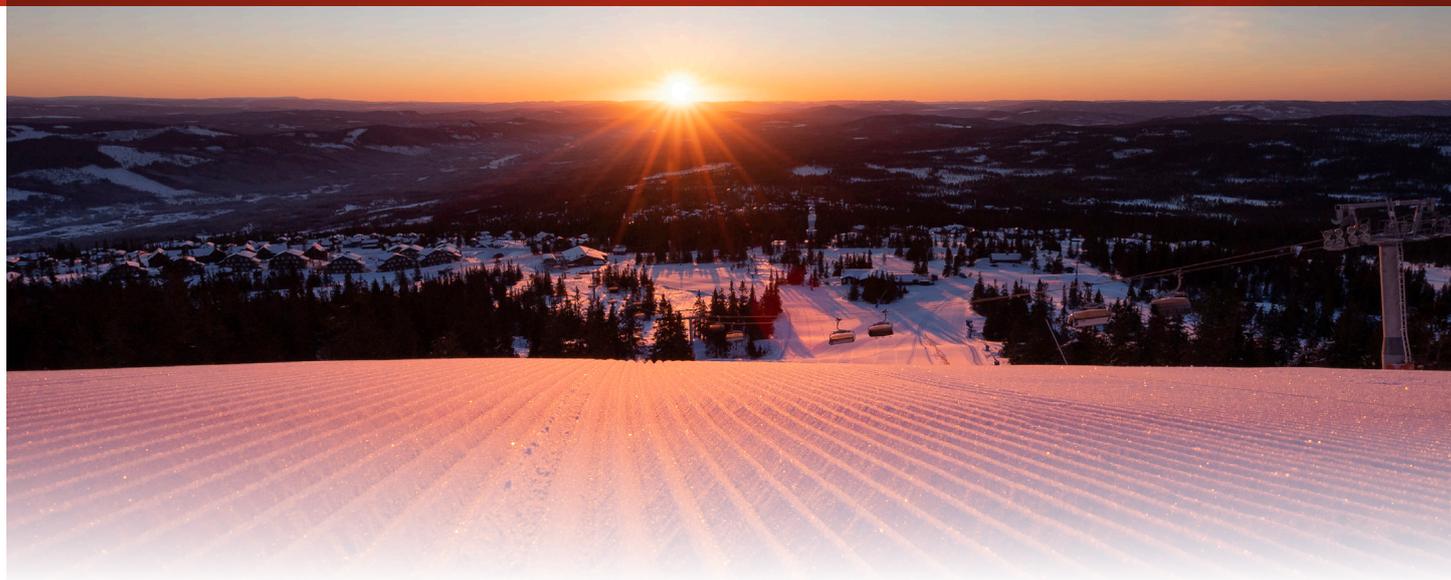


# INTERIM REPORT

SEPTEMBER 2019 - MAY 2020



SUMMARY, SEK MILLION	3 MONTHS 1 Mar-31 May		9 MONTHS 1 Sep-31 May		FULL YEAR 1 Sep-31 Aug
	2019/20	2018/19	2019/20	2018/19	2018/19
Revenue	486	939	2,211	2,566	2,676
Operating income	487	943	2,219	2,577	2,688
Profit/loss before tax	-3	318	485	802	553
Profit/loss after tax	-10	256	387	667	460
Earnings per share, SEK	-0.07	3.30	4.94	8.52	5.95
Cash flow from operating activities	-504	-242	711	918	722
Operating margin, %	3	34	24	32	22
Equity/assets ratio, %	44	56	44	56	51

## CORONA CRISIS IMPACTS THIRD QUARTER - OPTIMISM AHEAD OF NEXT WINTER SEASON

### Third Quarter

- Revenues for the third quarter were SEK 486 (939) million, a decline of SEK 453 million (48 percent) compared with the previous year.
- Profit after tax was SEK -10 (256) million, a decline of SEK 266 million (104 percent) compared with the previous year.
- Earnings per share amounted to SEK -0.07 (3.30), a decline of 102 percent.

### Nine-month period

- Revenues for the nine-month period were SEK 2,211 (2,566) million, a decrease of SEK 355 million (14 percent) compared with the previous year.
- Profit after tax was SEK 387 (667) million, a decline of SEK 280 million (42 percent) compared with the previous year.
- Earnings per share amounted to SEK 4.94 (8.52), a decline of 102 percent.

### Financial effects of corona crisis

- The corona crisis forced SkiStar to close the winter season at its ski resorts early, which led to lower revenue and earnings compared with the previous year.

Further information is available from:

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# INTERIM REPORT

SEPTEMBER 2019 - MAY 2020



## COMMENTS FROM THE CEO

March 2020 was the month that shook not only the world, but SkiStar too, as the spread of the new coronavirus left no-one unaffected. Announcements that our operations in both Norway and Austria had been forced to close were followed by Sweden's Public Health Agency advising us to also close the Swedish resorts as of 6 April, due to increasing pressure on local healthcare services at that time.

As always, health and safety is a priority for us, so the focus has been on our employees and guests, and we would like to emphasise just how much we value the excellent cooperation we have had with healthcare services and the authorities in the current situation.

Ending the season earlier, combined with the travel bans in place in the countries where we operate, has meant that we have had to put considerable effort into reviewing our costs and planned investments.

The reduction in revenue in the third quarter of SEK -413 million (excluding sale of interests in accommodation and exploitation assets) is entirely due to the early closure of our ski resorts. We have partly parried off the drop in income through variable costs, but have also reduced fixed costs such as personnel, marketing and operating costs during the period and have also postponed planned investments

totalling nearly SEK 181 million.

We plan to apply for state aid that will partially cover fixed costs when it is available from the governments of Sweden and Norway. We did receive some state aid in Sweden during the period, mostly linked to shortened working hours. In Norway, the support has come in the form of a simplified negotiation process, which leads to the state taking greater responsibility for employees and thus lowering personnel costs for SkiStar.

As mentioned in our previous interim reports this year, capital gains from our property development and exploitation business are significantly lower at SEK 89 million (169). This is largely due to the fact that we had two major projects (total capital gains of SEK 90 million) that were realised in the first quarter 2018/19, but is also attributable to a stagnant market for sales of timeshares via our Vacation Club concept during the corona crisis. This is partly because it has been difficult to conduct sales meetings.

Despite the market's current uncertainty, bookings for the 2020/21 season, measured in terms of the number of overnight stays booked via SkiStar's accommodation agency, began at a higher pace than in the previous year, and we are currently up 1 percent on last year.

Our other business areas linked to our core operations have performed well, and it is particularly pleasing to see our sporting goods operations growing with increased profitability. We have lost sales in our physical stores, but online sales have grown by 43 percent.

In Hundfjället, construction is well underway on our new SkiStar Lodge, and progressing as planned. We plan to open for the 2021/22 season.

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 balance sheet total after the end of the nine-month period have increased by SEK 765 million, which has reduced our equity/assets ratio by 6 percentage points. More details about the effect of IFRS 16 can be found on page 17 of this report.

Stefan Sjöstrand  
Chief Executive Officer

## SIGNIFICANT EVENTS DURING THE THIRD QUARTER AND AFTER THE END OF THE PERIOD

### Third Quarter

12/03/2020

#### Closure of SkiStar's resort in Hemsedal for the 2019/20 season

Following a municipal decision in Norway, SkiStar must immediately close the ski resort in Hemsedal. SkiStar expects similar decisions from the authorities regarding other ski resorts in Norway. SkiStar has a resort in Trysil.

12/03/2020

#### Closure of SkiStar's resort in Trysil until further notice

In line with SkiStar's announcement earlier today, SkiStar has now been affected by another municipal decision in Norway, which means that it must close the ski resort in Trysil from tomorrow, 13 March 2020.

31/03/2020

#### SkiStar to close all ski resorts in Sweden for remainder of winter season as from 6 April 2020

SkiStar has been advised by the Public Health Authority to close its ski resorts in Sweden due to the risk of overloading the health care systems in the regions concerned. This means that SkiStar's Swedish alpine destinations SkiStar Sälen, Vemdalen and Åre will be closed as from 6 April 2020.

This action means that all SkiStar resorts will have had to end the winter season prematurely. On 12 March 2020, SkiStar announced that its two Norwegian ski resorts in Trysil and Hemsedal were forced to close due to municipal decisions in Norway.

30/04/2020

#### Nomination Committee appointed ahead of SkiStar's AGM on 12 December 2020

The Nomination Committee ahead of SkiStar AB (publ)'s 2020 AGM comprises members appointed by SkiStar's four largest shareholders (shareholder groups) as at 31 March 2020, per the committee's instructions. The composition of the Nomination Committee is as follows:

- Anders Sundström, appointed by the Mats and Fredrik Paulsson family incl. companies.
- Lennart Mauritzson, appointed by the Erik Paulsson family incl. companies.
- Marianne Nilsson, appointed by Swedbank Robur Fonder.
- Per Limberg, appointed by Lima Jordägande Soeknemän for Besparingskogen.

The Nomination Committee has appointed Lennart Mauritzson from among its members as chairman.

SkiStar's AGM will be held in Sälen on Saturday 12 December 2020.

Shareholders wishing to submit proposals to the Nomination Committee can do so in writing to [valberedning@skistar.com](mailto:valberedning@skistar.com), or to SkiStar AB,

Attn: Nomination Committee, 780 67 Sälen.

13/05/2020

#### Launch of important partnership for children and young people's health

According to non-profit organisation Generation Pep's 2020 report, just two out of ten children get the recommended amount of exercise. It has never been more important to promote physical activity among children and young people. SkiStar is now teaming up with Generation Pep to inspire children and young people to lead healthier lives.

"With Valle the snowman as a role model, we intend to help boost children's wellbeing and health. By joining forces with Generation Pep we see significant opportunities to work together to make a difference in the health and wellbeing of children and young people," said Linda Morell, head of PR at SkiStar AB.

#### After the end of the period

09/06/2020

#### Swecation at SkiStar's mountain resorts – green light to open summer activities

Following positive announcements from the Swedish government about travelling within the country, the mountain resorts will be open for activities this summer. This means that the lifts in Åre, Sälen and Vemdalen will be operating, allowing easier access to endless recreational possibilities in the Swedish mountains, with refreshing mountain brooks, lakes, chalets and beautiful waterfalls.

"It's great news for us and many Swedes. Now we can enjoy a stunning environment in a setting where keeping your distance from others is completely natural. We are opening up access to our mountain world and an active Swecation, with a focus on hiking, cycling and running. Across our mountain resorts we also offer a huge range of other summer activities such as zip lines, high ropes courses, outdoor gyms, golf, fishing, and much more besides," said Stefan Sjöstrand, SkiStar's CEO.

11/06/2020

#### Staycation in the city – Hammarbybacken to open for activities

Wednesday 24 June will see the opening of Hammarbybacken for the summer. The lift is open for downhill cycling on Wednesdays and Saturdays. There are also plenty of opportunities for physical activity at and around Hammarbybacken for those seeking an active lifestyle on home ground.

11/06/2020

#### Trysil ready to welcome summer tourists

Summer activities are already underway in Trysil. The snow has pretty much disappeared, the bike tracks are open, there are climbers

in the climbing park and some rounds of golf have already been played. Thursday 18 June is the season premiere for Fjellekspresen – the bike lift that takes you up the mountain and to the fantastic Magic Moose cycle path. The day before, Radisson Blu Resort will open for the summer season.

SkiStar's other Norwegian resort, Hemsedal, is also a popular destination in the summer. Hiking in the stunning mountain settings, great fishing, the climbing park and newly constructed paths for the whole family are just a few of Hemsedal's popular activities. However, lift-based cycling will not be available this summer as a spectacular new bike path is being built next to the Hollvin Ekspress chair lift which will open during the summer 2021.

17/06/2020

#### New Group management at SkiStar – Lars-Göran Dahl leaves SkiStar's board to become director of property development

SkiStar is changing the composition of its Group management as of 1 September 2020 as a step in the company's efforts to streamline operation of the ski resorts and bolster the property business. Two significant positions have been filled. Lars-Göran Dahl will become the company's director of property development as of 1 October 2020. Niclas Sjögren-Berg will become SkiStar's chief operating officer as of 1 September 2020 and will be responsible for operations at all SkiStar destinations. At the same time, all five destination managers along with the technical director will leave SkiStar's Group management. Other members of Group management will remain.

Lars-Göran Dahl was born in 1961, has been a member of SkiStar AB's board since the 2019 AGM and has been property and transaction manager at Diös since 2014. He has an engineering degree and was previously head of Riksbyggen's commercial operations in Sweden. He will start his new position at SkiStar on 1 October 2020 and will be a member of Group management. Consequently, he will give up his membership on the board and its remuneration committee as of today. His replacement on the board and committee will be elected at the AGM in December.

Niclas Sjögren-Berg has held various positions at SkiStar since 1989 and is currently destination manager in Åre and a member of Group management. On 1 September 2020 he will become chief operating officer.

A full list of press releases is always available at [skistar.com](http://skistar.com).

## REVENUE AND EARNINGS

### Third Quarter

The Group's revenue for the third quarter amounted to SEK 487 (943) million, a decline of 48 percent on the previous year. Changes in the NOK/SEK and EUR/SEK exchange rates affected revenue in the amount of SEK -21 million. The decrease is due the early closure of the season because of the new coronavirus. Consolidated operating profit for the third quarter totalled SEK 15 (319) million, SEK -2 million of which was an effect of the transition to IFRS 16. Changes in the NOK/SEK and EUR/SEK exchange rates had an effect of SEK -5 million on operating profit for the quarter. Profit from associated companies/joint ventures fell to SEK -8 (10) million, with capital gains from exploitation activities contributing SEK 0 (0) million. Net financial items for the quarter declined by SEK 16 million to SEK -17 (-1) million, including SEK 1 (14) 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 profit after tax amounted to SEK -10 (256) million, a decline of SEK 266 million, or 104 percent.

Revenue from Operation of Ski Resorts totalled SEK 519 (884) million with a profit of SEK 27 (296) million. Revenue from Property Development and Exploitation amounted to SEK 42 (80) million, with a loss of SEK -14 (23) 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 18 (27) million during

the quarter, SEK 0 (0) million of which 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.

### First nine months

Consolidated revenue for the nine-month period amounted to SEK 2,219 (2,577) million, a decline of 14 percent compared with last year. The decrease is due the early closure of the season because of the new coronavirus. Changes in the NOK/SEK and EUR/SEK exchange rates had an adverse effect on revenue in the amount of SEK 26 million. Consolidated operating profit for the period amounted to SEK 522 (826) million. Changes in the NOK/SEK and EUR/SEK exchange rates for the period had a negative effect of SEK 6 million on operating profit. The company received state aid in Sweden, mostly linked to shortened working hours. During this period the company received a total of SEK 7 million in state aid in Sweden. In Norway, the support has come in the form of a simplified negotiation process, which leads to the state taking greater responsibility for employees and thus lowering personnel costs for SkiStar. Profit from associated companies/joint ventures fell by SEK 23 million to SEK 7 (30) million, with capital gains from exploitation activities amounting to SEK 13 (16) million. Net financial items for the period declined by SEK 13 million

to SEK -37 (-24) million, including SEK 11 million related to changes in the value of interest rate derivatives and SEK -12 million related to the transition to IFRS 16. The previous year included SEK 14 million as an effect of a step acquisition. Consolidated profit after tax was SEK 387 (667) million, a decline of SEK 280 million, or -42 percent.

Revenue, including internal revenue, from Operation of Ski Resorts amounted to SEK 2,228 (2,386) million, with a profit of SEK 481 (671) million. Revenue from Property Development and Exploitation amounted to SEK 173 (261) million, with a profit of SEK 35 (154) 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 89 (169) million during the period, of which SEK 12 (16) million was through associated companies. Other activities within Property Development & Exploitation relate primarily to rental of accommodation to Operation of Ski Resorts.

### 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 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 4	
Revenue	486	1,604	121	109	939	1,431	196	184	916	1,290	146	90		
Operating profit/loss	15	833	-326	-222	319	716	-209	-156	370	639	-242	-185		

#### DISTRIBUTION OF REVENUE, SEK MILLION

	3 MONTHS 1 Mar - 31 May		9 MONTHS 1 Sep - 31 May		FULL YEAR 1 Sep - 31 Aug
	2019/20	2018/19	2019/20	2018/19	2018/19
SkiPass	263	511	1,214	1,371	1,393
Accommodation	54	119	253	292	303
Ski Rental	30	67	161	184	188
Ski School/Activities	10	19	51	57	57
Sporting goods outlets	40	55	160	156	171
Property services	23	33	93	98	109
Interests in accommodation/exploitation assets	20	60	103	206	229
Other	46	75	176	204	226
<b>Total</b>	<b>486</b>	<b>939</b>	<b>2,211</b>	<b>2,566</b>	<b>2,676</b>

## FINANCIAL POSITION, TAXES AND INVESTMENTS

### Cash flow

Cash flow from operating activities before changes in working capital was SEK 645 (907) million for the nine-month period. The decrease is related to the early closure of the season because of the new coronavirus. Cash flow from investing activities amounted to SEK -523 (-376) million. The largest single investment was for SkiStar Lodge in Hundfjället. Cash flow from financing activities amounted to SEK -195 (-545) million. SEK 200 million in short-term credit was raised to secure the company's liquidity and financial position due to the uncertainty of the effects of the new coronavirus.

### Liquidity and financing

Consolidated cash and cash equivalents at the end of the period were SEK 64 (71) million, compared with SEK 71 million at the end of the financial year. Unused credit facilities amounted to SEK 475 (463) million, compared with SEK 185 million at the end of the financial year. Interest-bearing liabilities amounted to SEK 2,555 (1,431) million, an increase of SEK 1,124 million from the previous year and an increase of SEK 796 million since the end of the financial year. The effect of the transition to IFRS 16 has contributed SEK 765 million. The average interest rate during the period was 2.08 (2.2) percent. Net financial debt at 31 May totalled SEK

2,391 (1,251) million, an increase of SEK 1,140 million compared with the previous year and of SEK 802 million since the end of the financial year. The equity/assets ratio dropped to 44 (56) percent; the transition to IFRS 16 has negatively impacted the ratio by 6 percentage points.

### Tax

Tax expense for the period amounted to SEK 98 (135) million, and was mainly attributable to current tax. The tax effect of accumulated unused loss carryforwards, including the quarter's deficit, amounts to SEK 0 (0) million as at 31 May.

### Investments

Investments during the period amounted to SEK 537 (435) million (gross) and SEK 523 (376) million (net). The difference between gross and net is the divestment of financial assets and property, plant and equipment. During the same period, depreciation and amortisation amounted to SEK 282 (204) million, SEK 68 million of which was attributable to the transition to IFRS 16.

### Outlook for 2019/20

As in previous years, operations are conducted on a smaller scale in the fourth quarter and are primarily focused on cycling and active leisure.

### Looking ahead to 2020/21

The development and impact of the spread of the new coronavirus complicates to provide an assessment of the outlook for the forthcoming winter season. But with a positive bookings trend, we can note that total bookings ahead of the forthcoming winter season (measured in terms of the number of overnight stays booked via SkiStar's accommodation agency) are slightly up (1 percent) on the same time last year, which is an indication that SkiStar's offering retains its appeal even in uncertain times. While domestic demand for active holidays in mountain settings is strong, we anticipate a drop in demand partly from foreign guests and partly with regard to conferences in 2020/21, which should be followed by a recovery to normal levels.

As previously announced, decisions have been made regarding the implementation of investments totalling roughly SEK 281 million, mainly in replacements, upgrades and snow production capacity. To manage our liquidity situation responsibly and considering our earnings performance linked to the coronavirus crisis, coupled with an unsettled situation, we have decided to postpone nearly SEK 181 million of these investments.

## OTHER INFORMATION

### The SkiStar share

The number of shareholders was 44,572 at 31 May 2020, which is an increase of 7,698 (21 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 103.60 at 29 May 2020, which was the last trade day of the period.

### Personnel

The average number of employees was 1,391, which is a decrease of 188 employees compared with the previous year. The decline is chiefly due to earlier closure of the resorts as a result of the spread of the new coronavirus.

### Parent company

Net sales in the Parent Company totalled SEK 1,572 (1,660) million for the nine-month period. Net investments amounted to SEK 84 (200) million.

### Related-party transactions

Mats and Fredrik Paulsson together with their family and companies are the principal owners of SkiStar, with 47 percent of the votes and 24 percent of the capital as at 31 May 2020, and they are also the principal owners of Peab with which SkiStar has a business relationship. During the nine-month period, purchases have been made from Peab in the amount of SEK 264 (79) million. The outstanding debt to Peab was SEK 50 (12) million. Sales to Peab totalled SEK 1 (1) million and the outstanding claim was SEK 0 (0) million.

During the nine-month period, purchases from associated companies have been made in the amount of SEK 83 (72) million and sales to associated companies totalled SEK 19 (72) million. Net receivables from associated companies totalled SEK 194 (262) million, of which SEK

192 (208) million were loans to associated companies. The Parent Company has transactions with subsidiaries, in addition to the Group's related-party transactions. Details regarding related-party transactions and the nature of these transactions can be found under Note 36 of the 2018/19 Annual Report.

### 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. SkiStar's operations also depend on there being no limits on travel within or between mainly the Scandinavian countries. The spread of the new coronavirus in 2020 demonstrated that there are scenarios in which the company cannot or should not keep its core operations up and running. Risk is managed through proactive dialogues with authorities, regional governments and local municipalities as well as continuing to work for financial stability. 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. Fluctuations in the value of the domestic currencies against other currencies affect travel patterns and therefore also the number of guests at SkiStar's destina-

tions. 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

The Annual General Meeting will take place on Staurday 12 December 2020 at 2.00 pm. CET in Sälen.

### Financial information

#### *Financial year 2019/20*

The year-end report, 1 September 2019-31 August 2020, will be published on 1 October 2020.

#### *Financial year 2020/21*

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

- Interim Report Q1, 1 September 2020-30 November 2020, on 17 December 2020.
- Half-Year Report Q2, 1 September 2020-28 February 2021, on 19 March 2021.
- Interim Report Q3, 1 September 2020-31 May 2021, 17 June 2021.
- Year-End Report, 1 September 2020-31 August 2021, 1 October 2021.

## DEFINITIONS OF KEY PERFORMANCE MEASURES

The financial key figures are used in Swedish listed companies and by analysts. The alternative performance measures are used by management to monitor and control operations and by analysts. See page 15 for comparative reconciliation of alternative performance measures.

### 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 Mar-31 May		9 MONTHS 1 Sep-31 May		12 MONTHS ROLLING 1 Jun-31 May	FULL YEAR 1 Sep-31 Aug
		2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
<i>Operating Income</i>							
	Revenue	486,361	938,718	2,210,871	2,566,474	2,320,299	2,675,902
	Other income	300	4,048	7,883	10,599	9,443	12,159
	<b>Total operating income</b>	<b>486,661</b>	<b>942,766</b>	<b>2,218,754</b>	<b>2,577,073</b>	<b>2,329,742</b>	<b>2,688,061</b>
<i>Operating Expenses</i>							
	Goods for resale	-65,291	-110,069	-251,238	-270,637	-272,554	-291,953
	Other external expenses	-150,479	-195,574	-580,366	-639,034	-708,226	-766,895
	Personnel costs	-151,269	-223,478	-563,182	-615,239	-651,401	-703,458
	Cost of sold interests in accommodation/ exploitation asset	-1,658	-32,936	-26,765	-52,906	-29,260	-55,402
	Share in profit/loss of joint ventures/ associates	-7,651	10,189	7,137	30,148	-16,198	6,814
	Depreciation/amortisation	-95,717	-72,286	-282,164	-203,730	-351,818	-273,384
	<b>Operating profit/loss</b>	<b>14,596</b>	<b>318,612</b>	<b>522,176</b>	<b>825,675</b>	<b>300,284</b>	<b>603,783</b>
	Net financial items	-17,190	-927	-37,048	-23,514	-64,076	-50,542
	<b>Profit/loss before tax</b>	<b>-2,594</b>	<b>317,685</b>	<b>485,128</b>	<b>802,161</b>	<b>236,208</b>	<b>553,241</b>
	Tax	-7,266	-61,271	-97,799	-135,273	-55,367	-92,841
	<b>Profit/loss for the period</b>	<b>-9,860</b>	<b>256,414</b>	<b>387,329</b>	<b>666,888</b>	<b>180,841</b>	<b>460,400</b>
<b>Other Comprehensive Income</b>							
<i>Items that may be reclassified to profit or loss</i>							
	Change in fair value of cash flow hedges for the period	1,703	1,704	5,073	5,055	6,776	6,758
	Deferred tax on cash flow hedges	-375	-375	-1,116	-1,112	-1,491	-1,487
	Exchange differences on translation of foreign operations for the period	-32,325	5,241	-66,738	-5,229	-71,889	-10,380
	<b>Other comprehensive income for the period</b>	<b>-30,997</b>	<b>6,570</b>	<b>-62,781</b>	<b>-1,286</b>	<b>-66,604</b>	<b>-5,109</b>
	<b>Total comprehensive income for the period</b>	<b>-40,857</b>	<b>262,984</b>	<b>324,548</b>	<b>665,602</b>	<b>114,237</b>	<b>455,291</b>
<i>Profit/loss for the period attributable to:</i>							
	Shareholders of the Parent	-5,542	258,754	387,452	667,815	185,939	466,303
	Non-controlling interests	-4,318	-2,340	-122	-927	-5,098	-5,903
	<b>Profit/loss for the period</b>	<b>-9,860</b>	<b>256,414</b>	<b>387,329</b>	<b>666,888</b>	<b>180,841</b>	<b>460,400</b>
<i>Comprehensive income for the period attributable to:</i>							
	Shareholders of the Parent	-35,731	264,701	326,832	666,553	120,602	460,323
	Non-controlling interests	-5,126	-1,717	-1,704	-951	-5,785	-5,032
	<b>Total comprehensive income for the period</b>	<b>-40,857</b>	<b>262,984</b>	<b>325,128</b>	<b>665,602</b>	<b>114,817</b>	<b>455,291</b>
<i>Earnings per share, SEK</i>		-0.07	3.30	4.94	8.52	2.37	5.95
<i>Number of shares outstanding at the end of the period</i>		78,376,056	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056
	Average number of shares outstanding	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITIONG

ASSETS, SEK THOUSANDS		31 May 2020	31 May 2019	31 Aug 2019
<i>Non-current assets</i>				
Intangible assets		182,708	193,061	191,953
Property, plant and equipment		3,821,669	3,579,665	3,647,258
Right of use assets		754,010	-	-
Investments in joint ventures/associates		397,855	403,363	393,166
Other investments and securities held as non-current assets		34,952	36,943	36,874
Other non-current receivables		219,093	247,110	245,794
<b>Total non-current assets</b>		<b>5,410,287</b>	<b>4,460,142</b>	<b>4,515,045</b>
<i>Current assets</i>				
Inventories		226,308	154,516	164,176
		<b>226,308</b>	<b>154,516</b>	<b>164,176</b>
Trade receivables		26,322	96,889	51,201
Tax receivables		108,354	27,611	53,704
Other current receivables		111,816	98,248	114,149
Prepaid expenses and accrued income		97,543	83,386	96,249
		<b>344,035</b>	<b>306,134</b>	<b>315,303</b>
Cash & cash equivalents		63,564	70,872	71,253
<b>Total current assets</b>		<b>633,907</b>	<b>531,522</b>	<b>550,732</b>
<b>TOTAL ASSETS</b>		<b>6,044,194</b>	<b>4,991,664</b>	<b>5,065,777</b>
<b>EQUITY AND LIABILITIES, SEK THOUSANDS</b>				
<i>Equity</i>				
Share capital		19,594	19,594	19,594
Other contributed capital		397,573	397,573	397,573
Reserves		-83,442	-17,525	-22,243
Retained earnings, including profit/loss for the period		2,263,856	2,352,232	2,150,720
Equity attributable to shareholders of the Parent		2,597,581	2,751,874	2,545,644
Non-controlling interests		54,716	60,501	56,420
<b>Total equity</b>		<b>2,652,296</b>	<b>2,812,375</b>	<b>2,602,064</b>
<i>Non-current liabilities</i>				
Liabilities to credit institutions		1,395,860	1,098,037	1,587,811
Provisions for pensions		14,439	12,938	12,864
Other provisions		8,838	1,301	1,510
Long-term lease liabilities		684,441	-	-
Derivatives		32,954	15,305	31,388
Deferred tax liabilities		190,788	182,701	193,648
<b>Total non-current liabilities</b>		<b>2,327,320</b>	<b>1,310,282</b>	<b>1,827,221</b>
<i>Current liabilities</i>				
Liabilities to credit institutions		379,794	319,880	157,856
Trade payables		131,527	91,997	118,583
Tax liabilities		155,913	145,024	88,124
Short-term lease liabilities		80,097	-	-
Other current liabilities		169,668	173,229	167,110
Accrued expenses and deferred income		147,578	138,877	104,819
<b>Total current liabilities</b>		<b>1,064,577</b>	<b>869,007</b>	<b>636,492</b>
<b>Total liabilities</b>		<b>3,391,898</b>	<b>2,179,289</b>	<b>2,463,713</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,044,194</b>	<b>4,991,664</b>	<b>5,065,777</b>

## 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					667,815	667,815	-927	666,888
Other comprehensive income for the period			-5,205	3,943	0	-1,262	-24	-1,286
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-5,205</b>	<b>3,943</b>	<b>667,815</b>	<b>666,553</b>	<b>-951</b>	<b>665,602</b>
Dividend					-274,316	-274,316		-274,316
Closing equity, 31 May 2019	19,594	397,573	-3,563	-13,962	2,352,232	2,751,874	60,501	2,812,375
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					387,452	387,452	-122	387,329
Other comprehensive income for the period			-65,156	3,957		-61,199	-1,582	-62,781
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-65,156</b>	<b>3,957</b>	<b>387,452</b>	<b>326,253</b>	<b>-1,704</b>	<b>324,548</b>
Dividend					-274,316	-274,316		-274,316
Closing equity, 31 May 2020	19,594	397,573	-74,765	-8,677	2,263,856	2,597,581	54,716	2,652,296

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK THOUSANDS		3 MONTHS 1 Mar-31 May		9 MONTHS 1 Sep-31 May		FULL YEAR 1 Sep-31 Aug
		2019/20	2018/19	2019/20	2018/19	2018/19
<i>Operating activities</i>	Profit/loss after financial items	-2,591	317,684	485,130	802,161	553,241
	Adjustment for non-cash items	109,732	57,302	243,584	173,584	239,844
		107,141	374,986	728,714	975,745	793,085
	Tax paid	-26,914	-45,253	-83,926	-68,369	-68,269
	Changes in working capital	-584,572	-571,921	65,869	10,892	-2,466
	<b>Cash flow from operating activities</b>	<b>-504,345</b>	<b>-242,188</b>	<b>710,657</b>	<b>918,268</b>	<b>722,350</b>
<i>Investing activities</i>	Acquisition of property, plant and equipment	-85,223	-89,933	-499,012	-391,060	-496,070
	Sale of property, plant and equipment	11,361	1,289	13,932	28,155	4,556
	Other investing activities	-22,812	-8,625	-38,140	-13,239	-11,696
	<b>Cash flow from investing activities</b>	<b>-96,674</b>	<b>-97,269</b>	<b>-523,220</b>	<b>-376,144</b>	<b>-503,210</b>
<i>Financing activities</i>	Proceeds from borrowings	616,520	392,455	729,001	435,102	775,016
	Repayment of borrowings	-45,984	-135,008	-614,113	-705,899	-721,519
	Repayment of lease liabilities	-20,060	-	-35,480	-	-
	Dividend paid	-	-	-274,316	-274,316	-274,316
	<b>Cash flow from financing activities</b>	<b>550,476</b>	<b>257,447</b>	<b>-194,908</b>	<b>-545,113</b>	<b>-220,819</b>
	<b>Cash flow for the period</b>	<b>-50,543</b>	<b>-82,010</b>	<b>-7,471</b>	<b>-2,989</b>	<b>-1,679</b>
	Cash & cash equivalents at beginning of year	113,195	149,031	71,253	73,146	73,146
	Exchange differences	912	3,851	-218	715	-214
	<b>Cash &amp; cash equivalents at end of period</b>	<b>63,564</b>	<b>70,872</b>	<b>63,564</b>	<b>70,872</b>	<b>71,253</b>

## THE GROUP'S OPERATING SEGMENTS

SEK, THOUSANDS

	3 MONTHS 1 Mar-31 May		9 MONTHS 1 Sep-31 May		FULL YEAR 1 Sep-31 Aug
	2019/20	2018/19	2019/20	2018/19	2019/20
<b>OPERATION OF SKI RESORTS</b>					
External revenue	464,131	874,875	2,094,946	2,350,599	2,435,645
Internal revenue	54,527	8,711	131,448	34,875	45,099
Capital gains	149	-18	1 126	422	697
<b>Total operating income</b>	<b>518,807</b>	<b>883,568</b>	<b>2,227,520</b>	<b>2,385,896</b>	<b>2,481,441</b>
External operating expenses	-367,544	-505,246	-1,404,713	-1,467,625	-1,685,758
Costs from other segments	-58,921	-20,936	-147,435	-63,969	-80,822
Capital losses	-322	-417	-330	-417	-417
Profit/loss from investments in joint ventures and associates	2,076	6,218	1,201	5,698	-10,730
Depreciation/amortisation	-67,213	-67,211	-195,462	-188,249	-252,337
<b>Operating profit/loss</b>	<b>26,883</b>	<b>295,977</b>	<b>480,781</b>	<b>671,335</b>	<b>451,377</b>
Intangible assets	182,708	193,061	182,708	193,061	191,953
Property, plant and equipment	2,993,717	2,923,977	2,993,717	2,923,977	2,946,081
Financial assets	67,206	83,168	67,206	83,168	80,676
Operating loans	1,135,974	852,221	1,135,974	852,221	1,155,345
<b>PROPERTY DEVELOPMENT &amp; EXPLOITATION</b>					
External revenue	2,604	7,492	18,395	18,565	21,426
Exploitation revenue	19,777	59,664	103,463	206,347	228,755
Internal revenue	19,775	12,300	49,917	34,686	44,291
Capital gains	0	753	824	1,140	1,538
<b>Total operating income</b>	<b>42,156</b>	<b>80,209</b>	<b>172,599</b>	<b>260,739</b>	<b>296,010</b>
External operating expenses	-16,795	-23,371	-55,698	-56,725	-72,512
Costs from other segments	-15,381	-75	-33,930	-5,592	-8,568
Costs of sold exploitation assets	-1,658	-32,937	-26,765	-52,906	-55,402
Capital losses	-7,280	-86	-8,722	-143	-3,619
Profit/loss from investments in joint ventures and associates	-9,727	3,970	5,935	24,450	17,544
Depreciation/amortisation	-5,787	-5,075	-18,524	-15,481	-21,047
<b>Operating profit/loss</b>	<b>-14,472</b>	<b>22,635</b>	<b>34,895</b>	<b>154,341</b>	<b>152,406</b>
Property, plant and equipment	827,953	655,688	827,953	655,688	701,177
Financial assets	584,694	604,248	584,694	604,248	595,158
Operating loans	639,680	565,695	639,680	565,695	590,320
Internal revenue	-74,302	-21,011	-181,365	-69,561	-89,390
Internal costs	74,302	21,011	181,365	69,561	89,390
Consolidated revenue	486,661	942,766	2,218,754	2,577,073	2,688,061
Consolidated operating profit/loss	12,411	318,612	515,678	825,675	603,783
Consolidated intangible assets	182,708	193,061	182,708	193,061	191,953
Consolidated property, plant and equipment	3,821,670	3,579,665	3,821,670	3,579,665	3,647,258
Consolidated financial assets	651,900	687,416	651,900	687,416	675,834
Consolidated operating loans	1,775,654	1,417,916	1,775,654	1,417,916	1,745,665

### 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
	9 MONTHS 1 Sep-31 May
Operating profit according to segment report	515,678
Reversal of leasing cost attributed to IFRS 16	74,677
Depreciations attributable to IFRS 16	-68,178
<b>Operating profit according to consolidated comprehensive income</b>	<b>522,176</b>

CONDENSED INCOME STATEMENT – PARENT COMPANY

SEK THOUSANDS		3 MONTHS		9 MONTHS		FULL YEAR
		1 Mar-31 May	2018/19	1 Sep-31 May	2018/19	1 Sep-31 Aug
<i>Operating income</i>						
	Revenue	415,621	631,767	1,572,151	1,660,170	1,735,375
	Other operating income	486	2,249	3,076	3,310	3,838
	<b>Total operating income</b>	<b>416,107</b>	<b>634,016</b>	<b>1,575,227</b>	<b>1,663,480</b>	<b>1,739,213</b>
<i>Operating expenses</i>						
	Goods for resale	-54,464	-80,412	-192,755	-204,653	-223,173
	Other external expenses	-149,405	-141,325	-526,286	-463,400	-563,332
	Personnel costs	-114,797	-152,451	-396,897	-420,152	-479,462
	Cost of sold interests in accommodation/exploitation	-2,837	-25,563	-4,507	-30,552	-31,647
	Depreciation/amortisation of assets	-38,869	-40,233	-115,935	-108,150	-147,128
	<b>Operating profit/loss</b>	<b>55 735</b>	<b>194 032</b>	<b>338 847</b>	<b>436 573</b>	<b>294,471</b>
	Net financial items	-248	-9,857	77,024	63,190	33,414
	<b>Profit/loss after net financial items</b>	<b>55,487</b>	<b>184,175</b>	<b>415,871</b>	<b>499,763</b>	<b>327,885</b>
	Appropriations	-	-	-	-	-10,323
	<b>Profit/loss before tax</b>	<b>55,487</b>	<b>184,175</b>	<b>415,871</b>	<b>499,763</b>	<b>317,562</b>
	Tax	-12,078	-35,978	-74,259	-87,653	-58,157
	<b>Profit/loss for the period</b>	<b>43,409</b>	<b>148,197</b>	<b>341,612</b>	<b>412,110</b>	<b>259,405</b>
<b>Other comprehensive income</b>						
	Items that may be reclassified to profit or loss					
	Change in fair value of cash flow hedges for the period	1,703	1,704	5,073	5,055	6,758
	Deferred tax on cash flow hedges	-375	-375	-1,116	-1,112	-1,487
	<b>Other comprehensive income for the year</b>	<b>1,328</b>	<b>1,329</b>	<b>3,957</b>	<b>3,943</b>	<b>5,271</b>
	<b>Total comprehensive income for the year</b>	<b>44,737</b>	<b>149,526</b>	<b>345,569</b>	<b>416,053</b>	<b>264,676</b>

## CONDENSED BALANCE SHEET – PARENT COMPANY

ASSETS, SEK THOUSANDS		31 May 2020	31 May 2019	31 Aug 2019
<i>Non-current assets</i>	Intangible assets	76,280	32,782	33,229
	Property, plant and equipment	1,721,311	1,730,303	1,722,367
<i>Financial assets</i>	Investments in Group companies	299,377	379,540	379,497
	Investments in joint ventures/associates	2,812	2,954	2,812
	Other investment and securities held as non-current-assets	19,211	20,247	20,247
	Other non-current receivables	16,137	21,785	22,012
	Receivables from Group companies	342,418	505,599	572,679
	<b>Total non-current assets</b>	<b>2,477,546</b>	<b>2,693,210</b>	<b>2,752,843</b>
<i>Current assets</i>				
<i>-Inventories</i>	Goods for resale	95,335	79,059	89,424
		<b>95,335</b>	<b>79,059</b>	<b>89,424</b>
<i>-Current receivables</i>	Trade receivables	8,583	82,733	38,098
	Receivables from Group companies	257,923	32,971	15,159
	Tax receivables	97,547	18,239	48,456
	Other current receivables	35,643	21,105	24,503
	Prepaid expenses and accrued income	58,066	50,417	62,079
		<b>457,762</b>	<b>205,465</b>	<b>188,295</b>
<i>-Cash and cash equivalents</i>	Cash and bank balances	1,067	162	165
	<b>Total current assets</b>	<b>554,164</b>	<b>284,686</b>	<b>277,884</b>
	<b>TOTAL ASSETS</b>	<b>3,031,710</b>	<b>2,977,896</b>	<b>3,030,727</b>
<b>EQUITY AND LIABILITIES, SEK THOUSANDS</b>				
<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	0	4,309
		<b>49,653</b>	<b>45,344</b>	<b>49,653</b>
<i>-Non-restricted equity</i>	Share premium reserve	4,242	4,242	4,242
	Retained earnings	533,372	557,563	554,582
	Profit/loss for the year	341,611	412,110	259,405
		<b>879,225</b>	<b>973,915</b>	<b>818,230</b>
	<b>Total equity</b>	<b>928,878</b>	<b>1,019,259</b>	<b>867,883</b>
<i>Non-current liabilities</i>				
<i>-Non-current interest-bearing liabilities</i>	Liabilities to Group companies	797,678	879,631	794,882
	Liabilities to credit institutions	562,917	574,262	852,648
<i>-Provisions</i>	Provisions for pensions	11,366	9,321	9,705
	Other provisions	71	749	800
<i>-Non-current non-interest-bearing liabilities</i>	Derivative liabilities	14,910	12,020	22,835
	Deferred tax liabilities	161,337	132,032	145,318
	<b>Total non-current liabilities</b>	<b>1,548,279</b>	<b>1,608,015</b>	<b>1,826,188</b>
<i>-Current liabilities</i>	Liabilities to credit institutions	200,000	-	-
	Liabilities to Group companies	1,941	30,538	30,581
	Trade payables	38,532	55,211	80,375
	Other current liabilities	217,947	168,304	159,095
	Accrued expenses and deferred income	96,133	96,569	66,605
	<b>Total current liabilities</b>	<b>554,553</b>	<b>350,622</b>	<b>336,656</b>
	<b>Total liabilities</b>	<b>2,102,832</b>	<b>1,958,637</b>	<b>2,162,844</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,031,710</b>	<b>2,977,896</b>	<b>3,030,727</b>

## THE GROUP'S KEY PERFORMANCE INDICATORS AND DATA PER SHARE

KEY PERFORMANCE INDICATORS	9 MONTHS 1 Sep-31 May					FULL YEAR 1 Sep-31 Aug
	2019/20	2018/19	2017/18	2016/17	2015/16	2018/19
Revenue, SEK thousand	2,210,871	2,566,474	2,352,052	2,216,410	1,874,876	2,675,902
Operating income, SEK thousand	2,218,754	2,577,072	2,364,195	2,220,606	1,882,829	2,688,061
Profit/loss before tax, SEK thousand	485,128	802,161	752,639	669,257	569,578	553,242
Profit/loss after tax, SEK thousand	387,329	666,888	603,097	536,525	448,834	460,400
Cash flow from operating activities, SEK thousand	710,657	918,268	810,418	682,373	643,462	722,351
Total cash flow, SEK thousand	-7,471	-2,989	-26,495	-7,587	91,724	-1,678
Return on:						
-capital employed, %	13	21	21	19	17	15
-equity, %	15	25	26	26	25	18
-total assets, %	10	18	17	17	15	11
Gross margin, %	36	40	40	40	40	33
Operating margin, %	24	32	32	32	32	22
Net margin, %	22	31	32	30	30	21
Equity/assets ratio, %	44	56	53	52	48	51

	2019/20				2018/19		2017/18	
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4
Revenue, SEK thousand	486,361	1,603,575	120,935	109,428	938,717	1,431,378	196,378	183,653
Operating income, SEK thousand	486,661	1,607,572	124,521	110,989	942,765	1,435,580	198,727	184,010
Profit/loss before tax, SEK thousand	-2,594	809,245	-321,524	-248,919	317,684	702,490	-218,013	-166,010
Profit/loss after tax, SEK thousand	-9,860	641,821	-244,632	-206,487	256,413	554,596	-144,121	-116,728
Cash flow from operating activities, SEK thousand	-504,345	880,543	334,459	-195,917	-242,188	876,387	284,069	-131,258
Total cash flow, SEK thousand	-50,543	72,073	-29,001	1,311	-82,010	107,499	-28,478	-12,519
Gross margin, %	22	58	neg	neg	41	55	neg	neg
Operating margin, %	3	52	neg	neg	34	50	neg	neg
Net margin, %	neg	50	neg	neg	34	49	neg	neg

DATA PER SHARE 1)	31 May					31 Aug
	2020	2019	2018	2017	2016	2019
Share price, SEK	103.60	116.00	95.60	97.50	63.50	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	4.94	8.52	7.68	6.87	5.73	5.95
Cash flow from operating activities, SEK	9.07	11.72	10.34	8.71	8.21	9.22
Share price/cash flow, times	11.4	9.9	9.2	11.2	7.7	12.6
Equity, SEK	34	36	32	29	25	33
Price/equity, %	306	323	297	340	250	349

	2019/20			2018/19		2017/18		
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4
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	-0.07	8.04	-3.03	-2.57	3.30	6.95	-1.73	-1.43
Cash flow from operating activities, SEK	-6.43	11.23	4.27	-2.50	-3.09	11.18	3.62	-1.67
Equity, SEK	34	34	30	33	36	33	29	31
Return on equity, %	0	24	-10	-8	9	22	-6	-5

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	9 MONTHS 1 Sep-31 May		FULL YEAR 1 Sep-31 Aug
<b>FINANCING AND INTEREST-BEARING LIABILITIES</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2018/19</b>
Non-current interest-bearing liabilities to credit institutions	1,395,860	1,098,036	1,587,811
Long-term leasing liabilities	684,441	-	-
Provisions for pensions	14,440	12,939	12,864
Current interest-bearing liabilities to credit institutions	379,794	319,880	157,856
Short-term lease liabilities	80,150	-	-
<b>Net interest-bearing liabilities</b>	<b>2,554,685</b>	<b>1,430,855</b>	<b>1,758,530</b>
Other non-current receivables	219,093	247,109	245,794
Non-interest-bearing part of non-current receivables	-141,651	-155,460	-154,194
Interest-bearing current receivables	22,460	17,383	6,431
Cash and cash equivalents	63,564	70,872	71,253
<b>Interest-bearing receivables</b>	<b>163,466</b>	<b>179,904</b>	<b>169,284</b>
<b>Financial net debt (interest-bearing receivables - net interest-bearing liabilities)</b>	<b>2,391,220</b>	<b>1,250,952</b>	<b>1,589,246</b>

SEK THOUSANDS	2019/20	2018/19	2017/18	2016/17	2015/16
<b>RETURN ON CAPITAL EMPLOYED</b>	<b>Q 3</b>				
Profit after financial items	485,128	802,161	752,638	669,257	569,578
Finance income	39,267	42,821	43,857	11,092	7,486
Finance costs	-76,315	-66,335	-57,930	-40,607	-36,572
Net financial items	-37,048	-23,514	-14,073	-29,515	-29,086
<b>Profit after financial items, plus finance costs</b>	<b>561,445</b>	<b>868,496</b>	<b>810,568</b>	<b>709,863</b>	<b>606,150</b>

CAPITAL EMPLOYED	2019/20		2018/19		2017/18		2016/17		2015/16	
	Q 3	Aug 2019	Q 3	Aug 2018	Q 3	Aug 2017	Q 3	Aug 2016	Q 3	Aug 2015
Assets	6,044,194	5,065,776	4,991,665	4,870,568	4,761,478	4,507,860	4,325,138	4,107,146	4,126,469	3,759,838
Non-current non-interest-bearing liabilities	917,022	226,546	199,306	221,113	224,795	190,107	219,118	149,441	189,383	96,467
Current non-interest-bearing liabilities	604,631	478,637	549,128	537,253	508,195	455,254	422,595	334,910	329,958	290,279
Total non-interest-bearing liabilities	1,521,653	705,182	748,434	758,366	732,990	645,361	641,712	484,351	519,341	386,746
Capital employed	4,522,541	4,360,594	4,243,230	4,112,202	4,028,488	3,862,499	3,683,426	3,622,795	3,607,128	3,373,092
Average capital employed	4,441,567		4,177,716		3,945,493		3,653,110		3,490,110	
Return on capital employed	13%		21%		21%		19%		17%	

RETURN ON EQUITY	2019/20	2018/19	2017/18	2016/17	2015/16
Equity	2,652,296	2,602,064	2,812,375	2,246,807	1,992,047
Average equity	2,627,180	2,616,732	2,307,618	2,058,376	1,816,718
Profit after tax	387,329	666,888	603,096	536,525	448,834
Return on equity	15%	25%	26%	26%	25%

RETURN ON TOTAL ASSETS	2019/20	2018/19	2017/18	2016/17	2015/16
Total assets	6,044,194	5,065,776	4,991,665	4,325,138	4,126,469
Average total assets	5,554,985	4,931,116	4,634,669	4,216,142	3,943,154
Return on total assets	10%	18%	17%	17%	15%

## NOTES

### Pledged assets and contingent liabilities

PLEADGED ASSETS, SEK THOUSAND	31 May 2020	31 May 2019	31 Aug 2019
Group	1,659,789	1,646,875	1,643,516
Parent Company	544,753	539,556	539,941
CONTINGENT LIABILITIES, SEK THOUSAND			
Group	750,178	779,296	723,221
Parent Company	1,603,888	1,498,826	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, articles in ski 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.

### DISTRIBUTION OF REVENUE PER SEGMENT, SEK MILLION

OPERATION OF SKI RESORTS	3 MONTHS 1 Mar-31 May		9 MONTHS 1 Sep-31 May		FULL YEAR 1 Sep-31 Aug
	2019/20	2018/19	2019/20	2018/19	2018/19
SkiPass	263	511	1,214	1,371	1,393
Accommodation	54	119	253	292	303
Ski rental	30	67	161	184	188
Ski school/Activities	10	19	51	57	57
Sporting goods outlets	40	55	160	156	171
Property services	23	33	93	98	109
Other	43	69	156	184	159
<b>Total Operation of Ski Resorts</b>	<b>463</b>	<b>873</b>	<b>2,088</b>	<b>2,340</b>	<b>2,380</b>
PROPERTY DEVELOPMENT & EXPLOITATION					
Total Property Development & Exploitation	23	66	123	226	296
<b>Group total</b>	<b>486</b>	<b>939</b>	<b>2,211</b>	<b>2,566</b>	<b>2,676</b>

### DISTRIBUTION OF REVENUE PER SEGMENT AND COUNTRY, SEK MILLION

REVENUE PER COUNTRY	3 MONTHS 1 Mar-31 May		9 MONTHS 1 Sep-31 May		FULL YEAR 1 Sep-31 Aug
	2019/20	2018/19	2019/20	2018/19	2019/20
Sweden					
- Operation of Ski Resorts	361	401	1,455	1,559	1,588
- Property Development & Exploitation	23	64	121	223	293
Norway					
- Operation of Ski Resorts	92	408	549	697	701
- Property Development & Exploitation	0	2	2	3	3
Austria <sup>1)</sup>	10	64	84	84	91
<b>Group total</b>	<b>486</b>	<b>939</b>	<b>2,211</b>	<b>2,566</b>	<b>2,676</b>

<sup>1)</sup> 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
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>	<b>4,515,045</b>	<b>815,409</b>	<b>5,330,454</b>
<b>Current assets</b>			
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
<b>Total current assets</b>	<b>550,732</b>	<b>-22,747</b>	<b>527,985</b>
<b>TOTAL ASSETS</b>	<b>5,065,777</b>	<b>792,662</b>	<b>5,858,439</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	2,602,064		2,602,064
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>	<b>1,827,221</b>	<b>710,986</b>	<b>2,538,207</b>
<b>Current liabilities</b>			
Current liabilities	531,673	81,676	613,349
Accrued expenses and deferred income	104,819		104,819
<b>Total current liabilities</b>	<b>636,492</b>	<b>81,676</b>	<b>718,168</b>
<b>Total liabilities</b>	<b>2,463,713</b>	<b>792,662</b>	<b>3,256,375</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,065,777</b>	<b>792,662</b>	<b>5,858,439</b>

### 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
	<b>792,662</b>

### 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
	<b>792,662</b>

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, 18 June 2020

Stefan Sjöstrand  
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 18 June 2020, 07.30 a.m. CET.

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## AUDITOR'S REVIEW REPORT

SkiStar AB (publ), corporate identity number 556093-6949

### Introduction

We have reviewed the condensed set of financial statements in the interim report for SkiStar AB (publ) for the nine months ended 31 May 2020. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

### Scope of review

We have conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified during an audit. Consequently, conclusions based on a review do not have the level of assurance of those based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group and the Swedish Annual Accounts Act for the Parent Company.

Stockholm, 18 June 2020  
PricewaterhouseCoopers AB

Camilla Samuelsson  
Authorised Public Accountant

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## 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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