdals skalet is the largest resort in terms of revenue. In addition to varied skiing, Vemdals skalet also offers a wide range of entertainment and activities. Björnrike is the choice of families with children. Good skiing, with accommodation close to the ski lifts and good service facilities, combine to make Björnrike an attractive destination. Klövsjö, also known as the "ski resort for skiers" and "Sweden's most beautiful village", offers good skiing for children and beginners, as well as more challenging skiing. Storhogna offers the option of combining skiing with other activities and experiences, including Sweden's first mountain spa.

OPERATIONS

SkiStar's operations in Vemdalen include skiing areas, ski schools, six ski rental outlets and two sporting goods outlets. Approximately

7,000 beds in the area are mediated through SkiStar, around 600 of which are SkiStar-owned. Approximately 58 percent of the land on which operations in the skiing areas are conducted is owned by the Group. The remaining land is leased on a long-term basis, with the right to renew the lease on expiration. Three slope restaurants are sublet to external operators. As of 1 July, Ski Lodge Skalpasset with accompanying restaurant and Bergsgården (apartments) are run by SkiStar.

INVESTMENTS

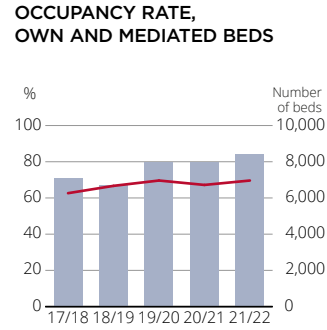
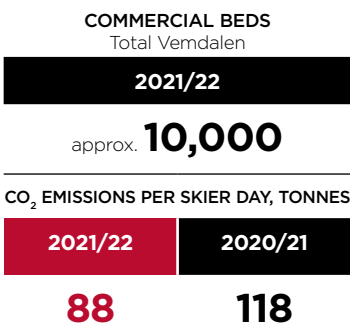
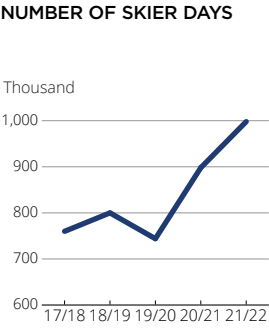
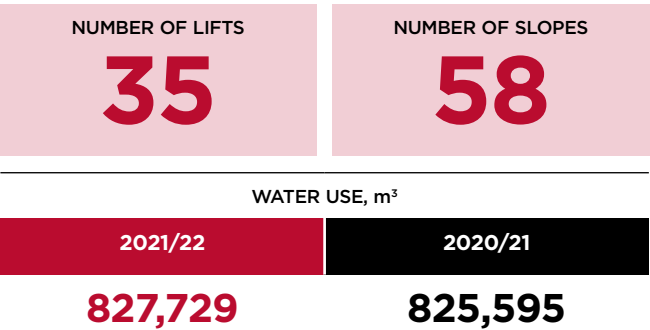
Investments for the 2021/22 season amounted to SEK 5 million, which mainly involved reinvestments.

FUTURE

As Vemdalen grows, we will continue to focus on reinforcing the cornerstones of our business: active, genuine, personal, safe and easy to be a sustainable guest. We are continuing to develop our skiing areas so we can ensure there is enough space on our slopes and the requisite



infrastructure. A new feature for winter 2022/23 will be the extension and widening of the Topbranten/Turisten slope at Vemdals skalet, thus giving Mellanliften/Hovdeliften a new main slope. It will also gain a modern snow system and lighting. At Björnrike the cross-country ski track centre and tracks (7.5 kilometres in total) are being redeveloped to install lighting, thus enabling skiing during the evening. The summer investment at Vemdalen includes, among other things, trail cycling, lift-assisted flow trail cycling and a climbing park that will be developed in stages.



ÅRE*

Åre consists of three destinations: Åre Björnen, Åre By and Duved. Each destination has its own profile and target group. Åre offers skiing with a vertical drop of 890 metres and more than 190 kilometres of groomed slopes in total, which is unique in Sweden. In summer it has the world's best lift-assisted bike parks for downhill cycling and a range of other activities.

Åre Björnen, the resort located farthest to the east, is a favourite with children. Just one lift away is the more challenging skiing at Åreskutan, offering an extensive choice of ski slopes and varied terrain. Åre By is the most well-known destination. Fantastic skiing can be found here in the direct vicinity of a small town with a great atmosphere and a long tradition of ski tourism, as well as a wide selection of restaurants, entertainment and activities. Duved is situated west of Åre By and is also a resort with a long-standing tradition. Duved has a slightly calmer pace and, consequently, suits all types of skiers.

Åre has for some time been a summer destination with one of the world's most renowned bike parks, Åre Bike Park. Before the launch of SkiStar Sports & Adventures in summer 2021, a major investment was undertaken to offer our guests an active alpine holiday in Åre in the summertime too. Cycling adventures in the form of new trails and routes along with climbing parks can now be experienced and enjoyed; another trend that continued in 2022.

OPERATIONS

SkiStar's operations in Åre include the skiing area, eight ski and bike

rental outlets, a sporting goods outlet and a ski school. Approximately 32 percent of the land on which operations in the skiing area are conducted is owned by SkiStar, while the remaining 68 percent is held through 30–50-year leases. At the end of the leasing period, SkiStar has the right to renew these leases on the same terms as are currently in place. SkiStar rents out approximately 5,900 beds in the area, around 600 of which are SkiStar-owned. The company also owns and sublets eight slope restaurants, food shops in Åre Björnen and Tegefjäll, as well as the restaurant, nightclub and conference centre Bygget in Åre Fjällby.

INVESTMENTS

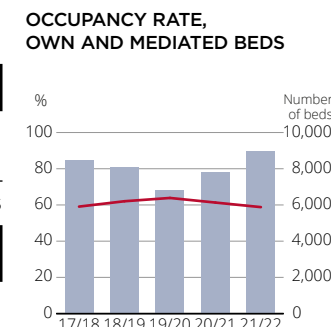
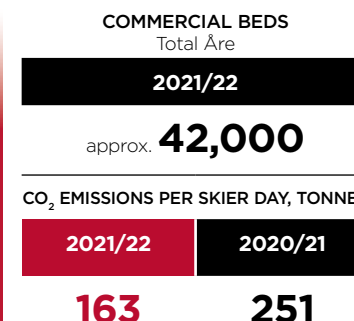
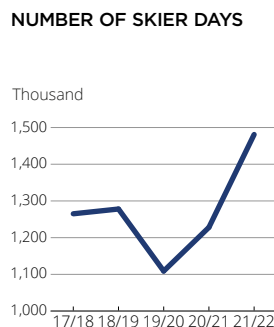
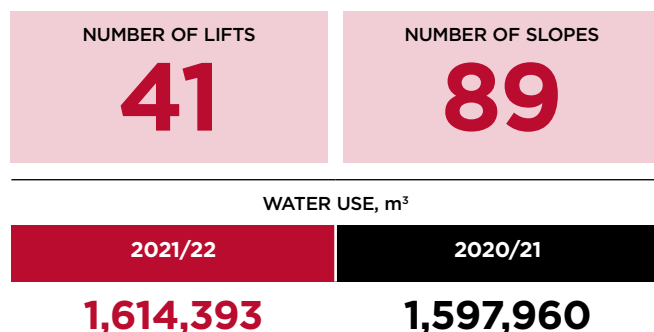
Investments in the 2021/22 season amounted to SEK 39 million, mainly comprising summer and reinvestments.

FUTURE

In Åre, we will continue to attract future guests through adventurous and memorable mountain experiences. Our priority moving forward will be to modernise, expand the capacity of and weather-proof our ski system, all with as little environmental impact as possible. We will



continue to strengthen our skiing areas, in part through attractive skiing opportunities but also through initiatives that make it easier to be a guest. We will also continue to develop our arena in the summertime with MTB cycling and lift-assisted hiking as a basis, but also other activities such as climbing parks and children's concepts. SkiStar Åre is proceeding with its long-term commitment to foreign markets via marketing activities in prioritised markets and annually recurring international events. The snow cannon system is being upgraded ahead of the 2022/23 winter season to enable us to get more slopes up and running faster. In central Åre, 'Worldcupliften' is being replaced with a modern, connectable six-chair lift with capacity for 2,600 people per hour. The old children's lift in Tegefjäll is also being replaced with a new one.



HEMSEDAL*

The destination, often referred to as the Scandinavian Alps, is a complete ski resort, offering a wide selection of activities for skiers of all ages. Fantastic skiing is offered here on the three peaks: Totten, Tinden and Roni, with a highest vertical drop height of 830 metres and the longest descent a full six kilometres.

Hemsedal is home to one of Norway’s largest nursery slopes, alongside extremely challenging slopes for the most experienced skiers.

OPERATIONS

SkiStar’s operations in Hemsedal include the skiing area, a ski school, four ski rental outlets and three sporting goods outlets. Some 4,200 beds in the area are mediated through SkiStar, just over 1,100 of which are SkiStar-owned. Two SkiStar Lodges are also located here: SkiStar Lodge Suites and SkiStar Lodge Alpin. Operations in the skiing area are conducted on leased land. The lease contracts are long-term and SkiStar is entitled to renew them on expiration. Six slope restaurants are leased to external operators.

INVESTMENTS

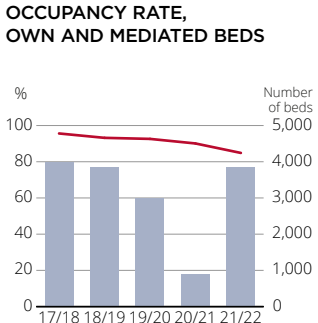
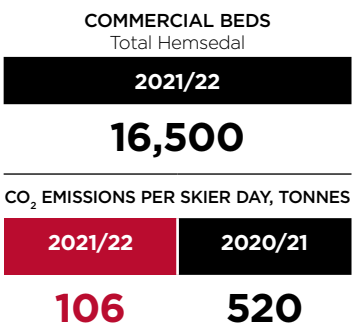
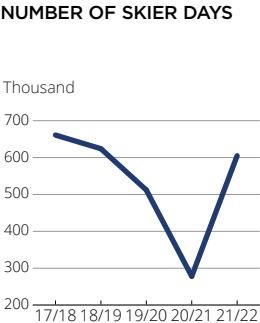
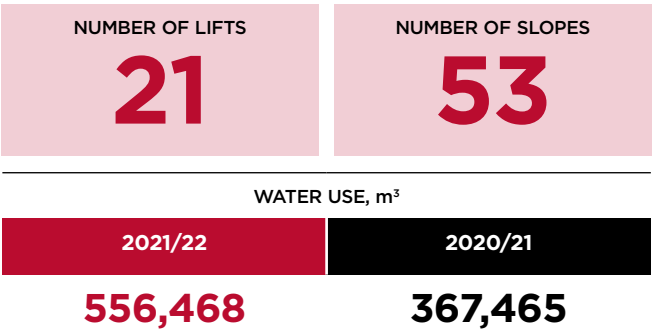
Investments for the 2021/22 season amounted to SEK 9 million, These mainly comprise reinvestments.

FUTURE

SkiStar Hemsedal is planning to develop the destination further in the coming years, both in terms of the skiing area where we collaborate with landowners and investors on the future development of alpine skiing. Property development also forms part of these efforts, as we own attractive areas connected to the lift systems. The advantage in Hemsedal is that we already run the two SkiStar Lodges, where we are continuing to develop the Lodge concept. We are also developing summer operations. The aim is to further develop SkiStar Hemsedal, as well as the destination as a strong brand for an active holiday all year round. Besides Norway, Hemsedal’s main markets are Denmark and Sweden, which apart from being the domestic market will also be our most important markets in the future. We will continue to focus on the guest’s journey and experience at the destination, and prioritise developing our product and training our employees to have a clear guest perspective. Ahead of the 2022/23 season, Fjellheisen is being replaced



with a new version to increase future reliability. We are increasing snow cannon capacity via more water and air, as well as new snow cannons. There will also be new lighting for an enhanced evening experience, and the SkiStar Snow Park (red) will move to make it more accessible to the park’s target group.



TRYSIL*

The mountain, Trysilfjället, offers 78 kilometres of alpine skiing and 68 slopes on three sides of the mountain and is therefore suitable for both families with children and more experienced skiers. During the summer you can also find Scandinavia's leading machine-produced trail cycling paths here.

Trysil is Norway's largest ski resort and is highly accessible, owing to its geographical location. In addition, it is an active summer destination with a bike park, lift-assisted cycling, a climbing park, golf and hiking.

OPERATIONS

SkiStar's operations in Trysil comprise the skiing area, three ski rental outlets and the ski school, in which SkiStar has a 35 percent interest. As of 1 December 2021, the Sport Lodge in Trysil is also included in SkiStar's operations, consisting of four sporting goods outlets during the year, of which one was bike rental.

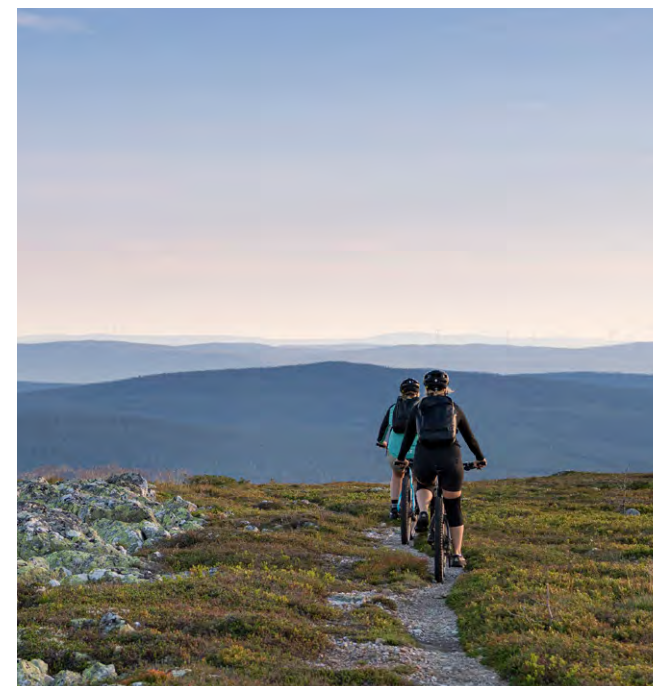
SkiStar mediates approximately 6,900 beds in the area (around 1,700 are SkiStar-owned) and operates the two activity hotels, Radisson Blu Resort and Radisson Blu Mountain Resort & Residences. Operations in the skiing area are conducted on leased land. The leases have a term of 50 years, with the possibility for SkiStar to renew upon expiration. SkiStar also sublets 14 slope restaurants in Trysil to external operators.

INVESTMENTS

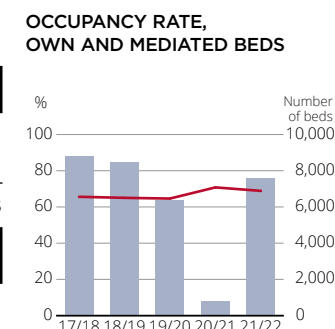
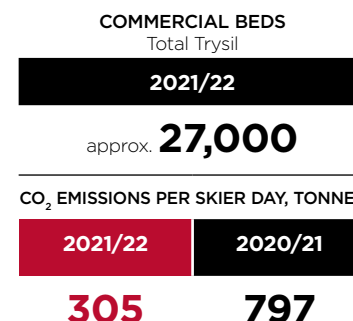
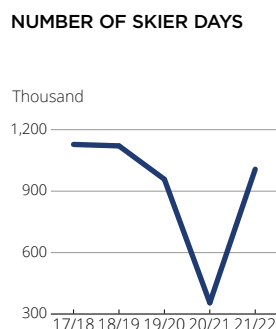
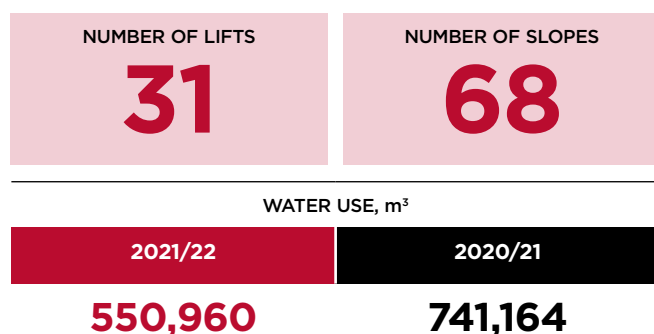
Investments totalling some SEK 6 million were carried out ahead of the 2020/21 winter season, mainly relating to reinvestments.

FUTURE

To develop operations with a focus on guests, SkiStar in Trysil will continue to enhance the ski system, mainly slopes, lifts, snow production, restaurants and other service facilities. We will also continue to develop our summer product offering through the SkiStar Sports & Adventures concept, creating memorable mountain experiences all year round. Planning is under way before next summer for Mountain Tube and Mountain Coaster rides. Our focus is on creating positive experiences and having even more satisfied guests who return to us regularly. Our main target group will continue to be active families in our markets in Norway, Sweden and Denmark, and we will continue to invest in the UK, Germany and the Netherlands. Trysil has been a success in the international market and will continue along this path.



In the future, SkiStar will strengthen its position as an operator of quality accommodation for guests in Trysil, as a mediator of cabins and apartments but also principally through operation of the two Radisson hotels. The Liexpressen lift will be modernised ahead of winter 2022/23 to ensure future reliability. We are expanding snow capacity by way of new snow cannons and a further snow-covered slope. We are also adding lighting to one more slope to enhance evening skiing.



STOCKHOLM*

HAMMARBYBACKEN

Hammarbybacken has been getting residents of Stockholm moving since 1919, when Djurgården's IF built a ski jump that was active up until 1953. Today it is the capital's most central ski slope and, from summer 2022, will also be an adventure arena containing Sweden's first and most modern summer skiing offering – SkiStar SummerSki.

Hammarbybacken gained a ski lift in the mid-1960s, with three slopes added in the late 80s. Over the years, efforts to raise the summit of Hammarbybacken has been ongoing, and shaft spoil from various projects around the city have been used. In 2006, SkiStar took over the majority of Hammarbybacken AB and its ongoing operations. Today, it is Stockholm's most central ski slope and loved by many. Several alpine world cup competitions have also been held here throughout the years.

Given its attractive location and SkiStar's goal of getting more people moving, a major investment was launched before the summer of 2022 within the framework of Sports & Adventures at the new Stockholm Hammarbybacken. Through the new attractions, including the Klätterpark climbing park, Mountain Coaster and Mountain Tube, a new adventure centre was created in the middle of the capital for all Stockholmers and visitors. September saw the introduction of the first modern summer skiing in Sweden on artificial grass, SummerSki, as well as plans for the 'Vallestigen' track for very little ones – an activity track that takes you right up to the top in a fun way.

OPERATIONS

SkiStar leases the land around Hammarbybacken through a long-term lease with the City of Stockholm. In winter, people can ski using the two T-bar lifts and three slopes, including a children's area with several conveyors, a barbecue area and other facilities. SkiStar offers ski rentals and a small shop in the ski cabin, where food and drink is also served. The Swedish Outdoor Association offered ski school activities at the facility during the financial year. As of summer 2022, more comprehensive activities will be conducted all year round.

INVESTMENTS

Investments for the 2021/22 season amounted to SEK 41 million, which mainly comprise summer investments.

FUTURE

The long-term investment in making Stockholm Hammarbybacken a year-round facility and adventure arena in the middle of the capital will continue in the coming years through development during both the winter and summer months, with a focus on the joy of keeping active.



NO. RIDES OF MOUNTAIN COASTER

OVER

40,000

PROPORTION OF NEW SKISTAR GUESTS

41%

Sustainability

Sustainability and responsible entrepreneurship are an integral part of SkiStar's strategy, business model, governance and culture. SkiStar's three foundations are Safe & Secure, Sustainability and Employees & Culture. These foundations permeate everything we do and are a cornerstone of our business.

SkiStar and sustainable mountain experiences



Fanny Sjödin, Sustainability Manager at SkiStar.

WHAT DOES SUSTAINABILITY MEAN TO SKISTAR?

“From the beginning, SkiStar's foundation has been, and still is, to promote an active lifestyle all year round. Through our sustainability strategy, we want to get more people moving while our guests get to enjoy our wonderful mountain environment. We want to protect nature and humans in the short and long term so that more people can enjoy both memorable and sustainable mountain experiences in the future too. Our sustainability strategy is based on Agenda 2030 and the UN's 17 Sustainable Development Goals containing the three perspectives of social, economic and environmental sustainability. –The strategy includes issues that have always been important to SkiStar and that we have worked on for a long time, but we are now enhancing it to include long-term goals and clearer ambitions going forward.”

HOW DOES THIS RELATE TO YOUR STRATEGIC FRAMEWORK?

“Sustainability issues affect all three foundations on which SkiStar's strategic framework rests: Safe & Secure, Sustainability and Culture & Employees. These foundations are the cornerstones that should permeate everything we do and that frame much of what we have worked on for a long time: ensuring safe and secure memorable mountain experiences, and doing so in a sustainable way together with our employees. The sustainability strategy is one of these foundations and consists of three focus areas: promoting an active lifestyle, protecting nature and our mountain environments and having a close interaction with the communities and people who live wherever we operate.”

WHAT HAVE YOU FOCUSED ON THIS YEAR?

“During the financial year, we have continued to work on the sustainability strategy, developed activities associated with our focus areas, integrated the strategy into our daily work and continued to work on clearer goals.

An important milestone is that we have defined our Science Based

Targets in line with the Paris Agreement. Now, after the end of 2021/22, we have submitted them for approval to ensure that our ambitious climate targets are in line with research and science. See also Note 38. Climate is an important issue for us, as a change in the climate alters the conditions for our business. At the same time, our operations contribute to a healthy lifestyle and better public health. We entered into new partnerships during the year to enable more people to have access to an active lifestyle.”

WHAT IS THE AMBITION GOING FORWARD?

“We continue to work towards our long-term goals and have, for example, expanded our partnership with Jämtkraft and in doing so made concrete commitments going forward, see page 42. We will also continue to implement the strategy and identify additional key figures to measure and follow up those efforts. We also intend to focus on launching more initiatives internally and with new partners.”

Fanny Sjödin, Sustainability Manager at SkiStar.



Governance of sustainability

SkiStar's strategic framework is based on three foundations to ensure the business can achieve its vision: "To create memorable mountain experiences". The foundations' focus areas guide the work forward and include our sustainability strategy, culture and employees and a safe and secure experience.

SAFE & SECURE

Book
Stay
Lift & Piste

FOUNDATIONS

SUSTAINABILITY
Activity & Recreation
Ecosystem & Impact
Dialogue & Interaction

EMPLOYEES & CULTURE

Culture & Values
Leadership
Organisation



SUSTAINABILITY GOVERNANCE

In order to take advantage of opportunities and counteract risks, SkiStar has a clear sustainability governance structure. Responsibility for sustainability-related issues is ultimately held by SkiStar's Board. The CEO and Group management, who have overall responsibility, report to the Board at least four times a year. The Sustainability Manager is responsible for operational sustainability initiatives. SkiStar also has a special sustainability forum, which is there to support operational sustainability work. The forum meets regularly to discuss the Company's development and ensure compliance with policies and guidelines and achievement of established goals. Read more about our sustainability governance on pages 99–100.

Policies and guidelines

The Company's internal sustainability initiatives are governed by SkiStar's Code of Conduct, sustainability policy, employee policy, work environment policy, diversity policy and Supplier and Partner Code of Conduct. All documents are reviewed annually. SkiStar follows global guidelines and principles set by the UN Global Compact and is committed to following its ten principles regarding human rights, working conditions, the environment and anti-corruption, as well as the ILO's eight fundamental conventions concerning minimum standards for working conditions. SkiStar applies the precautionary principles and collaborates in industry initiatives to achieve long-term sustainable development, for example, within the SLAO (Swedish Ski Lift Organisation) and ALF (Norwegian Ski Lift Association).

Risk management

SkiStar is exposed to various risks related to the business. Each year, we identify the risks that may prevent the Company from achieving defined targets and determine whether the risks are in line with risk propensity. This also means evaluating and considering how global trends affect us in different ways. SkiStar's identified sustainability risks and how they are managed are described on pages 51–52, 103–104.

MATERIAL ISSUES

During the 2020/21 financial year, the materiality analysis was updated and revised in line with stakeholder dialogues conducted through surveys and in-depth interviews. An outline review was carried out in the 2021/22 financial year. SkiStar revises its materiality analysis every two years and will update the analysis in the coming financial year.

Two areas identified during the year as being of increasing importance to our stakeholders and our operating environment are biodiversity and integration. Read more about our work on page 37–48 and about stakeholder dialogue and the materiality analysis on page 101–102.



Activity & Recreation

Getting people moving has been at the heart of SkiStar's operations since the Company was founded more than 45 years ago. By making an active holiday available to more people, we can help promote a more active and sustainable lifestyle and enhance well-being.

MORE ACTIVITY FOR MORE PEOPLE

The core of our operations is getting people moving. Research shows that we feel good when moving and spending time in nature – even more so if we are active in nature. This has a positive effect on how we feel, both physically and mentally, by lowering our heart rate and reducing stress. Making it easier for more people to be active on their holiday creates the conditions for a more active lifestyle, even beyond the holiday. This is our way of contributing to better public health and to the UN's Sustainable Development Goal 3 for good health and wellbeing. Alpine skiing forms the basis of our operations and is also an important aspect for us to continue offering and developing. Our goal is to get more people to take part in our activities, both in summer and winter. In the previous year, we adopted our goal of offering 7 million skier days and activities (6.4 million skier days and 600,000 activities) per year by 2030. During the year, we have worked towards the goal by focusing on creating new activities at our destinations all year round.

Schools that teach people for life

We want to help everyone discover the joy of an active life. Through our ski schools, we want more people to be given the opportunity to have fun on the ski slopes and stable, basic training that makes everyone feel safe and secure. In 2021/22, over 95,000 (58,000) children and adults took part in our ski schools, an increase from the previous year. The 2020/21 financial year was affected by the pandemic, which is the main explanation for the significant increase. During the summer season, our cycling guides offer cycling lessons to enable more people to discover the mountains in the summer. The cycling guides offer both beginner groups and private lessons adapted to different levels of difficulty.

Valle's Winter Weeks

An active life often starts at an early stage. Lowering the threshold for activities for children and young people helps encourage an active lifestyle that follows into adulthood. At Valle's Ski School, children learn how to be safe and confident skiers, with the support of our highly qualified ski instructors and Valle the Snowman. To make it possible for more children to discover the mountains, skiing, the ski school and ski rentals are free for children up to the age of six during Valle's Winter Weeks. More than 41,000 (25,000) children attended Valle's Ski School during the 2021/22 winter season.

New collaboration with SOK (Swedish Olympic Committee)

Promoting physical activity among children is an increasingly important societal issue. Only two out of ten children currently manage the amount of physical activity recommended according to Generation Pep's annual report. To encourage more movement, SkiStar entered into a collaboration with SOK (Swedish Olympic Committee) during the year to celebrate the Olympic Games, while offering activities and challenges for children and adults. Together we created a new activity for summer: the SkiStar Olympic Youth Camp i Sälen. The aim of the camp was to promote well-being and endurance in young athletes, focusing on sustainable sport, mental health and the joy of movement together. Our aim is to give young people an insight into the positive effects of all-round exercise and practising several sports at a young age. Nearly 60 young people took part in this popular activity.

2030

Goal	<ul style="list-style-type: none"> SkiStar will be the primary choice for guests who prioritise an active holiday
Performance measures	<ul style="list-style-type: none"> Seven million skier days and activities, of which: <ul style="list-style-type: none"> 6.4 million skier days 600,000 activities Help attract more new guests
Outcome 2021/22	<ul style="list-style-type: none"> 6,030,660 skier days 239,000 activities Seven percent new guests



VALLE KIDS CLUB

Valle Kids Club – a summer holiday activity for children aged 3-9 – was launched as part of the summer initiative. Through adventures, missions and games in a mountain environment, children are encouraged to learn to take care of nature, different animals, the right of public access and, not least, themselves. The initiative was implemented in Sälen during the second consecutive year, with over 340 (450) children taking part during summer.

> FOUNDATION: SUSTAINABILITY

AN ACTIVE SUMMER

We want to encourage more people to be active and experience the mountains during the summer months. With this in mind, SkiStar has launched a major initiative: SkiStar Sports & Adventures. To start with, we have expanded our destinations of Åre, Sälen and Trysil to offer a wide variety of summer activities adapted to different levels of difficulty during summer and winter. The destinations offer multiple activities in the mountains to make them more accessible all year round, such as climbing parks, trail biking and hiking trails. There is also the chance to play padel and crazy golf and to enjoy a spa and relaxation centre.

In 2021/22, SkiStar Sports & Adventures was also introduced at the new SkiStar Stockholm Hammarbybacken. We were the first in Sweden to offer modern summer skiing there in the heart of the capital – SkiStar SummerSki. Other new attractions also offered there include a climbing park, Mountain Coaster and Mountain Tube. SkiStar's sustainability strategy has remained in focus during work on SkiStar Stockholm Hammarbybacken. Since the start of the season, Stockholm Hammarbybacken has accounted for over 32,000 activities, which corresponds to an increase of more than 14 percent in the number of activities. SkiStar has also worked actively with its suppliers and evaluated them all according to social and environmental requirements. SkiStar's high requirements for recycled material for summer skiing resulted in the supplier reorganising its value chain to ensure 60 percent recycled material for summer skiing at Stockholm Hammarbybacken.

AN ACTIVE PRESENCE

SkiStar's goal is to get more people moving and active. By opening up our destinations to local communities, we aim to get more people moving. At all SkiStar destinations, children and young people up to and including the age of 15 who live in the municipality are offered a free SkiPass in winter and Lift/TrailPass in summer. In the 2021/22 financial year, 2,067 (2,694) children and young people took advantage of this opportunity. In addition to the free SkiPass for children and young people, SkiStar arranges annual free taster days for all local residents, winter and summer, at all our destinations. These days include free lift and trail passes, discounts on ski and bike rentals and much more.



SUCCESS FOR TJEJMILEN IN SÄLEN

SkiStar and Marathongruppen entered into a three-year collaboration during the year and the Tjejmilen race came to Sälen. This was the first time that Marathongruppen had organised a race in the mountains and it was a success. 1,038 women and girls took part in Tjejmilen, which was run over five or ten kilometres in Sälen's fantastic mountains.

"What a weekend it was! It felt incredibly fun and exciting to follow all the participants throughout the weekend. I hope and believe that we managed to contribute to a lot of feel-good exercise and a memorable mountain experience for many people, as Sälen was seen at its best," says Fredrik Rydén, Concept and Event Manager at SkiStar.



Ecosystem & Impact

At SkiStar, we want to protect nature, just as nature protects us. Through ambitious climate targets and the establishment of more circular systems, we are working to reduce our impact and enable our guests to make climate-smart choices.

CLIMATE

Global warming is occurring at a rapid pace and the world is heading for a rise in temperature above the two degrees that the Paris Agreement and the United Nations' Intergovernmental Panel on Climate Change (IPCC) consider to be safely within planetary boundaries. For SkiStar, a change in the climate will have a direct and considerable impact on our operations. Cold white winters are a prerequisite for our winter operations, and more unstable weather changes our ability to plan and run those operations. It is therefore self-evident that we should reduce our own carbon footprint to ensure that our mountain and natural environments can be enjoyed by future generations. It also means that we need to adapt to the fact that the climate and society will change and start contributing innovative and circular solutions.

To ensure that our efforts to reduce our climate impact are sufficient and in line with what is needed to achieve the Paris Agreement's goal of limiting global warming to two degrees, we have developed our Science Based Targets. After the end of 2021/22 financial year, we submitted

these targets for approval to ensure that our ambitious climate targets are in line with research and science. See also Note 38.

Continuing work on climate goals

We are raising our ambition with our climate goals. By 2030, we will reduce our total carbon footprint by 50 percent compared with 2020/21 in line with the sustainable development goals and the Paris Agreement. Our climate goals include both direct and indirect emissions, and we want to take responsibility by attempting to influence both our suppliers' and guests' emissions. During the financial year, we reduced our direct emissions by 57 percent compared with the base year 2020/21. This is a direct result of the climate investment carried out in SkiStar Norge.

Reduction in direct emissions

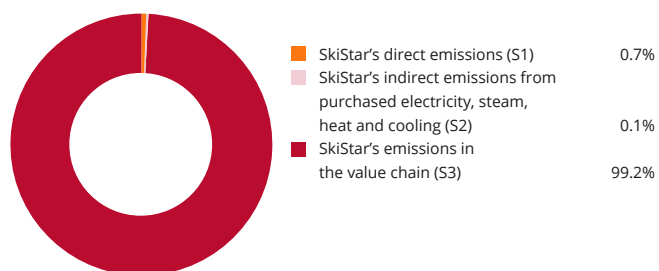
Over the last six years, we have done a great deal of work to reduce our own impact. Through new technology to reduce our fuel consumption,



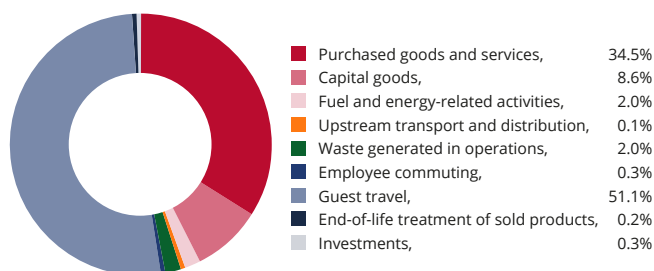
2030

Goal	<ul style="list-style-type: none"> SkiStar will reduce its climate impact by at least 50 percent compared with 2020/21 and have a circular approach, while creating financial growth
Performance measures	<ul style="list-style-type: none"> Net-zero climate impact from our operations. Halve the climate impact from guests' and employees' journeys to our destinations. >3-4 percent annual energy efficiency enhancement at SkiStar's properties. Increased share of self-produced energy. Promote biodiversity by including the mitigation hierarchy throughout all projects.
Outcome 2021/22	<ul style="list-style-type: none"> 57 percent CO₂ reduction in SkiStar's operations compared with base year 2020/21. 127,274 tonnes of CO₂ from SkiStar's entire value chain during the financial year. Analyses and measures to improve energy efficiency at SkiStar's properties were implemented during the year. A percentage change cannot therefore be reported until next year. A first project has been established for self-production of energy: the installation of solar panels at the new flagship SkiStarshop Concept Store in Lindvallen. Projects to restore the mountain environment continue in both Åre and Sälen.

OVERALL CLIMATE IMPACT



DISTRIBUTION OF EMISSIONS IN SKISTAR'S VALUE CHAIN



We began calculating our total carbon footprint and reporting in line with the Greenhouse Gas (GHG) Protocol during the previous financial year. Our GHG reporting continued this year with improved calculations. SkiStar's hotel operations have now been included in SkiStar's total carbon footprint, while clearer goals have been defined for purchasing and the Property Development and Exploitation area.

CLIMATE INVESTMENT FOR WHITE WINTERS OF THE FUTURE

During the year, SkiStar reorganised operations in Norway so that all snow groomers run on the renewable fuel HVO100. The climate investments alone are responsible for SkiStar reducing its direct CO₂ emissions by 57% during the financial year.

"Our goal for 2030 is to operate with the lowest possible carbon footprint. Achieving our ambitious goals requires bold decisions. SkiStar is first in the Norwegian alpine industry to make this transition, which is just the beginning for us", says Andreas Smith-Erichsen, Resort Manager for Hemsedal and CEO of SkiStar Norge AS.

> FOUNDATION: SUSTAINABILITY

energy efficiency improvements and increased resource efficiency, emissions from our own operations have decreased by 84 (46) percent compared with the base year 2015, when our strategic sustainability work started. The reason for this is that most of the ski systems and equipment at our destinations are run on renewable energy and fossil-free fuel, including our ski buses. To further reduce emissions from our snow groomers, they all now have snow-depth gauges with GPS devices to optimise and streamline how they drive and make snow. Fossil-free fuel accounts for 88 (63) percent of our total fuel consumption, an increase of 25 (3) percent compared with 2020/21. During the financial year, SkiStar's carbon dioxide emissions from operations (S1 and S2) amounted to 1,002 tonnes, which is a reduction of 57 percent compared with 2020/21. See Note H3 on page 107–108.

To further reduce the Company's CO₂ emissions, the first production electric snowmobiles in the world have been introduced into SkiStar's operations at Sälen.

We continued to calculate our total carbon footprint during the year and reported in line with the Greenhouse Gas (GHG) Protocol. For the first year, SkiStar has presented its total carbon footprint with all significant areas included in accordance with the GHG Protocol.

During the financial year, we included new hotel operations to a greater extent in our reporting and defined clearer targets in the areas in which we have the greatest impact, such as Property Development and Exploitation and purchases for SkiStarshop. We have also begun active efforts to influence our guests' travel to our destinations, which represents the largest indirect carbon footprint for SkiStar.

SkiStarshop

To achieve our ambitious climate targets, SkiStar has taken various measures during the year, focusing on areas that generate emissions, such as SkiStarshop and our own clothing brand EQPE.

The EQPE brand was launched in 2019 for the Alpine World Championships in Åre and over the last year has grown to become one of SkiStar's largest brands, both in our own stores and digitally.

EQPE's goal is to produce and provide the conscious customer with high-quality, functional and affordable products, with a good fit and a design that stands the test of time. Our climate target for the EQPE brand is to reduce EQPE's carbon footprint by 50 percent per product by 2030 compared with the base year 2020. To achieve this goal, we have acquired access to the Higg Index in 2022. This is a system that enables



57%
REDUCTION IN
GREENHOUSE GAS
EMISSIONS
YEAR-ON-YEAR.

BEEKEEPING IN THE MOUNTAINS

SkiStar is keen about protecting our mountains. Part of this involves restoring nature that has been negatively affected by our operations and maintaining our mountain environments. One step in this is to ensure biodiversity. In addition to restoring the natural mountain environment in the downhill slope in Åre, SkiStar has worked with a local actor to set up beehives at Åre Björnen to promote biodiversity on the mountain.

us to calculate the carbon footprint of every product in our range in terms of carbon emissions, water consumption and chemical use. It will also be used in the design and development process to identify which materials and manufacturing processes are better from a climate and environmental perspective to continuously work towards our goal. The work will continue in the coming financial year and more detailed information will be presented in the next report.

Towards increased reuse

There are several aspects to a mountain trip that consist of reusable resources. For SkiStar, optimisation and reuse of resources is an integral part of our business model. We have a long history of mediating accommodation, whereby we offer accommodation owners the chance to rent via SkiStar, thus increasing the use of available beds at our destinations and reducing the need for new construction. Renting ski and bicycle equipment through SkiStarshop is a natural part of many people's trips to the mountains, and we are reviewing the possibility of expanding the offer to include clothing.

We believe in sharing as an alternative to ownership. As well as reducing over-consumption, renting is a way of testing whether a product is right for our customers before they buy a new one. In this way, together we can reduce the amount of products that are not used, which is also a big win for the environment and use of the earth's resources. Renting rather than buying a ski package generates 11.5 kg of climate benefits. SkiStar rented out 360,000 ski packages during the year, representing a total of 4,140 tonnes of climate benefits. In the coming financial year, we will continue to work on our rental concept, which will involve testing ski clothing rental.

Sustainable destinations

As part of our climate ambitions, we want to take responsibility for our indirect emissions and reduce guests' climate impact. We achieve this by reducing the need to use a car at our destinations, for example. We offer free bus transport for our guests with a SkiPass, and ensure that all new construction offers solutions allowing the guest to get from their accommodation to the slopes without a car. We also want to reduce the impact from guests' journeys to and from our destinations, as well as encourage and simplify the use of electric cars. We ensure that charging stations are provided for all new construction of accommodation. In addition, we are working to develop infrastructure for electric cars both at our destinations and on the journey to our destinations.



THE GUEST'S JOURNEY TO THE MOUNTAINS

The guest's journey to the mountains has a large impact on the climate. SkiStar has ambitious targets for 2030 with regard to reducing the climate impact of guests' journeys to the destinations. At present, we can see that there is a challenge for guests coming by electric car to the destinations. In response to this issue, SkiStar and two partners set up mobile electric charging stations at Ljusdal during the spring holidays. The initiative is part of the collaboration between Jämtkraft and SkiStar that started in autumn 2021. Among other things, the collaboration will develop the charging infrastructure at, and en route to, SkiStar's destinations.

"We have had great feedback from our guests, who have taken the opportunity to recharge easily and conveniently on their way to our destinations. It is pleasing to see so many people choosing to travel sustainably on their journey to us in the mountains and this is just the beginning," says Fanny Sjödin, Sustainability Manager at SkiStar.

SKISTAR'S WORLD IN 2050

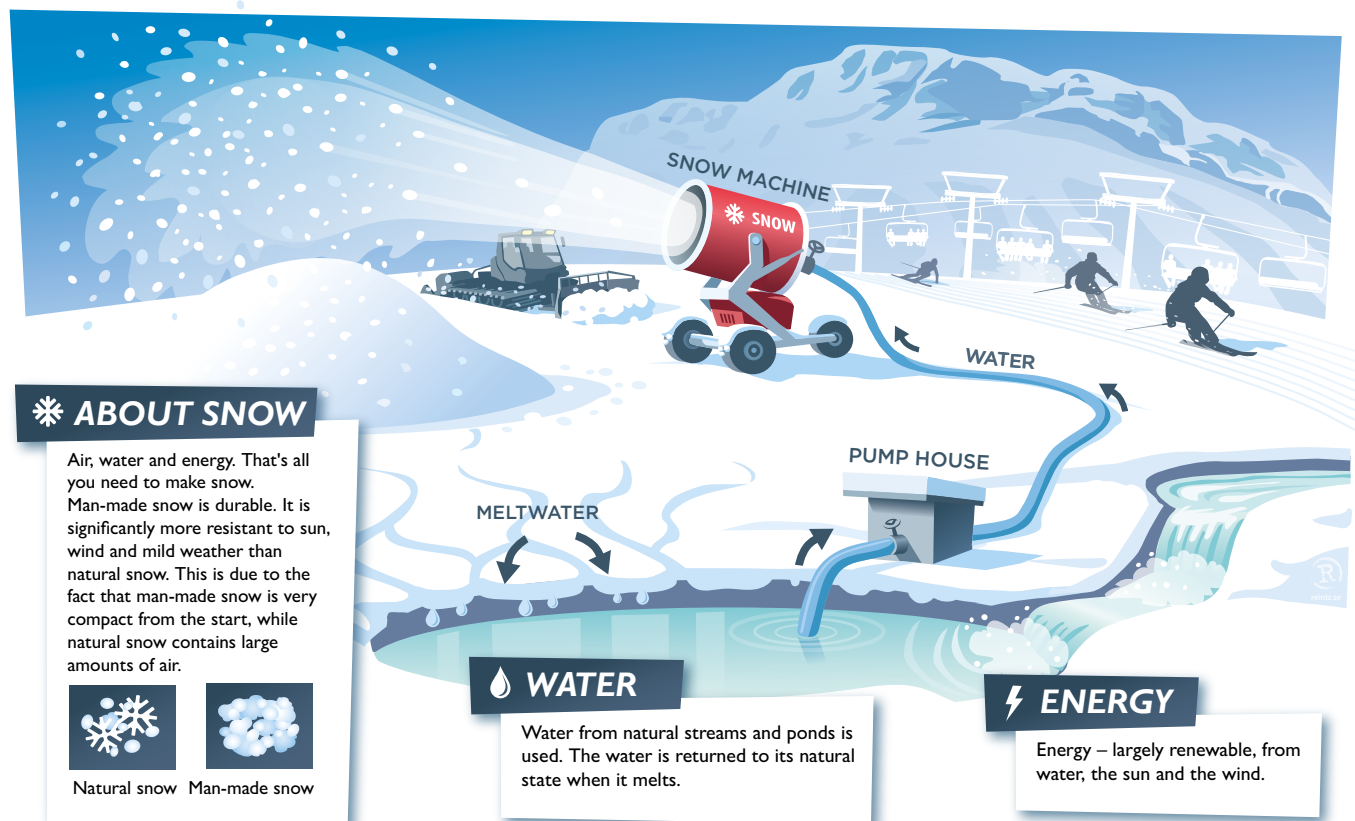
Climate change is expected to have a major impact on people's travel, not least on tourism. Like all markets, tourism is dependent on supply and demand. As global warming changes the climatic conditions of countries across the globe, this will create a gradual shift in tourist destinations. To gain a better understanding of how climate change may affect SkiStar and the hospitality industry in the future, we have conducted climate scenario analyses for all of our destinations. Climate scenarios help us understand what our climate may look like in the future depending on several global issues like politics, technology, economics and societal change. By analysing the possible effects on operations in different climate scenarios, we are able to identify both adjustment risks and physical risks. These can then help us to adapt our future strategy. Read more about the analyses and our reporting on climate risks in line with the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD) on pages 103–104.

ENERGY

We must clearly aim to use energy efficiently to realise our climate ambitions. SkiStar strives to streamline energy use within its own operations. For several years now, all electricity has been purchased from renewable energy sources. The electricity also has 'Good Environmental Choice' labelling which ensures it is produced with the greatest possible consideration for the climate and environment. For the most energy-intensive processes such as snow production and the operation of properties and lifts, we systematically map and analyse our electricity consumption in order to run the processes with as little usage as possible. Energy consumption is also an aspect we take into consideration when making new investments and reinvestments.

ENVIRONMENTALLY CERTIFIED BUILDINGS

During the previous year, to reduce the impact of our new construction, SkiStar decided that all larger newly constructed buildings must be environmentally certified according to BREEAM's 'very good' status. This certification ensures that sustainability issues are highlighted throughout the work process and that the building's environmental performance meets requirements for energy use, indoor climate, water management and waste management. For smaller buildings, the minimum requirement is SGBC Silver environmental certification, which sets requirements for energy use, indoor environment and materials. SkiStar's new Concept store in Lindvallen was awarded SGBC Silver certification during the year.



SNOW PRODUCTION

To manage our winter operations and offer skiing at our destinations, there is a recurring need to make snow with cannons. This more durable and robust snow withstands the effects of weather better than natural snow, but cannon snow production is a water and energy-intensive activity and accounts for the largest proportion of water used in our operations. SkiStar wants to make snow production as resource-efficient as possible. One aspect of this is producing the right amount of snow in the right location. There are snow groomers at all destinations containing GPS equipment that measures snow depth, meaning the snow production is programmed to produce the right amount in the places it is needed. Water consumption during the year amounted to 5 million cubic metres, which is an increase of 11 (6) percent compared with 2020/21. The increase is due to increased production of cannon snow due to less natural snow. Using an automated system for snow

production, the snow is produced when weather conditions are optimal. This means that larger quantities are produced over a shorter period, which in turn means that the energy consumption in snow production has been reduced over the last ten years.

FROM WATER TO SNOW

During production, natural water is extracted from nearby watercourses and lakes, which in some cases is stored in ponds adjacent to our facilities. Water is collected from these sources in the months before and at the beginning of the winter season, and is regulated for each source by water rights court rulings. When the snow melts in the spring, the water returns to its natural sources.



Dialogue & Interaction

We take responsibility in the areas in which we operate and throughout the entire value chain by focusing on dialogue and interaction. Collaborations enable us to both accelerate sustainable development together with our stakeholders and create long-term sustainable solutions that contribute to positive trends in business and the wider community.

A PART OF THE LOCAL COMMUNITY

SkiStar will be a driving force for sustainable mountain tourism at our destinations. Part of that commitment is to contribute to the local communities in which we operate through conversations, dialogue and collaborations. We operate in the same place and are all dependent on each other, which is why we want to strengthen our local communities in any way we can. SkiStar's business has an impact on the local economy by creating and generating jobs in sparsely populated areas and in their surrounding areas. It also stimulates more tourism locally, giving other operators the opportunity to work in and around the destinations, such as restaurants and other activities close to the mountains. This generates jobs in the local area, meaning more people can stay in sparsely populated areas, thereby increasing the opportunity for capital to be invested and reinvested.

Initiatives in our municipalities

SkiStar is keen to ensure that residents of our destinations should have access to and be able to spend time in the mountain environments to which they live so close. In Åre and Sälen, we offer a reduced ski school fee for children aged 2-6 who attend preschool there. This provides greater opportunities for more residents to spend time with us and makes things easier for parents who may otherwise have difficulty taking their children onto the slopes. We offer municipal discounts to adults and have conducted several municipal days during the winter and summer whereby we offered everyone at the resort free activities.

Skiing for immigrants (SFI+)

Making skiing accessible means promoting the opportunity to test skiing among those who have never done so before. On the initiative of Åre municipality, students from the Swedish for Immigrants courses are offered a day outdoors on the mountain. SkiStar sponsors the day by providing a SkiPass, skiing equipment and ski instructors so that students can experience the nature and activities of the mountain environment in a meaningful way. It is also a way to show off the benefits of living in the countryside and the opportunities afforded by living close to nature and the mountains.

SÁPMI

It is important for SkiStar to have a positive dialogue with all stakeholders who are affected by and live in the neighbourhood of our destinations. As our operations are in a mountain environment, parts of them are run in Sápmi, Lapland, where our destinations Åre and Vemdalen are located. As our summer activities are expanded, cohabitation between our guests and wildlife will become an even more important issue. For SkiStar, it is important to respect the native Sami culture and reindeer husbandry. To provide information and ensure a good symbiosis in the mountains during both the winter and summer season, SkiStar has developed guidelines that constitute rules of etiquette for guests to ensure that the Sami culture and reindeer husbandry are respected at our destinations. The guidelines clarify how our guests should behave towards the animals and where they can go in the mountains so as not to disturb them. The guidelines are available on skistar.com and guests are informed about them via newsletters and social media, for example.



2030

Goal	<ul style="list-style-type: none"> SkiStar will contribute to sustainable development along with our stakeholders throughout the value chain
Performance measures	<ul style="list-style-type: none"> Increased percentage of overnight stays 100 percent of all suppliers approve SkiStar's Code of Conduct 0 workplace accidents Aim for 40/60 percent even distribution with regard to equality, diversity and inclusion in the Company's professional groups At least 40 percent female managers in senior executive roles
Outcome 2021/2022	<ul style="list-style-type: none"> 8% increase in overnight stays compared with pre-pandemic (18/19). In 2021/22, suppliers accounting for 75 percent of SkiStar's total debited amounts approved the Code of Conduct. 163 (111) workplace accidents 43/57 percent even distribution with regard to equality, diversity and inclusion in the Company's professional groups 46 percent female managers in senior executive roles



KEEP THE MOUNTAIN TIDY

Keeping the mountains tidy and doing so with schoolchildren and local people is nothing new to SkiStar, but a commitment that has existed for many years. To highlight the problem, SkiStar launched a partnership with Keep Sweden Tidy and Keep Norway Beautiful during the year. The initiative is part of the 'Keep the Mountain Tidy' collaboration, which aims to reduce littering and raise awareness of the problem in the mountains. As part of the initiative, SkiStar's staff conducted a litter-picking day and recorded the litter collected. A total of 32,469 items of litter were collected, including 11,864 pieces of plastic, 8,233 snus balls and 5,236 cigarette butts in one day, corresponding to six tonnes of litter. The litter-picking day will become an annual event at SkiStar.

SUPPLIERS

SkiStar depends on good collaborations with our suppliers. To guarantee correct procurements, SkiStar works in accordance with established directives and takes multiple perspectives into account, including sustainability aspects. The Company's expectations are described in our Supplier and Partner Code of Conduct, which is included as an appendix in the majority of all agreements entered with SkiStar. The code was updated during the year to clarify SkiStar's expectations and requirements regarding respect for human rights, working and employment conditions, the environment, discrimination and business ethics. The right to review suppliers was also added. SkiStar's goal is for all suppliers to sign the Code of Conduct. In 2021/22, suppliers who account for 75 percent of SkiStar's total debited amounts approved the Code of Conduct. If any breaches of the Code of Conduct occur, SkiStar takes appropriate action.

Risks along the supply chain

To enhance transparency and control at the supplier level, SkiStar launched a risk assessment of the Company's supplier base during the year. The main suppliers will be assessed based on five risk perspectives to identify possible risks linked to products, areas and industries, for example. The result will provide a risk classification that supports work relating to suppliers going forward. The risk of human rights violations is principally deemed to be at the supplier level. SkiStar's Supplier and Partner Code of Conduct contains expectations of suppliers in terms of forced labour and unhealthy working conditions. Violations of human rights are reported and dealt with in line with current legislation.

ANTI-CORRUPTION

SkiStar has a zero tolerance policy for bribery and corruption both in our operations and in our business relationships. There is a potential risk of corruption at the Company and in its business relationships, but this is deemed to be small. Corruption issues are managed within the framework of SkiStar's risk management, with policy documents reinforcing efforts to prevent and identify instances of corruption. There are also clear guidelines and procedures clarifying what is expected of our employees when purchasing and procuring. If corruption is suspected or uncovered, there are guidelines governing how such cases should be handled.

WHISTLEBLOWER FUNCTION

SkiStar has an anonymous whistleblower function for cases of suspected corruption, other irregularities or violation of our Code of Conduct. The function is available to all employees and other persons who have a work-related relationship with SkiStar. The whistleblower reporting is anonymous. No cases of suspected violation of SkiStar's Code of Conduct were reported and investigated during the 2021/22 financial year. No investigation was ongoing at the end of the year.

SPECIAL COLLABORATIONS

Stefans Stuga, Lindvallen

Next to Experiumtorget in Lindvallen is Stefans Stuga, a specially designed set of accommodation close to the lifts where families affected by cancer can relax and spend precious time together. Every week during the year, two families are offered a free week in Stefans Stuga. The cottage is a result of the commitment of many people and companies, all with a common desire to create a place for positive experiences and good memories. In winter, SkiStar provides a SkiPass, ski equipment, gym and playground during the stay. During the summer months, swimming, bowling and the gym are included.



Stefans Stuga, Lindvallen



671,000
RECYCLED PET BOTTLES
GENERATED OVER
SEK 619,600 FOR WWF

Panta Mera (Swedish can and PET bottle recycling campaign).

Every year, we collect and donate the money that guests at our Swedish destinations have raised by recycling their PET bottles with us. During the 2021/22 winter season, over 671,100 (450,000) PET bottles were recycled, generating over SEK 619,600 (420,000). This year's collection goes to The Keep Sweden Tidy Foundation to support the joint project Keep the Mountain Tidy.

Employees & Culture

It is nothing new to us that employees and culture are one of the foundations of SkiStar's business and success. Our foundation enables us to make visible the obvious role that our employees and our culture represent for the business. We conducted employee surveys during the year to gather important insights and ensure we are heading in the right direction. The three areas in focus are our culture and values, continuing investments in strong leadership and developing the organisation. We have also worked to develop SkiStar's new values that are intended to permeate everything we do:

TOGETHER, CREDIBLE, COMMITTED AND SIMPLE.

A SPECIAL WORKPLACE

Guests are our focus at SkiStar, and their experience and satisfaction at our destinations are largely due to the employees who make their holidays memorable. Our culture is characterised by a high level of dedication and pride in what we do in the areas in which we operate. We offer not only a job, but a lifestyle. Committed, motivated and satisfied employees who are happy at work are a prerequisite for our ability to deliver positive experiences for our guests, so that they return year after year. We offer the opportunity to combine a challenging job with varied tasks and an active lifestyle. Moving to the mountains and living at our destinations is a unique experience that creates a strong community among colleagues. We have a wide range of tasks to perform, and in a normal season we recruit for over 80 different positions. People stay with us for a long time because they enjoy the lifestyle, want to continue developing and like meeting people. Our goal is for two-thirds of our seasonal employees to return each year. Over 65 percent of our seasonal employees returned in 2021/22. Many of our employees choose to work on new tasks within the Company or at new destinations, and over 88 percent of our employees state that they enjoy their work.

Employer of young people

We are also proud to be a major employer of young people, offering them a start in the labour market. In the last ten years, close to

13,000 young people aged 18-24 have been given the opportunity to gain a foothold in the labour market by working for us at our destinations. This also entails a great responsibility for us as an employer. For many, a job with SkiStar means moving away from home and being thrown into a new world. To facilitate and help our employees, we are also taking responsibility for their well-being through health and climate-promoting activities.

Employer in sparsely populated areas

SkiStar is also a major employer in sparsely populated areas – and in some cases the largest employer in the area. We try to recruit and attract employees from local areas to enable more people in sparsely populated areas to work where they live and have the opportunity to stay. For employees who have been with us for a long time, we are keen to enlarge our range of professional development options to ensure opportunities for growth and motivation at work. We also collaborate with nearby schools, offering internships to provide work experience and showcase our workplace to potential employees in the future.

RECRUITMENT

SkiStar operates a seasonal business and has a great need for seasonal employees. Before each season, a major recruitment effort is undertaken to find new staff, with thousands of applications being received. This requires a positive and efficient recruitment process that ensures we have the right skills in place before each season, as well as for future needs. Our values are always integrated into our recruitment processes and we look for diversity in both experience and qualities when engaging new staff. We conduct digital group interviews for our seasonal recruitment, and in-person interviews as needed during the rest of the year.

COLLECTIVE BARGAINING AGREEMENTS

All of SkiStar's destinations are covered by collective agreements that regulate minimum wages and employee rights. All SkiStar employees, except for the President and CEO, are covered by collective agreements.

SKISTAR'S WORK ON VALUES

We have worked actively on our values during the year. Moving from SkiStar the winter ski resort company to SkiStar the mountain holiday operator involves not only new work routines and processes but also a renewed common culture.

The purpose of our values is to strive towards a common purpose and goal within the organisation and to create a foundation for commitment among all employees. The work has therefore revolved around creating a common set of values for SkiStar, which all employees, regardless of destination, department or form of employment, can adopt, live up to in everyday life and feel proud of.

The work has been inclusive and several workshops have been held involving representatives from all destinations and staff functions. All employees have been able to participate and provide feedback when notes and interviews from the process have been published on SkiStar's intranet, where voting and discussions have also taken place. See page 18 for more information about SkiStar's values.

“

Having the opportunity to discuss what values are important to each colleague regardless of department, country, background and experience is something that has been extremely inspiring to be a part of during the last year”, says HR Director Camilla Sundqvist. “I hope that all employees have felt involved – it's clear that there is a high level of commitment from everyone who has contributed during the course of the work. Now I can't wait for us to start implementing our updated values in the coming year,” says Camilla.

Camilla Sundqvist, HR Director at SkiStar



TRAINING AND EDUCATION

SkiStar attaches great importance to the training of new and returning employees and offers all employees development and training opportunities. Every year, we receive a large volume of seasonal employees, and we have a systematic induction and training programme to prepare them for performing their tasks and thriving with us. Our goal is for all employees to also be trained in relevant areas of sustainability. Every year, all employees undergo a web-based training course that includes the work environment, sustainability and GDPR. We are also working to broaden our training offering to increase opportunities for professional development within the Company. Our employees completed an average of 10 training hours during the year.

SkiStar Academy

Strong leadership and managers are a core issue for SkiStar and a prerequisite for providing a good guest experience. We want talented and committed managers with a personal leadership style who want to learn new things and develop. We have offered leadership training in recent years to give our managers the right conditions to succeed and thrive. During the year, we further developed the training under the name SkiStar Academy to cover a wider scope. At SkiStar Academy, we want to educate and inspire across a wide range of subjects, from rhetoric and digitalisation to employeeship. The programme covers all managers and leadership roles, be they full-time or seasonal employees.

CODE OF CONDUCT

SkiStar's Code of Conduct describes the guidelines and values that form the basis for how our employees should behave towards one another and the people they meet. The Code incorporates the UN Global Compact's ten principles regarding human rights, working conditions, the environment and anti-corruption, as well as the ILO's eight fundamental conventions concerning minimum standards for working conditions. The Code is revised annually. The Code is available to all employees via SkiStar's intranet. SkiStar takes violations of the Code of Conduct seriously. A whistleblower function is available internally to enable anonymous reporting of violations.

DIVERSITY AND INCLUSION

SkiStar's corporate culture is permeated by values and attitudes that welcome diversity within the Company. We try to create an inclusive

work environment where all employees feel a sense of belonging and community. All employees have the same rights and the right to equal treatment regardless of gender, sexual orientation, ethnicity, beliefs, functional variation or age. We have a zero-tolerance policy regarding any form of discrimination and take strong action in response to incidents and conduct that contravene SkiStar's policies and directives. We value and welcome our differences and aim to increase diversity. The gender distribution at the Company during the financial year was 43 percent female and 57 percent male, with Group management composed of 38 percent women and 62 percent men. Operational responsibility for pursuing gender equality issues lies with each department and area manager.

HEALTH AND SAFETY

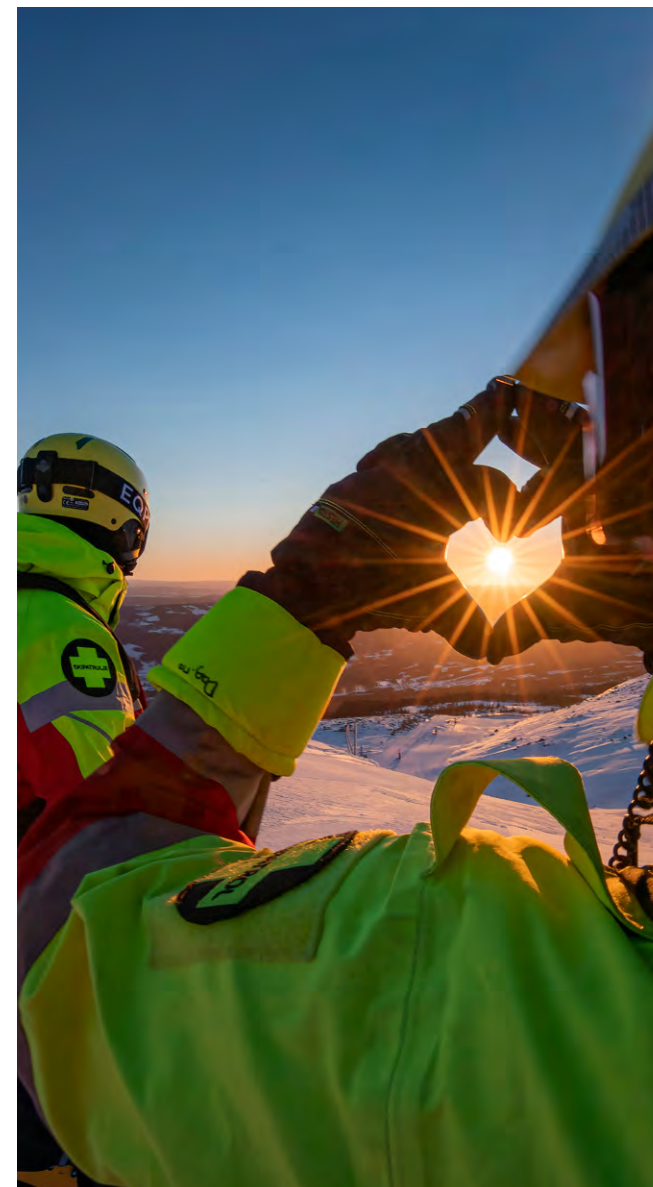
It is self-evident that SkiStar's workplaces must be safe, secure and accident-free. We have a systematic work environment initiative that is pursued at each destination by a work environment team that conducts safety inspections and risk assessments. In the event of serious incidents, there is a crisis management organisation that works in line with specially defined procedures, and crisis groups at each destination can then shift into crisis mode. SkiStar conducts annual crisis management exercises at our destinations to maintain and strengthen our crisis management capability.

The process for reporting accidents/near-misses was reviewed and standardised at all SkiStar destinations during the financial year. This has resulted in an increased number of reported incidents during the year. The work will continue in the coming year and SkiStar is encouraged by the trend that has emerged.

During the financial year, a total of 163 (111) accidents/near-misses were reported among SkiStar's employees. None of these near-misses was classified as serious. See Note H8 on page 110.

WORK ENVIRONMENT

SkiStar should be a workplace with good working conditions and a healthy balance between work and free time. We conduct annual employee surveys to ensure a positive and healthy work environment and identify opportunities for improvement. Each employee undergoes at least one performance review per year to ensure a good work situation. Health checks are conducted regularly to prevent risks at work and ensure that our employees are well.



Safe & Secure

Safe and Secure is SkiStar's promise to our guests. We want our guests to feel secure and to guarantee memorable mountain experiences all year round that offer quality, activity, experiences and safety throughout the customer journey. If any issue arises, we will take care of our guests.

SAFE DESTINATIONS

Offering safe and secure experiences for our guests has been an important aspect of our business over the years. This is why SkiStar developed Safe and Secure, our customer promise that applies from the time of booking through to their stay in our accommodation and ski system.

BOOK WITH CONFIDENCE

Protection for cancellation and booking changes

Book with Confidence was introduced ahead of the 2020/21 winter season – an improved protection for cancellation and booking changes that allows the accommodation to be cancelled up to 21 days before arrival. The SkiPass, ski school and ski rentals can always be cancelled or rebooked up until the day before arrival. Book with Confidence is appreciated by our guests, 80% of SkiStar guests felt safe and secure in the skiing area.

Snow guarantee

SkiStar wants our guests to be able to go alpine skiing on their skiing holiday. However, all of the ski resorts have unique geographical locations and varying conditions. Thanks to our snow guarantee, guests at our Scandinavian destinations have the opportunity to rebook their trip to another of our destinations or get their money back if SkiStar does not deliver the ski product promised during a certain period of time.

LIFT & PISTE

Safe slopes

Having the right judgement, knowledge and equipment minimises the risk of accidents and injuries during a holiday. At our destinations in Norway and Sweden, we collaborate with the ski industry organisations the Swedish Ski Lift Organisation (SLAO) and the Norwegian Ski Lift Association (ALF) to secure our slopes, both in summer and winter. Together with SLAO and ALF, we have developed rules of conduct that all guests are obliged to follow at our destinations. These are available to download from our website. They describe our rules of conduct on the slopes during summer and winter, as well as penalties if the rules are broken. Safe behaviour is particularly important for the youngest skiers. This is why we also have our own Valle's skiing rules, which teach young skiers about the importance of good supervision, skiing together on the slopes and where it is safe to stop. The rules are an important part of our ski school for children and are available to all guests on our website.

80%
OF SKISTAR GUESTS
FELT SAFE AND SECURE
IN THE SKIING AREA





The share

2021/22

- Revenue: **SEK 4,092** million
- Operating margin: **21** percent
- Profit after tax: **SEK 665** million
- Cash flow: **SEK 1,238** million from operating activities
- The equity/assets ratio excluding IFRS 16 was **57** percent.

Five reasons to invest in SkiStar

1. SkiStar is the leading holiday organiser in Scandinavia with an offering and efficient organisation that has provided continuous growth and stable profitability.
2. The trend of active leisure time and holidays at home means that SkiStar will further consolidate its position in the future.
3. Sales have purposely focused on skistar.com, where guests' engagement has been monitored, thus giving SkiStar a direct relationship with the guest, which is a competitive advantage.
4. The company owns substantial assets in the form of land and properties at the destinations where SkiStar operates. Property development and exploitation operations generate capital gains, but also strategic projects that increase the number of beds, and thus potentially also guest numbers, for core operations. As of summer 2021, SkiStar is also operating a number of prestigious lodges and hotels at the destinations, which is leading to a strengthening of our offer.

5. SHAREHOLDER BENEFITS

Shareholders who own a minimum of 200 SkiStar shares receive a discount at all SkiStar destinations. The discount amounts to 15 percent on the SkiPass/Liftpass, ski school and ski rentals/bike rentals managed by SkiStar. It also applies to online purchases at skistarshop.com as well as SkiStarshop and Concept stores. The shareholder discount does not apply to accommodation. Find out more about booking with the shareholder discount and the complete terms and conditions at skistar.com or contact Shareholder Services at aktieagarservice@skistar.com.

The SkiStar share

SkiStar's B share is listed on the Mid Cap list of the Nasdaq Stockholm exchange. SkiStar had 57,317 shareholders at 31 August 2022 and the share's closing price was SEK 137.40.

SHARE STRUCTURE

The company's share capital on the last day of the financial year amounted to SEK 19,594,014 divided into 78,376,056 shares. Of these shares, 3,648,000 are Class A shares entitling the owner to ten votes per share, and 74,728,056 are Class B shares entitling the owner to one vote per share. All shares have equal rights to dividends.

SHARE PRICE PERFORMANCE AND TRADING

During the 2021/22 financial year, the share price decreased by 25 percent to SEK 137.40. Nasdaq Stockholm's all-share index (OMXSPI) decreased 23 percent over the same period. The highest price paid was SEK 195.50 on 30 September 2021, and the lowest was SEK 126.10, noted on 20 June 2022.

SHAREHOLDERS

According to the shareholder register maintained by Euroclear Sweden AB, there were 57,317 shareholders (51,843) on 31 August 2022. At the end of the financial year, the ten largest shareholders accounted for 65 percent (68) of the capital and 75 percent (77) of the votes. Foreign shareholders accounted for 16 percent (14) and Swedish institutional owners for 13 percent (15) of the capital.

DIVIDEND POLICY

SkiStar's dividend policy is to pay an annual dividend of at least 50 percent of profit after tax. The policy is based on SkiStar's solid financial base combined with a strong cash flow, allowing a generous dividend policy, while ensuring that most investments can be financed by the company's own funds.

The Board proposes that the AGM adopt a dividend of SEK 3.00 (1.50) per share, totalling SEK 235 million (118). The proposed dividend comprises 36 (50) percent of the Group's profit after tax. SkiStar's increased investment rate and the current outside world justify that the proposal deviates from the dividend policy.

LARGEST SHAREHOLDERS, 31 AUGUST 2022

Owner	Class A shares	Class B shares	Capital, %	Votes, %
Mats and Fredrik Paulsson incl. company and family	3,648,000	15,484,362	24.4	46.7
ACapital SS Holding AB	-	15,324,106	19.6	13.8
Handelsbanken fonder	-	3,435,350	4.4	3.1
Erik Paulsson family incl. company	-	2,963,314	3.8	2.7
Swedbank Robur Fonder	-	2,882,292	3.7	2.6
Lima Jordägande Socknemän för Besparingsskogen	-	1,800,000	2.3	1.6
State Street Bank and Trust Co, W9	-	1,798,916	2.3	1.6
BNY Mellon NA (former Mellon), W9	-	1,313,591	1.7	1.2
JP Morgan Chase Bank NA, W9	-	1,249,597	1.6	1.1
BNY Mellon SA/NV (former BNY), W8IMY	-	1,158,028	1.5	1.0
Other shareholders	-	27,318,500	34.7	24.5
Total shares outstanding	3,648,000	74,728,056	100.0	100.0

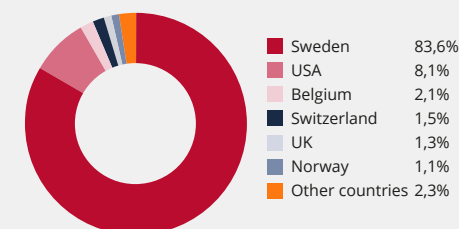
OWNERSHIP STRUCTURE, 31 AUGUST 2022

Holdings	Number of owners	%	Number of Class A shares	Number of Class B shares	Capital, %	Votes, %
1-200	40,874	71.30		2,766,107	3.5	2.5
201-1,000	14,064	24.54		6,017,300	7.7	5.4
1,001-5,000	1,998	3.49		4,212,011	5.4	3.8
5,001-100,000	332	0.58		5,356,790	6.8	4.8
100,001-	49	0.09	3,648,000	56,375,848	76.6	83.5
Total	57,317	100	3,648,000	74,728,056	100.0	100.0

SHARE INFORMATION

Marketplace: Nasdaq Stockholm, Mid Cap
 Ticker symbol: SKIS B
 ISIN code: SE0012141687

LARGEST SHAREHOLDER COUNTRIES, 31 AUGUST 2022, SHARE OF EQUITY



OWNERSHIP CATEGORIES, 31 AUGUST 2022

Category	Number of shares	Proportion, %
Swedish individuals	18,079,804	23.1
Swedish legal entities	37,515,080	47.9
Swedish institutional ownership	9,892,155	12.6
Foreign individuals	508,599	0.6
Foreign legal entities and foreign institutional ownership	12,380,418	15.8
Total	78,376,056	100.0

Risk

Like all companies and business operations, SkiStar is exposed to various risks related to the business. For SkiStar, it is important to identify the risks that may prevent the Company from achieving defined targets and to determine whether the risks are in line with risk propensity.

Risks and opportunities

Where necessary, measures are taken to avoid, minimise or monitor identified risks. The purpose of risk management is to continuously assess and manage the risks that arise in the operations and to ensure that it forms the basis for successful sustainability work. SkiStar's risk process, ownership, governance and management are discussed and evaluated by the Company's Audit Committee and Board of Directors.

OPERATIONAL RISKS

Seasonality

The majority of SkiStar's revenues are generated in the period December to April. SkiStar's operations are well adapted to seasonal variations, particularly in terms of the workforce. Most of the winter bookings are made before the season. An increased proportion of advance sales means that business transactions can be completed at an earlier point, which in turn reduces the operational risk. Seasonal variations are also managed by investing in snowmaking systems to guarantee skiing early in the season.

SkiStar's all-year-round focus in Scandinavia also reduces seasonal variations.

Snow availability

Climate risks are directly linked to SkiStar's operations and include physical climate risks that affect the operation of the business. The number of guests at SkiStar's destinations is influenced by weather and snow conditions. A late winter with a lack of cold weather and natural snow in time for Christmas has an adverse impact on demand. Lower demand can also arise in winters with prolonged cold periods and good snow conditions in the southern, more densely populated parts of Scandinavia, as snow, cold weather and skiing opportunities are available closer to home. However, in a longer perspective, it is positive for the industry if skiing is available throughout Scandinavia, as many new skiers will be recruited. SkiStar addresses these risks through continuous development of snowmaking systems to

guarantee skiing, and through early sales to ensure that most of the accommodation capacity is booked before the Christmas week when the high season starts. SkiStar's operations are also dependent on there being no restrictions on travel within or between mainly the Scandinavian countries. Risk is managed through proactive dialogues with authorities, regional governments and local municipalities as well as continuing to work for financial stability.

Economic cycle

Changes in people's disposable income are reflected in private consumption, which in turn has a bearing on whether they can travel. SkiStar's historical sales and earnings trend shows that the Company has been able to deal with fluctuations in the economy. A large proportion of SkiStar's guests are families who tend to return year after year and accommodation owners at the destinations.

Competition

Sun and beach holidays and weekend city breaks are considered SkiStar's main competitors, but competition also comes from other sectors that compete for people's disposable income, such as durable goods and home investments. Other competitors include other mountain resorts in Scandinavia and the Alps. The alpine ski industry has a high entry threshold, which limits competition. Initiatives such as large investments in service-oriented employees, leadership, modern lifts and snowmaking systems, IT and restaurants ensure that SkiStar's mountain destinations maintain a high level of quality. SkiStar's destinations have good accessibility to populated areas due to their geographical proximity and affordable transport solutions in the form of trains, aeroplanes and coaches. SkiStar's customers have easy access to the Company's products and services via online marketing and sales systems that facilitate the booking process for them. Other important competitive factors include a strong financial position, known and attractive brands and a strong cash flow.

Accommodation capacity and occupancy rate

SkiStar's profitability is dependent on the number of available beds and the occupancy rate. For SkiStar, it is important to have control over a large accommodation capacity to optimise the occupancy rate by monitoring changes in demand and pricing accommodation correctly at all stages of the season. SkiStar works actively to increase the number

of beds at the destinations and to increase the proportion mediated by SkiStar itself. It is also important for older cabins and apartments to be modernised to maintain high demand. In addition to SkiStar's own investments, new investments in cabins and apartments are conducted by external parties or jointly-owned companies.

Employees

Payroll expenses are the Company's largest individual cost item. SkiStar's continuing success is dependent on motivated and committed employees. SkiStar works on leadership issues and training to increase the efficiency, awareness and commitment of its employees. The level of service that guests receive from our staff plays an important role in their overall experience. To retain key personnel, SkiStar offers leadership development, succession planning, training and incentive programmes.

Safety and security

SkiStar works actively on safety by means of trade organisations and unions, regular training, incident reporting and a systematic health and safety programme. Continuous risk analyses are conducted at all destinations to minimise the various types of risks and have the correct insurance cover in place. SkiStar also has an extensive crisis plan to ensure that the Company is well prepared in the event of any accidents or incidents. Information security is an area requiring more and more resources, due to a negative trend globally involving various types of attacks and intrusions. SkiStar follows established processes for the development and introduction of new infrastructure and systems. The risk of intrusion, loss of information and business interruption is reduced by focusing on information security, cooperation with suppliers and development of working practices and procedures.

SUSTAINABILITY RISKS

Sustainability is included as an evaluation factor in SkiStar's business development and decisions. Management of sustainability risks is an integral part of the Group's operations. All identified sustainability risks are managed in the Company's risk management process and play a fundamental part in investments and decisions. A description of SkiStar's work on sustainability and risk control can be found in the sustainability report on pages 35–48 and 98–112.

Dependence on climate and weather

SkiStar's winter business is dependent on cold winters with sub-zero temperatures. Climate change in the form of warmer temperatures and changing weather conditions and precipitation can affect the business and increase the risks of a shorter season, also affecting the number of skier days. To address the risks associated with climate change, the Company works on long-term objectives aimed at minimising its impact on nature and the climate. This is done partly through technical solutions to ensure favourable conditions at SkiStar's destinations, and partly by working towards defined climate and emission targets to reduce emissions and deterioration of the natural environment where SkiStar operates.

Business ethics

SkiStar's business is associated with risks related to work environment, corruption and human rights. These risks are partly within the Company and partly with suppliers and partners working on assignments for SkiStar. To manage the risks, SkiStar has adopted an internal Code of Conduct and a Supplier and Partner Code of Conduct. Violations of the Code of Conduct are difficult to detect and SkiStar's focus is therefore on minimising the risks of corruption and human rights violations. Training and induction programmes provide SkiStar's employees with knowledge about how the Company's policies and other governing documents are structured and how employees are expected to act in the event of suspected violation of the Code of Conduct. A whistleblowing service is available to all employees and others who have a work-related relationship with SkiStar to enable anonymous reporting of violations.

Loss of biodiversity

SkiStar's operations are conducted in the mountains. Activities may be restricted by protected natural areas. There is a risk that biodiversity will be affected. SkiStar works to reduce the risk of impacts on sensitive natural areas including reducing the risk of contributing to unauthorised environmental impacts through unauthorised discharges.

FINANCIAL RISKS

For more information on SkiStar's financial risks and how the Company manages them, see Note 32 on page 93.

Financial and sustainability information



Administration report

ADMINISTRATION REPORT

The Board of Directors and CEO of SkiStar AB (publ), corporate identity number 556093-6949, hereby present the annual report and consolidated accounts for the financial year 1 September 2021 – 31 August 2022.

BUSINESS NAME AND REGISTERED OFFICE

The Company's business name is SkiStar AB (publ). The Company's registered office is in the Municipality of Malung-Sälen in the County of Dalarna. The head office is in Sälen (postal address 780 91 Sälen, Sweden).

NATURE OF THE BUSINESS

SkiStar operates mountain resorts in Sälen, Vemdalen, Åre and Stockholm (Hammarbybacken) in Sweden and in Trysil and Hemsedal in Norway. As the leading holiday organiser for Scandinavia, SkiStar's business concept is to create memorable mountain experiences, develop sustainable destinations and offer accommodation, activities, products and services of the highest quality with our guests in focus. Operations are divided into three segments: Operation of Mountain Resorts, Property Development and Exploitation, and Operation of Hotels.

OWNERSHIP

SkiStar's B share has been listed on the Mid Cap list of the Nasdaq Stockholm exchange since 1994. According to the shareholder register maintained by Euroclear Sweden AB, the number of shareholders on

31 August 2022 was 57,317 (51,843). Major shareholders are Mats and Fredrik Paulsson, including company and family, with approximately 24 percent of the capital and approximately 47 percent of the votes, and ACapital SS Holding AB, with approximately 20 percent of the capital and approximately 14 percent of the votes.

THE SHARE

The total number of shares is 78,376,056, distributed as follows: 3,648,000 Class A shares (ten votes per share) and 74,728,056 Class B shares (one vote per share). The highest price paid was SEK 195.50, noted on 30 September 2021, and the lowest was SEK 126.10, noted on 20 June 2022. The share price at the close of trading on the reporting date was SEK 137.40. At the Annual General Meeting, the Board was granted authorisation to purchase and sell the Company's own shares. The authorisation entitles the Board, on one or more occasions in the period up to the next AGM, to adopt a resolution to purchase the Company's Class B shares, provided the Company's holding of its own shares does not at any time exceed ten percent of the Company's total shares. Purchases shall be conducted in a regulated market and only at a price within the current registered price interval, which is the spread between the highest bid price and the lowest ask price, or through an offer made to all shareholders. The authorisation also entitles the Board, on one or more occasions in the period up to the next AGM, to adopt a resolution to sell the Company's own shares in a regulated market or in some other manner in connection with the acquisition of companies or operations. The authorisation includes the right to

derogate from shareholders' preferential rights and to decide whether payment will be in cash, in kind, by set-off or subject to conditions.

The Board was also authorised, on one or more occasions in the period up to the next AGM, to decide on a new issue of Class B shares. New issues may be conducted with or without derogation from shareholders' preferential rights. The authorisation shall include the right to decide on an issue with payment in cash, in kind or by off-set and to make the issue subject to conditions. The total number of shares that may be issued under the authorisation may not exceed ten (10) percent of the total number of shares outstanding in the Company at the time of the Annual General Meeting's decision on the authorisation. In the event of derogation from shareholders' preferential rights, shares shall be issued on market terms.

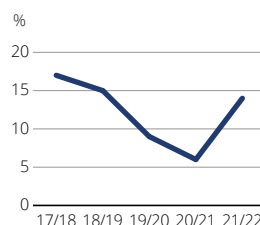
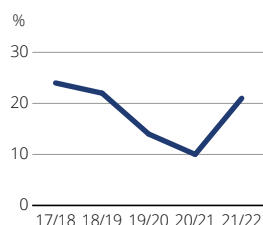
The purpose of the authorisations is to give the Board greater flexibility in optimising the Company's capital structure and, where appropriate, making acquisitions or raising capital for such acquisitions or investments. The authorisations had not been exercised by the Board at the date of issue of this annual report.

MARKET DEVELOPMENT

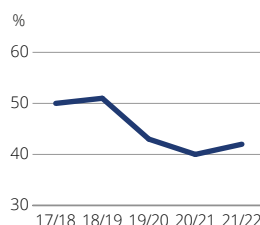
According to SLAO (Swedish Ski Lift Organisation), SkiPass sales in Sweden increased by 30 percent in the 2021/22 winter season compared with the season before.

SkiStar's market share of SkiPass sales was 52 (51) percent in Sweden and 32 (17) percent in Norway. The market share in Scandinavia was 44 (39) percent.

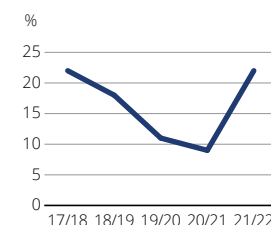
RETURN ON CAPITAL EMPLOYED RETURN ON EQUITY



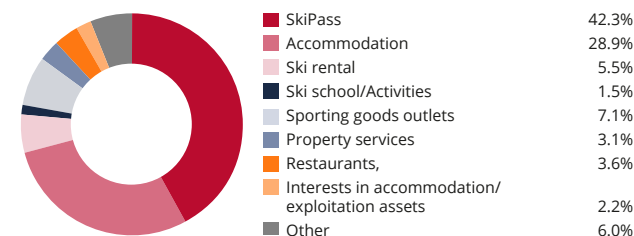
OPERATING MARGIN



EQUITY/ASSETS RATIO



DISTRIBUTION OF REVENUE



OPERATIONS

All Swedish and Norwegian destinations were open throughout the winter season, although some restrictions remained, particularly at the Norwegian destinations in the restaurant and hotel business during the earlier part of the winter season. For Norway, this also meant that guests previously unable to travel to the country because of the pandemic returned to the Norwegian destinations in pre-pandemic numbers. For the Swedish destinations, the positive trend from previous years continued, resulting in record volumes at the Swedish destinations.

The Group's operating profit for the full year was SEK 884 (296) million, an increase of 199 percent or SEK 588 million. Translation from the Norwegian krone and euro had a positive effect of SEK 9 million on operating profit. Net financial items for the year improved by SEK 31 million to SEK -18 (-49) million. The results from Subsidiaries and joint ventures increased by SEK 27 million to SEK 65 (38) million. The increase is a result of increased activity in Skiab Invest AB where SkiStar is the main tenant. Changes in the value of interest ratederivatives amounted to SEK 58 (-15) million. Interest expenses amounted to SEK 79 (54), including SEK 38 (16) million of lease-related interest under IFRS 16. Profit after tax was SEK 665 (234) million, an increase of SEK 431 million or 184 percent. The result of the prior year was positively affected by realised gain from a property transaction of SEK 198 million and a write-down of the ownership of the subsidiary St. Johanner Berghbahnen GmbH of a total of SEK 150 million. Earnings per share increased to SEK 8.50 (3.04).

Operation of Mountain Resorts

Revenue from Operation of Mountain Resorts amounted to SEK 3,719 (2,546) million, with a profit of SEK 790 (84) million. Translation from the Norwegian krone and euro had a positive effect of SEK 65million on revenue. SkiPass sales increasedby 52 percent and accounted for 42 percent of revenue. The corresponding figure for the previous year was 42percent. The number of skier days (one day's skiing with a SkiPass) fincreased by 1,6 million to 6,0 (4.4) million. Sold accommodation, expressed as the number of overnight stays, increased by 42 percent compared with the previous year. The occupancy rate for own and agency-booked accommodation was 86(65) percent.

Revenue from sporting goods outlet sales amounted to SEK 289 (207) million, an increase of approximately 40 percent, mainly related to online sales. Personnel costs increased by SEK 91 million compared with the previous year. Other external expenses increased by SEK 38 million.

Property Development and Exploitation

Revenue from Property Development and Exploitation amounted to SEK 135 (237) million, with a profit of SEK 92 (32) million. Profit from exploitation activities related to plot and land sales and the sale of shares in tenant-owner associations and Vacation Club amounted to SEK 56 (68) million during the financial year.

Operation of Hotels

Revenue from Operation of Hotels for the period amounted to SEK 135 (38) million, with a profit/loss of SEK -24 (-28) million. Investments in non-current assets related to the hotel segment during the year amounted to SEK 182 million.

CASH FLOW

Cash flow from operating activities after changes in working capital was SEK 1,238 (699) million for the full year. Cash flow from investing activities was SEK -800 (-630) million, while cash flow from financing activities was SEK -442 (-74) million.

LIQUIDITY AND FINANCING

The Group's cash and cash equivalents amounted to SEK 25 (27) million at the end of the period. Unused overdraft facilities plus cash and cash equivalents were SEK 657 million at the reporting date, compared with SEK 675 million at the end of the previous year. Interest-bearing liabilities amounted to SEK ,625 (3,191) million, an increase of SEK 434 million compared with the previous year. Interest-bearing liabilities excluding IFRS 16 amounted to SEK 1,559 (1,675) million. The average interest rate during the year was 2.35 (2.21) percent. Net financial debt was SEK 3,550 (3,114) million on 31 August, an increase of SEK 436 million. The equity/assets ratio increased to 42 (40) percent.

INVESTMENTS, DISPOSALS AND OTHER ACQUISITIONS

Investments during the financial year amounted to SEK 782(628) million. Depreciation, amortisation and impairment in the same period amounted to SEK 429(536) million. The comparative figure included an impairment loss of SEK 150 million on the subsidiary St. Johanner Berghbahnen GmbH. The single largest investments were on increased snowmaking capacity, the start of new lifts, expansion of Hammarbacken and SkiStar Sports and Adventure.

PROFIT/LOSS BEFORE TAX, BY PERIOD

	2021/22	2020/21
September–November	-346,841	-306,965
December–February	919,883	445,970
Mars–May	561,312	112,154
June–August	-268,684	-4,986

SENSITIVITY ANALYSIS

	Change	Impact on earnings
Bookings	+/-10%	+/- SEK 135 million
SkiPass prices	+/-10%	+/- SEK 171 million
Interest	+/-1%	+/- SEK 9 million
Payroll expenses	+/-10%	+/- SEK 82 million
Market price of electricity	+/-10%	+/- SEK 3 million
Currency NOK/SEK	+/-10%	+/- SEK 18 million

APPROPRIATION OF PROFITS

Proposed appropriation of the Company's profits. The Board of Directors proposes that the available funds of SEK 784,414,437 be distributed as follows:

Dividend, 78 376 056 shares x SEK 3	235,128,168
Carried forward	549,286,269
TOTAL	784,414,437

RISKS

An account of the Company's risks is presented on pages 51–52. See also note 32 on page 93 for information on financial risks.

ONGOING DISPUTES

SkiStar does not have any ongoing disputes that could have a material impact on the Company's financial position.

SENSITIVITY ANALYSIS

The sensitivity analysis in the table on the previous page describes how the Group's annual earnings are affected by changes in some of the Group's key variables. The assumptions regarding the earnings impact of changes in the occupancy rate are based on all mediated objects and relate only to the impact on SkiPass sales. Changes in other revenue categories in the sensitivity analysis are considered neutralised by increased and reduced expenses. In calculating the sensitivity of a change in the price of electricity, only the portion of electricity consumption that is directly affected by changes in the market price is considered. SkiStar uses a portfolio management system for the procurement of electricity tariffs, in accordance with an adopted hedging strategy. In calculating the sensitivity of a change in interest rates, loans that are affected by the changed rate are considered.

PERSONNEL

The average number of employees for the financial year was 1,514 (1,196), an increase of 318 employees. Each destination has a structured organisation for addressing work environment and gender issues. These groups are coordinated centrally and have common governing documents such as policies, directives and procedures (see also Corporate Governance Report, page 120).

Professional development expenses amounted to SEK 6 (5) million during the financial year and were mainly associated with internal training.

Staff turnover (permanent employees) during the year was as follows: 192 (182) individuals joined the SkiStar and 95 (57) left.

The Board's proposed guidelines on the remuneration of senior executives, to be presented for adoption by the AGM in December 2022, are presented in their entirety in the administration report and contain certain changes from previous guidelines, which are also outlined in note 8.

PROPOSAL FOR GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

The Board of SkiStar AB (publ) recommends that the Annual General Meeting adopt the following guidelines for remuneration of senior executives. The guidelines apply until new guidelines are adopted by the general meeting and are valid for a maximum of four years.

Scope

The guidelines below include the Board of Directors (as applicable), the CEO and other members of Group management, hereinafter referred to as senior executives. The guidelines are applicable to remuneration under new agreements and amendments to remuneration already agreed after adoption of the new guidelines by the AGM. The guidelines do not apply to remuneration decided on by the general meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

SkiStar's vision is to create memorable mountain experiences. As a listed company, SkiStar aims to create value for the Company's shareholders and promote long-term sustainability in all operations. For further information about SkiStar's strategy, long-term interests, including financial and operational targets, and sustainability work, see www.skistar.com/en/corporate. Successful implementation of the Company's business strategy and safeguarding of its long-term interests, including sustainability, are contingent on the Company having qualified employees. SkiStar must therefore be able to offer competitive remuneration. The Company's remuneration structure in accordance with these guidelines must

- contribute to a consensus between senior executives and shareholders in terms of the long-term perspective of the operations, including promotion of the Company's business strategy, long-term interests and sustainability;
- ensure that senior executives receive remuneration that is on market conditions and competitive, enabling the Company to recruit, motivate and retain competent employees;

- require senior executives' compliance with the Company's code of conduct, policies and directives; and
- offer a salary based on the Company's financial targets and senior executives' individual responsibility, competence, performance, duties, experience and position.

Variable remuneration covered by these guidelines shall aim to promote the Company's business strategy and long-term interests, including sustainability.

Remuneration and forms of remuneration

The total compensation for senior executives must be reviewed regularly, and at least annually, to ensure that it is market-based. To create well-balanced total compensation that strengthens both short and long-term performance management and target achievement, remuneration may include the following components: fixed cash salary, variable remuneration/bonuses including undertaking to acquire shares, pension benefits and other benefits.

Fixed cash salary

Senior executives shall be offered a fixed cash salary that is individualised and market-based in relation to responsibility, competence, performance and regional salary levels. The fixed salary is to be determined annually, to apply during the period September to August.

Variable remuneration/bonuses including undertaking to acquire shares

Senior executives may receive variable cash remuneration/bonuses, based on the current bonus programme for SkiStar's senior executives as decided by the Board for each financial year. Bonuses must be related to measurable criteria defined by the Board, which may be financial or non-financial, qualitative or quantitative, and must be based on factors that support SkiStar's business strategy and long-term interests, including its sustainability, by having a clear link to value creation, committed long-term ownership and SkiStar's development. The criteria may, for example, relate to the Company's performance on earnings per share, return on equity,

operating margin and organic growth, measured for each financial year. If the Board considers that the business strategy and the Company's long-term interests, including sustainability, would be better promoted if the criteria were supplemented or changed, these guidelines allow such changes to be made.

The bonus to the CEO may amount to a maximum of 80 percent of 12 times the current monthly salary, which consequently is the bonus cap for the CEO. Bonuses to other senior executives may amount to a maximum of 60 percent of 12 times the current monthly salary, which consequently is the bonus cap for these executives.

The level of fulfilment of the criteria for awarding variable cash remuneration is to be determined at the end of the measurement period. The Remuneration Committee is responsible for the CEO's variable cash remuneration assessment. Where the assessment of target achievement is concerned, the CEO is responsible for the assessment in relation to other senior executives' variable cash remuneration. Financial targets shall be based on the most recent financial report published by the Company.

Should it be established that the criteria for payment of variable cash remuneration have not been met in whole or in part, the Board of Directors has the possibility to decide that variable remuneration is nevertheless to be paid to senior executives on an individual basis in extraordinary circumstances, up to an amount not exceeding half of the bonus cap, i.e. a maximum of 40 percent of 12 times the current monthly salary for the CEO, and a maximum of 30 percent of 12 times the current monthly salary for other senior executives. Such extraordinary arrangements are only to be applied either for the purpose of recruitment or retention, or as remuneration for extraordinary work in addition to the person's regular duties. Decisions on such remuneration are to be taken by the Board of Directors, for both the CEO and other senior executives, on the proposal of the Remuneration Committee. Variable remuneration is paid in October of the year after it was earned.

Under an agreement with the Company, senior executives who receive bonuses shall undertake to acquire shares in the Company for long-term ownership (a period of at least three years), investing at least 1/3 of their post-tax bonuses. The purchase price paid for any SkiStar shares acquired by a senior executive during a given vesting year may be included in the amount that the executive

has committed to invest in SkiStar shares if a bonus is received for that vesting year. The purpose is to create involvement and engagement by offering senior executives the opportunity to become shareholders in a structured way. Through the criteria that determine the outcome as described above, incentives are created for senior executives to contribute to realisation of the Company's business strategy and safeguarding of the Company's long-term interests, including sustainability, and therefore long-term value creation.

If a senior executive contravenes the above conditions by, for example, prematurely selling shares acquired under the conditions, the senior executive shall, in accordance with the agreement with the Company, be required to repay the full amount (including income tax but not social security contributions) paid for the shares acquired.

Pension benefits

Senior executives are entitled to pension arrangements under collective agreements and agreements with SkiStar AB. All pension obligations are defined-contribution plans. For the CEO, the Company pays pension contributions corresponding to 30 percent of the pensionable salary. For other senior executives, pension payments are made according to the standard ITP plan. Salary waivers may be used for increased pension provisions through one-time pension premium payments under salary and bonus sacrifice arrangements. The retirement age for senior executives who are Swedish citizens is 65. For others, it is as specified in their own country's pension rules.

Car benefits

Senior executives may be offered car benefits.

Other benefits

Senior executives may be entitled to other benefits such as health insurance, as well as the benefits available to other SkiStar employees. The total value of these benefits may not exceed five percent of a senior executive's fixed cash salary. In addition, the CEO may be entitled to private travel between home and work (including air travel), the official residence in Stockholm including

cleaning allowance for the residence, tax return assistance and supplementary health insurance in addition to collectively agreed health insurance. The total value of these benefits may not exceed ten percent of the CEO's fixed cash salary.

Other

Employment conditions for senior executives who are subject to rules other than Swedish rules on pension and other benefits may be duly adjusted to ensure compliance with mandatory rules or established local practice, taking into account the overall purpose of these guidelines as far as possible.

Period of notice and termination benefits

The maximum period of notice is initially 12 months for termination of employment initiated by SkiStar and six months for termination by the senior executive. Termination benefits shall only be paid when termination of employment is initiated by the Company. Termination benefits shall only be paid up to the date on which the individual in question obtains other employment. Termination benefits are calculated on the fixed cash salary and are not pensionable. Total fixed salary during the period of notice and any termination benefits shall not exceed an amount corresponding to the fixed salary for 24 months.

Decision-making process to determine, review and implement the guidelines

The Board's Remuneration Committee is responsible for annually reviewing the need to revise the guidelines prior to the Board's proposal to the AGM (if applicable) for adoption. The Board shall prepare a proposal for new guidelines at least every fourth year and present it to the AGM for resolution. The guidelines shall be valid until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for senior executives, the application of guidelines for remuneration of senior executives and applicable remuneration structures and remuneration levels in the Company. The Board makes decisions on the salary and other terms of employment for the CEO on the basis of proposals from the Remuneration Committee. The CEO makes decisions on the

salary and other terms of employment for other senior executives and consults with the Remuneration Committee on these matters. Decisions on possible variable remuneration in extraordinary circumstances are, however, made by the Board for the CEO as well as for other senior executives on the basis of proposals from the Remuneration Committee. The CEO and other senior executives are not present when the Board and the Remuneration Committee consider and make decisions on remuneration-related matters in so far as they are affected by these matters.

Derogation from the guidelines

The Board may, following a proposal from the Remuneration Committee, decide to make a temporary derogation from the guidelines, in whole or in part, if there are particular reasons to do so in an individual case and such derogation is necessary in order to serve the Company's long-term interests, including sustainability, or to uphold the Company's financial viability. As stated above, the Remuneration Committee's tasks include preparation of the Board's decisions in remuneration-related matters. This includes decisions to derogate from the guidelines. Such derogations must be reported and explained in the subsequent remuneration report.

Salary and terms of employment for other employees

In preparing the Board's proposal for these remuneration guidelines, the salaries and terms of employment for the Company's employees have been taken into account by including information about the employees' total remuneration, the components of the remuneration and the remuneration increase and rate of increase over time in the Board's decision support material for evaluating the reasonableness of the guidelines and limitations set out herein. The remuneration report on paid and outstanding remuneration covered by the guidelines will include a report on the development of the gap between Company management's remuneration and other employees' remuneration.

Changes from previous guidelines

The Board's proposal for guidelines for remuneration of senior executives prior to the 2022 AGM is largely consistent with the guidelines adopted at the 2021 AGM. In the review prior to the 2022 AGM, changes have been made regarding the extended benefit for the CEO, as regards the official residence in Stockholm including cleaning allowance for the residence, clarification of the extended possibility for the Board to decide upon variable remuneration in extraordinary circumstances, and an increased bonus cap for variable remuneration to the CEO, from 60 percent of 12 times the current monthly salary to 80 percent of 12 times the current monthly salary. Furthermore, the possibility has been introduced for senior executives, if a bonus is received, to include the purchase price of SkiStar shares acquired during the vesting year of the current bonus payment in the amount that the executive has committed to invest in SkiStar shares.

More information

On the date of submission of these proposed remuneration guidelines for senior executives, SkiStar did not have any remuneration commitments not due for payment other than ongoing commitments to senior executives in accordance with the remuneration principles adopted at the 2021 AGM. Further information about remuneration at SkiStar can be found in Note 8 on page 79.

PARENT COMPANY

The Parent Company's revenue amounted to SEK 2,875 (2,241) million, while profit before tax was SEK 575 (146) million. Investments amounted to SEK 570 (206) million. Most of the Swedish operations are conducted in the Parent Company.

CORPORATE GOVERNANCE

The section describing corporate governance is presented as a separate corporate governance report on page 119–123.

LOOKING AHEAD TO 2022/2023

The staycation trend continues in all markets in Scandinavia, which is clearly indicated by demand. Bookings are seven percent higher than in the same period before the 2019/20 season, which is the last season before the pandemic affected normal comparability. Compared with the same period in the previous year, when society was affected by travel and other Covid-related restrictions, bookings for 2022/23 are somewhat weaker, down 10 percent. Bookings compared with the previous year are also affected by a negative calendar effect during the Christmas/New Year period. Given the continuing keen interest in alpine skiing and mountain holidays in Scandinavia all year round, we are cautiously looking forward to the coming seasons.

As previously communicated, operational investments planned for the next financial year total SEK 622 million, of which SEK 174 million is for two chair lifts in Åre, where a major initiative to modernise and wind-proof SkiStar Åre is in progress. The remaining SEK 448 million is being invested in extensive upgrades, new summer activities and modernisation with a particular focus on snow capacity.

Five-year overview

		2021/22	2020/21	2019/20	2018/19	2017/18
Revenue and profit	Revenue, SEK million	4,092	2,689 ¹⁾	2,794	2,676	2,536
	Operating income, SEK million	4,118	2,759	2,839	2,688	2,548
	Profit before depreciation/amortisation, SEK million	1,298	832	768	877	865
	Profit before tax, SEK million	866	246	350	553	587
	Profit after tax, SEK million	665	234	287	460	486
Cash flow	Cash flow before changes in working capital, SEK million	1,037	489	671	725	768
	Cash flow after changes in working capital, SEK million	1,238	699	735	722	679
	Cash flow after investing activities, SEK million	438	68	82	219	285
Profitability	Return on capital employed, %	14	6	9	15	17
	Return on equity, %	22	9	11	18	22
	Return on total assets, %	12	5	8	13	14
	Gross margin, %	32	19	27	33	34
	Operating margin, %	21	10	14	22	24
	Net margin, %	21	9	12	21	23
Investments	Gross investments, SEK million	787	632	656	546	533
	Net investments, SEK million	782	628	653	503	394
Financial position	Total assets, SEK million	7,974	6,874	6,023	5,066	4,871
	Equity, SEK million	3,359	2,774	2,561	2,602	2,421
	Equity/assets ratio, %	42	40	43	51	50
	Debt/equity ratio, times	1.1	1.2	1.0	0.7	0.7
	Interest coverage ratio, times	7.8	4.0	4.8	6.6	8.4
Liquidity	Current ratio, %	103	102	101	116	91
	Quick ratio, %	79	88	80	90	73
Personnel	Average no. of employees	1,514	1,196	1,166	1,322	1,283
	Revenue per employee, SEK thousand	2,703	2,300	2,025	2,024	1,976

¹⁾ The Group's comparative figures for 2020/21 have been adjusted to rectify a previous misclassification. In the comparative year, income and expenses have been netted by SEK 62 million, in the Operation of Mountain Resorts segment, which in the previous year's accounts were grossed. This adjustment does not have any impact on the Group's operating profit.

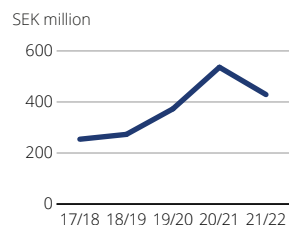
Statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME, SEK THOUSAND	Note	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Net sales	2	4,092,252	2,750,514 ¹⁾
Other income	4	25,541	70,343
Total operating income	3	4,117,794	2,820,857
Goods for resale		-980,227	-683,977
Other external expenses	6,7	-1,029,920	-667,944
Personnel costs	5,8	-854,126	-653,423
Costs of sold interests in accommodation/exploitation		-21,034	-219,002 ¹⁾
Share of profit/loss of joint ventures/associates	16	65,095	37,212
Depreciation and amortisation of assets	9	-429,390	-536,074
Impairment losses reversed		15,688	-
Capital gain on property transaction	38	-	198,104
Operating profit/loss		883,879	295,753
Profit/loss from financial items			
Finance income	33	97,999	32,561
Finance costs	34	-116,210	-82,140
Profit/loss before tax		865,669	246,174
Tax	11	-201,116	-12,542
Profit/loss for the year		664,553	233,632

¹⁾ The Group's comparative figures for 2020/21 have been adjusted to rectify a previous misclassification. In the comparative year, income and expenses have been netted by SEK 62 million, in the Operation of Mountain Resorts segment, which in the previous year's accounts were grossed. This adjustment does not have any impact on the Group's operating profit.

OTHER COMPREHENSIVE INCOME, SEK thousand	Note	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Items that may be reclassified to profit or loss	23		
Change in fair value of cash flow hedges for the year		2,662	6,757
Deferred tax on cash flow hedges		-586	-1,407
Exchange differences on translation of foreign operations		49,098	3,351
Other comprehensive income for the year		51,174	8,701
Comprehensive income for the year		715,727	242,333
Profit/loss for the year attributable to:			
Shareholders of the Parent		666,525	238,119
Non-controlling interests		-1,972	-4,487
Profit/loss for the year		664,553	233,632
Comprehensive income for the year attributable to:			
Shareholders of the Parent		715,812	247,284
Non-controlling interests		-85	-4,951
Comprehensive income for the year		715,727	242,333
Earnings per share			
Earnings per share, basic and diluted, SEK	12	8.50	3.04
Average number of shares, basic and diluted	12	78,376,056	78,376,056

DEPRECIATION/AMORTISATION OF ASSETS



Consolidated statement of financial position

ASSETS, SEK thousand	Note	31/08/2022	31/08/2021	EQUITY AND LIABILITIES	Note	31/08/2022	31/08/2021
Non-current assets				Equity	23		
Intangible assets	13	197,669	178,112	Share capital		19,594	19,594
Property, plant and equipment	14	4,239,491	3,611,397	Other contributed capital		397,573	397,573
Right-of-use assets	7	1,927,954	1,413,661	Reserves		-27,995	-64,399
Investments in associates and joint ventures	16	854,263	762,569	Retained earnings including profit for the year		2,968,005	2,405,537
Other investments and securities held as non-current assets	17	32,173	33,784	Equity attributable to shareholders of the Parent		3,357,177	2,758,305
Derivatives	32	58,069	-	Non-controlling interests		2,128	15,720
Other non-current receivables	18	50,555	72,890	Total equity		3,359,306	2,774,025
Total non-current assets		7,360,174	6,072,413				
Current assets				Non-current liabilities			
Inventories	19	295,904	198,674	Liabilities to credit institutions	25	1,300,825	1,147,090
Trade receivables	20	37,830	30,576	Non-current lease liabilities	7	1,865,743	1,372,010
Tax receivables		76,210	72,064	Derivatives	32	-	15,416
Other current receivables	21	74,365	67,953	Provisions for pensions	26	17,335	14,535
Prepaid expenses and accrued income	22	104,430	97,728	Other provisions	28	-	144
Cash and cash equivalents	31	24,610	26,556	Deferred tax liabilities	11	196,266	126,448
Assets held for sale	37	-	308,034	Total non-current liabilities		3,380,169	2,675,643
Total current assets		613,350	801,585				
TOTAL ASSETS		7,973,524	6,873,998	Current liabilities			
				Liabilities to credit institutions	25	316,647	563,670
				Current lease liabilities	7	124,745	93,294
				Trade payables		223,159	154,354
				Tax liabilities		132,532	63,825
				Other current liabilities		267,369	280,838
				Accrued expenses and deferred income	29	169,598	112,729
				Liabilities held for sale		-	155,619
				Total current liabilities		1,234,049	1,424,329
				Total liabilities		4,614,218	4,099,972
				TOTAL EQUITY AND LIABILITIES		7,973,524	6,873,998

Pledged assets and contingent liabilities, see Note 30.

Consolidated statement of changes in equity

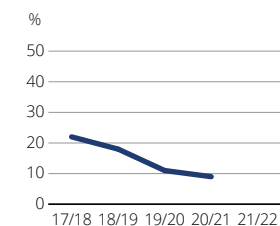
GROUP, SEK thousand	Equity attributable to shareholders of the Parent					Total	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserves	Hedging reserves	Retained earnings and profit for the year			
Opening equity, 1 Sep 2020	19,594	397,573	-66,217	-7,348	2,167,418	2,511,020	49,505	2,560,525
Profit/loss for the year					238,119	238,119	-4,487	233,632
Other comprehensive income for the year ¹⁾			3,815	5,351		9,166	-464	8,701
Comprehensive income for the year			3,815	5,351	238,119	247,285	-4,951	242,333
Transactions with non-controlling interests							-28,834	-28,834
Closing equity, 31 Aug 2021	19,594	397,573	-62,402	-1,998	2,405,537	2,758,305	15,720	2,774,025
Opening equity, 1 Sep 2021	19,594	397,573	-62,402	-1,998	2,405,537	2,758,305	15,720	2,774,025
Profit/loss for the year					666,525	666,525	-1,972	664,553
Other comprehensive income for the year ¹⁾			47,210	2,076		49,286	1,887	51,174
Comprehensive income for the year			47,210	2,076	666,525	715,811	-85	715,727
Transactions with non-controlling interests					13,507	13,507	-13,507	
Sale of subsidiaries			-12,882			-12,882		-12,882
Dividend					-117,564	-117,564		-117,564
Closing equity, 31 Aug 2022	19,594	397,573	-28,074	79	2,968,005	3,357,177	2,128	3,359,306

¹⁾ Items that may be reclassified to profit or loss for the period.

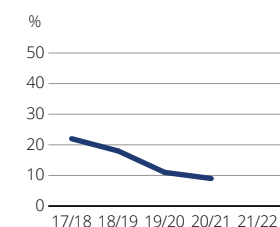
Consolidated statement of cash flows

SEK thousand		Note	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Operating activities	Profit/loss before tax		865,669	246,174
	Adjustments for non-cash items etc.	31	247,824	335,051
	Tax paid		-76,418	-91,745
Cash flow from operating activities before changes in working capital			1,037,075	489,480
Cash flow from changes in working capital	Increase (-)/Decrease (+) in inventories		-93,844	28,800
	Increase (-)/Decrease (+) in operating receivables		161,682	146,978
	Increase (+)/Decrease (-) in operating liabilities		132,681	33,244
Cash flow from operating activities			1,237,594	698,502
Investing activities	Acquisition of subsidiaries, net cash effect	31, 37	-34,260	-118,618
	Disposal of subsidiaries		45,900	485,910
	Acquisition of intangible assets		-29,311	-12,276
	Acquisition of property, plant and equipment		-763,192	-581,817
	Acquisition of financial assets		-23,533	-563,056
	Disposal of financial assets		-	154,911
	Disposal of property, plant and equipment		4,639	4,717
Cash flow from investing activities			-799,757	-630,229
Financing activities	Borrowings		856,382	557,453
	Repayment of loans		-1,014,932	-521,239
	Repayment of lease liability		-165,419	-110,606
	Dividend paid		-117,564	-
Cash flow from financing activities			-441,533	-74,392
Cash flow for the year			-3,697	-6,119
Cash and cash equivalents at start of year			26,556	59,567
Exchange differences			1,751	-116
Cash and cash equivalents reclassified for sale			-	-26,776
Cash and cash equivalents at end of year			24,610	26,556

CASH FLOW FROM OPERATING ACTIVITIES



CASH FLOW AFTER INVESTING ACTIVITIES



Income statement – Parent Company

SEK thousand		Note	01/09/2021 –31/08/2022	01/09/2020 –31/08/2021
	Net sales	2	2,875,348	2,240,680
	Other operating income	4	13,601	6,502
	Total operating income		2,888,949	2,247,182
Operating expenses	Goods for resale		-707,820	-592,437
	Other external expenses	6,7	-868,957	-676,334
	Personnel costs	5,8	-564,967	-483,881
	Costs of sold interests in accommodation/exploitation		-7,250	-30,107
	Depreciation/amortisation of assets	9	-169,831	-159,520
	Operating profit/loss		570,124	304,903
Profit/loss from financial items	Profit/loss from investments in Group companies	10	-843	-135,763
	Interest and similar income, external	33	63,399	30,255
	Interest income, Group companies	33	2,951	1,437
	Interest and similar expenses, external	34	-44,609	-51,323
	Interest expenses, Group companies	34	-724	-
	Profit/loss after financial items		590,298	149,509
	Appropriations	24	-15,340	-3,541
	Profit/loss before tax		574,958	145,968
	Tax	11	-120,372	-60,917
	Profit/loss for the year		454,587	85,052
OTHER COMPREHENSIVE INCOME				
	Items that may be reclassified to profit or loss	23		
	Change in fair value of cash flow hedges for the year		2,662	6,677
	Deferred tax on cash flow hedges		-586	-1,407
	Other comprehensive income for the year		2,076	5,270
	Total comprehensive income for the year		456,663	90 322

Balance sheet – Parent Company

ASSETS, SEK thousand		Note	31/08/2022	31/08/2021	EQUITY AND LIABILITIES		Note	31/08/2022	31/08/2021
Non-current assets	Intangible assets	13	76,087	72,782	Equity		23		
	Property, plant and equipment	14	2,159,607	1,747,366	Restricted equity				
Financial assets	Investments in Group companies	15	245,473	201,417		Share capital		19,594	19,594
	Investments in joint ventures/associates	16	2,770	2,812		Statutory reserve		25,750	25,750
	Other investments and securities held as non-current assets	17	17,392	19,091		Development expenditure fund		5,625	4,309
	Derivatives	32	29,883	–				50,969	49,653
	Other non-current receivables	18	26,699	13,715	Non-restricted equity				
	Receivables from Group companies	27	192,750	–		Share premium reserve		4,242	4,242
TOTAL NON-CURRENT ASSETS			2,750,660	2,057,183		Retained earnings		784,414	816,166
						Profit/loss for the year		454,587	85,052
								1,243,244	905,460
						Total equity		1,294,213	955,113
Current assets					Non-current interest-bearing liabilities				
Inventories	Goods for resale		138,696	95,553		Liabilities to credit institutions	25	480,485	437,735
			138,696	95,553	Provisions				
Current receivables	Trade receivables	20	12,973	7,589		Provisions for pensions	26	17,335	14,535
	Receivables from Group companies	27	466,959	638,659	Non-current non-interest-bearing liabilities				
	Tax receivables		61,599	60,099		Derivatives	32	–	10,494
	Other current receivables	21	34,408	25,832		Deferred tax liabilities	11	159,863	148,798
	Prepaid expenses and accrued income	22	91,155	67,382		Total non-current liabilities		657,683	611,562
			667,094	799,561	Current liabilities				
						Liabilities to credit institutions	25	124,818	145,491
Cash and cash equivalents	Cash and bank balances		785	786		Liabilities to Group companies		957,434	836,198
TOTAL CURRENT ASSETS			806,575	895,900		Trade payables		148,008	94,705
TOTAL ASSETS			3,557,235	2,953,082		Other current liabilities		269,755	237,133
						Accrued expenses and deferred income	29	105,325	72,879
						Total current liabilities		1,605,340	1,386,406
						Total liabilities		2,263,023	1,997,968
						TOTAL EQUITY AND LIABILITIES		3,557,235	2,953,082

Pledged assets and contingent liabilities, see Note 30.

Statement of changes in equity – Parent Company

PARENT COMPANY, SEK thousand	Restricted equity			Non-restricted equity				Total equity
	Share capital	Statutory reserve	Development expenditure fund	Share premium reserve	Hedging reserves	Retained earnings	Profit/loss for the year	
Opening equity, 1 Sep 2020	19,594	25,750	4,309	4,242	-7,348	818,243		864,790
Profit/loss for the year							85,052	85,052
Other comprehensive income for the year					5,270			5,270
Comprehensive income for the year					5,270		85,052	90,322
Dividend								-
Closing equity, 31 Aug 2021	19,594	25,750	4,309	4,242	-2,078	818,243	85,052	955,113
Opening equity, 1 Sep 2021	19,594	25,750	4,309	4,242	-2,078	903,295		955,112
Profit/loss for the year							454,587	454,587
Development expenditure fund			1,316			-1,316		
Other comprehensive income for the year					2,076			2,076
Comprehensive income for the year					2,076		454,587	456,663
Dividend						-117,564		-117,564
Closing equity, 31 Aug 2022	19,594	25,750	5,625	4,242	-2	784,416	454,587	1,294,213

Cash flow statement – Parent Company

SEK thousand		Note	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Operating activities	Profit/loss after financial items		590,298	149,510
	Adjustments for non-cash items etc.	31	133,413	254,656
	Tax paid		-61,650	-50,854
	Cash flow from operating activities before changes in working capital		662,061	353,312
Cash flow from changes in working capital	Increase (-)/Decrease (+) in inventories		-44,569	6,531
	Increase (-)/Decrease (+) in operating receivables		133,964	-116,670
	Increase (+)/Decrease (-) in operating liabilities		173,624	60,844
	Cash flow from operating activities		925,080	304,017
Investing activities	Acquisition of subsidiaries	31	-44,056	-100
	Acquisition of intangible assets		-12,684	-14,431
	Acquisition of property, plant and equipment		-585,423	-195,644
	Investments in financial assets		-202,506	-
	Disposal of subsidiaries		-	8,448
	Disposal of property, plant and equipment		15,076	4,402
	Disposal of financial assets		-	132,138
	Cash flow from investing activities		-829,593	-65,187
Financing activities	Borrowings		60,076	392,577
	Repayment of loans		-38,000	-631,615
	Dividend paid		-117,564	-
	Cash flow from financing activities		-95,488	-239,038
	Cash flow for the year		-1	-208
	Cash and cash equivalents at start of year		786	994
	Cash and cash equivalents at end of year	31	785	786

Notes to financial statements

NOTE 1 ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND STATUTORY REQUIREMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Financial Reporting Board's Recommendation RFR 1 has been applied.

The Parent Company applies the same accounting policies as the Group, except in the cases described below in the section entitled 'The Parent Company's accounting policies'.

BASIS OF PREPARATION OF THE PARENT COMPANY'S AND THE GROUP'S FINANCIAL STATEMENTS

The Parent Company's functional currency is the Swedish krona. This is also the presentation currency for the Parent Company and the Group, which means that the financial statements are presented in Swedish kronor. Unless otherwise stated, all figures are rounded to the nearest thousand. Assets and liabilities are recognised at historical cost less any amortisation or depreciation unless otherwise stated.

Preparation of financial statements in compliance with IFRS requires the use of accounting estimates and judgements. It also requires Group management to make assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expense. The estimates and assumptions are based on historical experience and several other factors that are considered reasonable in the present circumstances. The results of these estimates and assumptions are used to determine the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual outcomes may differ from these estimates and assumptions. The accounting estimates and assumptions are reviewed regularly. Changes to accounting estimates are recognised in the period of the change. Further information can be found in Note 39.

The Group's accounting policies described below have been applied consistently to all periods presented in the consolidated financial

statements unless otherwise stated. The Group's accounting policies have been applied consistently in the reporting and consolidation of the Parent Company, subsidiaries and associates.

NEW OR AMENDED ACCOUNTING STANDARDS APPLICABLE AT 31 AUGUST 2022

No new or amended accounting standards applicable at 31 August 2022 have had any material effect on the Company's financial statements.

NEW OR AMENDED ACCOUNTING STANDARDS APPLICABLE AFTER 31 AUGUST 2022

A number of new and amended financial reporting standards have been published by the IASB with future effective dates. None of these is expected to have any material effect on the Company's financial reporting.

SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating segment's financial results are reviewed regularly by the Company's chief operating decision-maker to allocate resources to the segment and assess its performance. The performance measure that is monitored is the segment's operating profit/loss. In accordance with IFRS 8, segment information is only presented based on the consolidated financial statements. See Note 3 for a further description of the SkiStar Group's classification and presentation of operating segments.

CLASSIFICATION

Non-current assets and liabilities for the Parent Company and Group are essentially amounts that are expected to be recovered or paid more than 12 months after the reporting date. Current assets and liabilities are essentially amounts that are expected to be recovered or paid within 12 months of the reporting date.

BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are entities over which SkiStar AB has control. Control exists if SkiStar AB has influence over the investee, has exposure or rights to variable returns from its involvement and is able to use its influence over the investee to affect those returns. Potential voting rights and the existence of de facto control are taken into consideration when assessing whether control exists.

Subsidiaries are accounted for using the acquisition method. The acquisition of a subsidiary is treated as a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition-date fair values of identifiable assets acquired and liabilities assumed, as well as any non-controlling interests, are determined in the purchase price allocation. Transaction costs are recognised directly in profit/loss for the year, apart from transaction costs attributable to the issue of equity or debt instruments.

In a business combination, goodwill is measured as the difference between (a) the consideration transferred, any non-controlling interest and the fair value of the previously-held interest (in a step acquisition) and (b) the fair value of the assets acquired and liabilities and contingent liabilities assumed (accounted for separately). If the difference is negative, the resulting gain (bargain purchase) is recognised directly in profit or loss. The consideration transferred in connection with the business combination does not include payments related to the settlement of previous business relationships. This type of settlement is recognised in profit or loss. Contingent consideration is recognised at the acquisition-date fair value. Contingent consideration that is classified as an equity instrument is not remeasured and its settlement is accounted for within equity. Any other contingent consideration is remeasured at each reporting date and the change is recognised in profit or loss.

A non-controlling interest (NCI) exists when the ownership of the subsidiary is less than 100 percent. There are two options for the measurement of non-controlling interests: to measure the NCI's proportionate share of net assets or to measure the NCI at fair value (full goodwill method). The accounting policy choice for measuring

CONT. NOTE 1 ACCOUNTING POLICIES

non-controlling interests is available on a transaction by transaction basis. For business combinations achieved in stages (step acquisitions), goodwill is determined on the date on which control arises. Previously held interests are measured at fair value, with any resultant gain or loss recognised in profit or loss for the year. Following a disposal that results in loss of control, any retained holding is measured at fair value, with any resultant gain or loss recognised in profit or loss.

The results of operations of subsidiaries are included in the consolidated financial statements from the date of acquisition until the date on which control ceases.

If a subsidiary's accounting policies differ from those of the Group, the subsidiary's policies are adjusted to reflect the Group's accounting policies.

Losses attributable to a non-controlling interest are allocated to non-controlling interests even if this results in non-controlling interests having a debit balance in equity.

Acquisitions of non-controlling interests are accounted for as equity transactions – that is, between owners of the Parent (in retained earnings) and non-controlling interests. Consequently, goodwill does not arise in these transactions. Changes to holdings of non-controlling interests are based on their proportionate share of net assets.

Sales to non-controlling interests

Sales to non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, between owners of the Parent and non-controlling interests. The difference between the consideration received and the non-controlling interest's proportionate share of the net assets acquired is recognised in retained earnings.

Associates

Associates are entities in which the Group has significant influence but not control. A holding of between 20 and 50 percent of the voting power normally indicates significant influence. Associates are accounted for using the equity method, as are joint ventures.

Joint ventures

In an accounting context, joint ventures are entities in which the Group has joint control through a contractual arrangement with one or more parties. In a joint venture, the Group has rights to the net assets of the arrangement, rather than direct rights to the assets and obligations for the liabilities.

Equity method

Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method from the date on which significant influence is established. The equity method means that the carrying amount of shares in associates and joint ventures corresponds to the Group's share of the associates' equity, goodwill on consolidation and any other residual surplus values or deductions for internal gains.

The Group's share of profit/loss of associates and joint ventures after tax is reported under Share of profit/loss of joint ventures and associates in the income statement.

Transactions eliminated on consolidation

Intra-Group receivables and liabilities, income and expense, and unrealised gains or losses arising from intra-Group transactions are eliminated in full when preparing the consolidated financial statements.

Unrealised gains on transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the company.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

FOREIGN CURRENCY**Foreign currency transactions**

Foreign currency transactions are translated to the functional currency using the exchange rate at the date of the transaction. The functional currency is the currency of the primary economic environment in which the companies operate. Foreign currency monetary assets and liabilities are translated to the functional currency using the closing rate. Foreign exchange gains and losses arising on translation are recognised in profit or loss for the year. Non-monetary assets and liabilities carried at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities carried at fair value are translated to the functional currency at the rate that existed when the fair values were determined. All resulting exchange differences are reported in the same way as other fair value changes for the assets or liabilities.

Financial statements of foreign operations

Assets and liabilities of foreign operations, including goodwill and other consolidated fair value adjustments, are translated from the foreign

operation's functional currency to the Group's presentation currency (SEK) using the closing rate.

Income and expenses in foreign operations are translated to Swedish kronor using an average exchange rate. This average approximates the rates at each transaction date. Exchange differences arising on translation of foreign operations are recognised in other comprehensive income as a translation reserve. On disposal of a foreign operation, the cumulative exchange differences relating to that foreign operation are reclassified to profit or loss.

REVENUE**Sales of goods and services**

Revenue from the sale of goods and services is recognised when the control associated with the goods or service has been transferred to the buyer. Revenue from accommodation, SkiPass and other goods and services associated with guest visits is recognised during the guest's stay. Revenue from the sale of goods in shops is recognised at the time of the transaction, when control has been transferred to the buyer.

Loyalty programme

SkiStar's MySkiStar loyalty programme, renamed to SkiStar Member after the close of the financial year, awards points corresponding to 0.5 percent of eligible purchases provided by SkiStar. The points can be used for up to 36 months. At each reporting date, newly accrued points are debited from revenue, while previous provisions for points that have been used during the period, or points that have expired, are credited to revenue. The value of remaining points outstanding is reported as a liability in the balance sheet and is included in the item Other current liabilities (see Note 2).

Revenue from property sales

Revenue from property sales is normally recognised on the handover date unless control has been transferred to the buyer at a previous date. Control of the asset may have been transferred prior to the handover date, in which case the property sale is recognised as revenue at the earlier date. Assessment of when to recognise revenue is also based on what has been agreed between the parties regarding control and the degree of managerial involvement. Consideration is also given to circumstances with the potential to affect the outcome of the transaction which are outside the control of the seller and/or buyer.

Revenue from property sold to tenant-owner associations is

CONT. NOTE 1 ACCOUNTING POLICIES

recognised when the company owning the properties is sold to a tenant-owner association or other party, provided the apartments have been let. Otherwise, the revenue is recognised as the apartments are let. The Company does not have any obligation to a tenant-owner association regarding the apartments the association does not sell. However, SkiStar may rent apartments for use in Operation of Ski Resorts.

Rental income

Rental income from business premises is recognised in profit or loss on a straight-line basis in accordance with the terms of the rental agreement.

Government grants

Government grants are not recognised in the income statement and balance sheet until there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. Grants are recognised in profit or loss over the same periods as the related costs for which the grants are intended to compensate. Government grants in the form of reorientation support in Sweden and business support in Norway are reported under the heading other income. Other government grants related to income, such as support for short-time work, are deducted when the corresponding costs are recognised, i.e., as a cost reduction. Government grants related to assets are recognised in the consolidated statement of financial position as a reduction of the asset's carrying amount.

FINANCE INCOME AND EXPENSES**Finance income and expenses**

Finance income and expenses consist of interest income on bank balances, receivables and interest-bearing securities, interest expenses on borrowings, coupons on interest rate swaps, dividend income and exchange differences. Interest income on receivables and interest expenses on liabilities are recognised using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through a financial instrument's expected life to the net carrying amount of the financial asset or liability. Interest income includes accrued amounts of transaction costs and any discounts, premiums or other differences between the original value of the receivable and the amount received at maturity. Dividend

income is recognised when the right to receive payment has been established.

FINANCIAL INSTRUMENTS

Financial instruments recognised under assets in the consolidated statement of financial position include shares and participations, non-current receivables, trade receivables, current loan receivables and cash and cash equivalents. Financial instruments reported under equity and liabilities include borrowings, derivatives in the form of interest rate swaps and accrued interest. Financial instruments are initially recognised at cost, which corresponds to the instrument's fair value plus transaction costs. However, financial assets in the category 'at fair value through profit or loss' are recognised at fair value net of transaction costs. Subsequent recognition is based on the instruments' classification in accordance with the description below. A financial asset or liability is recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. A receivable is recognised when the Company has performed and there is a contractual obligation for the counterparty to pay, even if an invoice has not yet been sent. Trade receivables are recognised in the statement of financial position when an invoice has been sent. A liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade payables are recognised on receipt of the invoice. A financial asset is derecognised in the statement of financial position when the contractual rights have been realised, have expired or the Company loses control over them. The same applies to a part of a financial asset. A financial liability is derecognised in the statement of financial position when the contractual obligation has been discharged or extinguished in some other way. The same applies to a part of a financial liability. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company commits itself to the purchase or sale of an asset. However, the Company's purchases and sales of listed securities are recognised on the settlement date. The fair value of listed financial assets corresponds to the assets' bid price at the reporting date. The fair value of unlisted financial assets is determined using valuation techniques such as recent transactions, prices of similar instruments and discounted cash flows. Further information can be found in Note 32. At each reporting date, the Company assesses whether there is

evidence that a financial asset or group of financial assets is impaired. See also the section on Impairment on page 73. A financial instrument is classified on initial recognition according to the purpose for which it was acquired, which affects subsequent measurement. The financial instrument's subsequent measurement is dependent on its classification in accordance with the categories described below.

Receivables measured at amortised cost

Receivables measured at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables arise when an entity provides money, goods or services directly to a beneficiary with no intention of trading the receivable. This category also includes acquired receivables. Assets in this category are measured at amortised cost. Amortised cost is determined using the effective interest calculated on acquisition. Trade receivables are classified in this category. Trade receivables are recognised at the amounts expected to be received less an allowance for doubtful debts, which are assessed individually. As the expected maturities of trade receivables are short, the value is recognised at a nominal amount without discounting. Impairment losses on trade receivables are recognised in operating expenses.

Non-current and other current receivables are receivables that arise when the Company provides money without the intention of trading the receivable. If the expected holding period is longer than one year, they are classified as non-current receivables, while if it is less than one year, they are classified as current receivables.

Fair value through profit or loss

This category includes derivatives with fixed payments, and shares and participations with a value that is determinable in an active market. Assets in this category are measured at fair value, with the period's changes in value recognised in other comprehensive income.

Other financial liabilities

Financial liabilities not held for trading are measured at amortised cost. Amortised cost is determined using the effective interest calculated on initial recognition of the liability. This means that surplus and deficit values and direct issue costs are accrued over the period of the liability. Liabilities are classified as other financial liabilities, which means they are initially recognised at the amount received, net of transaction costs.

CONT. NOTE 1 ACCOUNTING POLICIES

After acquisition, the loans are measured at amortised cost using the effective interest method. Non-current liabilities have an expected maturity exceeding one year, while current liabilities have a maturity of less than one year. Trade payables are classified in the category other financial liabilities. As trade payables have a short expected maturity, they are measured at nominal amounts without discounting.

Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits with banks and similar institutions and short-term deposits with an original maturity of three months or less, which are subject to only an insignificant risk of changes in value.

PROPERTY, PLANT AND EQUIPMENT

Owned property, plant and equipment consists of:

- Buildings used in the operations, such as offices, reception areas, warming houses and lift buildings, or buildings rented out to other businesses, such as restaurants and hotels.
- Land
- Land improvements, such as pistes, car parks, underground pipes for snow cannons etc.
- Lifts, piste machines, snowmobiles etc.

Right-of-use assets: SkiStar reports in accordance with IFRS 16 with effect from 1 September 2019. The value is included in the Company's financial statements when the Company is a lessee. See below for a description of the Company's lease reporting.

Owned property, plant and equipment

These items are recognised as assets in the statement of financial position when it is probable that future economic benefits associated with the asset will flow to the Company and the cost can be measured reliably. Property, plant and equipment is recognised in the consolidated accounts at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location in the condition necessary for it to be capable of operating in the manner intended. Examples of directly attributable costs are delivery and handling costs, installation, land registration certificates, and consulting and legal services.

Accounting policies for impairment are set out below. The Group holds exploitation assets that constitute long-term investments. Many of the properties were not acquired for sale in the near future, but came as part of company acquisitions. Some of the assets, such as cross-country ski tracks, car parks and roads, are used in current operations. The areas that are not currently used are included in long-term development plans for future investments at SkiStar's destinations and are recognised at cost, as it is difficult to make a reasonable assessment of a possible exploitation rate and therefore obtain a reasonable market value.

The cost of self-constructed assets includes expenditure on materials, labour, any other production costs considered directly attributable to the asset and interest on borrowings during the construction phase.

Parts of property, plant and equipment that have different useful lives are treated as separate components of property, plant and equipment.

An item of property, plant and equipment is removed from the statement of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the selling price and the asset's carrying amount less direct costs to sell. Gains and losses are reported under other operating income/expenses.

Right-of-use assets – Leases

The leases are reported as a right-of-use asset and a corresponding liability on the date on which the leased asset is available for use by the Group. Each lease payment is apportioned between repayment of the liability and the finance cost. The finance cost is distributed over the lease term so that each accounting period is expensed with an amount corresponding to a fixed interest rate for the liability recognised during each period. Right-of-use assets are depreciated on a straight-line basis over the shorter of their useful life or the lease term.

Lease liabilities are initially measured at the present value of future lease payments, which include fixed payments, variable payments that depend on an index or a rate, amounts expected to be paid to the lessor under a residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise the option and the penalty for terminating the lease if the lease term reflects an assumption that this termination option will be exercised. The lease

payments are discounted at the rate implicit in the lease if this rate can be readily determined. Otherwise, the incremental borrowing rate is used.

On initial recognition, right-of-use assets are measured at the amount of the lease liability adjusted for any lease payments made on or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and any impairment. Impairment testing is carried out if there is evidence that the right-of-use asset's carrying amount exceeds its recoverable amount.

Right-of-use assets and lease liabilities are presented as separate items in the balance sheet under Right-of-use assets and Non-current and current lease liabilities.

For short-term and low-value leases, lease payments are recognised as an expense on a straight-line basis in the income statement. Short-term leases are contracts with a lease term of 12 months or less. When a new lease is entered, the Company makes an assessment of whether the lease will be extended, purchased or terminated early. In cases where leases are open, without a defined end date, local laws and regulations may provide security of tenure for the lessee. In these cases, the Company makes an assessment of what a reasonable contract length is and determines the term of the contract by referencing factors such as the importance of the asset to the business and the Company's own planned or completed investments. When calculating the lease liability and the amount of the right of use, the implicit interest rate is applied in the contract in the first instance. In cases where it is not possible to determine the implicit interest rate, the incremental borrowing rate is used instead, which corresponds to the rate the Company would have been offered if the acquisition was financed by a loan from a financial institution. The Company begins to write off its right of use from the start date of the contract, and the depreciation period is the same as the lease term.

Interest expenses on lease liabilities are presented as finance expenses in the income statement.

CONT. NOTE 1 ACCOUNTING POLICIES

Cash flows from leases are classified and presented as follows:

- Repayment of the lease liability is included in financing operations.
- Interest payments are included in cash flow from operating activities.
- Payments for short-term leases and payments for leases where the underlying asset is of low value and not included in the measurement of the lease liability are presented in operating activities.

For sale and leaseback transactions, the right-of-use arising from the leaseback transaction is recognised at the proportion of the previously recognised value of the asset that refers to the right-of-use that is retained by the seller/lessee. Therefore, the seller/lessee only recognises any gain or loss from the sale corresponding to the right that was transferred to the buyer/lessor.

Land restoration costs

No dismantling and land restoration costs have been included in the value of either owned or leased assets, as it is the Company's assessment that any dismantling or restoration costs would not be material in relation to the total value of the facility, and the Company does not consider there to be any probable scenarios where such costs would arise. This assessment is based on the fact that if operations in a particular location were to cease, it is highly likely that another player would take over the leased land and facilities.

Subsequent costs

Subsequent costs are added to the cost of acquisition only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs are recognised as an expense in the period in which they are incurred. The critical factor in the inclusion of subsequent costs in the cost of acquisition is whether they relate to the replacement of identified components or parts thereof. If this is the case, these costs are capitalised. If new components are identified, the related costs are also added to the cost of acquisition. Any residual values of replaced components or part thereof are removed and recognised as an expense at the time of replacement. Repairs are recognised as an expense as incurred.

Amortisation

Depreciation is applied on a straight-line basis over the useful life of the asset. Land and land improvements associated with ski slopes are not depreciated. The Group applies component depreciation, which means depreciation is based on the estimated useful lives of components.

Estimated useful lives: buildings (owner-occupied properties)	15-50 years
Land improvements	20 years
Machinery and equipment	3-33 years

Owner-occupied properties comprise several components with different useful lives. The primary category is land and buildings. Land is not depreciated, as it has an indefinite useful life. However, buildings consist of several components with different useful lives. The useful lives of these components have been estimated at between 15 and 50 years.

The following primary groups of components have been identified and form the basis of depreciation of buildings:

Structures and foundations	50 years
Structural additions, interior walls etc.	40 years
Installations: heating, electricity, plumbing, ventilation etc.	40 years
External surfaces: façades, roofs, windows etc.	40 years
Fixed equipment, kitchen equipment etc.	25 years
Heating and ventilation	30 years
Internal surfaces, mechanical equipment etc.	15 years

Machinery and equipment mainly includes ski lifts and snowmaking facilities consisting of several components with different useful lives. The useful lives of these components have been estimated at between 10 and 33 years.

The following primary groups of components have been identified and form the basis of depreciation of lifts:

Foundations and masts	33 years
Cabins, gondolas, chairs and carriers	15-25 years
Lines	10-15 years
Engines, gearboxes and electronics	15 years
Other movable mechanisms	20 years

The following primary groups of components have been identified and form the basis of depreciation of snowmaking facilities:

Pipes and hydrants	20 years
Compressors	15 years
Pumps, snow cannons and electronics	10 years

Other components are not considered to be of great value. The residual values and useful lives of assets are reviewed annually.

INTANGIBLE ASSETS

Goodwill

Goodwill is the difference between the cost of acquisition and the fair value of the acquired assets and assumed liabilities and contingent liabilities. Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised; instead, it is tested annually for impairment. Goodwill arising on the acquisition of an associate is included in the carrying amount of investments in associates.

Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated amortisation and impairment losses.

Costs incurred for internally generated goodwill and internally generated trademarks are recognised in profit or loss as incurred.

Development expenditure on the Group's booking and sales systems is capitalised to the extent that it is expected to generate future economic benefits. Capitalised expenditure comprises externally invoiced costs and, where applicable, direct costs for the Company's own labour.

Subsequent costs

Subsequent costs for capitalised intangible assets are recognised as an asset in the statement of financial position only when such expenditure increases the future economic benefits for the asset to which it refers. All other expenditure is recognised as an expense when incurred.

CONT. NOTE 1 ACCOUNTING POLICIES

Amortisation

Amortisation is recognised in profit/loss for the year on a straight-line basis over the intangible asset's useful life, unless it has an indefinite useful life. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or whenever there is an indication that the asset in question may be impaired. Amortisation begins when the asset is available for use. The estimated useful lives are:

Rights of tenancy	5 – 25 years
Capitalised development expenditure,	5 years

The useful lives are reviewed annually.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs necessary to make the sale. The cost of inventories is measured using the first-in, first-out (FIFO) method and includes expenditure incurred in the acquisition of the inventories.

The inventory value also includes some shares in tenant-owner associations. These are shares that are for sale and they are measured at cost as they are used in operations until they are sold.

IMPAIRMENT

The carrying amounts of the Group's assets are assessed at each reporting date to determine whether there is any indication of impairment. IAS 36 is applied for impairment of assets other than financial assets (accounted for under IFRS 9), assets held for sale and disposal groups (accounted for under IFRS 5), inventories, plan assets used to finance employee benefits and deferred tax assets. The carrying amounts of assets listed above as exceptions are estimated within the scope of the relevant standard. For goodwill, other intangible assets with indefinite useful lives and intangible assets not yet ready for use, the recoverable amount is calculated at least annually or when there is an indication of impairment.

If it is not possible to determine largely independent cash flows for an asset, it is tested for impairment within its cash-generating unit, which is the smallest identifiable group of assets generating largely independent cash flows. An impairment loss is recognised when the recoverable amount of an asset or a cash-generating unit is less than its carrying amount. Impairment losses are recognised in profit or loss. Impairment

recognised for a cash-generating unit (group of units) is initially allocated to goodwill and subsequently to the other assets of the unit (group of units) pro rata based on the carrying amount of each asset. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. In measuring value in use, cash flows are discounted using a discount rate that reflects the risk-free rate of interest and the risk specific to the asset. If an asset does not generate cash flows that are largely independent of other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

Impairment of financial assets

At each reporting date, the Company assesses whether there is evidence that a financial asset or group of assets is impaired. Impairment is recognised when one or more events have occurred and have had a negative effect on the financial asset's future cash flows. This includes observable data that the asset holder has become aware of regarding:

- The issuer's financial difficulties
- Breaches of contract
- Prolonged financial or contractual reasons.

The Company classifies trade receivables as doubtful debts when they have been due for payment for 180 days. Impairment of receivables is established by reference to historical experience of customer defaults on similar receivables. Impaired trade receivables are recognised at the present value of expected future cash flows. However, receivables of short duration are not discounted.

Reversal of impairment

Impairment of assets accounted for under IAS 36 is reversed if there is an indication that the impairment no longer exists and there has been a change in the assumptions on which the recoverable amount calculation was based. However, goodwill impairment is never reversed. Impairment is reversed only to the extent that the asset's increased carrying amount due to reversal is not more than what the depreciated historical cost would have been if the impairment had not been recognised.

EMPLOYEE BENEFITS**Defined contribution plans**

Defined contribution pension plans are plans under which the Company's obligation is limited to the contributions it has undertaken to provide. In such cases, the size of the employee's pension depends on the contributions the Company pays to the plan or to an insurance company and on the investment returns generated by the contributions. Accordingly, the employee assumes the actuarial risk (that the benefits will be less than expected) and the investment risk (that the assets invested will not provide the expected benefits). The Company's obligations regarding contributions to these plans are recognised as an expense in the income statement as the contributions are earned, which is when employees have rendered services to the Company during a period.

Defined benefit plans

Separately funded defined benefit pension plans are recognised in accordance with IAS 19. Defined benefit liabilities recognised in the balance sheet represent the present value of the defined benefit obligation at the end of the reporting period. Defined benefit plans financed via Alecta are reported as defined contribution plans as there is insufficient information to report the plans as defined benefit plans. The Group has defined benefit pension obligations that are mainly dependent on the current market value of the endowment insurance owned by the Group. Endowment insurance is reported under financial assets, and pension obligations are reported as provisions at the same value as the carrying amount of the endowment insurance.

Termination benefits

Termination benefits are only recognised if the Company is demonstrably committed, without realistic possibility of withdrawal, to terminate employment before the normal retirement date and has a detailed formal plan for the termination. When benefits are provided as an offer made to encourage voluntary redundancy, an expense is recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

CONT. NOTE 1 ACCOUNTING POLICIES

PROVISIONS

A provision is recognised in the statement of financial position when the Group has a present obligation (legal or constructive) resulting from a past event and it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

TAXES

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the associated tax effect is recognised correspondingly.

Current tax is the amount of income taxes payable or recoverable in respect of the current year, using the tax rates that have been enacted or substantively enacted at the reporting date. This also includes adjustment of current tax attributable to prior periods.

Deferred tax is recognised using the balance sheet method for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Exceptions are temporary differences arising from the initial recognition of goodwill, the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit or loss, and investments in subsidiaries and associates where the temporary difference is not expected to reverse in the foreseeable future. The measurement of deferred tax is based on the way the Company expects to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities and assets are measured using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets on temporary differences and deferred tax assets arising from the carryforward of unused tax losses are recognised only to the extent that it is probable that they can be utilised. The carrying amounts of deferred tax assets are reviewed and reduced when it is no longer probable that they can be utilised.

EARNINGS PER SHARE

The calculation of earnings per share is based on the Group's profit/loss for the year attributable to Parent Company shareholders and on the weighted average number of shares outstanding during the year.

CONTINGENT LIABILITIES

A contingent liability is recognised when a possible obligation arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, or when there is an obligation which is not recognised as a liability or provision because an outflow of resources is unlikely to be required to settle the obligation.

Assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through sale rather than through continuing use. A non-current asset is measured at the lower of the carrying amount and fair value less costs to sell. One of the conditions that must be met for an asset to be classified as held for sale is that the sale is very probable and that the assets are available for immediate sale in their current condition. One criterion for the sale to be considered very probable is that the authorised level in the company's management team is bound by a plan to sell the non-current assets in their current condition. Determining whether and when non-current assets and disposal groups are to be classified as held for sale requires estimates from management concerning all information and all circumstances related to the transaction, its parties and the market, and companies may reach different conclusions within the framework of IFRS.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company's annual financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2. The Swedish Financial Reporting Board's issued statements concerning listed companies are also applied.

Classification and presentation

An income statement and statement of comprehensive income are presented for the Parent Company. The Parent Company's balance sheet and cash flow statement correspond to the Group's statement of financial position and statement of cash flows. The Parent Company's income statement and balance sheet are presented in accordance with the format described in the Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and

the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences between the consolidated financial statements and the Parent Company's income statement and balance sheet are mainly related to finance income and expenses, equity and the reporting of provisions as a separate balance sheet heading. Differences between the Group's and the Parent Company's accounting policies Differences between the Group's and the Parent Company's accounting policies are described below. The Parent Company's accounting policies set out below have been applied consistently to all periods presented in the Parent Company's financial statements.

Subsidiaries and associates

Investments in subsidiaries and associates are recognised in the Parent Company using the cost method. This means that transaction costs are included in the carrying amount of investments in subsidiaries and associates. In the consolidated accounts, transaction expenses attributable to subsidiaries are recognised directly in profit or loss as incurred. Contingent consideration is measured based on the probability that the purchase consideration will be paid. Any changes in the provision/receivable are added to or deducted from the cost. In the consolidated accounts, contingent consideration is recognised at fair value, with the corresponding gain or loss recognised in profit or loss.

Financial guarantees

The Parent Company's financial guarantee contracts consist mainly of guarantees provided for subsidiaries. Under a financial guarantee, the Company has an obligation to reimburse the holder of a debt instrument for losses it incurs if a specified debtor fails to make payment when contractually due. In its reporting of financial guarantee contracts, the Parent Company applies an exemption from the provisions of IFRS 9 permitted by the Swedish Financial Reporting Board. The exemption applies to financial guarantees provided for subsidiaries, associates and joint ventures. The Parent Company reports financial guarantee contracts as a provision for the Group when the Company has an obligation, and an outflow of resources is likely to be required to settle the obligation.

CONT. NOTE 1 ACCOUNTING POLICIES

Financial instruments

The Parent Company applies the provisions of Chapter 4, section 14 a-e, of the Swedish Annual Accounts Act, which permits the fair value measurement of certain financial instruments.

Taxes

Untaxed reserves recognised for the Parent Company include deferred tax liabilities, while in the consolidated accounts, untaxed reserves are divided into deferred tax liabilities and equity.

Group contributions and shareholder contributions for legal entities

The Company reports Group and shareholder contributions in accordance with RFR 2. Shareholder contributions are recognised directly in the recipient's equity and capitalised in the contributor's shares and interests, to the extent that there is no impairment. Group contributions are reported in the income statement.

Leases

The Parent Company does not recognise leases as right-of-use assets and lease liabilities in the balance sheet. Lease payments are recognised as an expense on a straight-line basis over the lease term, in accordance with the exemption from IFRS 16 contained in RFR 2 Accounting for Legal Entities.

NOTE 2 DISTRIBUTION OF NET SALES**GROUP**

TOTAL, SEK MILLION	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Alpine skiing/SkiPass	1,731	1,143
Accommodation	1,182	666
Ski rental	224	127
Ski school/Activities	61	41
Sporting goods outlets	289	207
Property services	127	113
Restaurants	145	15
Other	332	377 ¹⁾
Total Group	4,092	2,689

BY SEGMENT, SEK MILLION

Operation of Mountain Resorts	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
SkiPass	1,731	1,143
Accommodation	920	640
Ski rental	224	127
Activities	61	41
Sporting goods outlets	289	207
Property services	73	7
Restaurants	127	113
Other	211	178 ¹⁾
Total Operation of Mountain Resorts	3,637	2,455
Property Development and Exploitation	88	197
Hotels	367	37
Total Group	4,092	2,689

BY COUNTRY AND SEGMENT, SEK MILLION

	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Sweden		
Operation of Mountain Resorts	2 755	2 164
Property Development and Exploitation	88	98
Hotels	85	3
Norway		
Operation of Mountain Resorts	862	271 ¹⁾
Property development		99
Hotels	282	34
Austria ²⁾	20	20
Total Group	4 092	2 689

²⁾ There are no property development, exploitation or hotel operations in Austria.

PARENT COMPANY

TOTAL, SEK MILLION	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Alpine skiing/SkiPass	1,250	954
Accommodation	773	604
Ski rental	159	119
Ski school/Activities	53	40
Sporting goods outlets	213	175
Restaurants	45	
Property services	81	58
Sale of interests in accommodation and exploitation assets	9	30
Other	165	260
Total Parent Company derived from Sweden	2,749	2,241

¹⁾ The Group's comparative figures for 2020/21 have been adjusted to rectify a previous misclassification. In the comparative year, income and expenses have been netted by SEK 62 million, in the Operation of Mountain Resorts segment, which in the previous year's accounts were grossed. This adjustment does not have any impact on the Group's operating profit.

CONT. NOTE 2 DISTRIBUTION OF NET SALES

BY SEGMENT, SEK MILLION

	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Operation of Mountain Resorts		
SkiPass	1,250	954
Accommodation	688	601
Ski rental	159	119
Activities	53	40
Sporting goods outlets	213	175
Restaurants	45	
Property services	81	58
Other	165	260
Total Operation of Mountain Resorts	2,655	2,208
Property Development and Exploitation	9	30
Hotels	85	3
Total Parent Company derived from Sweden	2,749	2,241

The opening balance for contract liabilities as of 1 September 2021 was recognised in the 2021/22 financial year as shown in the following table, where revenue was recognised over the period of the guest's stay.

Contract liabilities	31/08/2022	31/08/2021
Advances from guests	174	169
Opening balance	169	200
Via profit/loss	-162	-141
Repaid	-11	-53
Remaining from previous year	1	7
New receipts	173	162
Translation difference	4	-6
Closing balance	174	169

LOYALTY PROGRAMME

Utilised loyalty discounts for the year amount to SEK 4.8 (3.3) million. Expired discounts during the year amount to SEK 1.4 (1.1) million and additional loyalty liabilities are SEK 9.4 (5.0) million. Closing loyalty liabilities amount to SEK 12.2 (7.8) million and are included in other liabilities.

NOTE 3 THE GROUP'S OPERATING SEGMENTS

	Full year 1 Sep-31 Aug		Full year 1 Sep-31 Aug	
SEK THOUSAND	2021/22	2020/21	2021/22	2020/21
MOUNTAIN RESORTS - OPERATION				
External revenue	3,642,902	2,519,942 ¹⁾	368,755	37,559
Internal revenue	60,309	25,676	-	-
Capital gains	15,901	325	2,485	-
Total revenue	3,719,112	2,545,943	372,448	37,559
External operating expenses	-2,578,913	-2,126,734 ¹⁾	-377,450	-63,000
Costs from other segments	-103,552	-60,965	-2,370	-909
Capital losses	-12,349	-	-1,208	-
Share of capital gain from associates	-	3,344	-	-
Profit/loss from investments in joint ventures and associates	-7,259	-4,751	-	-
Depreciation/amortisation	-227,011	-272,531	-15,175	-1,303
Operating profit/loss	790,028	84,307	-23,756	-27,653
Intangible assets	196,716	178,112	953	-
Property, plant and equipment	3,162,290	2,871,508	208,476	26,192
Financial assets	103,760	49,263	-	-
Operating loans	1,125,310	1,132,543	-	-
PROPERTY DEVELOPMENT AND EXPLOITATION				
External revenue	18,527	15,612	-108,951	-61,748
Exploitation revenue	70,149	184,744	108,951	61,748
Internal revenue	46,157	36,072		
Capital gains	272	944		
Total revenue	135,106	237,372	4,117,715	2,759,126
External operating expenses	-61,749	-60,887		
Costs from other segments	-3,029	126		
Costs of sold exploitation assets	-13,835	-155,380		
Capital losses	-8,825	-4,224		
Profit/loss from investments in joint ventures and associates	71,804	38,620		
Depreciation/amortisation	-27,379	-24,029		
Operating profit/loss	92,094	31,598		
Intangible assets	-	-		
Property, plant and equipment	868,724	713,698		
Financial assets	833,247	819,979		
Operating loans	492,162	578,217		
Hotels				
External revenue				
Exploitation revenue				
Internal revenue				
Capital gains				
Total revenue				
External operating expenses				
Costs from other segments				
Capital losses				
Profit/loss from investments in joint ventures and associates				
Depreciation/amortisation				
Operating profit/loss				
Intangible assets				
Property, plant and equipment				
Financial assets				
Operating loans				
Internal revenue				
Internal costs				
Consolidated revenue				
Consolidated operating profit/loss				
Recovery of lease costs attributable to IFRS 16				
Amortisation attributable to IFRS 16				
Reversal of IFRS depreciation related to the sale of subsidiaries				
Capital gain on property transaction				
Operating profit per income statement				
Consolidated intangible assets				
Consolidated property, plant and equipment				
Consolidated financial assets				
Consolidated operating loans				
Revenue				
Sweden				
Norway				
Austria				
Non-current assets				
Sweden				
Norway				

¹⁾ The Group's comparative figures for 2020/21 have been adjusted to rectify a previous misclassification. In the comparative year, income and expenses have been netted by SEK 62 million, in the Operation of Mountain Resorts segment, which in the previous year's accounts were grossed. This adjustment does not have any impact on the Group's operating profit.

CONT. NOTE 3 THE GROUP'S OPERATING SEGMENTS

With effect from 1 July 2021, operations are monitored and presented in a new third segment in addition to the existing segments Operation of Mountain Resorts and Property Development and Exploitation. The third segment involves Operation of Hotels.

Operation of Mountain Resorts comprises the operation of ski resorts and the sale of all products and services in this area, such as SkiPass, accommodation, activities and shops. The focus is on sales and efficient operation. Earnings are charged with the segment's own costs as well as internal rents, mainly for guest accommodation rented from Property Development and Exploitation. The segment's non-current assets are mainly property, plant and equipment used directly in the operations, such as pistes and lifts, or used or rented out for activities that complement the segment, such as ski shops, equipment hire and restaurants.

Property Development and Exploitation comprises the management of assets that can be exploited or utilised in the segment or leased to the Operation of Mountain Resorts segment. Segment revenue consists of the sale of land and other properties, the sale of unit weeks in Vacation Club, and the renting of accommodation, both through the segment and associated companies, to guests in the Operation of Mountain Resorts segment. The segment's assets consist of land and other properties, as well as shares in tenant-owner associations and associated companies focusing on hotels and the renting of cabins and apartments close to the Group's skiing areas.

Operation of Hotels includes activities related to hotel operations conducted under the SkiStar brand and under SkiStar's management from 1 July 2021. Operation of Hotels includes revenue from accommodation, restaurants and other goods and services provided in connection with the hotels. The segment information is reported using the same model as is used by executive decision-makers during internal follow-up: the CEO, Group Management and Board of Directors.

NOTE 4 OTHER OPERATING INCOME

Other recognised income consists of exchange gains in operations and capital gains on the disposal of non-current assets used in operations and not included in available-for-sale assets. Total other operating income for the Group amounts to SEK 25,541 (70,343) thousand and for the Parent Company SEK 13,601 (6,502) thousand.

NOTE 5 WORK PERFORMED BY THE COMPANY AND CAPITALISED

Work performed by the Company and capitalised comprises investment expenditure on investment-based work performed by the Company's own personnel and expenditure on the Company's own contract business.

The year's capitalised amounts were SEK 3,359 (871) thousand for the Group and SEK 2,030 (587) thousand for the Parent Company.

NOTE 6 AUDITORS' FEES AND REMUNERATION

SEK thousand	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
GROUP		
PriceWaterhouseCoopers		
Audit engagements	2,561	3,052
Other audit services	580	718
Tax advisory services	225	109
Other engagements	868	425
	4,233	4,304
GROUP		
Q-Rev		
Audit engagements	566	421
Other audit services	492	
Tax advisory services	23	
Other engagements	35	
	1,115	421
PARENT COMPANY		
PriceWaterhouseCoopers		
Audit engagements	1,940	2,215
Other audit services	580	429
Tax advisory services	225	103
Other engagements	100	62
	2,845	2,809

Audit engagements refers to fees for the statutory audit, that is, such work that was necessary to render the auditor's report, and audit advice that is provided in connection with the audit engagement. Other audit services refers to fees for statements of opinion and other statutory engagements that must be performed by external audit. It also includes reviews of interim reports. Other engagements refers to costs that are not classified as audit engagements, other audit services or tax advisory services.

NOTE 7 LEASES**RIGHT-OF-USE ASSETS**

GROUP	31/08/2022	31/08/2021
Accumulated cost		
Opening balance	1,537,199	800,544
New leases	561,112	962,458
Terminated leases	-31,928	-153,585
Reclassification to liabilities held for sale	-79	-73,432
Translation differences	102,454	1,214
Closing balance	2,168,758	1,537,199
Accumulated depreciation		
Opening balance	-123,538	-87,967
Depreciation	-145,959	-85,662
Terminated leases	34,186	42,421
Translation differences	-5,492	3,285
Closing balance	-240,803	-123,538
Residual value, right-of-use assets		
Opening balance	1,413,661	712,577
Closing balance	1,927,954	1,413,661
LEASE LIABILITIES		
GROUP	31/08/2022	31/08/2021
Accumulated cost		
Opening balance	1,465,304	698,069
New leases	551,002	986,797
Lease payments made	-170,188	-87,999
Terminated leases	-2,870	-109,480
Interest applied	39,467	14,690
Accrued expenses	8,816	34,393
Translation differences	98,957	-1,457
Closing balance	1,990,488	1,465,304
Of which current liabilities		
Opening balance	93,294	78,207
Closing balance	124,745	93,294
Costs for leases not included in right-of-use assets or lease liabilities		
Leases with variable payments	26,707	20,781
Short-term leases (<12 months)	27,378	27,451
Low-value leases	1,573	2,075
	55,659	50,307

Right-of-use assets by asset class	31/08/2022	31/08/2021
Land leases	291,868	280,672
Premises	1,514,437	991,943
Ski lift installations	105,320	122,695
Other	16,329	18,351
Total right-of-use assets	1,927,954	1,413,661
Depreciation of right-of-use assets by asset class¹⁾	31/08/2022	31/08/2021
Land leases	11,164	9,754
Premises	107,791	48,485
Ski lift installations	15,415	15,435
Other	11,589	11,988
Total depreciation of right-of-use assets	145,959	85,662

Total cash flow from leases

	Maturity analysis		
	Within one year	2-5 years	>5 years
Reporting year			
170,188	180,425	626,125	1,554,011
	Maturity analysis		
	Within one year	2-5 years	>5 years
Comparative year			
87,999	152,425	519,453	668,583

The Parent Company does not recognise leases as right-of-use assets and lease liabilities in the balance sheet. Lease payments are recognised as an expense on a straight-line basis over the lease term, in accordance with the exemption from IFRS 16 contained in RFR 2 Accounting for Legal Entities.

The Parent Company's leases consist mainly of rental agreements for shop premises, ski rental, and accommodation for guests and seasonal employees. SkiStar AB also has rental agreements for ski lifts in Åre and Vemdalen, with the remaining terms of 8-13 years.

	01/09/2021	01/09/2020
PARENT COMPANY	-31/08/2022	-31/08/2021
Lease costs for the financial year	118,128	84,715
Agreed future lease payments under non-cancellable leases are due as follows:		
Within one year	80,813	58,425
Two to five years	265,398	181,911
After five years	677,416	595,168
Total future lease payments	1,023,627	835,504

NOTE 8 INFORMATION ON PERSONNEL AND REMUNERATION OF THE BOARD OF DIRECTORS AND CEO**AVERAGE NUMBER OF EMPLOYEES**

Average number of employees, classified by gender

GROUP	01/09/2021 –31/08/2022	Proportion, %	01/09/2020 –31/08/2021	Proportion, %
Sweden				
Women	492	45	398	43
Men	592	55	532	57
Foreign entities				
Norway				
Women	158	39	64	30
Men	251	61	147	70
Austria				
Women			9	16
Men	21		46	84
Total, Group	1,514		1,196	

PARENT COMPANY	01/09/2021 –31/08/2022	Proportion, %	01/09/2020 –31/08/2021	Proportion, %
Sweden				
Women	476	45	389	43
Men	575	55	524	57
Total, Parent Company	1,051		913	

GENDER DISTRIBUTION, BOARD OF DIRECTORS AND GROUP MANAGEMENT

GROUP	31/08/2022 % women	31/08/2021 % women
Board of Directors	43%	67%
Other senior executives	38%	29%
PARENT COMPANY		
Board of Directors	43%	67%
Other senior executives	38%	29%

SALARIES, OTHER BENEFITS AND SOCIAL SECURITY CONTRIBUTIONS

	01/09/2021–31/08/2022					01/09/2020–31/08/2021				
	Salaries	Bonuses	Other benefits	Social security contributions	Pension contributions	Salaries	Bonuses	Other benefits	Social security contributions	Pension costs
PARENT COMPANY										
Stefan Sjöstrand	5,534	3,240	220	3,233	1,676	4,836	–	182	1,577	1,464
CEO total	5,534	3,240	220	3,233	1,676	4,836	–	182	1,577	1,464
Other senior executives	11,831	6,826	783	6,917	3,335	10,111	–	512	3,334	2,890
Other personnel	382,147	1,827	3,375	113,863	23,051	328,796	–	2,733	100,466	20,861
Total Parent Company	399,512	11,893	4,378	124,013	28,062	343,743	–	3,427	105,377	25,215
SUBSIDIARIES										
Other senior executives ¹⁾	–	–	–	–	–	–	–	–	–	–
Other personnel	218,438	542	1,244	27,291	11,077	138,365	–	1,430	19,715	9,556
Total subsidiaries	218,438	542	1,244	27,291	11,077	138,365	–	1,430	19,715	9,556
Group	617,950	12,435	5,622	151,304	39,139	482,108	–	4,857	125,092	34,771

REMUNERATION OF BOARD MEMBERS

Members of the Board received remuneration of SEK 2,380 (1,875) thousand. The distribution between the Chairman and individual members is described in the Corporate Governance Report on page 123. No Board member received any other remuneration in addition to Board fees.

GUIDELINES FOR REMUNERATION OF SKISTAR'S GROUP MANAGEMENT

The Board's proposal for guidelines for remuneration of senior executives prior to the 2022 AGM is largely consistent with the guidelines that have applied for the 2021/22 financial year, as presented in the administration report on page 56-58 with the following derogations. In the review prior to the 2022 AGM, changes have been made regarding

1. Extended benefit for the CEO, as regards the official residence in Stockholm including cleaning allowance for the residence,
2. Clarification of the extended possibility for the Board to decide upon variable remuneration in extraordinary circumstances,
3. Increased bonus cap for variable remuneration to the CEO, from 60 percent of 12 times the current monthly salary to 80 percent of 12 times the current monthly salary, and
4. Introduction of a possibility for senior executives, if a bonus is received, to include the purchase price of SkiStar shares acquired during the vesting year of the current bonus payment in the amount that the executive has committed to invest in SkiStar shares.

OUTCOMES IN RELATION TO GUIDELINES

See table above. The retirement age for the CEO and other members of the management group is in line with the laws and collective agreements in the relevant countries. The period of notice and termination benefits for the CEO and other members of the management group follow the guidelines above. The guidelines for remuneration of senior executives established above by the 2021 AGM have been complied with. As stated in the Board's remuneration report, which is proposed for approval at the 2022 AGM, the Board – following a proposal from the Remuneration Committee – has exercised its right to grant an exemption from the guidelines by approving on 26 August 2022 that senior executives who acquire SkiStar shares from the day of the said board resolution to the right to include the purchase price of such SkiStar shares acquired from the number of SkiStar shares as the senior executive has committed to buy, if a bonus is thereafter received.

NOTE 9 DEPRECIATION/AMORTISATION OF ASSETS

GROUP	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Capitalised expenditure on IT systems	14,419	12,892
Rights of tenancy and similar rights	3,500	3,624
Land and buildings, land improvements	89,581	80,771
Plant, machinery and equipment	180,476	188,269
Leases ¹⁾	142,204	87,877
	430,180	373,432
PARENT COMPANY		
Capitalised expenditure on IT systems	14,368	12,892
Rights of tenancy and similar rights	2,977	3,090
Land and buildings, land improvements	34,164	31,980
Plant, machinery and equipment	118,322	111,557
	169,831	159,520

¹⁾ Leases are only reported at Group level. See Note 7.

NOTE 10 PROFIT/LOSS FROM INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

PARENT COMPANY	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Impairment ²⁾	-1,144	-152,560
Dividend, Group companies	301	11,811
Sales, SkiStar Lodge Hundfjället		5,448
	-843	-135,301

¹⁾ Impairment of shares 2020/21 in St. Johanner Bergbahnen GmbH and World Cup Åre AB.

NOTE 11 TAX**RECOGNISED IN COMPREHENSIVE INCOME**

GROUP	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Current tax expense	-128,083	-68,141
Adjustment of tax relating to prior years	-2,156	5,908
	-130,239	-74,049
Deferred tax expense (-)/ tax income (+)		
Deferred tax on temporary differences	-54,315	61,507
Deferred tax arising from utilised loss carryforwards	-1,697	
Other deferred tax	-14,865	
	-70,877	
	-201,116	61,507
Total tax expense recognised, Group	-201,116	-12,542

RECOGNISED IN PROFIT/LOSS

PARENT COMPANY	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Current tax expense	-109,239	-60,096
Adjustment of tax relating to prior years	-2,140	45
	-111,379	-60,051
Deferred tax expense (-)/ tax income (+)		
Deferred tax on temporary differences	398	
Deferred tax on temporary differences	-9,391	-866
Other deferred tax	-8,993	
	-120,372	-866
Total tax expense recognised, Parent	-120,372	-60,917

RECONCILIATION OF EFFECTIVE TAX

	01/09/2021 -31/08/2022		01/09/2020- 31/08/2021	
GROUP	Percent	Amount	Percent	Amount
Profit/loss before tax		865,669		246,174
Tax according to Parent's current tax rate	20.6%	-178,328	21.4%	-52,681
Difference in tax rates in foreign operations	0.1%	-1,057		-488
Effect of change in tax rate	0.0%		0.0%	
Non-deductible expenses	1.0%	-8,922	17.4%	-42,822
Non-taxable income ¹⁾	-2.0%	17,506	-29.1%	71,671
Capital gains, resorts	-0.1%	1,026	0.0%	
Tax attributable to prior years	0.2%	-2,156	2.4%	-5,908
Unutilised loss carryforwards	0.0%		3.6%	-8,837
Change in temporary differences in non-current assets	0.1%	-1,082	0.0%	-39
Other	-4.5%	42,773	14.2%	-34,944
Recognised effective tax	15.4%	-130,239	29.9%	-74,049

¹⁾ SEK 64 (16) million of non-taxable income relates to the sale of shares in companies

RECONCILIATION OF EFFECTIVE TAX

	01/09/2021 -31/08/2022		01/09/2020- 31/08/2021	
PARENT COMPANY	Percent	Amount	Percent	Amount
Profit/loss before tax		574,959		149,510
Tax according to Parent's current tax rate	20.6%	-118,441	21.4%	-31,995
Non-deductible expenses	0.4%	-2,144	22.6%	-33,720
Non-taxable income ²⁾	-1.4%	8,025	-3.0%	4,499
Capital gains, resorts	-0.2%	1,026		
Tax attributable to prior years	0.4%	-2,140	0.0%	45
Change in temporary differences in non-current assets	-0.2%	1,154	-0.7%	1,120
Other	-0.1%	1,141	0.0%	0
Recognised effective tax	19.6%	-111,379	40.2%	-60,051

²⁾ SEK 0 (12) million of non-taxable income relates to dividends from subsidiaries and associates.

CONT. NOTE 11 TAX

RECOGNISED IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION

GROUP, 31 AUG 2022	Deferred tax assets	Deferred tax liabilities	Net
Non-current assets	-	-197,313	-197,313
Unutilised loss carryforwards	11,391	-	11,391
Derivatives		-11,962	-11,962
Other	1,618		1,618
	13,009	-209,275	-196,266
Offset	-13,009	13,009	-
Net deferred tax assets/liabilities	-	-196,266	-196,266

GROUP, 31 AUG 2021	Deferred tax assets	Deferred tax liabilities	Net
Non-current assets	-	-140,053	-140,053
Unutilised loss carryforwards	13,088	-	13,088
Derivatives	2,162		2,162
	15,250	-140,053	-124,803
Offset	-13,605	13,605	-
Net deferred tax assets/liabilities	1,645	-126,448	-124,803

RECOGNISED IN BALANCE SHEET

PARENT COMPANY, 31 AUG 2022	Deferred tax assets	Deferred tax liabilities	Net
Non-current assets	-	-152,048	-152,048
Derivatives		-6,156	-6,156
Other		-1,659	-1,659
		-159,863	-159,863
Offset			-
Net deferred tax liabilities		-159,863	-159,863

PARENT COMPANY, 31 AUG 2021	Deferred tax assets	Deferred tax liabilities	Net
Non-current assets		-150,960	-150,960
Derivatives	675		675
	675	-150,960	-150,285
Offset	-2,162	2,162	
Net deferred tax liabilities	-1,487	-148,798	-150,285

CHANGES IN DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSS CARRYFORWARDS

GROUP, 31 AUG 2022	Amount at start of year	Recognised in statement of comprehensive income	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-142,998	-54,315		-197,313
IFRS 16	2,945	2,276	-	5,221
Unutilised loss carryforwards	13,088	-1,697		11,391
Derivatives	2,162	-13,538	-586	-11,962
Other	0	-3,603		-3,603
	-124,803	-70,877	-586	-196,266

PARENT COMPANY, 31 AUG 2022	Amount at start of year	Recognised in income statement	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-152,446	398		-152,048
Derivatives	2,162	-7,732	-586	-6,156
Other		-1,659		-1,659
	-150,284	-8,993	-586	-159,863

GROUP, 31 AUG 2021	Amount at start of year	Recognised in statement of comprehensive income	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-191,018	61,108		-129,910
IFRS 16	1,487	1,458		2,945
Derivatives	3,167	482	-1,487	2,162
	-186,364	63,048	-1,487	-124,803

PARENT COMPANY, 31 AUG 2021	Amount at start of year	Recognised in income statement	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-151,099	-1,347		-152,446
Derivatives	3,167	482	-1,487	2,162
	-147,932	-865	-1,487	-150,284

At the end of the financial year, the subsidiary Experium AB has an opening tax loss of SEK 63,676 thousand, but the barrier due to a change of ownership prevents SkiStar from utilising this loss for a five-year period.

NOTE 12 EARNINGS PER SHARE

	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Number of shares, basic and diluted		
Total number of shares, 1 September	78,376,056	78,376,056
Weighted average number of basic shares during the year	78,376,056	78,376,056
Earnings per share, basic and diluted		
Profit/loss for the year	666,525	238,119
Average number of shares outstanding	78,376,056	78,376,056
Basic earnings per share	8.50	3.04

Calculation of earnings per share is based on profit for the year attributable to shareholders of the Parent, which amounted to SEK 666,525 (238,119) thousand, and on the weighted average number of shares outstanding, which was 78,376,056 (78,376,056). There are no financial instruments that could have dilutive effects.

NOTE 13 INTANGIBLE ASSETS

GROUP	Capitalised expenditure on IT systems	Rights of tenancy and similar rights	Goodwill	Total
Accumulated cost				
Opening balance, 1 Sep 2020	196,653	113,304	89,942	399,899
Capitalised expenditure	10,547	27		10,573
AHFS		-626		-626
Business combinations	141			141
Disposals			-2,400	-2,400
Reclassifications	1,129	2,729		3,858
Translation differences		578	777	1,355
Closing balance, 31 Aug 2021	208,470	116,013	88,319	412,801
Opening balance, 1 Sep 2021	208,470	116,013	88,319	412,801
Capitalised expenditure	14,221			14,221
Business combinations			7,462	7,462
Reclassifications	7,966			7,966
Translation differences		4,649	6,251	10,900
Closing balance, 31 Aug 2022	230,657	120,662	102,032	453,350
Accumulated amortisation and impairment				
Opening balance, 1 Sep 2020	-164,530	-53,760		-218,290
Amortisation	-12,892	-3,591	-	-16,483
AHFS		600		600
Business combinations	-141	-	-	-141
Translation differences	-	-374	-	-374
Closing balance, 31 Aug 2021	-177,563	-57,125		-234,688
Opening balance, 1 Sep 2021	-177,563	-57,125		-234,688
Amortisation	-14,419	-3,500	-	-17,919
Translation differences		-3,073		-3,073
Closing balance, 31 Aug 2022	-191,982	-63,698		-255,681
Carrying amount, 31 Aug 2021	30,907	58,887	88,319	178,112
Carrying amount, 31 Aug 2022	38,675	56,963	102,032	197,669

PARENT COMPANY	Capitalised expenditure on IT systems	Rights of tenancy and similar rights	Goodwill	Total
Accumulated cost				
Opening balance, 1 Sep 2020	196,653	63,839	18,442	278,934
Capitalised expenditure	10,547	27	-	10,574
Reclassifications	1,128	2,729	-	3,857
Closing balance, 31 Aug 2021	208,328	66,595	18,442	293,364
Opening balance, 1 Sep 2021	208,328	66,595	18,442	293,364
Capitalised expenditure	12,684	0	-	12,684
Reclassifications	7,966	0	-	7,966
Closing balance, 31 Aug 2022	228,978	66,595	18,442	314,014
Accumulated amortisation and impairment				
Opening balance, 1 Sep 2020	-164,530	-21,628	-18,442	-204,600
Amortisation	-12,892	-3,091	-	-15,983
Closing balance, 31 Aug 2021	-177,422	-24,719	-18,442	-220,583
Opening balance, 1 Sep 2021	-177,422	-24,719	-18,442	-220,583
Disposals	-14,368	-	-	-14,368
Amortisation	-	-2,977	-	-2,977
Closing balance, 31 Aug 2022	-191,790	-27,696	-18,442	-237,928
Carrying amount, 31 Aug 2021	30,906	41,876	-	72,782
Carrying amount, 31 Aug 2022	37,188	38,899	-	76,087

A total of SEK 292 (2,519) thousand of the year's capitalised expenditure and reclassifications relates to internally generated intangible assets in the Parent Company and the Group.

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL

THE FOLLOWING CASH-GENERATING UNITS HAVE GOODWILL VALUES	31/08/2022	31/08/2021
SkiStar Sweden	18,056	18,056
SkiStar Norway	83,976	70,263
	102,032	88,319

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment. There was no indication of impairment in the 2021 testing. The impairment testing was based on the calculated value in use. The value in use is obtained from projected cash flows for a five-year period based on the Company's business plan. The key assumptions in the five-year plan are growth, revenue, profit and cash flow per cash-generating unit. The assumptions are based on historical results and the Company's own plans.

The cash flow projections after the first five years are based on an annual growth rate of 1 (1) percent. The projected cash flows for each cash-generating unit have been discounted to the present value using a pre-tax discount rate of 8 (8) percent. Goodwill has been allocated to each destination's Operation of Mountain Resorts segment as a cash-generating unit. The cash-generating units correspond to the identifiable groups of assets that generate cash flows independently of other assets.

No reasonably possible changes in the assumptions and estimates would give rise to impairment.

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and buildings, land improvements	Plant, machinery and equipment	Construction in progress	Total		Land and buildings, land improvements	Plant, machinery and equipment
Accumulated cost					Components		
Opening balance, 1 Sep 2020	3,038,941	3,936,202	622,488	7,597,631	Buildings	1,501,621	
Acquisitions	70,645	111,480	211,082	393,207	Land	333,016	
Business combinations	707,332	134,766	2,692	844,790	Land improvements	375,750	
Disposals	-381,394	-223,959	-354,205	-959,558	Plant and machinery		1,057,356
Reclassification to assets held for sale	-277,019	-585,698		-862,717	Equipment		41,122
Reclassifications etc.	155,452	17,607	-180,543	-7,484	Total carrying amount, 31 Aug 2021	2,210,387	1,098,479
Translation differences	5,467	3,770	1,018	10,255	Buildings	1,765,397	
Closing balance, 31 Aug 2021	3,319,424	3,394,167	302,532	7,016,124	Land	356,410	
Opening balance, 1 Sep 2021	3,319,424	3,394,167	302,532	7,016,124	Land improvements	401,490	
Acquisitions	195,020	166,357	541,186	902,562	Plant and machinery		1,110,020
Business combinations	25,740	924		26,664	Equipment		42,039
Disposals	-91,855	-186,032	-4,298	-282,185	Total carrying amount, 31 Aug 2022	2,523,297	1,152,058
Reclassifications etc.	213,106	54,318	-278,980	-11,529			
Translation differences	52,485	122,071	3,695	178,253			
Closing balance, 31 Aug 2022	3,713,920	3,551,806	564,136	7,829,862		31/08/2022	31/08/2021
Accumulated depreciation and impairment					Reported value of land for properties in Sweden	255,340	183,086
Opening balance, 1 Sep 2020	-1,058,555	-2,652,296	-	-3,710,851	Carrying amount, slopes in Sweden	249,533	249,351
Business combinations	-201,355	-98,454	-	-299,809			
Disposals	122,202	215,148	-	337,350			
Depreciation	-80,771	-182,794	-	-263,565			
Reclassification to assets held for sale	110,946	472,565	-	583,511			
Translation differences	-1,505	-49,857	-	-51,361			
Closing balance, 31 Aug 2021	-1,109,038	-2,295,688	-	-3,404,725			
Opening balance, 1 Sep 2021	-1,109,038	-2,295,688	-	-3,404,725			
Business combinations	-4,457	-552	-	-5,009			
Disposals	28,692	151,531	-	180,223			
Depreciation	-89,583	-175,249	-	-264,832			
Reclassifications etc.		-2,485	-	-2,485			
Translation differences	-16,237	-77,305	-	93,541			
Closing balance, 31 Aug 2022	-1,190,623	-2,399,748	-	-3,590,368			
Carrying amount, 31 Aug 2021	2,210,387	1,098,479	302,532	3,611,397			
Carrying amount, 31 Aug 2022	2,523,297	1,152,058	564,136	4,239,491			

CONT. NOTE 14 PROPERTY, PLANT AND EQUIPMENT

PARENT COMPANY	Land and buildings, land improvements	Plant, machinery and equipment	Construction in progress	Total		Land and buildings, land improvements	Plant, machinery and equipment
Accumulated cost					Components		
Opening balance, 1 Sep 2020	1,400,178	2,254,027	76,842	3,731,047	Buildings	383,052	-
Acquisitions	36,047	55,116	122,289	213,452	Land	162,566	-
Disposals	-676	-210,250	-10,615	-221,541	Land improvements	286,867	-
Reclassifications	3,766	7,715	-17,997	-6,516	Plant and machinery	-	744,360
Closing balance, 31 Aug 2021	1,439,315	2,106,608	170,519	3,716,442	Total carrying amount, 31 Aug 2021	832,486	744,360
Opening balance, 1 Sep 2021	1,439,315	2,106,608	170,519	3,716,442	Buildings	593,876	
Acquisitions	154,642	130,933	301,192	586,767	Land	169,839	
Disposals	-18,188	-33,166	-1,729	-53,083	Land improvements	292,782	
Reclassifications	110,937	18,922	-141,947	-12,088	Plant and machinery		775,075
Closing balance, 31 Aug 2022	1,686,706	2,223,297	328,035	4,238,038	Total carrying amount, 31 Aug 2022	1,056,496	775,075
Accumulated depreciation and impairment							
Opening balance, 1 Sep 2020	-574,848	-1,453,359	-	-2,028,207		31/08/2022	31/08/2021
Disposals		202,668	-	202,668	Reported value of land for properties	169,839	162,566
Depreciation	-31,980	-111,557	-	-143,537	Carrying amount, slopes	249,533	249,351
Closing balance, 31 Aug 2021	-606,828	-1,362,248	-	-1,969,076			
Opening balance, 1 Sep 2021	-606,828	-1,362,248	-	-1,969,076			
Disposals	10,783	31,756	-	42,539			
Depreciation	-34,164	-117,730	-	-151,894			
Closing balance, 31 Aug 2022	-630,209	-1,448,222	-	-2,078,431			
Carrying amount, 31 Aug 2021	832,487	744,360	170,519	1,747,366			
Carrying amount, 31 Aug 2022	1,056,497	775,075	328,035	2,159,607			

NOTE 15 INVESTMENTS IN GROUP COMPANIES

SPECIFICATION OF PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

	31/08/2022	31/08/2021		No. shares	Shareholding, %	31/08/2022 Carrying amount	31/08/2021 Carrying amount
Opening balance	201,417	299,377	Sälen Högfjällshotell AB / 556200-6311 / Municipality of Malung-Sälen	2,600,000	100.0%	9,427	9,427
-Shareholder contributions	37,000	98	SkiOnline AB / 556098-6381 / Municipality of Malung-Sälen	2,000	100.0%	-	-
-Disposals		-3,000	Vintertorget i Sälen KB / 969618-0786 / Municipality of Malung-Sälen	198	99.0%	198	198
-Acquisitions	35,231	100	SkiStar Norge AS / NO977107520 / Hemsedal	5,000	100.0%	130,898	130,898
-Reclassification	-26,979		Fageråsen Fjellbygg AS / NO 925167150 / Trysil	800	100.0%		
-Impairment	-1,196	-95,158	Knettsetra AS / NO971219807 / Trysil	200	100.0%	-	-
Closing balance	245,473	201,417	Trysil booking AS / NO989566342 / Trysil	100	100.0%	-	-
			Hemsedal booking AS / NO995699656 / Hemsedal	1,000	100.0%	-	-
			Hammarbybacken AB / 556650-2570 / Municipality of Malung-Sälen	955	95.5%	37,006	1
			Fjällinvest AB / 556426-8380 / Municipality of Malung-Sälen	161,000	100.0%	25,279	25,279
			Hundfjället Servicecenter AB / 556675-5913 / Municipality of Malung-Sälen	10,000	100.0%	-	-
			Hundfjället Centrum AB / 556233-4549 / Municipality of Malung-Sälen	1,000	100.0%	-	-
			Ski Invest Sälen AB / 556755-1022 / Municipality of Malung-Sälen	1,425	100.0%	-	-
			Fjällinvest Norge AS / NO993753084 / Trysil	21,054	100.0%	-	-
			Fageråsen Invest AS / NO990375410 / Trysil	850	85.0%	-	-
			Hemsedal Fjellinvest / NO922690669 / Hemsedal	500,500	100.0%	-	-
			Hemsedal Fjellandsbyn AS / NO985289158 / Hemsedal	100	100.0%	-	-
			Vemdalen Logi AB / 556208-7634 / Municipality of Härjedalen	44,000	100.0%	-	-
			Björnrikegården Nya AB / 556914-1467 / Municipality of Stockholms	500	100.0%	-	-
			Skistar Åre Mark AB / 559023-2830 / Municipality of Malung-Sälen	50,000	100.0%	-	-
			Skistar Åre Logi AB / 559004-6446 / Municipality of Malung-Sälen	500	100.0%	-	-
			Fjällmedia AB / 556755-1055 / Municipality of Malungs-Sälen	1,000	100.0%	100	100
			Skistar Snöproduktion AB / 556952-7293/ Municipality of Åre	50,000	100.0%	1,405	1,405
			SkiStar Invest AB / 559005-8615 / Municipality of Malung-Sälen	500	100.0%	50	50
			SkiStar Fastighetsservice AB / 556250-6997 / Municipality of Malung-Sälen	2,000	100.0%	842	842
			Entréhuset AB / 556756-7135/ Municipality of Malungs-Sälen	20,000	100.0%	7,912	17,311
			Experiumtorget AB / 556 / Municipality of Malung-Sälen	1,000	100.0%	0	198
			Eveline Fastighets AB / 556805-9579 / Municipality of Malung-Sälen	500	100.0%	0	12,708
			World Cup Åre AB / 556749-7119 / Municipality of Åre	1,000	100.0%	3,000	3,000
			Gästservice i Vemdalskalet AB / 556795-6890 / Municipality of Malung-Sälen	10,000	100.0%	4,286	
			Klyftvallen Fastighets AB / 559377-0596 / Municipality of Härjedalen	1,000	100.0%	25,070	-
						245,473	201,417

NOTE 16 INVESTMENTS IN ASSOCIATES

GROUP	31/08/2022	31/08/2021	PARENT COMPANY	31/08/2022	31/08/2021
Opening balance	762,568	394,684	Opening balance	2,812	2,812
-Acquisitions	21,184	514,016	-Impairment	-42	
-Shareholder contributions	3,000		Closing balance	2,770	2,812
-Disposals		-169,525			
-Translation differences	2,417	1,348			
-Share of profit/loss	65,095	22,045			
Closing balance	854,263	762,568			

SPECIFICATION OF THE GROUP AND PARENT COMPANY'S SHARES IN ASSOCIATES AND JOINT VENTURES

Associates and joint ventures / Corp. ID. / Reg'd office	Revenue	Profit/loss	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Share-holding, %	31/08/2022	
									Group's share of equity	Carrying amount in Parent
Lima Transtrand Fastighets AB / 556258-6817 / Municipality of Malung-Sälen	29,969	8,501	112,998	26,169	9,484	44,600	85,083	45%	38,681	
Åre Destination AB / 556171-5961 / Municipality of Åre	11,324	416	16,059	4,629	14,800	3,419	2,469	49%	1,485	1,970
Fjällvärme i Sälen AB / 556536-1895 / Municipality of Malung-Sälen	19,195	834	118,526	-6,984	43,503	37,474	30,565	50%	15,985	
Trysilguidene AS / NO965147659 / Trysil	39,244	8,569	34,643	9,101	12,958	2,696	28,090	35%	6,592	
HA aktiviteter AB / 556730-0065 / Municipality of Härjedalens		-390		246	700		-454	42%	-226	
Hemsedal Bioenergi AS / NO993016632 / Hemsedal	1,898	-1,368	8,258	373	9,799	1,531	-2,699	33%	2,921	
Skihytta Trysil AS / NO987561025 / Trysil	11,217	434	2,010	2,854	5,950	705	-1,791	35%	344	
Scandinavian Mountains AB / 556973-5631 / Municipality of Malung-Sälen	17,263	-25,624	532,980	15,413	10,027	330,768	207,598	47%	99,036	

Associates and joint ventures / Corp. ID . / Reg'd office	Revenue	Profit/ loss ¹	Non- current assets	Current assets ²⁾	Non-current liabilities	Current liabilities	Equity	Share- holding, %	Group's share of equity	Carrying amount in Parent	¹⁾ Profit/loss includes:		²⁾ Current assets include:	
											Interest income (+)/ Interest expense (-)	Tax income (+) / Tax expense (-)	Cash and cash equivalents	
Skitorget AS / NO994110527 / Trysil	2,163	892	7,896	6,973	252	246	14,371	50	11,963		-499	25	152	3,593
Skiab Invest AB / 556848-5220/ Municipality of Malung-Sälen	108,131	164,307	2,117,190	548,566	1,263,066	74,222	1,328,468	50	667,178		-2,884	51,990	-40,126	80,737
Staven Naeringseiendom AS / NO988357014 / Hemsedal	5,163	-270	51,076	3,659		50,863	3,872	50	7,650		-2,146	-1,163	458	1,199
Björnrike Torg AB / 559069-4161 / Municipality of Härjedalens	3,017	629	42,840	1,410	1,340	33,969	8,941	19	1,450		-1,044	-462		1,120
Tegefjäll Linbane AB / 556659-6861 / Municipality of Åre	3,255	2,074	10,617	4,220	7,425	431	6,981	20	1,205	800	-950	-176		2,017
									854,263	2,770				

NOTE 16 INVESTMENTS IN ASSOCIATES

SPECIFICATION OF THE GROUP AND PARENT COMPANY'S SHARES IN ASSOCIATES AND JOINT VENTURES

											31/08/2021				
		Revenue	Profit/loss	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Share-holding, %	Group's share of equity	Carrying amount in Parent				
Associates / Corp. ID . / Reg'd office															
Lima Transtrand Fastighets AB / 556258-6817 / Municipality of Malung-Sälen		23,556	7,141	119,792	18,467	11,129	50,375	76,755	45	35,644					
Åre Destination AB / 556171-5961 / Municipality of Åre		11,927	82	16,059	4,585	14,803	3,372	2,469	49	1,281	1,970				
Fjällvärme i Sälen AB / 556536-1895 / Municipality of Malung-Sälen		16,831	-746	92,038	-7,957	52,224	2,126	29,731	50	11,568					
Trysilguidene AS / NO965147659 / Trysil		14,163	-4,799	32,362	6,186	13,769	7,051	17,728	35	3,887					
HA Aktiviteter AB / 556730-0065 / Municipality of Härjedalen			-78	389	247	700		-64	42	-62	42				
Hemsedal Bioenergi AS / NO993016632 / Hemsedal		1,757	-513	6,058	2,219	8,956	523	-1,202	33	344					
Skihytta Trysil AS / NO987561025 / Trysil		6,097	-3,702	2,031	1,784	4,335	1,504	-2,025	35	176					
Scandinavian Mountains AB / 556973-5631 / Municipality of Malung-Sälen		42,529	-20,122	556,935	14,000	11,027	324,574	235,334	39	89,896					
											4) Current assets include:				
											3) Profit/loss includes:				
Joint ventures / Corp. ID . / Reg'd office		Revenue	Profit/loss 3)	Non-current assets	Current assets 4)	Non-current liabilities	Current liabilities	Equity	Share-holding, %	Group's share of equity	Carrying amount in Parent	Impairment	Interest income (+)/ Interest expense (-)	Tax income (+) / Tax expense (-)	Cash and cash equivalents
Skitorget AS / NO994110527 / Trysil		1,383	-1,225	7,414	4,875	377	196	11,717	50	10,184		-414	9	78	3,593
Skiab Invest AB / 556848-5220 / Municipality of Malung-Sälen		5,981	70,234	2,091,054	270,550	1,121,545	52,687	1,187,372	50	600,415		-352	-3,479	-4,363	118,396
Staven Naeringseiendom AS / NO988357014 / Hemsedal		3,385	-630	48,739	1,065		46,457	3,347	50	7,115		-1,204	-1,052	-80	934
Björnrike Torg AB / 559069-4161 / Municipality of Härjedalen		2,708	256	43,883	1,204	35,072	1,702	8,313	19	1,330		-1,019	-519		914
Tegefjäll Linbane AB / 556659-6861 / Municipality of Åre		1,598	341	11,566	4,255	8,100	2,713	5,008	20	790	800				
							762,568	2,812							

Business description associates

Lima Transtrand Fastighets AB / 556258-6817 / Municipality of Malung-Sälen	Owens properties in Sälen, with accommodation units that can be booked through SkiStar. SkiStar does not have exclusive rights to these accommodation units.
Åre Destination AB / 556171-5961 / Municipality of Åre	Collaborates with destination companies in Åre.
Fjällvärme i Malung-Sälen AB / 556536-1895 / Municipality of Malung-Sälen	Supplies district heating to mountain facilities in Sälen.
Trysilguidene AS / NO965147659 / Trysil	Operates independent ski school in Trysil, whose services can be booked through SkiStar.
Skihytta Trysil AS / NO987561025 / Trysil	Owens properties in Trysil, with accommodation units that can be booked through SkiStar. SkiStar does not have exclusive rights to these accommodation units.
Scandinavian Mountains AB / 556973-5631 / Municipality of Malung-Sälen	Operates the airport between Sälen and Trysil.

Business description joint ventures

Skitorget AS / NO994110527 / Trysil	Construction and sale of leisure and commercial property. Renting out of leisure property, business premises and other related activities.
Skiab Invest AB / 556848-5220 / Municipality of Sälen	Parent company for property group with focus on hotel properties and development rights.
Tegefjäll Linbane AB / 556659-6861 / Municipality of Åre	Owens lift in Tegefjäll, Åre, leased by SkiStar.
Staven Naeringseiendom AS / NO988357014 / Hemsedal	Buying, selling and renting out of property and related activities.
Björnrike Torg AB / 559069-4161 / Municipality of Härjedalens	Building in Blåstervallen with 12 apartments and retail space on the ground floor. SkiStar is the agent for the apartments and rents the retail space.

NOTE 17 OTHER INVESTMENTS AND SECURITIES HELD AS NON-CURRENT ASSETS

GROUP	31/08/2022	31/08/2021
Available-for-sale financial assets		
Opening cost	33,784	34,935
-Acquisitions	5,530	132
-Disposals	-7,200	-194
-Reclassification		100
-AHFS (St Johann)		-1,184
-Translation difference	59	-5
Closing balance	32,173	33,784
PARENT COMPANY	31/08/2022	31/08/2021
Available-for-sale financial assets		
Opening cost	19,091	19,211
-Acquisitions	5,500	
-Disposals	-7,199	-120
-Reclassifications		
Closing balance	17,392	19,091
GROUP	31/08/2022	31/08/2021
Participations in tenant-owner associations	20,638	22,308
Other securities held as non-current assets	11	10
Shares and participating interests	11,524	11,466
Closing balance	32,173	33,784
PARENT COMPANY	31/08/2022	31/08/2021
Participations in tenant-owner associations	6,561	8,261
Shares and participating interests	10,831	10,830
Closing balance	17,392	19,091

NOTE 18 OTHER NON-CURRENT RECEIVABLES

GROUP	31/08/2022	31/08/2021
Opening cost	72,890	220,290
-Additional receivables	3,285	36,682
-Settlement of receivables	-35,522	-185,855
-Reclassification, other	9,827	
-Translation difference	75	1,773
Closing balance	50,555	72,890
PARENT COMPANY	31/08/2022	31/08/2021
Opening cost	13,715	13,663
-Additional receivables	2,526	1,893
-Settlement of receivables	-855	-355
-Reclassification, other	11,313	-1,486
Closing balance	26,699	13,715
GROUP	31/08/2022	31/08/2021
Receivables from associates	10,027	700
Other non-current interest-bearing receivables	38,956	36,670
Other non-current non-interest-bearing receivables	1,572	35,519
Closing balance	50,555	72,889
PARENT COMPANY	31/08/2022	31/08/2021
Receivables from associates	10,027	700
Other non-current interest-bearing receivables	16,672	13,015
Closing balance	26,699	13,715

NOTE 19 INVENTORIES

GROUP	31/08/2022	31/08/2021
Goods for resale	188,810	121,114
Participations in tenant-owner associations	107,094	77,560
Closing balance	295,904	198,674
PARENT COMPANY	31/08/2022	31/08/2021
Goods for resale	138,696	95,553
Closing balance	138,696	95,553

NOTE 20 TRADE RECEIVABLES

Trade receivables are recognised net of the Group's established and expected credit losses for the year, which were SEK 211 (787) thousand. Established losses accounted for SEK 113 (211) thousand of the amount. The Parent Company's established and expected credit losses were SEK 198 (480) thousand, with established losses amounting to SEK 100 (137) thousand. The Group recovered previous established and expected credit losses of SEK 300 (14) thousand during the year. The Group's provision for doubtful debts was SEK 98 (576) thousand, an decrease of SEK 478 thousand during the financial year. The Group's trade receivables from related parties amounted to SEK 69 (96) thousand. Further information on related party transactions can be found in Note 35. The credit quality of receivables that are not past due is considered good.

AGE ANALYSIS OF PAST DUE BUT NOT IMPAIRED TRADE RECEIVABLES

GROUP	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
30-90 days	7,253	4,113
91-180 days	4,079	2,133
Closing balance	11,332	6,246
PARENT COMPANY	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
30-90 days	1,745	1,676
91-180 days	21	-82
Closing balance	1,766	1,594

NOTE 21 OTHER CURRENT RECEIVABLES

GROUP	31/08/2022	31/08/2021
VAT recoverable	36,696	35,950
Current loan receivables	1,265	12,441
Tax account	10,242	1,957
Other	26,162	17,605
Closing balance	74,365	67,953
PARENT COMPANY	31/08/2022	31/08/2021
VAT recoverable	16,240	9,379
Current loan receivables	1,265	12,441
Tax account	9,274	48
Other	7,629	3,964
Closing balance	34,408	25,832

NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

GROUP	31/08/2022	31/08/2021
Prepaid rental charges and lease payments	50,567	54,751
Prepaid insurance	17,109	17,854
Accrued interest income	3,218	2,446
Other items	33,536	22,677
Closing balance	104,430	97,728
PARENT COMPANY	31/08/2022	31/08/2021
Prepaid rental charges and lease payments	41,919	32,548
Prepaid insurance	15,615	16,544
Accrued interest income	1,017	517
Other items	32,604	17,773
Closing balance	91,155	67,382

NOTE 23 EQUITY

GROUP	31/08/2022	31/08/2021
Translation reserve		
Opening translation reserve	-62,402	-66,217
Translation differences for the year	47,210	3,815
Sale of subsidiaries	-12,882	
Closing translation reserve	-28,074	-62,402
GROUP	31/08/2022	31/08/2021
Hedging reserve		
Opening hedging reserve	-1,997	-7,348
Value of hedging reserve	2,662	6,757
Deferred tax	-586	-1,407
Closing hedging reserve	79	-1,997
PARENT COMPANY	31/08/2022	31/08/2021
Hedging reserve		
Opening hedging reserve	-2,078	-7,348
Value of hedging reserve		6,639
Deferred tax		-1,368
Closing hedging reserve	-2,078	-2,078

GROUP**Other contributed capital**

This item relates to capital contributed by shareholders. It also includes share premium reserves transferred to the statutory reserve at 31 August 2006. Future transfers to the share premium reserve on and after 1 September 2006 are also recognised as contributed capital.

Translation reserve

The translation reserve comprises all exchange differences arising on translation of foreign subsidiaries' financial statements prepared in a currency other than the Group's presentation currency. The presentation currency for the Group and Parent Company is the Swedish krona.

Hedging reserve

The Group had interest rate derivatives of SEK 668 million and NOK 200 million during the financial year, with remaining maturities of 2 to 5 years. The Group does not apply Hedge Accounting. The value of the derivative is reversed in comprehensive income over the derivative's remaining life. See also Notes 32 and 34.

Retained earnings and profit for the year

Retained earnings comprises the Parent Company's profit and post-acquisition profit for subsidiaries and associates. Previous provisions to the statutory reserve, excluding transferred share premium reserves, are included in retained earnings.

Dividend

After the reporting date, the Board has proposed that a dividend of SEK 3.00 per share (total SEK 235,128,168) be distributed to the Parent

Company's shareholders. The dividend proposal will be presented for adoption at the AGM on 10 December 2021.

PARENT COMPANY**Restricted equity**

Restricted funds may not be reduced through the distribution of dividends.

Statutory reserve

The requirement to make transfers to the statutory reserve was removed from the Swedish Companies Act with effect from 1 January 2006.

Development expenditure fund

The fund is for restricted funds arising from the capitalisation of proprietary intangible assets.

Non-restricted equity**Share premium reserve**

When shares are issued at a premium, i.e., when the amount paid for the shares exceeds their nominal value, the portion corresponding to the excess amount is transferred to the share premium reserve. With effect from 1 January 2006, the share premium reserve is classified as non-restricted equity.

Hedging reserve

During the financial year, interest was hedged through interest rate derivatives of SEK 500 million, with remaining maturities of 2 to 5 years. The Parent Company does not apply Hedge Accounting. The value of the derivative is reversed in comprehensive income over the derivative's remaining life. See also Notes 32 and 34.

Retained earnings

Retained earnings consist of the previous year's non-restricted equity after distribution of dividends. Retained earnings and profit for the year constitute total non-restricted equity – that is, the amount available for distribution to shareholders.

Number of shares	31/08/2022	31/08/2021
Number of Class A shares outstanding at start of period	3,648,000	3,648,000
Number of Class B shares outstanding at start of period	74,728,056	74,728,056
Number of shares outstanding at end of period	78,376,056	78,376,056

A 2:1 share split was carried out in the 2018/19 financial year. Previous periods have been restated. The overall goal is for the value of shareholders' capital to increase. To pursue a proactive strategy while balancing operational risk, SkiStar must have a strong financial base. The target is an equity ratio of at least 35 percent before adding IFRS 16 debt. At current interest rates, the target for return on equity is 14 percent and for return on capital employed, 9 percent. On 31 August, the equity ratio was 57 (40) percent. The operating margin target is to exceed 22 percent in the long term. SkiStar's dividend policy is to pay an annual dividend of at least 50 percent of profit after tax. The policy was adopted on the basis that SkiStar has a strong financial base combined with a strong cash flow and is largely able to finance investments with its own funds.

NOTE 24 APPROPRIATIONS

PARENT COMPANY	31/08/2022	31/08/2021
Group contributions	-15,340	-3,541
Closing balance	-15,340	-3,541

NOTE 25 LIABILITIES TO CREDIT INSTITUTIONS

GROUP	31/08/2022	31/08/2021	PARENT COMPANY	31/08/2022	31/08/2021
Due within 1 year after reporting date	316,647	563,670	Due within 1 year after reporting date	124,818	145,491
Due 1-5 years after reporting date	1,300,825	1,147,090	Due 1-5 years after reporting date	480,485	437,735
Due more than 5 years after reporting date			Closing balance	605,303	583,226
Closing balance	1,617,472	1,710,760	Overdraft facilities granted	770,000	750,000
Overdraft facilities granted	770,000	750,000	Utilised portion of overdraft facilities	112,818	95,491
Utilised portion of overdraft facilities	112,818	95,491			

Further information on loan structures, commitment periods, rates etc. can be found in Note 32.

	Liabilities to credit institutions	Lease liabilities	Total	Liabilities to credit institutions	Lease liabilities	Total
GROUP	31/08/2022	31/08/2022	31/08/2022	31/08/2021	31/08/2021	31/08/2021
Opening balance	1,710,760	1,465,304	3,176,064	1,962,124	698,069	2,660,193
-New leases		551,002	551,002		986,797	986,797
-Borrowings	865,359		865,359	1,049,474		1,049,474
-Repayment	-1,013,170	-173,058	-1,186,228	-1,285,596	-197,479	-1,483,075
-Interest applied	35,579	39,467	75,046	32,880	14,690	47,570
-Accrued interest	5,145		5,145	5,990		5,990
-Accrued expense		8,816	8,816		34,393	34,393
-Interest paid	-41,569		-41,569	-38,562		-38,562
-Asset acquisitions	16,670		16,670			-
-Reclassification to liabilities held for sale		-	-	-20,615	-69,709	-90,324
-Translation	38,698	98,957	137,655	5,065	-1,457	3,608
Closing balance	1,617,472	1,990,488	3,607,960	1,710,760	1,465,304	3,176,064

PARENT COMPANY	31/08/2022	31/08/2021
Opening balance	583,226	905,208
-Borrowings	395,800	306,948
-Repayment	-373,723	-628,929
-Interest applied	13,558	16,424
-Accrued interest	2,423	2,957
-Interest paid	-15,981	-19,382
Closing balance	605,303	583,226

NOTE 26 PROVISIONS FOR PENSIONS

GROUP	31/08/2022	31/08/2021
Other pension provisions	17,335	14,535
Closing balance	17,335	14,535

PARENT COMPANY	31/08/2022	31/08/2021
Other pension provisions	17,335	14,535
Closing balance	17,335	14,535

Provisions for pension obligations amounted to SEK 17.3 (145.5) million, while the fair value of plan assets was SEK 13.9 (11.9) million and payroll tax was SEK 3.4 (2.8) million. In Sweden and the Parent Company, these provisions consist of the fair value of endowment insurance.

The total premium for pension insurance was SEK 28.7 (29.1) million. For salaried employees in Sweden, the ITP 2 plan's defined-benefit obligations for retirement and family pensions are secured through insurance with Alecta, and through individual pension solutions for employees with annual salaries exceeding 10 income base amounts. According to the Swedish Financial Reporting Board's statement UFR 10, Accounting for ITP 2 Plans Financed by Insurance in Alecta, this is a multi-employer defined-benefit pension plan. For the 2020/21 financial year, the Company did not have access to sufficient information to report its proportionate share of the plan's obligations, plan assets and costs, which meant that it was not possible to report the plan as a defined-benefit plan. Consequently, the ITP 2 pension plan insured through Alecta is reported as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually and depends on factors that include salary, previously earned pension and expected remaining service.

Expected contributions in the next reporting period for ITP 2 insurance covered by Alecta are SEK 5.0 million (2020/21: SEK 5.4 million). The Group's share of the total contributions to the plan is 0.01 (0.01) percent, while its share of the total number of active plan members is 0.03 (0.03) percent. The collective funding ratio is the market value of Alecta's assets as a percentage of its insurance obligations calculated by reference to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. The ratio is normally permitted to vary between 125 and 175 percent. If Alecta's collective funding ratio falls below 125 percent or exceeds 175 percent, measures should be taken to create the conditions to allow it to return to the normal range. If the funding ratio is too low, an appropriate measure could be to increase the agreed price for new insurance and extension of existing benefits. If the funding ratio is too high, premium reductions could be introduced. At 31 December 2021, Alecta's surplus, in the form of a collective funding ratio, was 172 (148) percent.

NOTE 27 RECEIVABLES FROM/LIABILITIES TO GROUP COMPANIES

RECEIVABLES FROM GROUP COMPANIES	31/08/2022	31/08/2021
Experium AB	192,750	
Closing balance	192,750	

NOTE 28 OTHER PROVISIONS

GROUP	31/08/2022	31/08/2021
Other provisions		144
Closing balance		144

GROUP	31/08/2022	31/08/2021
Opening balance	144	9,366
-Cancellations	-144	-78
Translation		-665
Reclassification to liabilities held for sale		-8,479
Closing balance		144

PARENT COMPANY	31/08/2022	31/08/2021
Opening balance		78
-Cancellations		-78
Closing balance		-

NOTE 29 ACCRUED EXPENSES AND DEFERRED INCOME

GROUP	31/08/2022	31/08/2021
Accrued payroll expenses and social security contributions	89,325	57,569
Accrued finance costs	5,145	6,794
Accrued property expenses	6,952	6,597
Accrued electricity costs and electricity tax	5,963	5,150
Accrued rental costs		8,266
Other items	62,212	28,353
Closing balance	169,597	112,729

PARENT COMPANY	31/08/2022	31/08/2021
Accrued payroll expenses and social security contributions	73,040	45,559
Accrued finance costs	2,423	2,957
Accrued property expenses	4,952	2,520
Accrued electricity costs and electricity tax		5,148
Accrued rental costs		963
Other items	24,910	15,732
Closing balance	105,325	72,879

NOTE 30 PLEDGED ASSETS AND CONTINGENT LIABILITIES**PLEDGED ASSETS**

GROUP	31/08/2022	31/08/2021
Property mortgages	1,336,684	1,317,834
Floating charges	30,500	7,000
Assets, SkiStar Norway Group	940,546	691,690
Other pledged assets	685,265	15,286
Closing balance	2,992,995	2,031,810
Of which pledged for own liabilities	2,992,995	2,031,810

PARENT COMPANY	31/08/2022	31/08/2021
Property mortgages	509,636	509,636
Floating charges	7,000	7,000
Other pledged assets	18,086	15,286
Closing balance	534,722	531,922
Of which pledged for own liabilities	534,722	531,922

CONTINGENT LIABILITIES

GROUP	31/08/2022	31/08/2021
Guarantees	403,364	403,463
Other contingent liabilities	70,500	70,500
Closing balance	473,864	473,963

PARENT COMPANY	31/08/2022	31/08/2021
Guarantees provided for Group companies	1,115,688	1,118,364
Other guarantees	324,165	325,405
Other contingent liabilities	70,500	70,500
Closing balance	1,510,353	1,514,269

Guarantees are related to surety for bank loans taken out by associates and other companies as well as travel guarantees.

NOTE 31 CASH FLOW STATEMENT

	Group		Parent Company	
	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Interest paid and dividend received				
Interest received	2,634	2,191	4,625	1,725
Interest paid	-41,569	-38,562	-15,981	-19,383
Adjustments for non-cash items etc.				
Share of profit/loss of associates	-64,545	-8,604		
Depreciation/amortisation and impairment of assets	413,150	522,476	169,168	159,520
Unrealised exchange differences	25,482	3,254		
Capital gains/losses on sale of non-current assets	4,907	-7,460	-255	3,279
Capital gains/losses on sale of operations/subsidiaries	-58,782	-216,744		87,370
Pension provisions			2,800	2,323
Other provisions	-17	-634		-78
Profit from revaluation of assets for sale		49,970		
Other non-cash items	-72,371	-7,207	-38,300	2,242
	247,824	335,051	133,413	254,656
Acquisition of subsidiaries and other business entities				
Acquired assets and liabilities:				
Property, plant and equipment	52,260	461,451		
Inventories		1,013		
Other assets	549	14,447		100
Total assets	52,809	476,911		
Purchase consideration	-35,228	-118,618		-100
Less cash and cash equivalents in acquired operation	968			
Effect on cash and cash equivalents	-34,260	-118,618		-100
Disposal of subsidiaries and other business entities				
Property, plant and equipment		-718,707		
Financial assets		-25,369		-95,818
Operating receivables		-5,097		
Cash and cash equivalents	40	-4,485		
Total capital gains/losses, liabilities and provisions	40	-753,658		-95,818
Cash and cash equivalents				
The following components are included in cash and cash equivalents:				
Cash and bank balances	24,610	26,556	785	786
	24,610	26,556	785	786

NOTE 32 FINANCIAL RISKS AND FINANCIAL POLICIES**FINANCIAL RISKS**

Financial risk not only entails a risk of losses, but also presents an opportunity for gains. SkiStar's policy for financial risk management is to avoid excess liquidity and to maximise returns by repaying short-term credit in the event of significant liquidity inflows. The financial policy is determined by the Board. The CFO is responsible for ensuring compliance with the policy. Financing activities within the Company are centralised under the CFO.

CURRENCY RISK

Currency risk is the risk of exchange rate changes affecting the Group's income statement, statement of financial position and/or its cash flows. Currency risk includes both translation risk and transaction risk. SkiStar conducts operations in Norway through its subsidiary SkiStar Norge AS and that company's subsidiaries, and is exposed to translation risks in these operations. SkiStar's policy is not to hedge translation risk. To reduce currency risks, assets in foreign subsidiaries are only financed in local currencies. Purchases of mainly lifts, piste machines and ski rental equipment are partly financed in EUR and USD and are hedged if this is considered beneficial to the Company. In the 2020/21 financial year, the Group purchased goods and services in euros, which totalled EUR 7.9 (9.9) million. Purchases are also made in other currencies, but their value is considered marginal.

CREDIT RISKS

Credit risk is the risk of SkiStar's customers being unable to discharge their obligations. Since most sales are settled in cash or through advance payments and most trade receivables are for small amounts, customer credit risk for any individual receivable is considered low.

INTEREST AND LIQUIDITY RISKS

SkiStar's financial policy requires most borrowing to have a short fixed-interest term of three months or less. With a strong financial base, including an equity/assets ratio of 40 (43) percent and a strong cash flow, SkiStar can take advantage of the effects of short-term interest rates, which are lower than the long-term rates. When the Company considers that the market situation and interest rates are conducive to borrowing at longer fixed-interest rates, this can be done, subject to a decision by the finance team and the Board. Loans are taken out with large credit institutions such as DNB, Nordea and SEB. Interest-bearing liabilities, excluding the effects of IFRS 16 Leases, amounted to SEK 1,751 (1,977) million at the reporting date. Net interest income/expenses for the financial year were SEK -49 (-44) million and average interest expenses were 2.21 (2.07) percent. Net interest-bearing liabilities, excluding the effects of IFRS 16 Leases, were SEK 1,675 (1,816) million at the reporting date. A rise in interest rates of 1 percentage point would increase SkiStar's interest expenses by about SEK 12 (11) million, with virtually the entire amount affecting net financial items in the income statement and therefore equity. To offset the strong fluctuations in cash flow over the year, SkiStar has short maturities for just over 50 percent of its loan volume. SkiStar has covenants linked to the interest coverage ratio and equity/assets ratio. At 31 August 2021, the covenants had been fulfilled. The Group's cash and cash equivalents

at the reporting date were SEK 27 (60) million. Unused credit facilities amounted to SEK 675 (533) million. In accordance with the disclosure requirements of IFRS 13, there follows a description of the fair value measurement of financial instruments in the balance sheet. This is done by classifying the measurement as follows:

- Level 1:** Fair value is determined according to quoted prices in active markets for identical instruments.
- Level 2:** Fair value is determined based on either directly (as prices) or indirectly (derived from prices) observable market data not included in level 1.

INTEREST RATE SWAPS

To hedge the risk of highly probable forecast interest-rate flows from borrowing at variable interest rates, the Company uses swaps, which means it receives a variable interest rate and pays a fixed rate. The interest rate swaps are measured at fair value in the statement of financial position. On 31 August 2021, the value was SEK -22 (-29) million. The interest rate coupon portion is recognised in profit or loss as part of interest expenses. Up to and including May 2016, unrealised changes in the fair value of interest rate swaps were included in the hedging reserve. Hedge accounting for interest rate derivatives has ceased with effect from May 2016. The value of the derivative is reversed in comprehensive income over the derivative's remaining life. A cumulative effect of SEK -2 (-7) million for remaining cash-flow-hedged interest rate swaps was recognised in equity at 31 August 2021. The Group has interest rate swaps of SEK 818 million and NOK 200 million, with remaining maturities of 2-6 years.

FAIR VALUE

Fair value measurement is conducted when reliable observable market data is available at the reporting date. For this reason, interest rate swaps and forward exchange agreements are measured at fair value. Other investments held as non-current assets consist essentially of participations in tenant-owner associations and shares in small companies. Participations in tenant-owner associations are assessed using the rules for property, plant and equipment, and other items are carried at cost, as the carrying amount is considered to correspond with the fair value of these items.

LOAN STRUCTURE 31 AUGUST 2022

	Nominal amount in original currency	Carrying amount	Maturity	Fair value of loan
Sweden				
Overdraft facilities, variable interest	112,818	112,818	2026-08-31	112,818
accrued interest	82	82		
Bank loan, variable interest	610,000	610,000	2025-03-28	610,000
accrued interest	1,624	1,624		
Bank loan, variable interest	16,265	16,265	2023-03-31	16,265
accrued interest	0	0		
Bank loan, variable interest	204,750	204,750	2024-11-11	204,750
accrued interest	754	754		
Bank loan, variable interest	113,860	113,860	2025-01-30	113,860
accrued interest	293	293		
Norway				
Bank loan, variable interest	245,000	266,365	2025-06-20	266,365
accrued interest	1,291	1,404		
Bank loan, variable interest	108,750	118,233	2024-02-21	118,233
accrued interest	101	110		
Bank loan, variable interest	25,650	27,887	2024-06-30	27,887
accrued interest	0	0		
Construction loan	135,479	147,293	2022-12-31	147,293
accrued interest	0	0		
Total loans		1,617,472		
Total accrued interest on bank loans		4,266		
Accrued interest on derivatives		878		

CONT. NOTE 32 FINANCIAL RISKS AND FINANCIAL POLICIES

Other financial liabilities consist of liabilities maturing within one year.

The fair value of the interest rate swaps were recognised as financial liabilities in the prior year. In the current year it is a positive value and therefore recognised as a fixed asset.

FINANCIAL INSTRUMENTS AT FAIR VALUE

SEK million	31/08/2022	31/08/2021
Interest rate swaps	58	-22

The items are reported as assets/liabilities in the balance sheet

The nominal value of the interest rate swaps was SEK 885 (1,017) million at 31 August 2020. The Fair value of the interest rate swaps for the Parent Company was SEK +30 (-10) million.

FINANCIAL ASSETS BY MEASUREMENT CATEGORY

31/08/2022, SEK million	Fair value through profit or loss	Amortised cost	Total carrying amount
Investments and other securities held as non-current assets ¹⁾	32	-	32
Receivables from associates	-	10	10
Trade receivables	-	38	38
Other current receivables	-	73	73
Cash and cash equivalents	-	25	25
Total financial assets	32	146	178

31/08/2021, SEK million	Fair value through profit or loss	Amortised cost	Total carrying amount
Investments and other securities held as non-current assets ¹⁾	34	-	34
Receivables from associates	-	1	1
Trade receivables	-	31	31
Other current receivables	-	58	58
Cash and cash equivalents	-	27	27
Total financial assets	34	117	151

¹⁾ SEK 32 (34) million of the financial investments are primarily investments in tenant-owner associations and other small shareholdings. These are measured based on level 3 of the IFRS 13 measurement hierarchy.

FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY

31/08/2022, SEK million	Liabilities to credit institutions	Derivatives used for hedge accounting	Other financial liabilities	Total carrying amount
Liabilities to credit institutions	1,634	-	-	1,634
Trade payables	-	-	223	223
Accrued interest	5	-	-	5
Total financial liabilities	1,639		223	1,862

31/08/2021, SEK million	Liabilities to credit institutions	Derivatives used for hedge accounting	Other financial liabilities	Total carrying amount
Liabilities to credit institutions	1,726	-	-	1,726
Derivatives	-	-	22	22
Trade payables	-	-	154	154
Accrued interest	6	-	-	6
Total financial liabilities	1,732	0	176	1,908

THE GROUP'S MATURITY STRUCTURE FOR UNDISCOUNTED CASH FLOWS FOR FINANCIAL LIABILITIES AND DERIVATIVES, INCLUDING INTEREST

SEK million	Within 1 year	2-5 years	After 6 years
Liabilities to credit institutions	364	1,375	-
Derivatives	-4	-10	-
Trade payables	223	-	-

NOTE 33 PROFIT/LOSS FROM SECURITIES HELD AS NON-CURRENT ASSETS

GROUP	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Bank balances	277	247
Non-current receivables	2,887	1,900
Trade receivables	147	6
Dividend	550	226
Unrealised change in value SWAP	70,823	
Tax account	-2	
Other	-1,545	
Exchange gains	24,862	30,182
	97,999	32,561

PARENT COMPANY	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Bank balances	3,135	1,430
Non-current receivables	2,345	289
Trade receivables	147	6
Unrealised change in value SWAP	37,715	
Tax account	-3	
Exchange gains	23,011	29,967
	66,350	31,692
Of which external	63,399	30,255
Of which internal	2,951	1,437

NOTE 34 INTEREST AND SIMILAR EXPENSES, EXTERNAL

GROUP	31/08/2022	31/08/2021
Liabilities to credit institutions	35,212	34,086
Interest, IFRS 16	38,351	15,908
Trade payables	51	204
Tax account	61	81
Övrig extern räntekostnad	5,400	
Exchange losses	37,136	31,861
	116,210	82,140
PARENT COMPANY	31/08/2022	31/08/2021
Liabilities to credit institutions	14,633	21,033
Trade payables	47	11
Tax account	43	15
Exchange losses	30,610	30,264
	45,333	51,323
Of which external	44,609	51,323
Of which intra-Group	724	

All items are derived from items at cost, apart from items arising from interest rate swaps, which are SEK 7.3 (-4.9) million for the Group and SEK -1.9 (0.6) million for the Parent Company. Interest rate swaps are included in liabilities to credit institutions for both the Group and the Parent Company.

NOTE 35 RELATED PARTIES**RELATED-PARTY RELATIONSHIPS**

The Group is under the control of Mats and Fredrik Paulsson, including family and companies, with an ownership corresponding to approximately 47 (47) percent of the votes and 24 (24) percent of the capital in the Group's Parent Company at 31 August 2022.

Peab

Mats and Fredrik Paulsson together with their family and companies are the principal owners of Peab, with which SkiStar has a business relationship. Purchases from Peab during the financial year amounted to SEK 84(269) million. The outstanding liability to Peab was SEK 2 (15) million. Sales to Peab amounted SEK 0.5(1) million and the outstanding receivable was SEK 0 (95) million.

SUBSIDIARIES AND ASSOCIATES

In addition to the related-party relationships described above, the Parent Company has related-party relationships through its control of subsidiaries. See Note 15. The SkiStar Group also has transactions with associates in which it does not have significant influence. See Note 16. Purchases from associates during the financial year amounted to SEK 221 (57) million and sales to associates amounted to SEK 7 (18) million. Net receivables from associates totalled SEK 21 (24) million, SEK 20 (22) million of which related to loans to associates. Sales to subsidiaries are mainly related to corporate services provided to the Norwegian subsidiaries. Sales to associates are mainly related to commission from accommodation agency operations, accounting and property services on behalf of Lima Transtrand Fastighets AB. Purchases from associates mostly relate to rental of property from the Skiab Invest Group. A transfer pricing agreement is in place for trade with the Norwegian subsidiaries.

SENIOR EXECUTIVES

Information about salaries and other benefits, pensions, etc. for the Board of Directors, CEO and other senior executives can be found in Note 8.

SUMMARY OF RELATED-PARTY TRANSACTIONS

GROUP	Sales to related parties 01/09/21-31/08/22	Purchases from related parties 01/09/21-31/08/22	Receivables from related parties 31/08/2022	Liabilities to related parties 31/08/2022
Associates	7,128	221,021	21,040	21,892
Peab	1,568	84,383	52	6,384
Other	3,075	3,415	17	762
TOTAL	11,771	308,819	21,109	29,038

PARENT COMPANY

Associates	2,809	146,334	10,979	21,459
Peab	1,338	56,527	5	4,319
Other	3,075	3,415	17	762
TOTAL	7,221	206,276	11,001	26,540

GROUP	Sales to related parties 01/09/20-31/08/21	Purchases from related parties 01/09/20-31/08/21	Receivables from related parties 31/08/2021	Liabilities to related parties 31/08/2021
Associates	6,639	54,750	22,386	2,488
Peab	461	269,458	96	14,785
TOTAL	7,100	324,208	22,482	17,273

PARENT COMPANY

Associates	6,504	53,807	13,385	2,456
Peab	461	63,805	96	11,526
TOTAL	6,965	117,612	13,481	13,982

NOTE 36 CAPITAL GAIN ON PROPERTY TRANSACTION

GROUP	31/08/2022	31/08/2021
Capital gain on sale of subsidiaries		19,284
Capital loss on sale of subsidiaries		-38,162
Capital gain on sale of associates		276,389
Capital loss on sale of associates		-21,262
Sale and leaseback		-38,144
		198,105

NOTE 37 ASSETS/LIABILITIES HELD FOR SALE**ST JOHANNER BERGBAHNEN GMBH**

	01/09/2021 -31/08/2022	01/09/2020 -31/08/2021
Assets		
Intangible assets		231
Property, plant and equipment		392,260
Inventory		3,871
Other operating assets		3,092
Impairment -		-91,420
		308,034
Liabilities		
Other current liabilities, interest-bearing		69,478
Other current liabilities, non-interest-bearing		12,255
Lease liabilities		62,165
Other provisions		11,722
		155,620

During the financial year, SkiStar sold all its shares in St. Johann to St. Johanner Bergbahnen Beteiligungs GmbH, instead of to the previously stated buyer, Schultz Gruppe, due to a decision in the approval process on which the transaction had been conditional. SkiStar received a repayment of EUR 15 million for shareholder loans totalling EUR 19.5 million paid to St. Johann and a cash purchase consideration of EUR 2. The transaction had a positive effect of SEK 16 million on SkiStar's operating profit in the second quarter, relating to the reversal of previous impairment.

NOTE 38 EVENTS AFTER THE REPORTING DATE

The Board of Directors proposes that the Annual General Meeting adopt a dividend of SEK 3:00 (1.50) per share, totalling SEK 235 (118) million.

In October 2022 SkiStar sent in the Company's Science Based Targets for approval by the Science Board Initiative to ensure that the Company's climate goal is in line with the research and the Paris Agreement. The approval process is expected to take a couple of months, after which SkiStar's Science Based Targets will be published externally on the Science Based Targets Initiative website, sciencebasedtargets.org, and on SkiStar's website skistar.com/en/corporate/sustainability.

NOTE 39 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Group management makes estimates and assumptions concerning the future. The results of these estimates and assumptions are used to assess the carrying amounts of assets and liabilities. The actual outcome may differ from these estimates and assumptions. Estimates and assumptions that involve a risk of adjustments to the carrying amounts of assets and liabilities are described below.

MEASUREMENT OF GOODWILL

Several assumptions about future conditions and parameters have been made when calculating the recoverable amounts of cash-generating units for the purpose of goodwill impairment testing. These are described in Note 13. Any changes to these assumptions and estimates beyond what may reasonably be expected could have an effect on goodwill. However, this risk is low as the recoverable amounts largely exceed the reported goodwill values.

MEASUREMENT OF USEFUL LIFE OF OWNED PROPERTY, PLANT AND EQUIPMENT

Assumptions based on historical data and comparisons with equivalent assets are used as a basis when assessing the useful lives of items of property, plant and equipment. Any changes to these assumptions and estimates beyond what may reasonably be expected could have an effect on the estimated useful life.

LEASE ASSETS AND EXTENSION OPTIONS

Extension options are taken into account in the lease term only if it is reasonably certain that such an option will be exercised. See Note 1 for more detailed information. The average borrowing rate for the period in which the contract commences is used to calculate the right-of-use asset and lease liability.

DISPUTES

SkiStar is not currently involved in any dispute of material significance to the Group.

NOTE 40 INFORMATION ABOUT THE PARENT COMPANY

SkiStar AB (publ), corporate identity number 556093-6949, is a Swedish limited company, with its registered office in the Municipality of Malung-Sälen, Dalarna County. The head office is in Sälen and the postal address is SE-780 91 Sälen. The Parent Company's shares are listed on Nasdaq Mid Cap Stockholm.

Reconciliation of alternative performance measures

SEK thousand	Full year 1 Sep-31 Aug	
	2021/22	2020/21
Financing and interest-bearing liabilities		
Non-current interest-bearing liabilities to credit institutions	1,300,825	1,147,090
Non-current lease liabilities	1,865,743	1,372,010
Pension provisions	17,335	14,535
Current interest-bearing liabilities to credit institutions	316,647	563,670
Current lease liabilities	124,745	93,294
Interest-bearing liabilities	3,625,295	3,190,599
Other non-current receivables	50,555	72,890
Non-interest-bearing portion of non-current receivables	-1,572	-35,519
Current interest-bearing receivables	1,265	12,441
Cash and cash equivalents	24,610	26,556
Interest-bearing receivables	74,858	76,368
Financial net debt (Interest-bearing receivables - interest-bearing liabilities)	3,550,437	3,114,231

SEK thousand	2021/22		2020/21		2019/20		2018/19		2017/18	
	Q4		Q4		Q4		Q4		Q4	
Return on capital employed										
Profit/loss after financial items	865,668		246,174		350,059		553,242		586,629	
Finance income	27,177		32,562		46,656		49,029		55,283	
Finance costs	-45,387		-82,142		-90,960		-99,571		-79,548	
Net financial items	-18,211		-49,579		-44,304		-50,542		-24,265	
Profit/loss after financial items plus finance costs	911,055		328,315		441,019		652,812		666,177	
	2021/22		2020/21		2019/20		2018/19		2017/18	
	Q4		Q4		Q4		Q4		Q4	
Capital employed										
Assets	7,973,524	6,873,998	6,873,998	6,053,251	6,053,251	5,065,776	5,065,776	4,870,568	4,870,568	4,507,860
Non-current non-interest-bearing liabilities	196,266	142,008	142,008	225,206	225,206	226,546	226,546	221,113	221,113	190,107
Current non-interest-bearing liabilities	792,657	767,365	767,365	562,156	562,156	478,637	478,637	537,253	537,253	455,254
Total non-interest-bearing liabilities	988,924	909,373	909,373	787,361	787,361	705,182	705,182	758,366	758,366	645,361
Capital employed	6,984,601	5,964,625	5,964,625	5,265,889	5,265,889	4,360,594	4,360,594	4,112,202	4,112,202	3,862,499
Average capital employed	6,474,613		5,615,257		4,813,242		4,236,398		3,987,350	
Return on capital employed	14%		6%		9%		15%		17%	
Return on equity										
Equity	3,359,306	2,774,026	2,774,026	2,590,524	2,590,524	2,602,064	2,602,064	2,421,089	2,421,089	2,090,251
Average equity	3,066,666	2,682,275	2,682,275	2,596,294	2,596,294	2,511,576	2,511,576	2,255,670	2,255,670	
Profit after tax (see also previous reports)	664,552	233,632	233,632	286,715	286,715	460,400	460,400	486,368	486,368	
Return on equity	22%		9%		11%		18%		22%	
Return on total assets										
Total assets	7,973,524	6,873,998	6,873,998	6,053,251	6,053,251	5,065,776	5,065,776	4,870,568	4,870,568	4,507,860
Average total assets	7,423,761	6,463,624	6,463,624	5,559,513	5,559,513	4,968,172	4,968,172	4,689,214	4,689,214	
Return on total assets	12%		5%		8%		13%		14%	

Conducting skiing operations requires large capital investments and a stable financial base is therefore important. SkiStar uses these alternative performance measures as part its monitoring of the financial base.

Sustainability information



SkiStar's sustainability initiatives are reported annually. This report is for the period 1 September 2021 – 31 August 2022. SkiStar's sustainability work is initiated by Group management and endorsed by the Board of Directors as a priority area for SkiStar. The objective is to run the entire business in a sustainable way. This is why the description of sustainability initiatives is integrated into the Company's annual report.

The sustainability report has been prepared in accordance with GRI Standards, Core Option. The GRI index on pages 111–112 contains references to where the information can be found in the annual report.

By applying the international GRI guidelines, SkiStar strives to provide transparent and balanced reporting of sustainability-related content relevant for our stakeholders.

The EU Taxonomy for Green Investment is part of the EU Action Plan on Sustainable Finance and is aimed at defining environmentally sustainable investments. For an activity to be considered sustainable under the Taxonomy Regulation, it must make a substantial contribution to at least one of the EU's six environmental objectives and do no significant harm to any of the other environmental objectives. In addition, there are requirements regarding social aspects such as human rights and work environment.

SkiStar's entire business is covered by the EU Taxonomy Regulation. On page 105 is a description of the information to be provided in the 2021/22 annual report regarding the proportion of taxonomy-eligible activities.

The report has been reviewed by PwC and their statement can be found on page 117.

LIMITATIONS AND CHANGES FROM THE PREVIOUS YEAR

The sustainability report includes the Parent Company and wholly-owned subsidiaries. The skiing destination of St. Johann in Tirol is not included in the sustainability report, as has also been the case in previous years. It has been determined that co-owned associates do not constitute a significant portion of operations, which is why they are not included in the report. Joint-venture companies co-owned by SkiStar are not considered to be a significant part of the operations for the purposes of the sustainability report. In preparing SkiStar's climate report, assessments have been made in accordance with the GHG Protocol. In the climate report, see note H4, joint ventures and associated companies with a high climate impact have been included as they have been considered significant to SkiStar's climate initiatives. The figures reported in the sustainability notes have been collected from each destination and relevant business areas. Conversion to climate data has been carried out by an external supplier and verified by SkiStar.

With effect from 1 July 2021, SkiStar has a new hotel division within

the Group. This is therefore the first time that sustainability information for the hotel business has been reported for the full financial year.

Calculation of SkiStar's total climate data has continued to be carried out with an external supplier during the year. No major updates have been made to the conversion factors used during the financial year compared with the previous year. During the year, SkiStar has continued reporting scope 3 data, with the most relevant categories having been evaluated and calculated. The associated company Fjällvärme i Sälen AB was reclassified during the year. SkiStar does not have operational control over the company and the emissions from Fjällvärme i Sälen AB have therefore been reclassified as indirect climate impact (S3).

STATUTORY SUSTAINABILITY REPORT

The sustainability report has been prepared in accordance with the provisions in the Annual Accounts Act, Chapter 6, Section 11, and is described on pages 35–48, 99–110 and 113 with the exception of the description of the Company's business model on pages 13, 21–28 and risk management on pages 51–52.

For questions relating to SkiStar's sustainability reporting, contact the Company at hallbarhet@skistar.com.

IMPACT ON THE UN'S SUSTAINABLE DEVELOPMENT GOALS

Sustainability is defined by the UN as meeting the needs of the present without compromising the ability of future generations to meet their own needs. In September 2015, UN member states adopted Agenda 2030, a universal agenda containing 17 goals for economic, social and environmental sustainable development. The intent of goals is to help reduce poverty, injustice and inequality, and resolve the climate crisis by 2030.

By integrating sustainability into our strategies and targeted measures, we make a positive contribution to the sustainable development goals while also trying to understand and deal with any negative impact we may cause.

The greatest positive impact is considered to be on Goal 3, Good Health and Well-being. Getting people moving has been at the heart of SkiStar's operations since the Company was founded more than 45 years ago. By making an active holiday available to more people, we can help promote a more active and sustainable lifestyle and enhance well-being. We make a positive contribution to Goal 8, Decent Work and Economic Growth, through our work at our destinations and thereby our contribution to rural communities. Operational challenges that can be linked to the Agenda 2030 goals include Goal 13, Climate Action. Through SkiStar's strategic climate initiatives and ambitious climate goals, the Company works to reduce its negative impact on Goal 13.

Sustainability governance

Sustainability is an integral part of SkiStar's governance and reporting. An understanding of and commitment to challenges such as climate change and the use of natural resources are highly significant to SkiStar. Responsibility is thus important both at Group level and at the destinations.

Responsibility for sustainability-related issues is ultimately held by SkiStar's Board. SkiStar's CEO bears overall responsibility for evaluating and managing sustainability issues, including climate-related issues, which are well integrated in SkiStar. Within Group management, responsibility for evaluating and managing sustainability and climate-related issues is delegated to the Communications and Sustainability Director.

Operational responsibility for sustainability and climate-related issues at Group level is led by the Sustainability Manager, who reports to the Communications and Sustainability Director. The Sustainability Manager is responsible for defining, proposing and supporting implementation and communicates decisions made in connection with the sustainability strategy and established goals.

SkiStar also has a dedicated Sustainability forum, chaired by the CEO, with the Sustainability Manager as secretary. In addition to the CEO and Sustainability Manager, the forum consists of representatives from the core business: the Communications and Sustainability Director, Property and Development Director, HR Director and CEO of SkiStar Norge AS. Two members were added to the forum during the year: the Business Development Manager and the SkiStarshop Manager. The forum meets regularly to discuss the Company's development and ensure compliance with policies and guidelines and achievement of established goals.

Planning, management and monitoring of sustainability initiatives follow the organisational structure with a clear delegation of responsibilities and powers. This consists of policies, directives, procedures and overall goals. Furthermore, our work is governed by laws, guidelines and regulations, including the UN Sustainable Development Goals.

POLICIES

In addition to the general Code of Conduct, SkiStar works in line with a range of policies and governance documents that clarify the Company's risks, risk management strategy and approach to achieving its objectives. The purpose of these policies is to create transparency and clarify how we intend to pursue operations with a long-term, sustainable approach to generate growth and develop the Company. All policies are reviewed annually and constitute a basic tool to ensure each employee at SkiStar can easily access information regarding how they are expected to act, when and for what reason.

Annual online training is provided to increase awareness and understanding of how SkiStar is expected to act and respond to its operating environment. The training covers all policies and the Code of Conduct. It is also aimed at increasing understanding of how sustainability aspects should be observed in all areas of the business, and how they should be a natural consideration for every employee at all levels and in all decisions. All the Company's policies are available to SkiStar's employees on the intranet.

Sustainability policy

Our ambition to influence and tackle the challenges of the future is described in SkiStar's sustainability policy. SkiStar's sustainability policy was updated during the financial year. The sustainability policy governs and monitors SkiStar's climate initiatives and goals. SkiStar's Sustainability Manager is responsible for establishing and implementing the sustainability policy. Water consumption is governed by SkiStar's sustainability policy. SkiStar uses water from rivers, streams and dams near SkiStar's mountain destinations for snow production. SkiStar follows established water rights court rulings.

All SkiStar employees are continuously trained to understand how their role in the business affects SkiStar's sustainability initiatives and how each employee is key to complying with the sustainability policy and achieving its goals. Every employee is also expected to actively seek out and familiarise themselves with such information.

Employees

Employers are responsible for ensuring a good physical and psychosocial work environment. The impact on our own employees occurs within the organisation. The greatest risk of serious accidents is in our Operation of Mountain Resorts and Property Development and Exploitation business areas. In our Operation of Mountain Resorts business area, we work systematically and actively to ensure the safety of our employees and guests. In the Property Development and Exploitation business area, the risk of serious accidents lies outside the organisation among the people managing our properties and working on our construction sites. However, we are aware that as the purchaser of these services we should do everything we can to influence the workplaces of these people.

SkiStar's health and safety initiatives are based on the Work Environment Act and are described in several governance documents, such as our work environment policy. SkiStar AB's Board of Directors has overall responsibility for ensuring that the SkiStar Group's work environment initiatives are conducted in accordance with the policy. With the support of Group management, it is the responsibility of the CEO to ensure that there is an appropriate organisation, delegated tasks and sufficient resources for work environment initiatives in accordance with the policy. More detailed instructions that describe our systematic health and safety initiatives can be found in the work environment handbook, which serves as a daily aid. Employees' voices are heard via employee surveys, employee dialogues, work environment meetings and safety representatives. All employees at SkiStar are covered by systematic work environment initiatives.

SkiStar trains managers and supervisors with the right knowledge, skills, resources and powers to be able to work towards maintaining a good and safe work environment and ensures that all employees receive the introduction and training they need to be able to work safely and healthily.

Equality, diversity and inclusiveness

SkiStar's vision is: We create memorable mountain experiences. By welcoming people from all age groups, with different abilities, backgrounds, functional ability and experiences, SkiStar aims to offer a workplace where everyone can be themselves. SkiStar is engaged in creating a corporate culture that values equality, diversity and inclusion at all levels and gives all employees equal opportunities.

The diversity policy applies to all employees in the Group, regardless of their type of employment. It is also a natural part of the Company's leadership programme and employee induction. Employee surveys are conducted annually and include work environment and diversity issues. The results are a measure of SkiStar's success in this area but are also a source for continued improvements.

In close cooperation with the work environment organisations at each destination, the responsibility for operational management of diversity work and implementation of defined procedures lies with each department/business area manager. The HR function is responsible for ensuring that recruitment processes within the Company are ingrained with values and attitudes that are in line with the diversity policy. It is important that all employees share and live up to our values in order for SkiStar to have a culture where equality, diversity and inclusion are present.

Human rights

Respecting human rights is part of SkiStar's Code of Conduct and Supplier and Partner Code of Conduct. SkiStar clarifies its position in the policy, which is revised annually and approved by SkiStar's Board of Directors.

For SkiStar, it is self-evident that all people are equal. We must meet and treat our fellow human beings equally, regardless of gender, ethnicity, religion or other belief, functional variation or age. SkiStar respects and supports internationally declared human rights and labour law.

The risk of human rights violations is principally deemed to be at the supplier level. SkiStar's Supplier and Partner Code of Conduct contains expectations of suppliers in terms of forced labour and unhealthy working conditions. Suspected violations of human rights are reported and dealt with in line with current legislation.

GOVERNANCE DOCUMENTS FOR SUSTAINABILITY WORK

Regulations governing SkiStar's sustainability:

External laws and regulations

- Swedish Companies Act
- Swedish Annual Accounts Act
- Swedish Environmental Code
- Swedish Work Environment Act
- Boverket's BBR Building Regulations
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- EU Taxonomy Regulation
- Other applicable laws and regulations

External initiatives

- GRI Standards
- UN Global Sustainable Development Goals
- Paris Agreement
- Swedish Roadmap for Fossil Free Sweden
- Global Compact
- OECD Guidelines for Multinational Enterprises
- TCFD
- Science Based Targets
- CDP

Key internal rules and regulations

- Supplier and Partner Code of Conduct
- Sustainability policy
- Work Environment Policy
- Code of Conduct
- Employee Policy
- Diversity Policy
- Quality Directive
- Purchasing Directive



Suppliers

Effective partnerships and responsible procurement of suppliers are an important factor in the ongoing sustainable development of operational activities. SkiStar works with many different suppliers within the Company's various business areas. Most of SkiStar's suppliers come from Scandinavia and Europe. SkiStar's main suppliers are in the Operation of Mountain Resorts and Property Development and Exploitation business areas. Consequently, both price and the length of the business relationship with each supplier vary. SkiStar applies a Supplier and Partner Code of Conduct, which sets out the expectations SkiStar has of them. SkiStar's Supplier and Partner Code of Conduct includes respect for human rights, among other areas. It requires suppliers to be familiar with basic human rights and labour conditions, and to respect and comply with them. All SkiStar's suppliers and business partners are expected to accept this Code of Conduct. SkiStar will act on any breaches. To ensure responsible procurement, SkiStar works based on the established purchasing directive, which take into account various perspectives in procurement and purchasing processes,

such as accessibility, price, quality and sustainability aspects. SkiStar's Supplier and Partner Code of Conduct is available on SkiStar's website, skistar.com/en/corporate.

Compliance

SkiStar aims to achieve full compliance with the Company's policies. For everyone to feel confident that the Company is working towards the same goals, and identify all possible policy breaches, SkiStar has established a whistleblower function. The service is designed to give all employees and other persons who have a work-related relationship with SkiStar the opportunity to anonymously report any suspicions of serious irregularities. The whistleblower function is a warning system aimed at reducing risks, preferably at an early stage in the chain of events. A whistleblower function is an important aspect of effective corporate governance and maintains public confidence in us as a company. Directives and procedures for reporting are available to all employees and other persons with a work-related relationship with SkiStar.

Stakeholder dialogues

Mapping and analysing stakeholders' expectations of our operations is a prerequisite for creating sustainable value. That is why we have ongoing dialogue with our stakeholders.

In addition to this ongoing dialogue with stakeholders, in-depth interviews with a selection of representatives from our various stakeholder groups were conducted in the previous year. The purpose was to identify SkiStar's most important sustainability issues now and in the future, and to gain an understanding of which issues create significant value for our stakeholders. The stakeholder dialogue formed the basis of SkiStar's new sustainability strategy.

SKISTAR'S STAKEHOLDERS



Dialogue with stakeholders provides insights into the expectations of different stakeholder groups and contributes to the development of long-term relationships and continuous improvement of SkiStar's operations. It also provides valuable information when SkiStar evaluates its sustainability work and prioritises initiatives in the area of sustainability.

Stakeholder dialogue included a targeted survey to which approximately 4,050 guests and 500 employees responded. In addition, in-depth interviews were conducted with selected stakeholder groups, such as municipalities, regions, shareholders and destination

companies. This was done to get a picture of the stakeholder groups' priorities, and it formed the basis for SkiStar's materiality analysis and sustainability strategy.

Two areas of increasing importance to our stakeholders and our operating environment are biodiversity and integration. In terms of biodiversity, the expectation is that stakeholders want more information about SkiStar's impact on biodiversity at our destinations. They also want to know how other places are affected as a result of the Company's purchases of goods and services.

STAKEHOLDER ENGAGEMENT

Stakeholders	Dialogue	Material issues
Guests/Customers	<ul style="list-style-type: none"> Weekly guest surveys Daily meetings with guests 	<ul style="list-style-type: none"> Waste and recycling Sustainable tourism Health and safety Circular economy
Employees	<ul style="list-style-type: none"> Annual employee survey on sustainability Regular employee surveys Individual dialogues 	<ul style="list-style-type: none"> Sustainable working life Climate and mountain environment Waste and recycling
Shareholders	<ul style="list-style-type: none"> Investor meetings ESG surveys and assessments 	<ul style="list-style-type: none"> Climate-related risks and opportunities Climate initiatives New business opportunities: all-year-round operation

SOCIETY

Suppliers	<ul style="list-style-type: none"> One-off meetings Purchasing dialogue Collaboration 	<ul style="list-style-type: none"> Compliance with SkiStar's Supplier Code of Conduct Working hours and working conditions Long-term collaboration
Sector organisation	<ul style="list-style-type: none"> Board meetings Forum members Continuous dialogue 	<ul style="list-style-type: none"> Climate and mountain environment Biodiversity Integration and work environment
Land owners	<ul style="list-style-type: none"> One-off meetings Continuous dialogue 	<ul style="list-style-type: none"> Protection of mountain environment Exploitation and development of mountain destination
Municipalities & Politicians	<ul style="list-style-type: none"> One-off meetings Consultation meetings Continuous dialogue 	<ul style="list-style-type: none"> Public health and inclusiveness Covid-19 and precautionary measures Sustainable development of destinations
Local businesses	<ul style="list-style-type: none"> One-off meetings Consultation meetings Continuous dialogue 	<ul style="list-style-type: none"> Covid-19 and precautionary measures Booking conditions and interest in mountain holidays Sustainable development of destinations
Media	<ul style="list-style-type: none"> Interviews Continuous dialogue 	<ul style="list-style-type: none"> Covid-19 and precautionary measures Booking conditions and interest in mountain holidays Incidents at mountain resorts (avalanche/accidents)

Materiality analysis

SkiStar's materiality analysis is based on several different areas: stakeholder dialogue, external trends and the Company's and management's strategic priorities. The analysis forms the basis of SkiStar's strategic focus and prioritisation of sustainability initiatives.

Based on the survey of stakeholders' expectations and external monitoring, internal priorities have been established, of which

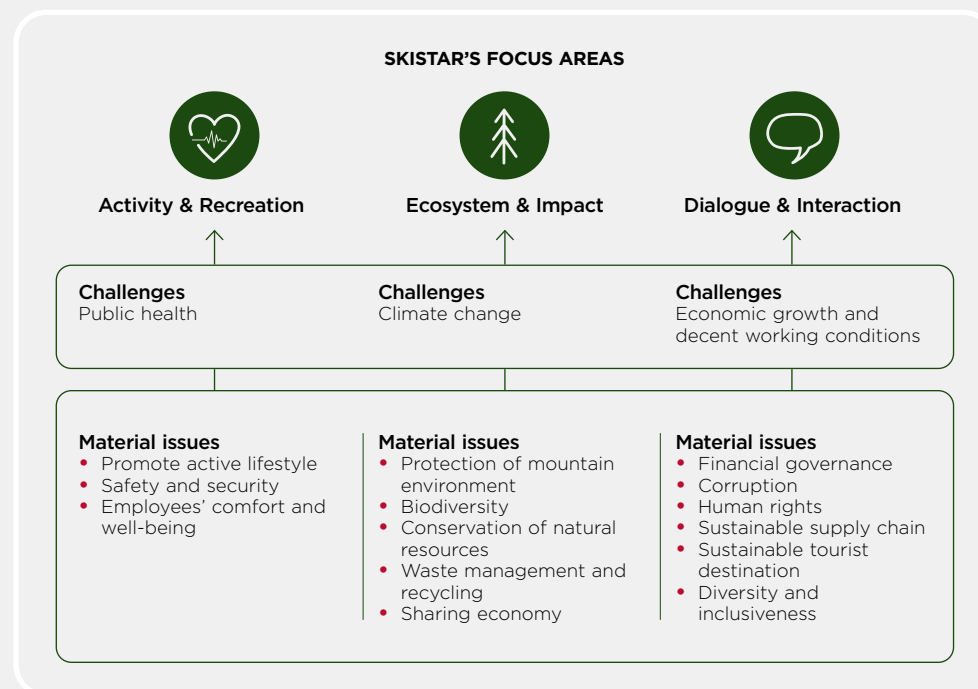
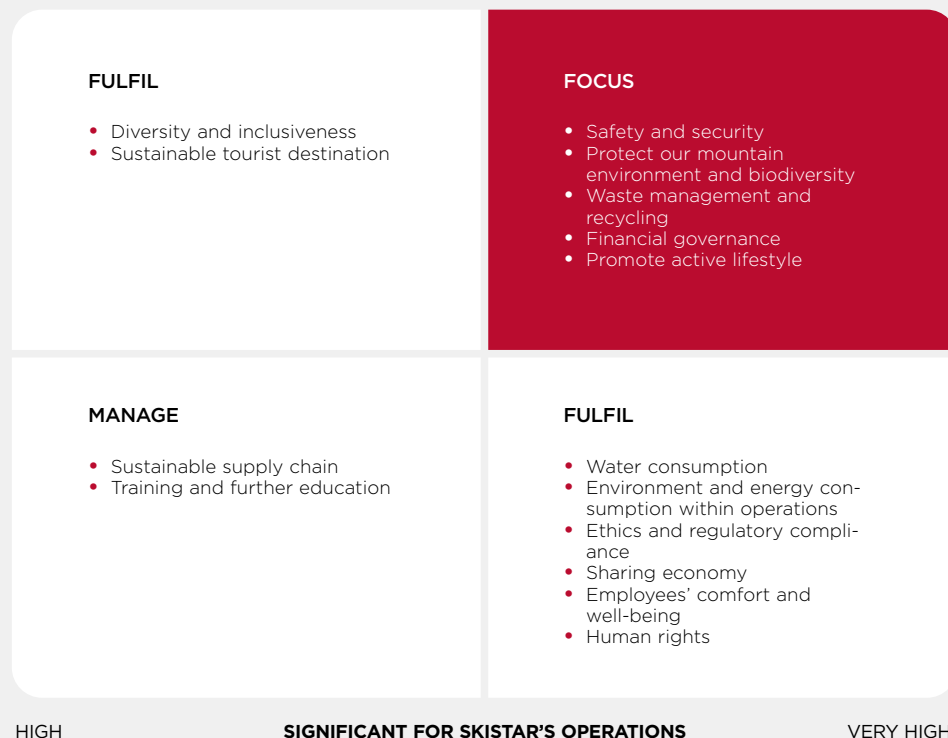
sustainability issues are deemed the most significant. When establishing these priorities, SkiStar's actual impact on people, the environment, the economy and society was considered.

SkiStar conducts a materiality analysis every two years. A review of and update to the materiality analysis was carried out during the year, the conclusions of which are shown below. The results show the areas

that are most important for SkiStar's business and value initiatives as based on the analysis.

SkiStar's contributions and challenges linked to the UN's 17 Sustainable Development Goals also formed part of the analysis.

IMPORTANT SIGNIFICANCE FOR OUR STAKEHOLDERS VERY IMPORTANT



TCFD climate reporting

During the past year, SkiStar began reporting on financial climate risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The primary aim is to provide information about the risks and opportunities associated with the transition to a low-carbon society with a changing climate. TCFD's recommendations involve reporting in four areas: governance, strategy, risk management and key figures and targets. Our ambition is to report in line with the recommendations as far as possible to clarify how our operations will be affected by climate change, based on two different future scenarios.

Below is our account of how we conduct this work in these four areas today, as well as references to other parts of the annual report where more detailed information is available.

BACKGROUND

SkiStar has always been dependent on nature and the weather. From the very beginning, we identified the climate as an important external factor and a significant issue for our operations. Over six years ago, we began an extensive transformation in our own operations, which made us pioneers in our industry in terms of converting to fossil-free fuel. Over the past six years, SkiStar has reduced its own carbon footprint by 84 percent.

For SkiStar, the business benefits of working on climate issues are clear and we do not see any conflict between profitability and sustainability. On the contrary, we can see that climate initiatives have historically been a success factor, both driving and responding to market demand for climate-smart solutions. However, SkiStar has not only worked to reduce its own impact on the climate, but has also to adapt its operations to manage a changing climate.

GOVERNANCE

Planning, management and monitoring of sustainability initiatives follow the organisational structure with a clear delegation of responsibilities and powers. This consists of policies, directives, procedures and overall goals. Furthermore, our work is governed by laws, guidelines and regulations, including the UN Sustainable Development Goals. See page 99–100 for more information about SkiStar's sustainability governance.

STRATEGY

SkiStar is a long-term operator. It is therefore important for our business strategy to take into account the areas that are expected to also have a major impact in the long term, including the climate issue. SkiStar's sustainability strategy is part of the Company's strategic plan. It means, among other things, that our business will be run sustainably and that our sustainability ambitions will influence all the Company's decisions.

For Sweden as a nation, climate work is regulated in the Climate Act of 2018. The overall goal is to achieve zero GHG emissions in Sweden by 2045. SkiStar has adopted an ambitious climate strategy and has therefore made a decision that the Company will be climate neutral in all its own operations by 2030 and will have halved our climate impact in the entire value chain by 2030. In 2020/21, we therefore updated our strategy model, developing our vision and more concrete targets and strategies. For more information about how we govern our operations, see pages 9–12.

To get the business moving in the right direction, each year we set ambitious short and long-term environmental targets in areas that generate emissions, such as purchasing and guests' travel to our destinations.

To ensure that our efforts to reduce our climate impact are sufficient, and in line with what is needed to achieve the Paris Agreement's goal of limiting global warming to two degrees, we have developed our Science Based Targets during the year. After the end of 2021/22, we submitted these for approval by SBTi, to ensure that our ambitious climate targets are in line with research and science. See also Note 38. SBTi is a partnership between the World Wide Fund for Nature (WWF), the UN Global Compact, the Carbon Disclosure Project and the World Resources Institute. The aim is to ensure that the climate targets set by companies have a scientific basis.

RISK MANAGEMENT

Identifying, analysing, managing and monitoring climate risks are a priority area for SkiStar. SkiStar is exposed to various risks related



to the business and the business model. To manage and work on the risks faced by the Company, SkiStar engages systematically with risk assessment and risk management, covering all areas. SkiStar's Board of Directors has overall responsibility for ensuring risk management is conducted, as well as managed efficiently and purposefully. In addition, sustainability risks are evaluated separately, including these areas: climate/environment, human rights, labour law and anti-corruption. SkiStar's risk management relates to all risks associated with the company's sustainability work and the Company's materiality analysis.

SkiStar's risk management is described in the administration report on pages 51–52.

TARGETS AND PERFORMANCE MEASURES

A summary of SkiStar's greenhouse gas emissions for 2015/16 to 2021/22 can be found in sustainability note H4 on page 108–109. A description of environmental targets defined for 2020/21 can be found on pages 20.

We have tried to follow TCFD's recommendations as far as possible. Work to further quantify these aspects is in progress.

SCENARIO ANALYSIS

Climate scenarios help us understand what our climate may look like in the future and how they are affected by global issues such as politics, technology, economics and societal change. By analysing the possible effects on operations in different climate scenarios, we are able to identify both adjustment risks and physical risks. These can then help us to adapt our future strategy. This includes preparing the business for a low-carbon economy, legislation and society. It also includes preparing for the physical impact the changing climate will have on our destinations, visitors and suppliers' operations. SkiStar's aim is to carry out an updated scenario analysis every five years. The last one was carried out in 2020/21.

Risks and opportunities

Based on the climate scenarios, we have identified our financial climate risks as physical risks and adjustment risks. Physical risks are risks that may involve direct damage to assets or indirect damage, such as interruptions to lift operations. Adjustment risks are risks that a transition to a society with lower CO₂ emissions may entail. The transition to a low-carbon society may also provide opportunities for businesses. Using only renewable energy, increasing the amount of self-produced energy and continuing to work on energy efficiency means that GHG emissions are reduced while operating costs are cut.

The analyses have been made on the basis of two possible scenarios – RCP 2.6 and RCP 8.5 – which correspond to the best and worst future scenario identified by the UN Climate Panel, IPCC. The analysis is based on SMHI's reports for Dalarna and Jämtland County, the Norwegian Climate Service Center and other relevant reports, and covers the period until 2050. The impact of global warming will be similar at each of SkiStar's destinations. Based on the climate scenarios, we have identified our financial climate risks according to the Task-Force for Climate-Related Financial Disclosures framework.

EXAMPLES OF MEASURES TO MEET FUTURE CLIMATE CHANGE

- Streamline and expand snow production
- Weather-proof exposed resorts
- Develop a more weather-resistant range of activities
- Produce sustainable travel alternatives to our destinations
- Convert from winter destination to year-round destination
- Build sustainable properties and accommodation in the mountains



SCENARIO 1: WE MAKE THE TRANSITION (RCP 2.6)

Assumption

The world's greenhouse gas emissions are halved by 2050, and the temperature increase is limited to 1.5-3 degrees in Sweden. Renewable energy technology is introduced on a large scale and energy intensity is low. Major adjustments to society, infrastructure and buildings are made, and greenhouse gases are subject to taxes and regulations. Land use and building standards have stricter sustainability requirements. There are good conditions for natural snow and skiing, with less need for snow from cannons.

Risks

- CO₂ emissions are regulated: Increased regulation, taxes and charges on CO₂ emissions affect land use and building standards. Requirements for zero emissions throughout the value chain.
- New business models: Circular economy requires changes in the business model.
- Energy: Increased volatility and higher prices.
- New technology: Requires increased investments.
- Biofuel: Altered and expanded instruments for biofuels may affect the supply of biofuels and shortages may arise.

Opportunities

- SkiStar remains the mountain destination of the future
- More tourism, skiing safeguarded for the long term
- Increased use of renewable energy and self-produced solar energy
- Greater demand for innovation and new technology



SCENARIO 2: WE CONTINUE AS NORMAL (RCP 8.5)

Assumption

Emissions of greenhouse gases continue to increase at the same rate as now. Political climate initiatives and collaborations fail, and the worsened climate affects human health through an increased risk of pandemics. The temperature in Sweden and Norway increases by 3-7 degrees, with winters becoming up to 10 degrees warmer in northern Sweden. There are more days with extreme weather, floods and strong winds, and the number of forest fires increases. Annual precipitation increases by 10-35 percent, especially in northern Sweden. There are fewer snow-covered days, which results in poorer skiing conditions.

Risks

- Warmer winters: The average temperature increases by 2-3 degrees at all destinations. Fewer days with natural snow cover, more melting during the operating season, snowfall turns into rain.
- Shorter winter season: The winter cold comes a month later, the start of snow production is delayed and it becomes less possible to guarantee a complete ski resort open for Christmas/New Year.
- Stronger winds: The number of days with outages increases, more wear and tear on infrastructure, worse weather for guests.
- Warmer summers, more precipitation: Poorer guest experience in the exposed areas of the destinations.
- Risk that resources become strained as a result of increased tourism: Increased temperatures will lead to reduced snowfall in the Alps. Changed travel patterns in Europe may in turn lead to increased tourism at SkiStar's destinations to begin with.

Opportunities

- The effect of climate change on human movement patterns
- Increased tourism in the short term as Scandinavian facilities have a geographical advantage.
- Increased summer tourism with long-term favourable conditions.
- Expand snow production both in terms of scope and capacity.

EU Taxonomy Regulation

BACKGROUND

The Regulation (EU) 2020/852 which came into force on 12 July 2020 ('Taxonomy') is a classification system for environmentally sustainable economic activities aimed at creating a common language for investors and companies referring to products and services that make a substantial positive contribution to the environment and climate. The overall objective of the Taxonomy is to increase transparency in the market and is a tool to achieve the EU climate objectives and green growth strategy.

Under Article 8 of the Taxonomy Regulation, companies subject to the obligation to publish non-financial sustainability information (under 2013/34/EU), must disclose information in the statutory sustainability report on how and to what extent economic activities qualify as environmentally sustainable under the Taxonomy.

An economic activity is considered environmentally sustainable under the Taxonomy if it makes a substantial contribution to one of the Taxonomy's six environmental objectives, while not causing significant harm to any of the other objectives, and meets certain minimum requirements concerning protection of human rights and workers' rights. To be considered environmentally sustainable, the activity must also fulfil detailed requirements, called technical screening criteria, determined by the Commission through delegated acts under the Taxonomy. The following six environmental objectives have been laid down in the Taxonomy:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

A first delegated act with technical screening criteria was adopted on 4 June 2021 by the Commission for the first two climate-related objectives (1–2 above), while the Commission is expected to present a draft delegated act for the other four environmental objectives (3–6 above) towards the end of 2022. The delegated acts for environmental objectives specify which sectors and economic activities are included in the Taxonomy and, as a support, economic activities are linked where possible to the NACE classification method.

SKISTAR'S WORK WITH THE TAXONOMY AND ELIGIBILITY

KPI	Total SEK	Taxonomy-eligible economic activities (%)	Taxonomy-non-eligible economic activities (%)
Turnover	4 092 252 429	2%	98%
Capital expenditure	1 499 549 885	3%	97%
Operating expenditure	338 810 032	5%	95%

Implementation and evaluation of the Taxonomy has been run as a project within SkiStar, involving several internal experts and external consultants. The central sustainability and economy/finance functions have been responsible for interpretation and evaluation with the support of external consultants. The assessment of alignment and evaluation in relation to the other four environmental objectives in the Taxonomy will continue in project form in the 2022/23 financial year using both internal and external expertise.

Technical screening criteria have not been drawn up for all relevant economic activities but the European Commission states that more such criteria may be added in future. At present SkiStar reports a low level of Taxonomy eligibility since most of the activities in the segments Operation of Mountain Resorts and Operation of Hotels are economic activities that are not yet included in the Taxonomy. The economic activities in the Taxonomy that apply to SkiStar in 2022 are linked to SkiStar's properties, bike rentals, purchases of electric vehicles and consultant costs for energy efficiency projects for properties.

Based on SkiStar's review, the following economic activities within the Taxonomy apply to SkiStar:

Sector	Economic activity	Description
6. Transport	6.4 Operation of personal mobility devices, cycle logistics	Includes bicycle rentals.
	6.5 - Transport by motorbikes, passenger cars and cars motor vehicle	Includes leasing of electric cars
7. Construction and real estate activities	7.1 - Construction of new buildings	Includes construction of snow groomer garage in Klövsjö.
	7.4 - Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Includes SkiStar's investments in about 150 charging points installed during the financial year.
	7.5 - Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Includes energy meters installed for SkiStar's properties.
	7.7 - Acquisition and ownership of buildings	Includes properties owned by SkiStar, including acquisitions during the financial year.
9. Professional, scientific and technical activities	9.3 Professional services related to energy performance of buildings	Includes consultants engaged by SkiStar in energy efficiency projects.

Associates and joint ventures co-owned by SkiStar are not included in the assessment in accordance with the Taxonomy Lease costs from properties rented by SkiStar have been assessed as not covered by the Taxonomy.

Parts of SkiStar's activities that are currently assessed as not associated with economic activities in the Taxonomy:

Sector	Economic activity	Description
6. Transport	6.3 - Urban and sub-urban transport, road passenger transport	Just under half of SkiStar's net sales are from sales of SkiPass, but even if the economic activities under points 6.3 and 6.5 refer to a NACE code that includes lifts, after evaluation SkiStar's lifts are not deemed to be included, since they are not a part of any urban or suburban transport system or a motor vehicle.
	6.5 - Transport by motorbikes, passenger cars and light commercial vehicles	
	6.4 - Operation of personal mobility devices, cycle logistics	SkiStar's ski rental is not deemed to be covered by the Taxonomy based on the fact that the economic activity under point 6.4 refers to vehicles, which is not deemed to include skis.
7. Construction and real estate activities	7.7 - Acquisition and ownership of buildings	SkiStar considers that renting out staff accommodation is not covered by the Taxonomy based on the fact that it is not described as an economic activity or is deemed to fall within the economic activity under point 7.7.

ACCOUNTING POLICIES

Under Article 8.2 of the Taxonomy Regulation, non-financial companies must make disclosures on the basis of the three key performance indicators : total turnover, capital expenditure and operating expenditure. The delegated act for Article 8 of the Taxonomy clarifies that companies with annual reports published in 2022 only need to disclose the proportion of the company's economic activities that are Taxonomy-eligible or non-eligible. Disclosures for 2022 are also limited in scope to the two climate-related objectives.

Double counting in reporting of Taxonomy-eligible economic activities has been avoided by only using external turnover in the evaluation. Turnover, capital expenditure and operating expenditure considered to be Taxonomy-eligible have also been allocated to the respective relevant economic activity defined in the Taxonomy.

Turnover

Proportion of net turnover deriving from products or services that are associated with economic activities considered to be environmentally sustainable under the Taxonomy.

The numerator includes external rental income and revenue from bike rentals. The denominator corresponds to net turnover in the financial statements in accordance with International Accounting Standard (IAS) 1 point 82a.

Capital expenditure

Proportion of capital expenditure that refers to assets or processes that are associated with economic activities considered environmentally sustainable under the Taxonomy.

The numerator includes construction of a snow groomer garage, installation of charging points, purchase of electric vehicles and acquisition of properties. The denominator includes SkiStar's additions to property, plant and equipment and intangible assets in the financial year before depreciation/amortisation and all types of revaluation, including those deriving from impairment and excluding changes in fair value for the financial year. This includes costs under the categories IAS 16 Property, plant and equipment, IAS 38 Intangible assets, IAS 40 Investment property and IFRS 16 Leases.

Operating expenditure

Proportion of operating expenditure that refers to assets or processes that are associated with economic activities considered environmentally sustainable under the Taxonomy.

The numerator includes consultant costs linked to projects for energy efficiency, purchase of electric bicycles for rental, installation of energy meters and maintenance and repair of properties. The denominator includes direct costs that are not recorded as assets and that refer to building renovation, short-term leases, maintenance and repairs and all other direct expenditure concerning day-to-day maintenance of property, plant and equipment necessary to ensure the continued and effective function of these assets.

Sustainability notes

ACTIVITY & RECREATION

NOTE H1 SKIER DAYS AND ACTIVITIES

	2021/22
Skier days	6,030,660
Activities	239,000

Governance Getting people moving has been at the heart of SkiStar's operations since the Company was founded more than 45 years ago. By making an active holiday available to more people, we can help promote a more active and sustainable lifestyle and enhance well-being.

Reporting principle A skier day is one day of skiing with a SkiPass. An activity is an activity linked to movement that generates income.

Outcome With a 37-percent increase in the number of skier days and activities during the year, we are on track to achieve our target of 7 million skier days and activities by 2030.

Contribution to the UN Sustainable Development Goals By promoting an active lifestyle, we are contributing to the UN's Sustainable Development Goal no. 3 and sub-goal 3.4: "By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being."

ECOSYSTEM & IMPACT

NOTE H2 WATER USE

m ³	2021/22	2020/21	2019/20	2018/19
Snow production				
Sälen	1,534,578	1,048,515	1,212,308	1,273,001
Åre	1,614,392	1,597,960	1,611,204	2,008,217
Vemdalen	827,729	825,595	850,782	817,609
Trysil	550,960	741,164	806,775	720,000
Hemsedal	556,468	367,465	404,908	484,000
Stockholm Hammarbybacken ¹⁾	10,000	8,000	1,000	
Operation of Hotels ²⁾	71,437			
Total water use	5,165,564	4,588,699	4,885,977	5,302,827

¹⁾ The data for Stockholm Hammarbybacken is estimated as no measurements have been taken.

²⁾ First time that water use in SkiStar's Operation of Hotels has been reported.

Governance Water use is governed by SkiStar's sustainability policy. SkiStar uses water from rivers, streams and dams near SkiStar's destinations for snow production.

Reporting principle Reported water use is based on actual readouts.

Outcome The total amount of water used in 2021/22 amounted to 5,165,564 m³. This is an increase of 13% year-on-year, and is due to SkiStar's new hotel operations being included in the total, as well as higher snow production due to the lack of natural snow.

Contribution to the UN Sustainable Development Goals By reducing water use, we are contributing to the UN's Sustainable Development Goal no.6 and sub-goal 6.4: By 2030, substantially increase water-use efficiency across all sectors."

NOTE H3 FUEL AND ENERGY CONSUMPTION

ELECTRICITY CONSUMPTION

MWh	2021/22	2020/21	2019/20	2018/19
Consumption of electricity in SkiStar operations	85,974	72,606	72,369	82,169
Electricity total	85,974	72,606	72,369	82,169

Governance Energy initiatives are governed by the Company's energy strategy and sustainability policy. SkiStar only purchases electricity from renewable sources (water and wind power). All electricity purchased in Sweden is certified as a 'Good Environmental Choice.' The energy strategy involves working on energy efficiency and reducing energy consumption by 3–4 percent annually at SkiStar's properties. All new constructions are to be environmentally certified and built as energy-efficient buildings.

Reporting principle Reported amounts of electricity are based on actual readouts, other amounts obtained from grid owners. SkiStar's hotel operations have been included in the reporting for the first time.

Outcome Analyses and measures to improve energy efficiency at SkiStar's properties were implemented during the financial year. A percentage change cannot, therefore, be reported until next year. The increase year-on-year is due to the inclusion of SkiStar's hotel operations in the reporting.

Contribution to the UN Global Sustainable Development Goals By reducing energy consumption and only having renewable energy sources, we are contributing to the UN's Global Sustainable Development Goal 7, sub-goal 7.2: "By 2030, increase substantially the share of renewable energy in the global energy mix" and 7.3: "Doubling the improvement in energy efficiency globally by 2030."

DISTRICT HEATING CONSUMPTION WITHIN THE ORGANISATION

MWh	2021/22	2020/21	2019/20	2018/19
District heating	21,461	9,482	7,977	10,168
District heating total	21,461	9,482	7,977	10,168

Governance District heating consumption is governed by SkiStar's sustainability policy and overall energy strategy. SkiStar is a partner in Fjällvarme i Sälen AB and Bioenergi Hemsedal AS, both of which operate district heating plants. SkiStar does not have operational control over these district heating companies, as they are associates. The plants are local and are run on the biomaterial wood chips.

Reporting principle The reported amounts of district heating are actual values. The increase compared to the previous year's figures is due to SkiStar's hotel operations being included in the outcome this year, which is the first time they have been reported.

Outcome The increase year-on-year is due to the inclusion of SkiStar's hotel operations in the reporting.

Contribution to the UN Global Sustainable Development Goals By reducing energy consumption and only having renewable energy sources, we are contributing to the UN's Global Sustainable Development Goal 7, sub-goal 7.2: "By 2030, increase substantially the share of renewable energy in the global energy mix" and 7.3: "Doubling the improvement in energy efficiency globally by 2030."

CONT. NOTE H3 FUEL AND ENERGY CONSUMPTION

FUEL CONSUMPTION WITHIN THE ORGANISATION

Litres	2021/22	2020/21	2019/20	2018/19
Consumption of HVO100	2,176,058	1,450,281	1,417,129	1,518,380
Consumption of diesel	65,254	656,521	772,632	966,817
Consumption of petrol	232,430	134,641	166,497	98,718
Total fuel	2,473,742	2,241,443	2,356,258	2,583,914

PROPANE

	2021/22	KG	2021/22
Propane, Operations, kg	5,602	R134a	2.5
Propane, Hotels, kWh	548,153	R410a	3.8

REFRIGERANTS

Governance Fuel consumption is governed by SkiStar's sustainability policy and sustainability strategy. SkiStar's aim is to minimise its use of fossil fuels as far as possible. SkiStar reviews its fuel consumption on a quarterly basis.

Reporting principle Fuel consumption figures are actual readout values.

Outcome Total consumption of fuels increased by 11% year-on-year. SkiStar has increased its HVO 100 consumption. This is due to our transition from fossil-based fuels to renewable ones – including at our Norwegian destinations. We have reduced our diesel use by 90% as we have switched to HVO100 in Norway. As several cars have switched to hybrid cars, we have increased our petrol use by 61%. During the financial year, 88% of SkiStar's vehicle fleet ran on renewable fuels. We are working strategically to reduce the remaining 12%, for example, via electric snowmobiles.

Contributing to UN Global Sustainable Development Goals By working on our fuel consumption, we are contributing to the UN's Global Sustainability Goal no. 13: "Take urgent action to combat climate change and its impacts" and its sub-goal 13.3: "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning."

NOTE H4 GHG EMISSIONS (CO₂E)

SUMMARY OF TOTAL GHG EMISSIONS

CO ₂ in tonnes	2021/22	2020/21	Comments
SCOPE 1	870.8	2,021	
Mobile combustion, m³	725	1,892	
Diesel	122	1,244	
Petrol	525	303	
HVO100	77	242	Update of emission factors carried out for HVO100. Figures from previous years have also been adjusted.
Alkylate petrol	0.0	103	SkiStar did not use any alkylate petrol during the year.
Stationary combustion	134	58	
Wood chips, m ³	0	0	Change in wood chips due to Fjällvärme i Sälen AB shifting from operational control to associate.
Cooking oil, m ³	0	0	
Propane, kg	134	58	The figures are higher as SkiStar's hotel operations are included in the reporting.
Refrigerants	12	71	
R134a, kg	3		Reported for first time this year. Calculations have also been made at an overall level for previous financial years in order to obtain comparable figures per scope.

CO ₂ in tonnes	2021/22	2020/21	Comments
R410a, kg	8.0		Reported for first time this year. Calculations have also been made at an overall level for previous financial years in order to obtain comparable figures per scope.
SCOPE 2	131	32	
Electricity, MWh	131	32	
Renewable electricity	0	0	
Consumption of electricity in SkiStar operations	0	0	
Fjällinvest	0	0	
District heating	131	32	Increase in district heating is due to SkiStar's hotel operations being included in the reporting.
SCOPE 3	126,272	2,222	
1. Purchased goods and services*	43,560		
2. Capital goods*	10,826		
3. Fuel and energy-related activities	2,488	2,222	
Diesel	15	156	
Alkylate petrol	0	11	
Petrol	54	31	
HVO100	1,164	776	
Wood chips, m ³	0	294	Change in wood chips and cooking oil due to Fjällvärme i Sälen AB shifting from operational control to associate.
Cooking oil, m ³	0	15	
Propane, kg	28	7	
Renewable electricity, kWh	996	898	Update to 2020/21 figure. Miscalculation was noted after publication of the annual report the previous year.
District heating, kWh	231	33	
4. Upstream transportation and distribution*	98		
5. Waste generated in operations*	2,526		
6. Business travel*	4		
7. Employee commuting*	400		
9. Downstream transportation and distribution*	65,806		SkiStar's journeys to our destinations have a major climate impact. The figures are estimated based on various relevant parameters, e.g. customer surveys, travel patterns, SkiPasses sold, number of rides completed.
11. Use of sold products*	30		
12. End-of-life treatment of sold products*	199		
15. Investments*	335		Includes SkiStar's associates and JV.

* Reported for first time in 2021/22. Data for previous years not reported.

CONT. NOTE H4 GHG EMISSIONS (CO₂E)

	2021/22	2020/21	Comments				
Biogenic emissions ¹⁾	5,287	13,613					
Wood chips, m³	0	10,065	Change in wood chips due to Fjällvärme i Sälen AB shifting from operational control to associate.				
HVO100 m³	5,287	3,548	Increase due to transition to HVO100 in SkiStar's Norwegian operations.				
TOTAL GHG EMISSIONS, TONNES OF CO ₂	2021/22**	2020/21*	2019/20*	2018/19	2017/18	2016/17	2015/16
Scope 1	871	2,021	2,489	3,954	4,406	5,860	6,358
Scope 2	131	32	9	205.8	243.17	129.00	78.00
Scope 3	126,272	2,222	4,159	-	-	-	-
Total	127,274	4,274	6,657	4,160	4,649.42	5,989.00	6,436.00
Total S1+2	1,002	2,052	2,498	4,160	4,649	5,989	6,436
Change year-on-year (S1+2)	-57%	-19%	-37%	-10%	-25%	-8%	
Emissions intensity** (tonnes CO ₂ e/SEK m revenue)	1	2	2.4	-	-	-	-

* During 2020/21, SkiStar carried out an overall analysis of its carbon footprint, resulting in broader reporting of climate data in 2020/21. The climate data for 2019/20 has been recalculated to produce comparative figures. SkiStar's scope 3 calculation will be further expanded in 2021/22.

** SkiStar expanded its emissions for scope 3 in 2021/22, which is why the figures year-on-year are not comparable. In order to ensure comparable between years for emission intensity figures, only S1+S2 and category Fuel and energy-related activities from scope 3 is included in the calculation.

The following Scope 3 emissions are not considered relevant to SkiStar: 8. Upstream leased assets, 10. Processing of sold products, 13. Downstream leased assets, 14. Franchises.

Significant assumptions and extrapolations	<ul style="list-style-type: none"> The emission factor for HVO100 was updated during the year. The adjustment does not have a significant impact. SkiStar owns 50 percent of Fjällvärme i Sälen AB but has no operational control over Fjällvärme i Sälen AB. Thus, only 50 percent of emissions from Tandådalen's and Lindvallen's heating plants, which are run by Fjällvärme i Sälen AB, are allocated in line with the operational management approach. Other companies over which SkiStar has no operational control: Scandinavian Mountains Airport, SkiAB, Hemsedal Bioenergi Alpin Lodge & Suite, Skitorget, Destination Åre, Björnen torget Hotels in Sälen: Hotels in Sälen have 0 district heating consumption to avoid counting twice, as the district heating consumption was already included in Scope 1 stationary combustion. <p>Guests' trips: The figures are estimated based on customer surveys that SkiStar's guests received after their stay, with a response rate of over 15%. Based on data on travel patterns and market shares, emissions per guest were calculated based on distance, mode of transport and fuel. These emissions were extrapolated to the number of SkiPasses sold. The extrapolation takes into account visiting guests from the local area, with an estimate that 50% visit our destinations.</p> <p>Purchased goods and services & capital goods: The majority of purchased goods and services and capital goods are calculated based on a cost-based calculation. Larger investments were allocated to capital goods while smaller investments were allocated to purchased goods and services. Products sold via SkiStarshop are calculated based on the material composition method, which leads to a more accurate emissions calculation than a cost-based calculation.</p>
Methodology	<p>The calculation of greenhouse gas reporting is based on The Greenhouse Gas Protocol: GHG Protocol: A Corporate Accounting and Reporting Standard and its revised edition, GHG Protocol and the complementary 'Corporate Value Chain' (Scope 3).</p> <p>The GHG reporting is based on the GHG Protocol's principles of:</p> <ul style="list-style-type: none"> Relevance: Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users. Completeness: Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.

Methodology cont.	<ul style="list-style-type: none"> Consistency: Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data. Transparency: Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Accuracy: Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable.
Limitations	<p>Organisational boundaries: GHG reporting covered SkiStar AB and its subsidiaries. The reporting period covered 1 September 2021 to 31 August 2022. The GHG reporting followed an operational control method.</p> <p>Operational boundaries: This calculation includes SkiStar AB's Scope 1 and Scope 2 emissions, as well as all applicable Scope 3 categories (purchased goods and services, capital goods, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products and investments). Scope 1 included mobile combustion, stationary combustions and emissions from refrigerants. Scope 2 included emissions from purchased electricity and purchased district heating that were not included in Scope 1. In addition, biogenic emissions were calculated and included under "Out of scopes."</p>

SOURCE OF EMISSION FACTOR

Scope 1	Source	Emission factor
Diesel	South Pole-calculated emission value based on producer information and Swedish mixture	South Pole emission factor
Petrol	South Pole-calculated emission value based on producer information and Swedish mixture	South Pole emission factor
HVO100	Swedish Environmental Protection Agency	HVO100: 35.58 kgCO ₂ e/m ³
Propane	BEIS, 2021	Propane: 2.9976 kgCO ₂ e/kg
Refrigerants	BEIS, 2021	R134a: 1,100 kgCO ₂ e/kg R410a: 2,088 kgCO ₂ e/kg
Scope 2		
Electricity	ei.se, 2021; ecoinvent 3.8, Association of Issuing Bodies (AIB), 2021	Renewable electricity: 0.0 kgCO ₂ e/kWh; Location-based electricity: licenced emission factor
District heating	SE: Swedenergy, 2020; Euroheat & Power, 2017; The Swedish District heating market committee, Swedish EPA, IVL research institute. NO: Eidsiva Bioenergi.	SE: South Pole emission factor NO: South Pole emission factor
Scope 3		
Purchased goods and services	CEDA 5.05 International, BEIS, 2021	
Capital goods	CEDA 5.05 International, BEIS, 2021	
Fuel and energy-related activities	BEIS, 2021; IEA, 2021; IPCC, 2014	
Downstream transportation and distribution	BEIS, 2020	
Waste generated in operations	Ecoinvent 3.8, 2021; BEIS, 2021; World Bank waste statistics	
Business travel	BEIS, 2021	
Employee commuting	Swedish Environmental Protection Agency, Swedish Transport Administration; IEA	
Downstream transportation and distribution	Bring, 2021; DB Schenker, 2021; Swedish Environmental Protection Agency; Swedish Transport Administration; IEA	
Use of sold products	Apple Inc., 2021; OSRAM, 2021	
End-of-life treatment of sold products	Ecoinvent 3.8, 2021; BEIS, 2021; World Bank waste statistics	

DIALOGUE & INTERACTION

NOTE H5 EMPLOYEES

Number of employees	2021/22			
	Permanent employees ¹⁾		Seasonal employees ²⁾	
	Men	Women	Men	Women
Sweden	278	193	881	933
Norway	136	92	444	259

¹⁾ Permanent employees refers to those employed at 31 August 2022.

²⁾ Seasonal employees refers to the number of seasonal employees as at 28 February 2022.

³⁾ Information on number of employees, age and gender is retrieved from SkiStar's salary system.

NOTE H6 DIVERSITY

2021/22	Women	Men	>29 years	30–50 years	>50 years
Board of Directors	3	5	0	2	6
Group management	3	5	0	4	4
Destination management teams	21	29	0	38	12
Employees ¹⁾	17	15	1	19	12

¹⁾ Here, 'employees' relates to individuals who report to a member of Group management. All figures as at 31 August 2022.

Governance Diversity, equality and inclusion are governed by SkiStar's diversity policy. This policy is revised annually and approved by SkiStar's Board of Directors. The policy includes aspects such as processes for recruitment, training, development opportunities and SkiStar in society. SkiStar aims to have a 50/50 gender distribution in all employee groups and at least 40 percent female managers in senior executive positions. Through the nomination committee, SkiStar applies Rule 4.1 of the Swedish Corporate Governance Code as its diversity policy when preparing nominations for the election of Board members.

Reporting principle Diversity reporting uses actual figures. 'Employees' relates to individuals who report to a member of Group management. All figures as at 31 August 2022. Limitation: Impact occurs internally when recruiting new employees. Reporting only covers individuals employed by SkiStar and Board members.

Outcome 43 percent female and 57 percent male is the distribution regarding equality, diversity and inclusion in the company's professional groups. 46 percent female managers in senior executive roles. Figures based on note 8, see page 79.

Contribution to the UN Global Sustainable Development Goals Through our work on diversity, we are contributing to the UN's Global Sustainability Goal 5 and sub-goal 5.5: "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life." It also contributes to Goal 8 and sub-goal 8.5: "By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value."

NOTE H7 TRAINING HOURS PER EMPLOYEE

	2021/22	
	Women	Men
Permanent employees	10	10
Employees on fixed-term contracts	25	25

	% of employees
Sustainability training ¹⁾	
Basic Sustainability	70%
Climate-smart at the ski resorts	65%

Governance Training is governed by several policies such as the employee policy, sustainability policy and diversity policy. Each year all employees undergo an online training course. We are also working to broaden our training offering to increase opportunities for professional development within the Company. Our employees completed an average of 10 training hours during the year.

Reporting principle The training hours are estimated based on planned training hours. The figures for the sustainability training course are the actual outcome. Figures are not broken down by employee due to system limitations. Efforts to eventually be able to collect and report this information are in progress.

Outcome During the financial year, a new sustainability training course designed by Svenska Skidanläggningsars Organisation (Swedish Ski Lift Organisation) was implemented. All SkiStar employees had the opportunity to take the course.

Contribution to the UN Global Sustainable Development Goals Through our initiatives concerning training for our employees, we are contributing to the UN's Global Sustainability Goal no. 4 and its sub-goal 4.7: "Education for sustainable development and global citizenship".

NOTE H8 WORK ENVIRONMENT, HEALTH AND SAFETY¹⁾

	2021/22	
	Sweden	Norway
Casualties	0	0
Accidents	100	14
Incidents	21	28

¹⁾ Figures refer to SkiStar employees.

Governance Work environment and health and safety are governed by SkiStar's work environment policy and employee policy. SkiStar has a structured work process that includes work environment teams at each destination responsible for preventing accidents and incidents. The distribution of accidents/incidents by destination is reported for the first time.

Reporting principle Reported accidents and incidents are based on actual reported incidents. Reports are submitted via a reporting system and are followed up systematically. The difference in the number of reported accidents/incidents between SkiStar's countries is due to different reporting requirements among the countries. There is also variation between destinations due to different work procedures and processes. Efforts are being made to enhance reporting of the number of accidents and incidents.

Outcome During the financial year, 163 (111) accidents/near-accidents occurred among SkiStar's employees. None of these near-accidents was classified as serious.

Contribution to UN Global Sustainable Development Goals Through our work with health and safety for our employees, we contribute to the UN's Global Sustainability Goal no. 3 and its sub-goal 3.4: "Reduce mortality from non-communicable diseases and promote mental health" and goal 8 and sub-goal 8.8: "Protect labour rights and promote safe and secure working environments for all workers."

GRI index

SkiStar's sustainability report for the 2021/22 financial year has been prepared in accordance with Global Reporting Initiative (GRI) Standards guidelines, Core application level. SkiStar's GRI index contains references to where the information can be found in the annual report. To prepare a sustainability report in accordance with the GRI guidelines, SkiStar is required to complete three steps: identification, prioritisation and validation.

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	COMMENTS	UN
GRI 101: FOUNDATION 2016				
GRI 101: FOUNDATION 2017				
ORGANISATIONAL PROFILE				
102-1	Name of the organisation	Front page		
102-2	Activities, brands, products and services	15-16, 21-34		
102-3	Location of headquarters	54		
102-4	Location of operations	4, 21-34		
102-5	Ownership and legal form	50, 119-123		
102-6	Markets served	15-16, 21-34		
102-7	Scale of the organisation	4, 54-60, 110		
102-8	Information on employees and other workers	17, 79, 46-47, 99-100, 110		
102-9	Supply chain	44-45, 100		
102-10	Significant changes to the organisation and its supply chain	98		
102-11	Precautionary principle or approach	37, 98, 107-110		
102-12	External initiatives	35-45, 100		
102-13	Membership of associations	100		
STRATEGY				
102-14	Statement from senior decision-maker	6-7		
102-15	Key impacts, risks and opportunities	51-52, 103-110		
ETHICS AND INTEGRITY				
102-16	Values, principles, standards and norms of behaviour	18, 46		
GOVERNANCE				
102-18	Governance structure	119-123		

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	COMMENTS	UN
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	101		
102-41	Collective bargaining agreements	46, 121		
102-42	Identifying and selecting stakeholders	101-102		
102-43	Approach to stakeholder engagement	101		
102-44	Key topics and concerns raised	102		
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements	85		
102-46	Defining report content and topic boundaries	102		
102-47	List of material topics	102		
102-48	Restatements of information	98, 107-109		
102-49	Changes in reporting	98		
102-50	Reporting period	98		
102-51	Date of most recent report	98		
102-52	Reporting cycle	98		
102-53	Contact point for questions regarding the report	98		
102-54	Claims of reporting in accordance with the GRI Standards	98		
102-55	GRI content index	111-112		
102-56	External assurance	117		

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	COMMENTS	UN
GRI 200: ECONOMIC TOPICS				
ECONOMIC PERFORMANCE				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	20, 49-50, 98-102		17
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	13, 20, 54, 51-52		8
INDIRECT ECONOMIC IMPACTS				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	44-45, 98-100		
GRI 203: Indirect Economic Impacts 2016				
203-2	Significant indirect economic impacts	13, 44-45		3 & 8
ANTI-CORRUPTION				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	45, 52, 98-102		
GRI 205: Anti-corruption 2016				
205-2	Communication and training about anti-corruption policies and procedures	45, 98-100	The data is not broken down by region and employee category. Efforts to eventually be able to collect and report this information are in progress.	16
GRI 300 ENVIRONMENTAL TOPICS				
ENERGY				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	40-43, 98-102		
GRI 302: Energy 2016				
302-1-4	Energy consumption within the organisation	40-43, 106-109	SkiStar has included relevant energy sources	7
WATER				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	43, 98-102		
GRI 303: Water 2018				
303-1	Interaction with water as a shared resource	43, 107		6
303-3	Water withdrawal	43, 107		

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	COMMENTS	UN
EMISSIONS				
GRI 103: Management Approach 2016				
103-1	Material topics, their boundaries and management	40-43, 98-102, 108-109		
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	40-43, 108-109		11
305-2	Energy indirect (Scope 2) GHG emissions	40-43, 108-109	SkiStar has included relevant emission gases. For more information about SkiStar has adjusted its base year to 2020/21, for more information on the base year see the sustainability report for 2020/21.	12
305-3	Other indirect (Scope 3) GHG emissions	40-43, 108-109	SkiStar has included relevant emitted gases.	13
305-4	GHG emissions intensity	109	During the financial year, SkiStar has included the entire value chain in its climate footprint which has affected SkiStar's emission intensity.	13
GRI 400 SOCIAL TOPICS				
OCCUPATIONAL HEALTH AND SAFETY				
GRI 403: Management Approach 2018				
403-1-7	Material topics, their boundaries and management	47, 56, 99-100, 101-102, 110		
GRI 403: Occupational Health and Safety 2018				
403-8	Workers covered by an occupational health and safety management system	47, 79, 110	The figures are not broken down by destination or business area due to system limitations.	3 & 8
403-9	Work-related injuries and accidents	47, 79, 110	The figures are not broken down by destination or business area due to system limitations.	
TRAINING AND EDUCATION				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	44, 47, 99-100, 101-102, 110		
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	110	Figures are not broken down by employee due to system limitations. Efforts to eventually be able to collect and report this information are in progress.	4 & 8
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	47, 99-100, 101-102, 110		
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	110		5, 6 & 10

Signatures of the Board and CEO

The consolidated financial statements and annual report have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and generally accepted accounting principles, and provide a true and fair view of the Group's

and the Parent Company's financial position and performance. The administration report for the Group and the Parent Company provides a true and fair view of the development of the operations, financial position and performance of the Group and the Parent Company, and describes material risks and uncertainties faced by the Parent Company and Group companies.

Sälen, 10 November 2022

Anders Sundström
Chairman of the Board

Lena Apler
Board member

Sara Karlsson
Board member

Fredrik Paulsson
Board member

Gunilla Rudebjer
Board member

Anders Svensson
Board member

Vegard Søråunet
Board member

Patrik Svärd
Employee representative

Stefan Sjöstrand
CEO

Our audit report was submitted on
10 November 2022
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

The Board has authorised the annual report and consolidated annual financial statements for issue on 10 November 2022. The consolidated statements of financial position and comprehensive income and the Parent Company's income statement and balance sheet will be presented for adoption at the Annual General Meeting on 10 December 2022.

Auditor's report

To the general meeting of the shareholders of SkiStar AB (publ), corporate identity number 556093-6949

**REPORT ON THE ANNUAL ACCOUNTS
AND CONSOLIDATED ACCOUNTS**

Opinions

We have audited the annual accounts and consolidated accounts of SkiStar AB (publ) for the financial year September 1 2021 until Augusti 31 2022 except for the corporate governance statement on pages 119–123 and sustainability report on pages 35–48 and 98–112. The annual accounts and consolidated accounts of the company are included on pages 51–52, 53–97 and 113–116 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of August 31 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of August 31 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 119–123 or the sustainability report on pages 35–48 and 98–112. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been

provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Overview

- In the audit we focused on the operations of the parent company SkiStar AB and the subsidiaries SkiStar AS and Fjällinvest AB.
- We have assessed that the revenue recognition and tangible fixed assets are key audit matters in the audit.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matters

**How our audit addressed
the key audit matter**

Revenue recognition

Net sales for the financial year 2021-09-01 – 2022-08-31 amounted to SEK 4,092 million in the consolidated income statement and SEK 2,875 million in the Parent Company's income statement. Accounting principles for revenue are set out in Note 1.

As stated in Note 2, net sales are distributed to various sources of income such as SkiPass, accommodation, ski rental, sports shops, real estate services and sales of shares in housing and development assets. The number of transactions in different flows is extensive and for the exploitation business they can be complex. We have therefore assessed the income statement as a key audit matter in the audit.

In our audit, we evaluated and reviewed the principles for revenue recognition, processes for significant revenue flows and related IT systems. We have tested significant controls, conducted analytical reviews and sampling. We also used data analysis in our review. We have examined more complex transactions regarding the sale of exploitation assets against the required documentation. We also reviewed the information provided in the annual report.

Based on our review, we have not identified any significant observations for the audit as a whole regarding SkiStar's revenue recognition.

Tangible fixed assets

Tangible fixed assets are reported at MSEK 4,239 in the report on financial position for the Group as of August 31, 2021 and in the Parent Company to MSEK 2,160. This represents 53 per cent of the Group's total assets, whereby valuation and reporting of these have constituted a key audit matter in our audit.

Accounting principles for tangible fixed assets are set out in Note 1, and information

In our audit, we have evaluated processes and, on a sampling basis, examined balanced amounts against established criteria for what should be reported as an asset or expensed directly. We have analyzed and assessed the assumptions and assessments made by the company management regarding useful periods and any indications of impairment. We have also reviewed the information provided in the annual report.

Based on our review, we have not identified any significant observations for the audit as a whole regarding SkiStar's reporting of tangible fixed assets.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–34, 49–50 and 125–128. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 opinions. 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 the company's internal control relevant to our 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 the Board of Director's and the Managing Director.
- Conclude on the appropriateness of the Board of Director's and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group'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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate threats or countermeasures.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of SkiStar AB (publ) for the financial year 1 September 2021 to 31 August 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for SkiStar AB (publ) for the financial year September 1 2021 to August 31 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of SkiStar AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my (our) ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors (and the Managing Director)

The Board of Directors (and the Managing Director) are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors (and the Managing Director) determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors (and the Managing Director), but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts [and consolidated accounts].

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

PricewaterhouseCoopers AB was appointed auditor of SkiStar AB (publ) by the general meeting of the shareholders on the 11 December 2021 and has been the company's auditor since the 15 December 2018.

Stockholm, 10 November 2022
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorized Public Accountant

Auditor's Limited Assurance Report on SkiStar AB's Sustainability Report and statement on the Statutory Sustainability Report

To SkiStar AB, corporate identity number 556093-6949

INTRODUCTION

We have been engaged by the Group Management SkiStar AB to undertake a limited assurance of SkiStar AB's Sustainability Report for the year 2021/2022. The company has defined the scope of its sustainability report on page 35–48. The statutory sustainability report is defined on page 98–112, which also constitutes the statutory sustainability report.

RESPONSIBILITIES OF THE BOARD AND GROUP MANAGEMENT

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 98 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that SkiStar has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for

the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to SkiStar according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

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

CONCLUSION

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 10 November 2022

PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

Sara Höög
Authorised Public Accountant

Definitions

DEFINITIONS OF FINANCIAL PERFORMANCE MEASURES

Financial performance measures are either measures used by Swedish listed companies or measures used by management and analysts.

Share dividend yield

Dividend divided by the share price.

Return on equity

Profit/loss after tax as a percentage of average equity.

Return on capital employed

Profit/loss after net financial items plus finance costs as a percentage of average capital employed. Capital employed is defined as assets less non-interest-bearing liabilities.

Return on total assets

Profit/loss after net financial items plus finance costs as a percentage of average total assets.

Current ratio

Current assets including unutilised credit facilities granted as a percentage of current liabilities.

Gross margin

Operating profit/loss before depreciation/amortisation as a percentage of revenue.

Price/equity ratio

Share price at the reporting date divided by equity per share.

Share price/cash flow

Share price at the reporting date divided by cash flow from operating activities.

CO₂e

Amount of a specific greenhouse gas, expressed as the amount of CO₂ that has the same greenhouse gas effect.

Equity per share

Equity divided by the average number of shares for the reporting period.

ESG

Environmental, social and governance. Refers to three key factors that are considered when evaluating the sustainability and social impact of an investment in a company or business.

Average interest expense

Interest expenses divided by average interest-bearing liabilities.

GHG

Emissions of greenhouse gases (GHG) are calculated as emissions of CO₂ equivalents (CO₂e). CO₂e is defined as the amount of a certain GHG, expressed as the amount of CO₂ that produces the same greenhouse effect.

Global Reporting Initiative (GRI) Standards

GRI Sustainability Reporting Standards are the first and most widely used global standards for sustainability reporting. GRI is an independent international organisation that has been developing methods for sustainability reporting since 1997.

Cash flow from operating activities before change in working capital

The reason for this performance measure is that the change in inventories, trade receivables and trade payables is marginal, and these items are therefore eliminated to obtain a fairer presentation of operations.

Cash flow per share

Cash flow before change in working capital divided by the average number of shares.

Quick ratio

Current assets including unutilised credit facilities granted less inventories divided by current liabilities.

Net margin

Profit/loss before tax as a percentage of revenue.

Organic growth

Growth above inflation.

P/E ratio

Share price at the reporting date divided by earnings per share after tax.

Earnings per share

Profit/loss for the year attributable to shareholders of the Parent divided by the average number of shares.

Diluted earnings per share

Profit/loss for the year attributable to shareholders of the Parent, adjusted for interest expenses after tax on convertible debt, divided by the number of shares after full conversion of convertibles subscribed for.

Interest-bearing liabilities

Current and non-current liabilities to credit institutions, provisions for pensions and items in other current liabilities that are interest-bearing.

Interest coverage ratio

Profit/loss after net financial items plus finance costs as a percentage of finance costs.

Operating margin

Operating profit/loss after depreciation/amortisation as a percentage of revenue.

Operating profit/loss

Revenue less cost of goods for resale, personnel costs, other operating expenses, depreciation, plus profit/loss from joint ventures/associates and negative goodwill.

SBTi

SBTi is a partnership between the World Wide Fund for Nature (WWF), the UN Global Compact, the Carbon Disclosure Project and the World Resources Institute. The aim is to ensure that the climate targets set by companies have a scientific basis.

Debt/equity ratio

Interest-bearing liabilities as a percentage of equity.

Equity/assets ratio

Equity as a percentage of total assets.

OTHER DEFINITIONS

Activity

An activity linked to movement that generates income.

ALF

Norwegian Ski Lift Association

Occupancy rate

Accommodation bookings as a percentage of the beds mediated by SkiStar at 100 percent capacity in the period beginning the third week in December and ending the third week in April.

Booking volume

A comparison of booked overnight stays between two defined periods.

Financial year

SkiStar's financial year covers the period 1 September – 31 August.

First quarter (Q1)

Second quarter (Q2)

Third quarter (Q3)

Fourth quarter (Q4)

September – November

December – February

March – May

June – August

Overnight stay

One booked night in a cabin, apartment or hotel room.

SkiPass

Card providing access to ski lifts.

Skier day

One day's skiing with a SkiPass.

SLAO

Svenska Skidanläggningsorganisation (Swedish Ski Lift Organisation).

Corporate Governance Report

SkiStar AB (publ), corporate identity number 556093-6949, is a Swedish public limited company, whose B shares are traded on Nasdaq Stockholm, Mid Cap.

CORPORATE GOVERNANCE

The purpose of corporate governance is to ensure that SkiStar complies with existing regulations and that the Company is managed in a manner that is efficient and sustainable for shareholders. Corporate governance also helps to systematise and create good order in the work of the Board and management. SkiStar's corporate governance is based on the Articles of Association, internal policies and governance documents (see figure on page 120), which are available to all employees on the SkiStar Hub intranet. Corporate governance is further adapted on the basis of external regulations such as the Swedish Companies Act, Nasdaq's Nordic Main Market Rulebook for Issuers of Shares (hereinafter Nasdaq's rules)¹, the Swedish Corporate Governance Code (hereinafter the Code)² and good stock market practice.

SHARES AND VOTING RIGHTS

SkiStar's share capital at 31 August 2022 amounted to SEK 19,594,014. The number of Class A shares in the Company was 3,648,000 and the number of B shares 74,728,056. Class A shares entitle the holder to ten votes, while Class B shares entitle the holder to one vote. All shares carry equal entitlement to a share of the Company's assets and profit, and equal rights to dividends. SkiStar's Articles of Association do not contain any restrictions on how many votes each shareholder may exercise at a general meeting.

SHAREHOLDERS AND OWNERSHIP STRUCTURE

SkiStar had 57,317 shareholders at 31 August 2022 according to the register of shareholders kept by Euroclear Sweden AB. Together, the two largest owner groups by votes – Mats and Fredrik Paulsson with family and companies and ACapital SS Holding AB – held approximately 61 percent of the votes and approximately 44 percent of the share capital. The shareholdings are shown in detail on page 50. Ownership by Swedish residents, either privately or through companies, accounted for 71 percent of the share capital and Swedish institutional ownership accounted for 13 percent. Foreign private individuals accounted for less than one percent of the share capital, while foreign legal entities and foreign institutional ownership accounted for 16 percent.

¹ Nasdaq's rules are available on the Nasdaq website.

² The Code is available on [bolagsstyrning.se](https://www.bolagsstyrning.se).

A word from the Chairman



Anders Sundström
Chairman of the Board

The overall task for us on the Board is to manage the Company's affairs on behalf of the owners in a long-term sustainable manner. Our ambition is for the value of SkiStar to increase through sustainable growth. Corporate governance is central to achieving this, while maintaining external confidence in the Company.

During the year, the work of the Board has been characterised by straightforward cooperation, with all members contributing valuable perspectives and experience. It was particularly rewarding to be able to visit several of the destinations together and take part in the activities on site. Other Board work has been focused on ongoing reviews and support of management's work and decisions on business priorities and investments, with our all-year-round initiative in Stockholm Hammarbybacken as an example of how we are both further developing the business and enabling more people to take part in our offerings for a more active lifestyle. Sustainable development of our business is fundamental to protecting the mountain environment in which we mainly operate and it is also an important competitive factor that drives innovation. It is pleasing to see all the initiatives and activities that SkiStar is developing in order to achieve the defined sustainability goals.

We strive for transparency in SkiStar's reporting so that both shareholders and other stakeholders are able to continuously monitor the Group's development.

SHAREHOLDERS' MEETING

The shareholders' meeting is SkiStar's highest decision-making body. The Annual General Meeting shall be held within six months of the end of the financial year. All shareholders who are listed in the register of shareholders and who have notified the Company of their intention to attend within the prescribed time are entitled to participate and vote according to the total number of shares owned. Shareholders who are not able to attend in person may be represented by proxy. A notice convening the Annual General Meeting shall be placed in Post och Inrikes Tidningar (The Official Swedish Gazette) and on the Company's website, skistar.com/en/corporate. The release of the notice shall be announced in Dagens Nyheter. Shareholders wishing to attend the Annual General Meeting must be listed in the full printout of the shareholders' register six banking days before the meeting and must notify the Company of their intention to attend no later than the date specified in the notice convening the meeting. This date may not be a Sunday, any other public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth working day prior to the meeting. The Annual General Meeting shall be held in Sälen, Åre or Stockholm, in accordance with the Articles of Association. Business to be dealt with at the meeting is governed by the Swedish Companies Act and the Articles of Association and may also include any matters that shareholders have requested to be considered.

2021 ANNUAL GENERAL MEETING

A total of 194 shareholders attended the Annual General Meeting held at Experium in Sälen on 11 December 2021, either in person, through a proxy or by postal voting. Those attending represented 72 percent of the voting rights. At the Annual General Meeting, the Board was granted authorisation to purchase and sell the Company's own shares. The authorisation entitles the Board, on one or more occasions in the period up to the next AGM, to adopt a resolution to purchase the Company's Class B shares, provided the Company's holding of its own shares does not at any time exceed ten percent of the Company's total shares. Purchases shall be conducted in a regulated market and only at a price within the current registered price interval, which is the spread between the highest bid price and the lowest ask price, or through an offer made to all shareholders. The authorisation also entitles the Board, on one or more occasions in the period up to the next AGM, to adopt a resolution to sell the Company's own shares in a regulated

market or in some other manner in connection with the acquisition of companies or operations. The authorisation includes the right to derogate from shareholders' preferential rights and to decide whether payment will be in cash, in kind, by set-off or subject to conditions. The Board was also authorised, on one or more occasions in the period up to the next AGM, to decide on a new issue of Class B shares. New issues may be conducted with or without derogation from shareholders' preferential rights. The authorisation shall include the right to decide on an issue with payment in cash, in kind or by off-set and to make the issue subject to conditions. The total number of shares that may be issued under the authorisation may not exceed ten percent of the total number of shares outstanding in the Company at the time of the Annual General Meeting's decision on the authorisation. In the event of derogation from shareholders' preferential rights, shares shall be issued on market terms. The purpose of the authorisations is to give the Board greater flexibility in optimising the Company's capital structure and, where appropriate, making acquisitions or raising capital for such acquisitions or investments. The authorisations had not been used by the Board at the date of issue of this annual report.

2022 Annual General Meeting

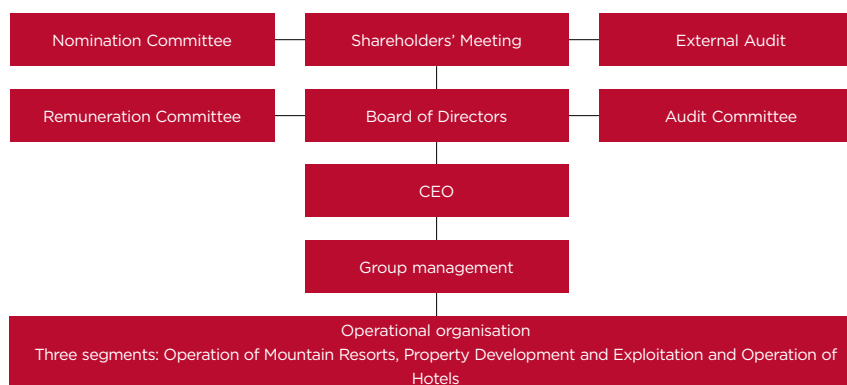
The 2022 Annual General Meeting will be held at Experium in Lindvallen, Sälen, at 2.00 p.m. on 10 December. Shareholders will also

be offered the opportunity of postal voting. The notice of the meeting, AGM documents and further information about the meeting are available at skistar.com/en/corporate.

NOMINATION COMMITTEE

The Nomination Committee is appointed in accordance with the instructions for the Nomination Committee adopted by the AGM. The Nomination Committee's duties are to prepare proposals concerning the AGM Chairman, Board members, Chairman of the Board, Board fees and, when applicable, to make proposals for the election of auditors and for auditors' fees, assisted by the Audit Committee. In addition, the Nomination Committee proposes principles for the appointment of its own members, including instructions for the Nomination Committee. The composition of the Nomination Committee prior to the 2022 Annual General Meeting is as follows: Per Gullstrand, appointed by Fredrik and Mats Paulsson with company and family, Anders Moberg, appointed by ACapital SS Holding AB, Niklas Johansson, appointed by Handelsbanken Fonder, and Lennart Mauritzson, appointed by Erik Paulsson family with company. The Nomination Committee has appointed Per Gullstrand as its Chairman. Chairman of the Board Anders Sundström was co-opted onto the Nomination Committee for the majority of its meetings. All shareholders have had the opportunity to submit nomination proposals to the Committee.

CORPORATE GOVERNANCE STRUCTURE



INTERNAL REGULATIONS

- Articles of Association
- Board and Committee rules of procedure
- CEO instructions
- Policies
- Directives
- Procedures

EXTERNAL REGULATIONS

- Swedish Companies Act
- Swedish Annual Accounts Act
- MAR (Market Abuse Regulation)
- Nasdaq's rules
- Swedish Corporate Governance Code
- Other relevant legislation and regulations

Prior to the 2022 Annual General Meeting, the Nomination Committee held several minuted meetings and related ongoing contact by telephone and e-mail. The Committee has received the results of the Board's evaluation of its own work and has interviewed the CEO and the majority of the existing elected members of the Board with regard to their views of the Board's composition and working methods. The Board's need for expertise, experience and diversity in the coming years was discussed. In the discussions, particular attention was paid to assessing the composition and competence of the Board in relation to the SkiStar Group's operations, strategies and objectives, including the Group's high ambitions in the area of sustainability, and the associated demands that are expected to be placed on the Board. The Nomination Committee also discussed proposals for the election and remuneration of auditors with the Audit Committee.

BOARD OF DIRECTORS

Composition of the Board

The Board of Directors is appointed by the Annual General Meeting, in accordance with the Companies Act. Employee representatives are appointed by a local employee organisation that is bound by a collective agreement with a company within the Group, in accordance with the

Board Representation (Private Sector Employees) Act. The Board shall consist of four to nine members, with a maximum of three deputies, in addition to members who may be appointed by other parties pursuant to Swedish law. Board members are elected until the end of the next Annual General Meeting after the year of the Board member's election. At the Annual General Meeting held on 11 December 2021, seven members were elected to the Board: Anders Sundström, Chairman, Lena Apler, Sara Karlsson, Fredrik Paulsson, Gunilla Rudebjer, Anders Svensson and Vegard Søråunet. One employee representative has also been elected to the Board: Patrik Svärd, appointed by HRF. Further information about Board members can be found on page 125.

Through the Nomination Committee, SkiStar applies Rule 4.1 of the Code as its diversity policy when preparing nominations for the election of Board members. The rule requires the Board to have a composition that is appropriate to the Company's business, development phase and other circumstances, and Board members elected by the shareholders' meeting must reflect diversity and breadth of qualifications, experience and background. The Company must also strive for gender balance on the Board. The aim of the policy is to satisfy the need for sufficient diversity on the Board in terms of gender, age and nationality, and also experience, occupational background and business areas. The

Nomination Committee has concluded that SkiStar's Board has equal gender distribution, an appropriate composition in other respects and diversity including experience and occupational background.

Independence of the Board

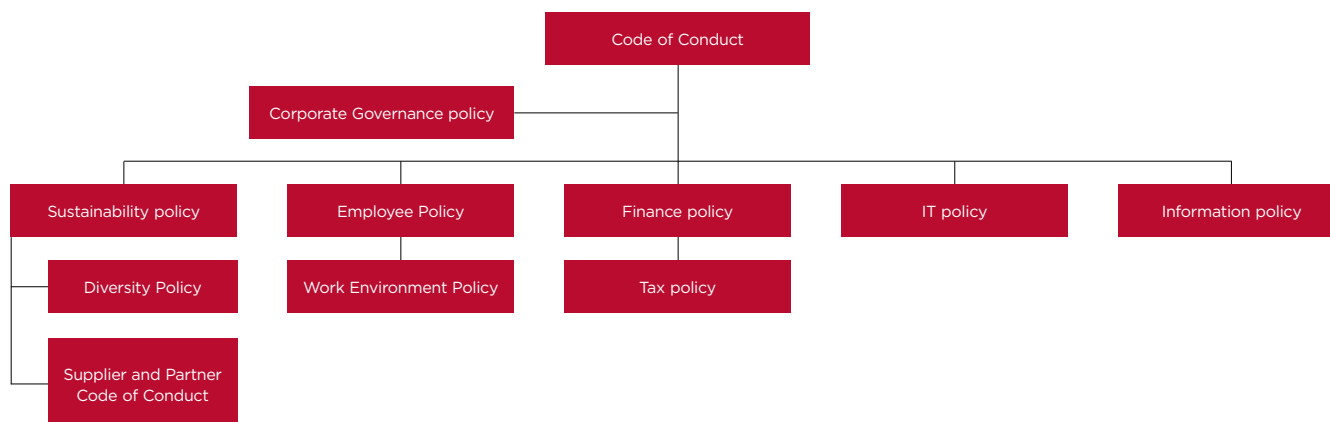
Three of the directors are considered to have a connection to the Company's major shareholders: Fredrik Paulsson, Anders Sundström and Vegard Søråunet. Two of the directors are considered to have a connection to the Company and its management: Fredrik Paulsson and Anders Sundström. Other elected Board members are independent of the Company, its management and major shareholders. The majority of the elected Board members are therefore independent of the Company and its management. In addition, in accordance with the regulations of the Code, more than two of the members who are independent of the Company and its management are also independent of major shareholders.

Work of the Board

The work of the Board of Directors is governed by the rules of procedure established by the Board each year. The Chairman of the Board directs the work and maintains continuous contact with the CEO regarding the Group's operations and development. The Board's main task is to ensure SkiStar's future development and safeguard the Company's and shareholders' interests. The Board is also responsible for appointing the CEO and ensuring that the Company follows applicable rules. Corporate governance is also described from a sustainability perspective on page 99–100.

The work of the Board is mainly related to long-term, strategic issues, such as sustainability, major investments and transactions and financial reporting. The Board meets according to an annually established schedule. Extra meetings may also be arranged. The Board held twelve meetings – seven regular and five extra – during the 2021/22 financial year. Members' attendance and the distribution of fees are shown in the table on page 123. The Board's work is evaluated regularly in order to develop the Board's working methods and efficiency. As part of the evaluation, the Board also conducted a digital survey during the financial year, showing members' views on how Board work is carried out, what could be improved and whether the Board is well-balanced and diverse in terms of expertise. The results of the Board evaluation have been discussed by the Board. The Chairman has reported the evaluation results to the Nomination Committee. A

SKISTAR'S POLICIES



majority of the AGM-elected members also had individual meetings with the Nomination Committee, at which they expressed their views on the Board's procedures and efficiency and desired expertise and experience for Board members. The discussions are used as a basis for the Committee's preparation of proposals for the Board prior to the AGM. The Board also evaluated the CEO's work by means of the Remuneration Committee's reports to the Board.

Remuneration Committee

At the inaugural Board meeting on 11 December 2021, Anders Sundström was elected as Chairman of the Remuneration Committee and Vegard Søråunet was elected as a member. The work of the Remuneration Committee is governed by the rules of procedure established by the Board each year. The Remuneration Committee prepares the Board's decisions on proposals to the Annual General Meeting regarding guidelines for remuneration and other terms of employment of senior executives and the Board's decisions on the CEO's remuneration and other terms of employment. The Remuneration Committee does not have decision-making power, but prepares and reports on matters to the full Board. The Remuneration Committee held five minuted meetings during the financial year. The Board members' attendance is shown in the table on page 123.

Audit Committee

At the inaugural Board meeting on 11 December 2021, Lena Apler was reelected as Chairman of the Audit Committee, and Fredrik Paulsson and Gunilla Rudebjer were reelected as members. The work of the Audit Committee is governed by the rules of procedure established by the Board each year. The Audit Committee monitors and ensures that both the financial reporting and sustainability reporting maintain a high standard, and guarantees the efficiency of internal control and risk management. The Committee also maintains regular contact with the Company's auditors, produces guidelines on negotiating service contracts with the Group's auditing firm and evaluates auditing activities. In addition, the Committee assists the Nomination Committee in the work with nomination and remuneration of auditors. The Audit Committee does not have decision-making power, but prepares and reports on matters to the full Board. The Audit Committee held six minuted meetings during the financial year. The Board members' attendance is shown in the table on page 123.

OPERATIONAL POLICY DOCUMENTS

Articles of Association

SkiStar's Articles of Association were adopted at the 2020 Annual General Meeting and are available at skistar.com/en/corporate. The Articles of Association do not contain any provisions on a special procedure for amending the Articles or on the appointment or dismissal of Board members.

Other internal governance documents

In addition to the external and internal regulations mentioned above, there are a number of guiding policies in place to support the operations, see the figure on page 121, and more detailed directives, procedures and work instructions.

OPERATIONAL MANAGEMENT

CEO

The CEO, who is also the Group President, is responsible for the day-to-day management of the Company in accordance with the Board's instructions. The rules of procedure adopted annually by the Board include instructions for the division of duties between the Board and the CEO and instructions for financial reporting to the Board. The CEO is responsible for ensuring the Board regularly receives the information and support material it needs to assess the Group's financial position and make appropriate decisions. Further information about the CEO can be found on page 126.

SkiStar's Group management

During the 2021/22 financial year, SkiStar's Group Management consisted of eight individuals: the CEO, CFO, Communications and Sustainability Director, Commercial Director, General Counsel and Head of IR, Operational Director, HR Director and Property Development Director. Further information on Group management can be found on page 126.

Guidelines for remuneration of senior executives

The guidelines for remuneration of the CEO and other senior executives, adopted at the 2021 Annual General Meeting, including outcomes, are set out in Note 8 on page 79 and are also available in full at skistar.com/en/corporate. The complete set of proposed guidelines for remuneration of the CEO and other senior executives for the 2022 AGM can be found in the Administration report on pages 56–58 and are also available at skistar.com/en/corporate.

EXTERNAL FINANCIAL REPORTING

The Board is responsible for internal control and financial reporting, in accordance with the Swedish Companies Act and the Code. SkiStar applies International Financial Reporting Standards (IFRS) in preparing the consolidated financial statements. The quality of the ongoing external financial reporting is ensured by internal measures and procedures. At each meeting, the Audit Committee highlights a special focus area within financial and external reporting and reviews each interim report and the year-end report at special committee meetings. The auditors review the Company's nine-month report.

DESCRIPTION OF INTERNAL CONTROL

Control environment

The Board bears ultimate responsibility for internal control and risk management. A clear division of roles and responsibilities in the rules of procedure for the Board of Directors and its committees and in the CEO's instructions ensures effective management of operational risks. Together with the Group's policies and other governance documents, these contribute to a good control environment at SkiStar. Responsibility for routine work in this area rests with the CEO, who is responsible together with Group Management for the internal control required to manage significant risks in the day-to-day operations.

Having a common business system for both external reporting and internal monitoring, budgeting and forecasts strengthens the control environment and the security of financial reporting. Management reports regularly to the Board – in the first instance via the Audit Committee – in accordance with defined procedures. During the year, management reported on the measures that have been implemented to strengthen internal control as well as those that are currently being implemented. The Audit Committee assists the Board in its continuous monitoring of internal control, which includes evaluating and discussing important technical accounting and reporting issues.

Risk assessment

Through the Audit Committee, the Board ensures that management continuously assesses significant risks to which the Company may be exposed with regard to financial reporting. This includes identifying income statement and balance sheet items for which the risk of error is significant and designing control systems to prevent and detect such errors. This is mainly achieved by quickly identifying events in the operations or external environment that may affect the financial

reporting and by monitoring changes in financial reporting regulations and recommendations that concern the Company's financial reporting. The operations' risk assessments are carried out at both central and local levels in the Group.

Control activities

The Company works continuously to eliminate and reduce significant risks affecting internal control over financial reporting. Control activities aimed at managing risks include:

- The management group's monitoring and analysis.
- Special review of the Company's IT systems with an emphasis on the sales system.
- Continuous monitoring of compliance with authorisation instructions and structures.
- Annual adoption of governance documents that describe risk management processes.
- Other ongoing forms of reconciliation and physical checks.

Information and communication

To comply with the Company's policies, directives and instructions, information must be well documented and communicated within the Company. In order to ensure effective information and communication, management group meetings are regularly held at Group, function and resort level with representatives from the Company's destinations and central functions. Policies and other governance documents are also available to all employees on the SkiStar Hub intranet. When new policies or changed procedures are introduced, internal online training is also provided. The way in which external communication, including financial reporting, is to take place is governed by the Company's overall information policy and the accompanying more detailed governance documents.

Monitoring

The Board of Directors continuously evaluates the information provided by Group management and the Audit Committee and ensures that identified internal control deficiencies are addressed. The Audit Committee's work and the external auditors' reports are of particular importance to monitoring. SkiStar continuously strengthens its internal control environment by evaluating and further developing the formulation and efficiency of the work.

BOARD COMPOSITION, ATTENDANCE AND FEES IN 2021/22

	Elected	Independent of Company & its management	Independent of major shareholders	Attendance, Board of Directors ¹⁾	Attendance, Audit Committee ¹⁾	Attendance, Remuneration Committee ¹⁾	Fees ²⁾ Board of Directors		Fees ²⁾ Committee	
Elected Board members										
Anders Sundström ³⁾	2019			12/12	—	1/1	550,000	(220,000)	60,000	(—)
Eivor Andersson ⁴⁾	2011	✓	✓	5/5	—	4/4	—	(500,000)	—	(50,000)
Lena Apler	2015	✓	✓	12/12	6/6	—	250,000	(220,000)	120,000	(100,000)
Sara Karlsson ⁵⁾	2019	✓	✓ ⁵⁾	12/12	—	4/4	250,000	(220,000)	—	(25,000)
Fredrik Paulsson	2017			12/12	6/6	—	250,000	(220,000)	60,000	(50,000)
Gunilla Rudebjer	2019	✓	✓	12/12	6/6	—	250,000	(220,000)	60,000	(50,000)
Anders Svensson ⁶⁾	2021	✓	✓	9/9	—	—	250,000	(—)	—	(—)
Vegard Søråunet ⁷⁾	2021	✓		9/9	—	1/1	250,000	(—)	30,000	(—)
Employee representative										
Patrik Svärd	2017	—	—	12/12	—	—	—		—	

¹⁾ Attendance relates to meetings during the financial year 1 September 2021 – 31 August 2022.

²⁾ Fee in accordance with decision of 2021 AGM.

³⁾ Chairman of the Board and Chairman of the Remuneration Committee from 11 December 2021.

⁴⁾ Chairman of the Board and Chairman of the Remuneration Committee to 11 December 2021.

⁵⁾ Member of Remuneration Committee to 11 December 2021. Reassessment of independence in relation to major shareholders compared with the previous year as a result of the change in ownership that was announced on 11 November 2021.

⁶⁾ Board member from 11 December 2021.

⁷⁾ Board member and Remuneration Committee member from 11 December 2021.

Internal audit

After consideration of the matter in the Audit Committee, it is the Board's assessment that the control and monitoring described above is sufficient to ensure the efficiency of internal control without the need for a separate internal auditing function. The need for an internal auditing function is evaluated annually.

AUDITOR

At the Annual General Meeting on 11 December 2021, the audit firm PricewaterhouseCoopers AB (PwC) was appointed as the Company's external auditor for a period of one year. The audit is led by Authorised Public Accountant Camilla Samuelsson. The results of the audit are reported regularly to Group management and the Audit Committee during the year. At least once a year, the auditor meets the Company's Board of Directors without the presence of the CEO or another management. The external auditor's independence is regulated under

the Audit Committee's separate rules of procedure, adopted by the Board, which specify how decisions are made regarding areas in which the external auditor may be engaged in addition to the statutory audit. Fees to the auditor are paid continuously over the period on an approved current account basis. See Note 6.

AUDITOR'S OPINION ON THE CORPORATE GOVERNANCE REPORT

The auditor's opinion on this Corporate Governance Report is presented on page 124.

COMPLIANCE WITH THE SWEDISH CORPORATE GOVERNANCE CODE

SkiStar has complied with the Code during the 2021/22 financial year without any derogations.

10 November 2022

Board of Directors, SkiStar AB (publ)

The auditor's examination of the Corporate Governance Statement

To the general meeting of the shareholders of SkiStar AB (publ), corporate identity number 556093-6949

Assignment and responsibilities

The Board of Directors is responsible for that the corporate governance statement on pages 119–123 has been prepared in accordance with the Annual Accounts Act.

Scope of the examination

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 10 November 2022

PricewaterhouseCoopers AB

Camilla Samuelsson

Authorised Public Accountant

Board of Directors



ANDERS SUNDSTRÖM

Chairman of the Board, Chairman of the Remuneration Committee

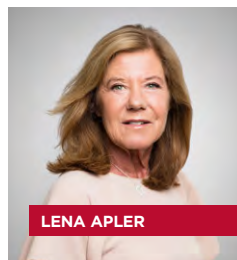
Born: 1952
Elected: 2019

Principal education and professional experience: Bachelor of Arts. Former Chairman of Swedbank and KF. Many years of operational experience in industry and the financial sector, including CEO of Folksam. Has held several ministerial posts and other political assignments.

Other significant professional commitments: Chairman of Medicon Village Fastighets AB, NMI Group AB, Kaunis Iron AB, Nordion Energi AB and Ekhaga Utveckling AB. Director of SCA.

Independence: Not independent of the Company, its management and major shareholders.

Shareholding in SkiStar:* with family and companies 15,000 B shares.***



LENA APLER

Board member, Chairman of Audit Committee

Born: 1951
Elected: 2015

Principal education and professional experience: University studies and SEB Higher internal bank training. Extensive experience in consumer and services market through her role as founder and owner, and previously CEO and executive chairman of listed Collector AB and Collector Bank.

Other significant professional commitments: CEO and Director of Dragon Invest AB. Chairman of Redlocker AB and Director of Helichrysum Gruppen AB.

Independence: Independent of the Company, its management and major shareholders.

Shareholding in SkiStar:* 10,000 B shares.



SARA KARLSSON

Board member

Born: 1969
Elected: 2017

Principal education and professional experience: Secondary education, entrepreneur.

Other significant professional commitments: Strategy & Projects at Backahill AB, Director of Backahill AB.

Independence: Independent of the Company, its management and major shareholders.

Shareholding in SkiStar:* with family and companies 2,963,314 B shares, corresponding to 3.8% of the capital and 2.7% of the votes.



FREDRIK PAULSSON

Board member, Audit Committee member

Born: 1972
Elected: 2017

Principal education and professional experience: Secondary education. Experience as CEO and Director of Kranpunkten Skandinavien AB and Ekhaga Utveckling AB.

Other significant professional commitments: CEO and Director of Kranpunkten Skandinavien AB and Ekhaga Utveckling AB. Director of Peab AB, Mats Paulssons Stiftelse and Stiftelsen Stefan Paulssons Cancerfond.

Independence: Not independent of the Company, its management and major shareholders.

Shareholding in SkiStar:* with family and companies 3,648,000 A shares and 15,484,362 B shares, corresponding to 24.4% of the capital and 46.7% of the votes.



GUNILLA RUDEBJER

Board member, Audit Committee member

Born: 1959
Elected: 2019

Principal education and professional experience: MBA. Many years of broad experience from the experience industry. Former CFO of Scandic Hotels, Cision, Parks & Resorts Scandinavia, Mandator and TUI Nordic.

Other significant professional commitments: Director of Ambea AB (publ), NCAB Group AB (publ), Scandic Hotels Group AB (publ) and SSC Svenska Rymdaktiebolaget.

Independence: Independent of the Company, its management and major shareholders.

Shareholding in SkiStar:* with family 1,900 B shares.



ANDERS SVENSSON

Board member

Born: 1964
Elected: 2021

Principal education and professional experience: BA in Business Administration. Former Senior Vice President of Arla Foods Consumer Nordic and CEO of Arla Foods Sverige and various roles at Procter & Gamble Nordic and Procter & Gamble UK, including Logistics Manager Nordic and Sales Manager Sweden.

Other significant professional commitments: CEO of ICA Sverige AB** and Deputy CEO of ICA Gruppen AB**, Chairman of Svensk Handel AB and Stadium AB and Director of Svenskt Näringsliv, Svensk Dagligvaruhandel Ekonomisk förening** and ICA Banken AB**.

Independence: Independent of the Company, its management and major shareholders.

Shareholding in SkiStar:* 3,000 B shares.



VEGARD SØRAUNET

Board member, Remuneration Committee member

Born: 1980
Elected: 2021

Principal education and professional experience: Master's degree in accounting and business administration, MBA in finance. Previous positions include CIO and Portfolio Manager at ODIN Fonder, Investment Manager at Seatankers Management Norway and Auditor at PwC.

Other significant professional commitments: Partner and Investment Manager of Aeternum Management AS, which manages Aeternum Capital AS, Director of ACapital SS Holding AB, ITAB Shop Concept AB, AQ Group AB, Aeternum Management AS och Søråunet Invest AS.

Independence: Not independent of the Company's major shareholders. Independent of the Company and its management.

Shareholding in SkiStar:* Represents Aeternum Capital AS, which through ACapital SS Holding AB holds 15,421,934 B shares****, corresponding to 19.7% of the capital and 13.9% of the votes, and a further 1,600 B shares through family.



PATRIK SVÅRD

Employee representative, appointed by HRF.

Born: 1970
Elected: 2017

Principal education and professional experience: Secondary education. Employed by SkiStar since 1998.

Other significant assignments: -

Independence: -

Shareholding in SkiStar:* -








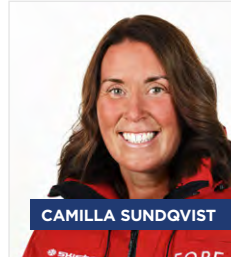
* Own and closely related natural or legal persons' holdings of shares and other financial instruments in SkiStar AB. The information above is correct at 31 August 2022.

** Until 1 September 2022.

*** The information was amended from 10,000 B shares at 31 August 2022 to 15,000 B shares at 6 October 2022.

**** The information was amended from 15,324,106 B shares at 31 August 2022 to 15,421,934 B shares at 20 October 2022.

Management

 <p>STEFAN SJÖSTRAND</p> <p>CEO</p> <p>Born: 1968</p> <p><i>Employed by the Company since: 2020</i></p> <p><i>Principal education and professional experience:</i> Marketing Economist DIHM 13 years' experience with IKEA in positions including Commercial Manager IKEA Group, member of the Management Board and Group Management, CEO of IKEA Canada, Deputy CEO of IKEA France and Business Area Manager at IKEA of Sweden. Also has experience from various CEO and management roles at Weibulls, OLW, Malaco, Marabou and others.</p> <p><i>Significant professional commitments outside the company:</i> Chairman of Bertegruppen AB and Director of Derome AB.</p> <p><i>Significant shareholdings and ownership interests in companies with which the Company has significant business relationships: -</i></p> <p><i>Shareholding in SkiStar*:</i> 26,000 B shares.**</p>	 <p>PETRA HALLEBRANT</p> <p>Communications and Sustainability Director</p> <p>Born: 1974</p> <p><i>Employed by the Company since: 2020</i></p> <p><i>Principal education and professional experience:</i> Bachelor's degree in media and communication science. Former Secretary-General of the UN Association of Sweden, Head of Communications and Sustainability at Telge Energi, and various communications management roles at UNICEF Sweden, Save the Children Sweden and other organisations.</p> <p><i>Shareholding in SkiStar*:</i> 1,000 B shares.</p>	 <p>ANDERS ÖRNULF</p> <p>CFO</p> <p>Born: 1976</p> <p><i>Employed by the Company since: 2018</i></p> <p><i>Principal education and professional experience:</i> MBA. Former Chief Controller Pream Group, various managerial positions at AB Svenska Spel and ICA AB.</p> <p><i>Shareholding in SkiStar*:</i> 3,302 B shares.</p>	 <p>MATHIAS LINDSTRÖM</p> <p>Commercial Director</p> <p>Born: 1972</p> <p><i>Employed by the Company since: 2007</i></p> <p><i>Principal education and professional experience:</i> Bachelor of Economics. Former Nordic Marketing Manager Fritidsresor. Sales and Marketing Manager Langlely Travel.</p> <p><i>Shareholding in SkiStar*:</i> 15,774 B shares.</p>	 <p>SOFIE ARNELL</p> <p>General Counsel and Head of IR</p> <p>Born: 1986</p> <p><i>Employed by the Company since: 2017</i></p> <p><i>Principal education and professional experience:</i> Master of Laws. Former associate and lawyer at law firms Lindahl and Ramberg Advokater, district court service as law clerk.</p> <p><i>Shareholding in SkiStar*:</i> 1,000 B shares.</p>	 <p>NICLAS SJÖGREN BERG</p> <p>Operational Director</p> <p>Born: 1969</p> <p><i>Employed by the Company since: 1989</i></p> <p><i>Principal education and professional experience:</i> Marketing Economist DIHM. Various management positions previously held within the SkiStar Group.</p> <p><i>Shareholding in SkiStar*:</i> 20,609 B shares.</p>	 <p>LARS-GÖRAN DAHL</p> <p>Property Development Director</p> <p>Born: 1961</p> <p><i>Employed by the Company since: 2020</i></p> <p><i>Principal education and professional experience:</i> MBA. Former Business Development Manager at Diös, Head of Riksbyggen's commercial operations in Sweden and former Director of SBC and SkiStar.</p> <p><i>Shareholding in SkiStar*:</i> 800 B shares.</p>	 <p>CAMILLA SUNDOVIST</p> <p>HR Director</p> <p>Born: 1983</p> <p><i>Employed by the Company since: 2003</i></p> <p><i>Principal education and professional experience:</i> Personnel and working life programme, Stockholms Folkuniversitet, Marketing Economist IHM Business School. Previous experience at the foreign organisation of Ving and various management positions within the SkiStar Group.</p> <p><i>Shareholding in SkiStar*:</i> -.</p>
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* Own and closely related natural or legal persons' holdings of shares and other financial instruments in SkiStar AB. The information above is correct at 31 August 2022.

** The information was amended from 23,200 B shares at 31 August 2022 to 26,000 B shares at 4 October 2022.

Other information

FINANCIAL STATEMENTS

Interim reports and the year-end report for the 2022/23 financial year will be published as follows:

- Q1 interim report,
1 September 2022-30 November 2022, 19 December 2022, 7.15 a.m.
- Half-year report,
1 September 2022-28 February 2023, 21 March 2023, 7.15 a.m.
- Q3 interim report,
1 September 2022-31 May 2023, 20 June 2023, 7.15 a.m.
- Year-end report,
1 September 2022-31 August 2023, 3 October 2023, 7.15 a.m.

Interim and annual financial reports are available at www.skistar.com/en/corporate.

ANNUAL GENERAL MEETING

SkiStar's Annual General Meeting will be held at 2 p.m. on 10 December 2022 at Experium in Sälen. Shareholders are being offered the opportunity to vote in advance (postal voting) instead of physically attending the meeting.

Shareholders wishing to attend the Annual General Meeting must be listed in the register of shareholders kept by Euroclear Sweden AB as of Friday 2 December 2022 and must notify the Company of their intention to attend no later than Tuesday 6 December 2022. Notice of intention to attend should be made in writing to SkiStar AB, Årsstämma, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, by e-mail to generalmeetingservice@euroclear.com, or on the Company's website www.skistar.com/en/corporate.

More information can be found in the AGM notice and associated documents, available at www.skistar.com/en/corporate.

CONTACT Tel: +46 (0)280-880 50. E-mail: info@skistar.com, aktieagarservice@skistar.com. www.skistar.com

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SkiStar, Vemdalen
Nya Landsvägen 58
SE-846 94 Vemdalen

SkiStar, Hemsedal
Boks 43, NO-3561
Hemsedal, Norway

SkiStar, Trysil
Velkomstvegen 10, NO-2420
Trysil, Norway

SKISTAR

This English version of the annual and Sustainability report is a translation of the Swedish original version. In the event of any discrepancies, the Swedish version shall prevail.

skistar

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