

INTERIM REPORT

SEPTEMBER 2019 - NOVEMBER 2019



SUMMARY, SEK MILLION

	3 MONTHS 1 Sep-30 Nov		FULL YEAR 1 Sep-31 Aug
	2019/20	2018/19	2018/19
Revenue	121	196	2,676
Operating income	125	199	2,688
Profit/loss before tax	-322	-218	553
Profit/loss after tax	-245	-144	460
Earnings per share, SEK	-3.03	-1.73	5.95
Cash flow from operating activities	334	284	722
Operating margin, %	neg	neg	22
Equity/assets ratio, %	38	44	51

EARLY START OF THE WINTER SEASON - EXCELLENT CONDITIONS FOR CHRISTMAS AND NEW YEAR

First Quarter

- Net sales for the first quarter were SEK 121 (196) million, a decline of SEK 75 million (38 percent) compared with the previous year.
- Profit after tax was SEK -245 (-144) million, a decline of SEK 101 million (70 percent) compared with the previous year.
- Earnings per share amounted to SEK -3.03 (-1.73), a decline of 75 percent.
- All resorts are up and running and almost 80 percent of the season's accommodation sales are booked!

Further information is available from:

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INTERIM REPORT

SEPTEMBER 2019 - NOVEMBER 2019



COMMENTS FROM THE CEO

Winter came early with both cold and snow at all destinations, enabling good snowmaking conditions and an early start to the season and ensuring that our resorts are in fantastic condition for the Christmas and New Year holidays.

Profit after tax for the period fell by SEK 101 million. The main explanation is a decline of SEK 78 million in capital gains from our property development and exploitation business. This should be considered an accrual effect. We see continuing strong demand for land, apartments and Vacation Club shares at our destinations. The capital gain for the period is in line with the expected outcome but is not comparable with the capital gain at the same time in the previous year, when two large projects were sold in Sälen in autumn 2018. Another significant explanation is the unusually favourable weather conditions for snowmaking and other work on preparation of slopes during the pre-season. This has resulted in various costs, mainly related to the earlier snowmaking, but has also meant an early start to the season for our guests. The earnings effect is SEK -10 million in Q1, although there is no change over the entire season.

Bookings, measured as the number of overnight stays booked through SkiStar's accommodation agency, are in line with the

previous year, meaning that almost 80 percent of the season's estimated accommodation sales are already booked. A strong Christmas and New Year period with high occupancy await us. We can also see an increased trend towards holidays at home in the Swedish market. The favourable Swedish krona has also affected the foreign market, where we can see increased growth in the number of guests, notably from Denmark.

Prior to the season, large investments have been made in our core business. With new slopes, improved snow production and development of existing ski areas, our guests can encounter a fantastic winter experience and ski product at our resorts. Beyond that, we look forward to welcoming the first guests to land at Scandinavian Mountains Airport, located between Sälen and Trysil, which opens for traffic on 22 December with direct flights from five Swedish destinations, two Danish destinations and one UK destination. SkiStar is one of many shareholders in what will become a catalyst for growth in the region.

Also new for this year is that EQPE is our workwear supplier. The outdoor work at our destinations calls for functional, comfortable and durable clothing that can meet and deal

with all types of challenges. Previous staff clothing has been donated to a Swedish aid organisation that works to create better conditions for people in vulnerable countries and to ensure fairer distribution of resources.

The new accounting standard for leases, IFRS 16, which replaces IAS 17, has a relatively significant impact on SkiStar. We have many long-term lease agreements, including land leases, which are now reported as a liability in the balance sheet under the new standard. As an effect of this, our total assets have increased by SEK 790 million, which has reduced our equity/assets ratio by six percentage points. More details about the effect of IFRS 16 can be found on page 16 of the report.

We look forward with confidence to another great winter season at our six destinations and I hope to see you on our slopes!

Anders Örnulf
Acting Chief Executive Officer

SIGNIFICANT EVENTS DURING THE FIRST QUARTER AND AFTER THE END OF THE PERIOD

First Quarter

04/09/2019

Record interest in seasonal employment in the Scandinavian mountains

This year, almost 3,000 people have applied for seasonal jobs at the SkiStar ski resorts. In total, 750 of the applicants were employed, making SkiStar one of Sweden's largest employers of young people.

12/09/2019

SkiStar's winter news: more of children's favourite Valle, new accommodation close to slopes and official opening of Scandinavian Mountains Airport

The focus is on families with children as SkiStar presents this year's winter news. The popular children's concept Valle has been developed, even more first-class skiing is available, and more accommodation is opening in the best Ski-in Ski-out locations. In addition, the new airport between Sälen and Trysil opens in December. More information on the news for each destination is available at skistar.com.

25/09/2019

Results from 2019 Alpine World Ski Championships in Åre

In terms of weather, the Alpine World Ski Championships were a real challenge for the organisers, with about 30 degrees difference between the warmest and coldest day. Despite this, the event received a great deal of praise internationally and attracted much attention at home in Sweden.

Business was conducted through Åre 2019 AB, an associated company jointly owned with the Swedish Ski Association. Earnings before tax amount to SEK -29 million, which includes four years of operations and preparatory competitions. Much of the negative financial result is due to significant investments, which amount to SEK 36 million. Investments made by the World Championship company and its owners are aimed at increasing interest in alpine skiing and strengthening Åre's and Sweden's position in the international market. Another major cost item is the competitions conducted in addition to the Alpine World Ski Championships: six test competitions, four world cups at Hammarbybacken (2016–2019), the Alpine Junior World Ski Championships (2017) and the World Cup Final in Åre (2018). From day one, the World Championships company also had a clear goal – to stage the most sustainable alpine World Championships ever, and this was a successful venture. The Alpine World Ski Championships in Åre became the first ever ISO20121-certified alpine world championships, with a significantly lower environmental impact than previous championships.

The company will be liquidated during the 2019/20 financial year.

01/10/2019

More departures by train to Åre and

Vemdalen this winter

This winter, the number of night train departures is expanded with the train company Snälltåget's night train from southern Sweden via Stockholm to Vemdalen with the opportunity to go both short week or weekend. At present, there are a total of 13 extra-night trains with SJ and Snälltåget to Åre to increase the possibility of traveling sustainably.

01/11/2019

Popular snowman Valle takes over Oscars Teatern – Premiere of new children's programme

Tour operator SkiStar's popular snowman Valle will make a quick visit to the Swedish capital before winter sets in to launch his first children's programme – Valles Hygglo – at Oscars Teatern. The children's programme, to be broadcast on the SkiStar Channel on YouTube, is part of SkiStar's efforts to contribute to the public good through Valle the snowman.

11/11/2019

SkiStar opens for skiing at Åre, Trysil, Vemdalen, Hemsedal and Sälen

SkiStar opens for skiing at four of its five Scandinavian resorts on Friday 15 November. It is already clear that SkiStar opens for skiing at Lindvallen, Sälen, on Friday 22 November. The recent prolonged cold spell has provided good snowmaking conditions.

13/11/2019

Unique start to the season in Åre on Friday – Gondola opens with skiing from the high area

The skiing season opens in Åre at 8 a.m. on Friday 15 November, with skiing from the high area available for the first time ever. This historic opening to the skiing season has been made possible by a combination of recent snowfall, optimal snowmaking conditions and investments in improved snowmaking systems ahead of last season's Alpine World Ski Championships.

22/11/2019

SkiStar appoints acting CEO

The Board of Directors of SkiStar has decided to appoint Anders Örnulf, the Company's CFO, as acting President and CEO as from 1 December. Current CEO Mats Årjes, who announced his resignation as CEO of SkiStar in May, will leave his position on 30 November and resign from the Company's board on the same day. The process of recruiting a new permanent SkiStar CEO is proceeding.

26/11/2019

Grand slam for Sälen at World Ski Awards

Sälen won two prestigious awards for Sweden at the international World Ski Awards gala. SkiStar

Sälen won the award for Sweden's best ski resort and Hotel Bügelhof was voted Sweden's best ski hotel.

After the end of the period

2/12/2019

Record visitors at Vemdalen's ski test weekend – Sälen ready for its ski test weekend

Snow has fallen over the Scandinavian mountains and the winter cold has truly made its entrance – the pre-season at SkiStar's ski resorts has whetted the appetite of Sweden's skiers. Vemdalen's ski test weekend took place last weekend and set a record, with 6,300 skiers completing a total of 85,000 runs, which is more than in previous ski test weekends. Sälen is holding its ski test this coming weekend.

11/12/2019

Valle's books now available as audio books through Storytel

SkiStar's children's concept, headed by Valle the snowman, can be experienced all year round through a variety of experiences such as the programme 'Valles Hygglo', which premiered on YouTube in November. Over the years, Valle has published two Swedish books written by the actress and director Sara Edwardsson in collaboration with True Stories. Experiences with Valle are now being developed as both books make their debut in Storytel's library.

12/12/2019

SkiStar appoints Stefan Sjöstrand as CEO

The Board of Directors of SkiStar has appointed Stefan Sjöstrand as President and CEO as from 11 June 2020 at the latest.

Stefan currently works at Ingka Centres (IKEA) as Commercial & Digital Manager. For the past 13 years he has worked for IKEA in various positions, including as Commercial Manager for IKEA Group and member of Group Management and the Management Board, CEO of IKEA Canada with approximately 7,000 employees, Deputy CEO of IKEA France with approximately 12,000 employees and Business Area Manager at IKEA of Sweden, IKEA's product development company in Älmhult. Stefan also has experience from various CEO and management roles at Weibulls, OLV, Malaco, Marabou and others. He was born in 1968 and has a DIHM Marketing Economist degree.

When Stefan Sjöstrand takes over as President and CEO, Anders Örnulf, who has been acting President and CEO since 1 December 2019, will return to his role as the company's CFO.

A full list of press releases is always available at skistar.com.

First Quarter

SkiStar's operations are highly seasonal and earnings are generally negative in the first quarter. The Group's revenue for the first quarter amounted to SEK 125 (199) million, a decline of 37 percent from the previous year. Changes in the NOK/SEK and EUR/SEK rate had a marginal effect on revenue. The Group's operating profit/loss for the first quarter was SEK -326 (-209) million, of which the effect of the transition to IFRS 16 was SEK +2 million. Changes in the NOK/SEK and EUR/SEK rate had a marginal effect on operating profit for the quarter. Profit/loss from associated companies/joint ventures fell to SEK -12 (-9) million, with capital gains from exploitation activities contributing SEK 0 (3) million. Net financial items for the quarter

improved by SEK 13 million to SEK 4 (-9) million, including SEK 16 (-2) million related to changes in the value of interest rate derivatives and SEK -4 million related to the transition to IFRS 16. The Group's earnings after tax amounted to SEK -245 (-144) million, a decline of SEK 101 million, or 70 percent.

Revenue from Operation of Ski Resorts amounted to SEK 97 (82) million with a loss of SEK -331 (-289) million. Revenue from Property Development and Exploitation amounted to SEK 41 (123) million, with a profit of SEK 3 (80) million. Profit from exploitation activities related to plot and land sales and the sale of shares in housing associations and Vacation Club amounted to SEK 24 (98) million during the quarter, of which SEK 0 (3) million was

through associated companies. Other activities in Property Development and Exploitation are primarily related to the renting of accommodation to the Operation of Ski Resorts segment, and shares from associated companies that rent out accommodation.

Seasonality

SkiStar's operations are subject to significant seasonal variations. Most revenue and earnings are generated in the second and third quarters. The number of days off during Christmas and New Year, and whether Easter falls early or late, also bring variations in earnings. Over half of the revenue is paid in advance.

QUARTERLY VALUES, SEK MILLION

	2019/20		2018/19		2017/18				2016/17			
	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2
Revenue	121	109	939	1,431	196	184	916	1,290	146	90	918	1,182
Operating profit/loss	-326	-222	319	716	-209	-156	370	639	-242	-185	383	573

DISTRIBUTION OF REVENUE, SEK MILLION

	3 MONTHS 1 Sep - 30 Nov	FULL YEAR 1 Sep - 31 Aug
	2019/20	2018/19
SkiPass	9	6
Accommodation	4	4
Ski Rental	2	1
Ski School/Activities	0	0
Sporting goods outlets	34	24
Property services	14	17
Interests in accommodation/exploitation assets	31	112
Other	27	32
Total	121	196

FINANCIAL POSITION, TAXES AND INVESTMENTS

Cash flow

Cash flow from operating activities before changes in working capital was SEK -254 (-140) million for the period.

Cash flow from investing activities amounted to SEK -232 (-183) million. Cash flow from financing activities amounted to SEK -131 (-130) million.

Liquidity and financing

Consolidated cash and cash equivalents at the end of the period were SEK 41 (43) million, compared with SEK 71 million at the end of the financial year. Unused credit facilities amounted to SEK 330 (359) million, compared with SEK 185 million at the end of the financial year. Interest-bearing liabilities amounted to SEK 2,405 (1,546) million, an increase of SEK 859 million from the previous year and an increase of SEK 646 million since the end of the financial year. The effect of the transition to IFRS 16 has

contributed SEK 784 million. The average interest rate during the period was 2.0 (2.0) percent. Net financial liabilities amounted to SEK 2,243 (1,404) million at the end of November, an increase of SEK 839 million from the previous year and an increase of SEK 654 million since the end of the financial year. The equity/assets ratio fell to 38 (44) percent, the effect of the transition to IFRS 16 has had a negative impact of six percentage points.

Tax

Tax income for the first quarter amounted to SEK 77 (74) million and was largely attributable to utilisation of tax values in the quarter's loss carryforwards. The tax effect of accumulated unused loss carryforwards, including the quarter's deficit, amounts to SEK 77 (74) million as of 30 November.

Investments

Investments for the period amounted to SEK 234 (230) million (gross) and SEK 232 (183) million (net). The difference between gross and net is the divestment of financial assets and property, plant and equipment. Depreciation and amortisation in the same period amounted to SEK 89 (63) million of which transition to IFRS 16 contributed SEK 23 million.

Looking ahead to 2019/20

A decision has been made to invest about SEK 330 million, mainly in replacements, modernisation and snow production capacity, largely to ensure a good ski product by the start of the season.

The total booking situation (through SkiStar's accommodation agency) for the winter season is 0.1 percent lower compared with the same time the previous year.

OTHER INFORMATION

The SkiStar share

The number of shareholders was 40,863 at 30 November 2019, which is an increase of 3,989 (10.8 percent) since 31 August 2019. SkiStar's class B shares are listed on the Nasdaq Stockholm Mid Cap. The number of shares was 78,376,056, of which 74,728,056 are class B shares. The closing price of the SkiStar share was SEK 123.00 at 30 November 2019.

Personnel

The average number of employees was 745, which is an increase of 48 compared with the previous year. The increase is mainly due to earlier snowmaking and season opening.

Parent company

Revenues in the Parent Company totalled SEK 67 (78) million for the period. Net investments amounted to SEK 78 (136) million.

Related-party transactions

Mats and Fredrik Paulsson, together with family and companies, are the main owners of SkiStar with 47 percent of the votes and 24 percent of the capital as of 30 November 2019, and they are also the main shareholders in Peab with which SkiStar has a business relationship. During the first quarter purchases from Peab amounted to SEK 78 (28) million. The outstanding liability to Peab was SEK 40 (12) million. Sales to Peab amounted to SEK 1 (0) million and the outstanding receivable was SEK 0 (0) million.

Purchases from associates amounted to SEK 14 (11) million in the first quarter, while sales to associates were SEK 4 (6) million. Net receivables were 191 MSEK (200) million, including SEK 197 (200) million attributable to loans to associates. In addition to the Group's transactions with related parties, the Parent Company also has transactions with subsidiaries. A description of the nature of these related-party transactions can be found in note 36 of the Annual Report for 2018/19.

Risks and uncertainties

The risks and uncertainties described below apply to both the Parent Company and Group. 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 means lower 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. SkiStar addresses these risks through continuous development of snow-making systems to guarantee skiing and by making strategic sales aimed at ensuring that the majority of the accommodation capacity is booked by the Christmas week when the high season starts. Fluctuations in the value of the domestic currencies against other currencies affect travel patterns and therefore also the number of guests at SkiStar's destinations. SkiStar's earnings are also affected by the relationship between the Swedish krona and Norwegian krone and Euro. The number of days off over the Christmas and New Year period, and whether Easter falls early or late, also affect travel patterns. A more detailed description of risks and uncertainties can be found in the administration report and note 32 of the Annual Report for 2018/19.

Annual General Meeting and inaugural Board meeting

SkiStar's annual general meeting, held in Sälen on 14 December 2019, was attended by 244 shareholders in person or by proxy, representing 74 percent of the votes in the Company. The following decisions were made at the AGM.

- A dividend of SEK 3.50 (3.50) per share was adopted. Record day, 17 December 2019.
- Eivor Andersson, Lena Apler, Sara Karlsson and Fredrik Paulsson were re-elected to the Board, and Lars-Göran Dahl, Gunilla Rudebjer and Anders Sundström were elected as new members.

- Eivor Andersson was elected Chairman of the Board.

- PricewaterhouseCoopers AB (PWC) was re-elected as auditor for a period of one year. Camilla Samuelsson remains the chief auditor.

The following decisions were made at the inaugural Board meeting:

- Lena Apler, Fredrik Paulsson and Gunilla Rudebjer were elected as members of the Audit Committee, with Lena Apler as Chairman.
- Eivor Andersson, Lars-Göran Dahl and Sara Karlsson were elected as members of the Remuneration Committee, with Eivor Andersson as Chairman.

Financial information

Financial year 2019/20

The interim reports for the financial year and the year-end report will be published as follows;

- Half-Year Report,
1 September 2019-29 Februari 2020
18 March 2020.
- Interim Report Q 3,
1 September 2019-31 May 2020,
18 June 2020.
- Year-End Report,
1 September 2019-31 August 2020,
1 October 2020.

DEFINITIONS OF KEY PERFORMANCE MEASURES

Key performance measures are either measures used in Swedish listed companies or those used by management and analysts..

AVERAGE INTEREST EXPENSES

Interest expenses divided by average interest-bearing liabilities.

CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL

The reason for the key performance measure is that the change in inventories, trade receivables and trade payables is marginal, and these items are therefore eliminated to obtain a more accurate picture of operations.

CASH FLOW PER SHARE

Cash flow before changes in working capital divided by the average number of shares.

EARNINGS PER SHARE

Profit/loss for the year attributable to shareholders of the Parent divided by the average number of shares.

EQUITY PER SHARE

Equity divided by the average number of shares for the reporting period.

EQUITY/ASSETS RATIO

Equity as a percentage of total assets.

FINANCIAL NET DEBT

Interest-bearing receivables less interest-bearing liabilities.

GROSS MARGIN

Operating profit/loss before depreciation/amortisation as a percentage of revenue.

INTEREST-BEARING LIABILITIES

Current and non-current liabilities to credit institutions, provisions for pensions and items in other current liabilities that are interest-bearing.

NET MARGIN

Profit/loss before tax as a percentage of revenue.

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, profit/loss from joint ventures/associates and negative goodwill.

RETURN ON AVERAGE EQUITY

Profit/loss after tax in relation to 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.

SHARE PRICE/CASH FLOW

Share price at the reporting date divided by cash flow from operating activities.

SHARE PRICE/EQUITY

Share price at the reporting date divided by equity per share.

OTHER DEFINITIONS

ALF

Alpinanleggenes Landsforening (Norwegian Ski Lift Association).

BOOKING VOLUME

A comparison of the number of booked overnight stays between two defined periods.

FINANCIAL YEAR

SkiStar's financial year covers the period 1 September to 31 August.
First quarter (Q 1) September – November
Second quarter (Q 2) December – February
Third quarter (Q 3) March – May
Fourth quarter (Q 4) June – August

OCCUPANCY RATE

Accommodation bookings as a percentage of the beds mediated by SkiStar at 100% capacity in the period beginning the third week in December and ending the third week in April.

OVERNIGHT STAY

One booked night in a cabin, apartment or hotel room.

SKIER DAY

One day's skiing with a SkiPass.

SKIPASS

Card providing access to ski lifts.

SLAO

Svenska Skidanläggnings Organisation (Swedish Ski Lift Organisation).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK THOUSANDS		3 MONTHS 1 Sep-30 Nov		12 MONTHS ROLLING 1 Dec-30 Nov	FULL YEAR 1 Sep-31 Aug
		2019/20	2018/19	2019/20	2018/19
<i>Operating Income</i>	Revenue	120,935	196,378	2,600,458	2,675,902
	Other income	3,586	2,349	13,396	12,159
	Total operating income	124,521	198,727	2,613,855	2,688,061
<i>Operating Expenses</i>	Goods for resale	-32,529	-29,697	-294,785	-291,953
	Other external expenses	-181,476	-173,729	-782,792	-766,895
	Personnel costs	-128,197	-118,718	-712,936	-703,458
	Cost of sold interests in accommodation/ exploitation asset	-7,067	-13,167	-49,301	-55,402
	Share in profit/loss of joint ventures/ associates	-11,708	-9,034	4,140	6,814
	Depreciation/amortisation	-89,381	-63,378	-299,387	-273,384
	Operating profit/loss	-325,837	-208,997	478,794	603,783
	Net financial items	4,313	-9,016	-29,063	-50,542
	Profit/loss before tax	-321,524	-218,013	449,730	553,241
	Tax	76,892	73,892	-89,841	-92,841
	Profit/loss for the period	-244,632	-144,121	359,889	460,400
Other Comprehensive Income					
	Items that may be reclassified to profit or loss				
	Change in fair value of cash flow hedges for the period	1,685	1,685	6,758	6,758
	Deferred tax on cash flow hedges	-371	-371	-1,487	-1,487
	Exchange differences on translation of foreign operations for the period	-22,696	-19,931	-13,146	-10,380
	Other comprehensive income for the period	-21,382	-18,617	-7,875	-5,109
	Total comprehensive income for the period	-266,014	-162,738	352,014	455,291
<i>Profit/loss for the period attributable to:</i>					
	Shareholders of the Parent	-237,384	-135,886	364,805	466,303
	Non-controlling interests	-7,248	-8,235	-4,916	-5,903
	Profit/loss for the period	-244,632	-144,121	359,889	460,400
<i>Comprehensive income for the period attributable to:</i>					
	Shareholders of the Parent	-257,379	-156,177	359,120	460,323
	Non-controlling interests	-8,635	-6,561	-7,106	-5,032
	Total comprehensive income for the period	-266,014	-162,738	352,014	455,291
<i>Earnings per share, SEK</i>		-3.03	-1.73	4.65	5.95
<i>Number of shares outstanding at the end of the period</i>					
	Average number of shares outstanding	78,376,056	78,376,056	78,376,056	78,376,056

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITIONG

ASSETS, SEK THOUSANDS		30 Nov 2019	30 Nov 2018	31 Aug 2019
<i>Non-current assets</i>				
	Intangible assets	186,256	191,802	191,953
	Property, plant and equipment	3,773,644	3,454,548	3,647,258
	Right of use assets	795,995	-	-
	Investments in joint ventures/associates	377,674	374,909	393,166
	Other investments and securities held as non-current assets	36,562	36,588	36,874
	Other non-current receivables	240,824	254,298	245,794
	Total non-current assets	5,410,955	4,312,145	4,515,045
<i>Current assets</i>				
	Inventories	237,739	236,256	164,176
		237,739	236,256	164,176
	Trade receivables	74,930	50,562	51,201
	Tax receivables	75,612	45,217	53,704
	Other current receivables	160,421	329,843	114,149
	Prepaid expenses and accrued income	79,470	68,962	96,249
		390,433	494,584	315,303
	Cash & cash equivalents	41,129	42,986	71,253
	Total current assets	669,301	773,826	550,732
	TOTAL ASSETS	6,080,256	5,085,971	5,065,777
EQUITY AND LIABILITIES, SEK THOUSANDS				
<i>Equity</i>				
	Share capital	19,594	19,594	19,594
	Other contributed capital	397,573	397,573	397,573
	Reserves	-42,238	-36,554	-22,243
	Retained earnings, including profit/loss for the period	1,913,336	1,822,847	2,150,720
	Equity attributable to shareholders of the Parent	2,288,265	2,203,460	2,545,644
	Non-controlling interests	47,785	54,891	56,420
	Total equity	2,336,050	2,258,351	2,602,064
<i>Non-current liabilities</i>				
	Liabilities to credit institutions	1,457,318	1,198,854	1,587,811
	Provisions for pensions	13,055	12,450	12,864
	Other provisions	10,191	1,750	1,510
	Long-term lease liabilities	701,508	-	-
	Derivatives	13,828	2,864	31,388
	Deferred tax liabilities	116,194	181,006	193,648
	Total non-current liabilities	2,312,094	1,396,924	1,827,221
<i>Current liabilities</i>				
	Liabilities to credit institutions	150,778	334,694	157,856
	Trade payables	249,782	232,466	118,583
	Tax liabilities	87,560	17,437	88,124
	Short-term lease liabilities	82,036	-	-
	Other current liabilities	630,649	644,935	167,110
	Accrued expenses and deferred income	231,307	201,164	104,819
	Total current liabilities	1,432,112	1,430,696	636,492
	Total liabilities	3,744,206	2,827,620	2,463,713
	TOTAL EQUITY AND LIABILITIES	6,080,256	5,085,971	5,065,777

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT

SEK THOUSANDS	Share capital	Other contributed capital	Translation reserves	Hedging reserves	Retained earnings and profit for the year	Total	Non-controlling interests	Total equity
Opening equity, 1 Sep 2018	19,594	397,573	1,642	-17,905	1,958,733	2,359,637	61,452	2,421,089
Profit/loss for the period					-135,886	-135,886	-8,235	-144,121
Other comprehensive income for the period			-21,605	1,314	0	-20,291	1,674	-18,617
Comprehensive income for the period	0	0	-21,605	1,314	-135,886	-156,177	-6,561	-162,738
Closing equity, 30 Nov 2018	19,594	397,573	-19,963	-16,591	1,822,847	2,203,460	54,891	2,258,351
Opening equity, 1 Sep 2019	19,594	397,573	-9,609	-12,634	2,150,720	2,545,644	56,420	2,602,064
Profit/loss for the period					-237,384	-237,384	-7,248	-244,632
Other comprehensive income for the period			-21,309	1,314		-19,995	-1,387	-21,382
Comprehensive income for the period	0	0	-21,309	1,314	-237,384	-257,379	-8,635	-266,014
Closing equity, 30 Nov 2019	19,594	397,573	-30,918	-11,320	1,913,336	2,288,265	47,785	2,336,050

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK THOUSANDS		3 MONTHS 1 Sep-30 Nov	2018/19	FULL YEAR 1 Sep-31 Aug
		2019/20	2018/19	2018/19
<i>Operating activities</i>	Profit/loss after financial items	-321,524	-218,013	553,241
	Adjustment for non-cash items	88,480	81,215	239,844
		-233,044	-136,798	793,085
	Tax paid	-21,319	-3,324	-68,269
	Changes in working capital	588,822	424,191	-2,466
	Cash flow from operating activities	334,459	284,069	722,350
<i>Investing activities</i>	Acquisition of property, plant and equipment	-230,245	-194,319	-496,070
	Sale of property, plant and equipment	1,732	26,705	4,556
	Other investing activities	-3,815	-15,165	-11,696
	Cash flow from investing activities	-232,328	-182,779	-503,210
<i>Financing activities</i>	Proceeds from borrowings	62,704	28,719	775,016
	Repayment of borrowings	-184,358	-158,487	-721,519
	Repayment of lease liabilities	-9,478	-	-
	Dividend paid	0	0	-274,316
	Cash flow from financing activities	-131,132	-129,768	-220,819
	Cash flow for the period	-29,001	-28,478	-1,679
	Cash & cash equivalents at beginning of year	71,253	73,146	73,146
	Exchange differences	-1,123	-1,681	-214
	Cash & cash equivalents at end of period	41,129	42,987	71,253

THE GROUP'S OPERATING SEGMENTS

SEK, THOUSANDS

	3 MONTHS 1 Sep-30 Nov		FULL YEAR 1 Sep-31 Aug
OPERATION OF SKI RESORTS	2019/20	2018/19	2019/20
External revenue	88,669	81,524	2,435,645
Internal revenue	7,625	469	45,099
Capital gains	834	427	697
Total operating income	97,128	82,420	2,481,441
External operating expenses	-350,984	-305,572	-1,685,758
Costs from other segments	-13,349	-6,306	-80,822
Capital losses	-8	0	-417
Profit/loss from investments in joint ventures and associates	-2,306	-1,756	-10,730
Depreciation/amortisation	-61,013	-57,519	-252,337
Operating profit/loss	-330,532	-288,732	451,377
Intangible assets	186,256	191,802	191,953
Property, plant and equipment	3,025,895	2,828,310	2,946,081
Financial assets	79,406	80,804	80,676
Operating loans	895,234	755,953	1,155,347
PROPERTY DEVELOPMENT & EXPLOITATION			
External revenue	3,910	4,892	21,426
Exploitation revenue	30,696	111,539	228,755
Internal revenue	6,186	6,002	44,291
Capital gains	411	345	1,538
Total operating income	41,203	122,778	296,010
External operating expenses	-14,819	-16,515	-72,512
Costs from other segments	-462	-166	-8,568
Costs of sold exploitation assets	-7,067	-13,167	-55,402
Capital losses	-909	-57	-3,619
Profit/loss from investments in joint ventures and associates	-9,401	-7,279	17,544
Depreciation/amortisation	-5,506	-5,859	-21,047
Operating profit/loss	3,039	79,736	152,406
Property, plant and equipment	747,749	626,238	701,177
Financial assets	575,654	584,991	595,158
Operating loans	712,862	777,595	590,320
Internal revenue	-13,811	-6,471	-89,390
Internal costs	13,811	6,471	89,390
Consolidated revenue	124,521	198,727	2,688,061
Consolidated operating profit/loss	-327,493	-208,997	603,783
Consolidated intangible assets	186,256	191,802	191,953
Consolidated property, plant and equipment	3,773,644	3,454,548	3,647,258
Consolidated financial assets	655,060	665,795	675,834
Consolidated operating loans	1,608,096	1,533,548	1,745,667

Segment reporting

In the segment report, all leasing contract are reported as operational leasing, see note on page 16.

RECONCILIATION BETWEEN SEGMENT REPORT AND CONSOLIDATED COMPREHENSIVE INCOME, SEK THOUSAND

	2019/20
	1 Sep - 30 Nov
Operating profit according to segment report	-327,493
Reversal of leasing cost attributed to IFRS 16	24,517
Depreciations attributable to IFRS 16	-22,861
Operating profit according to consolidated comprehensive income	-325,837

CONDENSED INCOME STATEMENT – PARENT COMPANY

SEK THOUSANDS		3 MONTHS 1 Sep-30 Nov		FULL YEAR 1 Sep-31 Aug
		2019/20	2018/19	2018/19
<i>Operating income</i>	Revenue	67,035	77,786	1,735,375
	Other operating income	1,349	866	3,838
	Total operating income	68,384	78,652	1,739,213
<i>Operating expenses</i>	Goods for resale	-27,450	-24,184	-223,173
	Other external expenses	-149,460	-128,347	-563,332
	Personnel costs	-85,509	-79,295	-479,462
	Cost of sold interests in accommodation/exploitation	0	-100	-31,647
	Depreciation/amortisation of assets	-38,317	-33,603	-147,128
	Operating profit/loss	-232,352	-186,877	294,471
	Net financial items	8,040	-5,000	33,414
	Profit/loss after net financial items	-224,312	-191,876	327,885
	Appropriations	0	0	-10,323
	Profit/loss before tax	-224,312	-191,876	317,562
	Tax	49,451	40,702	-58,157
	Profit/loss for the period	-174,861	-151,175	259,405
Other comprehensive income				
	Items that may be reclassified to profit or loss			
	Change in fair value of cash flow hedges for the period	1,685	1,685	6,758
	Deferred tax on cash flow hedges	-371	-371	-1,487
	Other comprehensive income for the year	1,314	1,314	5,271
	Total comprehensive income for the year	-173,547	-149,860	264,676

CONDENSED BALANCE SHEET - PARENT COMPANY

ASSETS, SEK THOUSANDS		30 Nov 2019	30 Nov 2018	31 Aug 2019
<i>Non-current assets</i>	Intangible assets	31,027	32,575	33,229
	Property, plant and equipment	1,764,139	1,718,772	1,722,367
<i>Financial assets</i>	Investments in Group companies	342,908	366,449	379,497
	Investments in joint ventures/associates	2,812	2,992	2,812
	Other investment and securities held as non-current-assets	20,011	20,247	20,247
	Other non-current receivables	23,153	21,385	22,012
	Receivables from Group companies	327,300	481,966	572,679
Total non-current assets		2,511,350	2,644,386	2,752,843
<i>Current assets</i>				
<i>-Inventories</i>	Goods for resale	149,157	142,775	89,424
		149,157	142,775	89,424
<i>-Current receivables</i>	Trade receivables	25,567	36,861	38,098
	Receivables from Group companies	232,622	33,268	15,159
	Tax receivables	68,316	38,663	48,456
	Other current receivables	58,505	32,292	24,503
	Prepaid expenses and accrued income	64,111	53,687	62,079
		449,121	194,770	188,295
<i>-Cash and cash equivalents</i>	Cash and bank balances	2,108	181	165
	Total current assets	600,386	337,727	277,884
TOTAL ASSETS		3,111,736	2,982,113	3,030,727
EQUITY AND LIABILITIES, SEK THOUSANDS				
<i>Equity</i>				
<i>-Restricted equity</i>	Share capital	19,594	19,594	19,594
	Statutory reserve	25,750	25,750	25,750
	Development fund	4,309	1,790	4,309
		49,653	47,134	49,653
<i>-Non-restricted equity</i>	Share premium reserve	4,242	4,242	4,242
	Retained earnings	815,009	827,461	554,582
	Profit/loss for the year	-174,861	-151,175	259,405
		644,390	680,528	818,230
Total equity		694,043	727,662	867,883
<i>Non-current liabilities</i>				
<i>-Non-current interest-bearing liabilities</i>	Liabilities to Group companies	812,559	722,421	794,882
	Liabilities to credit institutions	707,614	678,471	852,648
<i>-Provisions</i>	Provisions for pensions	9,982	8,603	9,705
	Other provisions	1,118	968	800
<i>-Non-current non-interest-bearing liabilities</i>	Derivative liabilities	11,264	2,817	22,835
	Deferred tax liabilities	96,238	135,540	145,318
Total non-current liabilities		1,638,775	1,548,820	1,826,188
<i>-Current liabilities</i>				
	Liabilities to credit institutions	4,217	0	0
	Liabilities to Group companies	2,384	31,107	30,581
	Trade payables	159,174	177,403	80,375
	Other current liabilities	472,564	376,477	159,095
	Accrued expenses and deferred income	140,581	120,644	66,605
Total current liabilities		778,918	705,631	336,656
Total liabilities		2,417,693	2,254,451	2,162,844
TOTAL EQUITY AND LIABILITIES		3,111,736	2,982,113	3,030,727

THE GROUP'S KEY PERFORMANCE INDICATORS AND DATA PER SHARE

KEY PERFORMANCE INDICATORS	3 MONTHS 1 Sep - 30 Nov					FULL YEAR 1 Sep-31 Aug
	2019/20	2018/19	2017/18	2016/17	2015/16	2018/19
Revenue, SEK thousand	120,935	196,378	145,988	117,097	81,833	2,675,902
Operating income, SEK thousand	124,521	198,727	148,104	118,710	83,179	2,688,061
Profit/loss before tax, SEK thousand	-321,524	-218,013	-252,541	-262,608	-238,988	553,242
Profit/loss after tax, SEK thousand	-244,632	-144,121	-178,756	-206,887	-181,813	460,400
Cash flow from operating activities, SEK thousand	334,459	284,069	172,925	140,104	165,181	722,351
Total cash flow, SEK thousand	-29,001	-28,478	-10,507	-8,279	-4,806	-1,678
Return on:						
-capital employed, %	-8	-5	-6	-7	-7	15
-equity, %	-10	-6	-9	-12	-12	18
-total assets, %	-6	-4	-5	-6	-6	11
Gross margin, %	neg	neg	neg	neg	neg	33
Operating margin, %	neg	neg	neg	neg	neg	22
Net margin, %	neg	neg	neg	neg	neg	21
Equity/assets ratio, %	38	44	40	39	36	51

	2019/20	2018/19				2017/18		
	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2
Revenue, SEK thousand	77,008	109,428	938,717	1,431,378	196,378	183,653	915,862	1,290,203
Operating income, SEK thousand	79,223	110,989	942,765	1,435,580	198,727	184,010	919,785	1,296,306
Profit/loss before tax, SEK thousand	-110,805	-248,919	317,684	702,490	-218,013	-166,010	354,291	650,888
Profit/loss after tax, SEK thousand	-33,891	-206,487	256,413	554,596	-144,121	-116,728	279,966	501,886
Cash flow from operating activities, SEK thousand	334,459	-195,917	-242,188	876,387	284,069	-131,258	-216,343	853,836
Total cash flow, SEK thousand	-29,001	1,311	-82,010	107,499	-28,478	-12,519	-24,874	8,886
Gross margin, %	neg	neg	41	55	neg	neg	48	54
Operating margin, %	neg	neg	34	50	neg	neg	40	49
Net margin, %	neg	neg	34	49	neg	neg	39	50

DATA PER SHARE ¹⁾	30 Nov					31 Aug
	2019	2018	2017	2016	2015	2019
Share price, SEK	123.00	111.75	85.00	81.50	64.75	116.00
Average number of shares	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056
Earnings, SEK	-3.03	-1.73	-2.26	-2.64	-2.32	5.95
Cash flow from operating activities, SEK	4.27	3.62	2.21	1.79	2.11	9.22
Share price/cash flow, times	28.8	30.8	38.5	45.6	30.7	12.6
Equity, SEK	30	29	24	22	19	33
Price/equity, %	413	388	348	377	349	349

	2019/20	2018/19				2017/18		
	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2
Average number of shares	78 376 056	78 376 056	78 376 056	78 376 056	78 376 056	78 376 056	78 376 056	78 376 056
Earnings SEK	-3.03	-2.57	3.30	6.95	-1.73	-1.43	3.60	6.28
Cash flow from operating activities, SEK	4.27	-2.50	-3.09	11.18	3.62	-1.67	-2.76	10.89
Equity, SEK	30	33	36	33	29	31	28	24
Return on equity, %	-1	-8	9	22	-6	-5	13	26

¹⁾ Recalculated with respect to the 2:1 split carried out on 17 January 2019 as resolved at the annual general meeting on 15 December 2018. Number of shares for previous periods have been adjusted.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

SEK THOUSANDS	3 MONTHS 1 Sep-30 Nov		FULL YEAR 1 Sep-31 Aug
FINANCING AND INTEREST-BEARING LIABILITIES	2019/20	2018/19	2018/19
Non-current interest-bearing liabilities to credit institutions	1,457,318	1,198,854	1,587,811
Long-term leasing liabilities	701,508	-	-
Provisions for pensions	13,055	12,450	12,864
Current interest-bearing liabilities to credit institutions	150,778	334,694	157,856
Short-term lease liabilities	81,994	-	-
Net interest-bearing liabilities	2,404,653	1,545,998	1,758,530
Other non-current receivables	240,824	254,298	245,794
Non-interest-bearing portion of non-current receivables	-148,690	-160,649	-154,194
Interest-bearing current receivables	28,355	5,355	6,431
Cash and cash equivalents	41,129	42,986	71,253
Interest-bearing receivables	161,617	141,989	169,284
Financial net debt (interest-bearing receivables - net interest-bearing liabilities)	2,243,036	1,404,009	1,589,246

SEK THOUSANDS	2019/20	2018/19	2017/18	2016/17	2015/16
RETURN ON CAPITAL EMPLOYED	Q 1	Q 1	Q 1	Q 1	Q 1
Profit after financial items	-321,524	-218,013	-252,541	-262,608	-238,988
Finance income	8,713	11,316	8,545	3,115	1,684
Finance costs	-4,400	-20,333	-19,055	-8,751	-11,677
Net financial items	4,313	-9,016	-10,509	-5,636	-9,993
Profit after financial items, plus finance costs	-317,123	-197,680	-233,487	-253,857	-227,311

	2019/20		2018/19		2017/18		2016/17		2015/16	
CAPITAL EMPLOYED	Q 1	Aug 2019	Q 1	Aug 2018	Q 1	Aug 2017	Q 1	Aug 2016	Q 1	Aug 2015
Assets	6,080,256	5,065,776	5,085,971	4,870,568	4,791,531	4,507,860	4,316,449	4,107,146	4,036,844	3,960,236
Non-current non-interest-bearing liabilities	841,720	226,546	185,620	221,113	117,701	190,107	103,244	149,441	52,975	72,655
Current non-interest-bearing liabilities	1,199,340	478,637	1,096,002	537,253	977,502	455,254	814,338	334,910	764,234	277,002
Total non-interest-bearing liabilities	2,041,061	705,182	1,281,622	758,366	1,095,202	645,361	917,582	484,351	817,209	349,657
Capital employed	4,039,195	4,360,594	3,804,349	4,112,202	3,696,329	3,862,499	3,398,867	3,622,795	3,219,635	3,610,579
Average capital employed	4,199,895		3,958,275		3,779,414		3,510,831		3,415,107	
Return on capital employed	-8%		-5%		-6%		-7%		-7%	

RETURN ON EQUITY										
Equity	2,336,050	2,602,064	2,258,351	2,421,089	1,915,104	2,090,251	1,692,867	1,869,945	1,453,339	1,537,735
Average equity	2,469,057		2,339,720		2,002,677		1,781,406		1,495,537	
Profit after tax	-244,631		-144,121		-178,756		-206,887		-182,256	
Return on equity	-10%		-6%		-9%		-12%		-12%	

RETURN ON TOTAL ASSETS										
Total assets	6,080,256	5,065,776	5,085,971	4,870,568	4,791,531	4,507,860	4,316,449	4,107,146	4,036,844	3,960,236
Average total assets	5,573,016		4,978,269		4,649,695		4,211,797		3,998,540	
Return on total assets	-6%		-4%		-5%		-6%		-6%	

NOTES

Pledged assets and contingent liabilities

PLEADGED ASSETS, SEK THOUSAND	30 Nov 2019	30 Nov 2018	31 Aug 2019
Group	1,727,807	1,644,027	1,643,516
Parent Company	543,218	538,838	539,941
CONTINGENT LIABILITIES, SEK THOUSAND			
Group	982,432	891,083	723,221
Parent Company	1,759,837	1,612,926	1,495,076

Accounting Principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2 Accounting for Legal Entities. The accounting policies and methods of calculation applied for the Group and Parent Company are the same as those applied in preparing the most recent annual accounts and consolidated financial statements, except for the parts relating to IFRS 16 that the Group applied from the first quarter of 2019/20. The effects of the transition are shown in the note on page 16. See the note on page 16.

Preparation of financial statements in compliance with IFRS requires Company management to make accounting estimates and judgements, as well as to make assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expense. The actual outcome may differ from these estimates and assumptions. Certain statements contained in this report are forward-looking and reflect the current assessments of the Company and Board of Directors as regards future circumstances.

Segment reporting

With effect from the first quarter 2018/19, operations are monitored and presented in the segments Operation of Ski Resorts and Property Development & Exploitation.

Operation of Ski Resorts comprises the operation of ski resorts and the sale of all products and services in this area, such as SkiPass, accommodation, activities, shops etc. 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 & 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 & Exploitation comprises the management of assets that can be exploited or used in the segment or leased to the Operation of Ski Resorts segment. Segment revenue consists of the sale of land and other properties, the sale of weekly shares in Vacation Club, and the renting of accommodation, both through the segment and associated companies, to guests in the Operation of Ski 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.

Comparative figures have been restated.

DISTRIBUTION OF REVENUE PER SEGMENT, SEK MILLION

	3 MONTHS 1 Sep-30 Nov		FULL YEAR 1 Sep-31 Aug
OPERATION OF SKI RESORTS	2019/20	2018/19	2018/19
SkiPass	9	6	1,393
Accommodation	4	4	303
Ski rental	2	1	188
Ski school/Activities	0	0	57
Sporting goods outlets	34	24	171
Property services	14	17	109
Other	23	26	159
Total Operation of Ski Resorts	86	79	2,380
PROPERTY DEVELOPMENT & EXPLOITATION			
Total Property Development & Exploitation	35	117	296
Group total	121	196	2,676

DISTRIBUTION OF REVENUE PER SEGMENT AND COUNTRY, SEK MILLION

	3 MONTHS 1 Sep-30 Nov		FULL YEAR 1 Sep-31 Aug
REVENUE PER COUNTRY	2019/20	2018/19	2019/20
Sweden			
- Operation of Ski Resorts	58	57	1,588
- Property Development & Exploitation	35	117	293
Norway 1)			
- Operation of Ski Resorts	25	20	701
- Property Development & Exploitation	0	0	3
Austria 2)	3	2	91
Group total	121	196	2,676

1) There are no exploitation operations in Norway.

2) There are no property development and exploitation operations in Austria.

See note regarding IFRS 15 for information about customer categories.

Disclosures in accordance with IFRS 9 Financial Instruments

The financial instruments that SkiStar holds are measured at cost, apart from the Company's interest rate derivatives, which are measured at fair value through comprehensive income. No uncertain items or impairment losses were identified.

Disclosures in accordance with IFRS 13 Fair Value Measurement

In addition to the usual working capital items and cash and cash equivalents, SkiStar's financial instruments consist of receivables from associates, interest-bearing liabilities, derivatives and available-for-sale financial assets. Interest-bearing liabilities carry floating interest rates. Most other financial assets and liabilities have short maturities. Derivatives and available-for-sale financial assets are measured at fair value based on level 2 inputs under IFRS 13. There were no transfers between levels during the period. The fair values of all financial instruments are deemed to approximate their carrying amounts. SkiStar has not reported any financial assets or liabilities on a net basis.

Notes (continuation), see the following page.

NOTES (CONTINUATION)

Disclosures in accordance with IFRS 15 Revenue from Contracts with Customers

Contracts with customers in the Operation of Ski Resorts segment consist primarily of contracts with individuals relating primarily to booking travel that includes ski passes, accommodation, activities and other goods and services associated with guest visits to a ski resort. This category of customer contract means that full payment is due before arrival. The revenue is distributed over the period of the guest's stay, meaning that the total revenue is not recognised until the stay ends and the Company's commitments are fulfilled. Revenue is reduced by any loyalty points, which are entered as a liability until they have been used or expired.

Revenue from the sale of goods in shops is recognised at the time of the transaction, when control has been transferred to the buyer. The Company's obligations to customers prior to arrival consist mainly of advances from customers and their accrued but not yet used loyalty points.

Customer contracts in the Property Development & Exploitation segment consist of sales of plots to both individuals and corporate customers. Revenue is recognised on the date possession is taken. Vacation Club shares are sold primarily to individuals and the revenue is recognised on the date possession is taken.

IFRS 16 Leases

With effect from 1 September 2019, SkiStar has applied the new standard IFRS 16 to all leases.

Lease liabilities include the present value of the following lease payments:

- Fixed charges
- Variable fees that depend on an index or interest rate, initially valued using the index or interest rate at the start date
- Amount expected to be paid by the lessee under residual value guarantees
- Exercise price for a call option if the company is reasonably confident of exercising such an option
- Penalties that are payable upon termination of the lease if the lease term reflects that the company will leverage an opportunity to terminate the lease.

Right-of-use assets are valued at cost and include the following:

- The amount at which the lease liability was originally valued
- Lease payments paid on or before the commencement date less any benefits received from entering the lease

Right of use is amortised on a straight-line basis over the shorter of useful life or lease term. If the Group is reasonably certain to leverage a call option, right of use will be written off over the underlying asset's useful life.

The Group has applied the simplified transition approach, which means that the lease liability is initially measured at the present value of future lease payments, discounted using the Group's incremental borrowing rate at 1 September 2019, and the right-of-use asset is set at the same value as the lease liability, adjusted for prepaid or accrued lease payments attributable to leases at 31 August 2019. In accordance with the simplified transition approach, the comparative year has not been restated. The Group has applied the following practical expedients in the transition calculation. Leases with a remaining term of a maximum of 12 months from the initial application date have been excluded from the calculation of lease liabilities and right-of-use assets, as have leases where the underlying asset is of low value. These leases are expensed on a straight-line basis over the lease term. The transition to IFRS 16 only affects the overall Group level and does not have any effect on the reporting of the Group's operating segments, since operating segments are monitored based on an accounting policy where all leases are recognised as operating leases.

NEW ACCOUNTING POLICIES EFFECTIVE FROM 1 SEP 2019

SEK Thousand	Closing balance 31 Aug 2019	Adjustment, IFRS 16	Restated 1 Sep 2019
ASSETS			
Non-current assets			
Intangible assets	191,953		191,953
Property, plant and equipment	3,647,258		3,647,258
IFRS 16 "Right of use"		815,409	815,409
Financial assets	675,834		675,834
Total non-current assets	4,515,045	815,409	5,330,454
Current assets			
Inventories	164,176		164,176
Other current receivables	219,054		219,054
Prepaid expenses and accrued income	96,249	-22,747	73,502
	479,479	-22,747	456,732
Cash and bank balances	71,253		71,253
Total current assets	550,732	-22,747	527,985
TOTAL ASSETS	5,065,777	792,662	5,858,439
EQUITY AND LIABILITIES			
Equity	2,602,064		2,602,064
Non-current liabilities			
Non-current interest-bearing liabilities	1,600,675		1,600,675
Non-current non-interest-bearing liabilities	226,546		226,546
Lease liabilities		710,986	710,986
Total non-current liabilities	1,827,221	710,986	2,538,207
Current liabilities			
Current liabilities	531,673	81,676	613,349
Accrued expenses and deferred income	104,819		104,819
Total current liabilities	636,492	81,676	718,168
Total liabilities	2,463,713	792,662	3,256,375
TOTAL EQUITY AND LIABILITIES	5,065,777	792,662	5,858,439
ALLOCATION OF RIGHT TO USE ASSETS ACCORDING TO ASSET TYPE, SEK Thousand			
Land leases		369,586	
Premises, accommodation, hotels		249,423	
Ski lifts		143,852	
Other		29,801	
		792,662	

TRANSITION EFFECTS IFRS 16, SEK Thousand

Operating lease obligation, 31 August 2019	777,610
Adjustment of items attributable to variable values	-91,045
Additional leases	216,602
Contractual increases	26,730
Extension of lease term	36,282
Discounting using Group's incremental borrowing rate 2.4%	-173,516
	792,662

The CEO assures that this Interim Report provides a true and fair view of the parent company's and the group's operations, financial position and performance, and describes the material risks and uncertainties faced by the parent company and the other group companies.

Sälen, 19 December 2019

Anders Örnulf
Acting CEO

This information is information that SkiStar AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act.

The information was submitted for publication, through the agency of the contact persons set out above, at 19 December 2019, 07.30 a.m. CET.

This Interim Report has not been subject to review by the company's auditor.

SKISTAR IN BRIEF

SkiStar is listed on the Nasdaq Mid Cap, Stockholm. The Group owns and operates alpine destinations in Sälen, Åre, Vemdalen and Hammarbybacken (Stockholm) in Sweden, Hemsedal and Trysil in Norway and St. Johann in Tirol in Austria. Market share is 50% in Sweden, 30% in Norway and 41% in Scandinavia. The Group's core business is alpine skiing, with a focus on the guests' overall skiing experience. Operations are divided into two segments: Operation of Ski Resorts and Property Development & Exploitation. As the leading operator of European Alpine destinations, SkiStar's business concept is to provide memorable winter experiences, offering value for guests, employees and other interested parties, which, in turn, creates value for our shareholders. The Group's business model and fundamental strategy are based on offering the entire range of accommodation at all of SkiStar's destinations through one distribution channel, thereby ensuring a high occupancy level and providing the conditions to maximise the sale of SkiPasses. In order to achieve this, SkiStar strives to guarantee that all operators at its destinations offer a product and a service of such quality that this results in satisfied, returning guests. Sales of SkiPasses are the most significant value driver in SkiStar's operations.

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