

ANNUAL REPORT 2019/20



Sälen VEMDALEN **ÅRE** HEMSEDAL **TRYSIL** **St. Johann**
IN TIROL

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*S: Information regarding SkiStar's sustainability work is described under the sections indicated.



This is SkiStar



15%

SHAREHOLDER
DISCOUNT



999,237

RIDES ON
SKISTAR SWEDEN'S
MOST USED LIFT,
GUSTAV EXPRESS IN
LINDVALLEN, SÄLEN

8 OUT OF **10**

SKISTAR EMPLOYEES RECOMMEND
SKISTAR AS AN EMPLOYER

18%

REDUCTION IN CO₂e
COMPARED TO
LAST YEAR

14 YEARS

AVERAGE TERM
OF EMPLOYMENT FOR
PERMANENT EMPLOYEES



Brothers Erik and Mats Paulsson acquired the Lindvallen ski resort in 1975/78. Tandådalen & Hundfjället were acquired in 1997, Åre & Vemdalen in 1999 and Hemsedal in 2000. Trysil was acquired in 2005 and since 2016, SkiStar has also been the majority owner of St. Johann in Tirol.



233

LIFTS

42%

GROWTH ONLINE
FOR SKISTARSHOP

 **skistar.com**

16.8

MILLION VISITS/YEAR



46,735

SHAREHOLDERS

850,000

DOWNLOADS OF SKISTAR'S APPS



69,000

SKI SCHOOL PUPILS

The past year

Significant events during the financial year

FIRST QUARTER

Early start to the season and excellent conditions for Christmas and New Year

- * Almost 3,000 people apply for seasonal work at SkiStar's ski resorts, which is record-strong interest. In total, 750 of the applicants were employed, making SkiStar one of Sweden's largest employers of young people.
- * SkiStar presents the year's winter news. The children's concept Valle is further developed, new housing close to the slopes is offered and Scandinavian Mountains Airport is opened.
- * Åre opens for the season with skiing at both the low and high zones straight from day one for the first time ever.

SECOND QUARTER

Sales record and excellent conditions in the first half of the year, challenging close awaits

- * SkiStar presents the best half-year results (before tax) in its history.
- * SkiStar appoints Stefan Sjöstrand as CEO.
- * The MySkiStar customer club reaches new heights and approaches one million members.
- * Replenishment of snow in Sälen, Vemdalen and Åre – almost 90 centimetres of snow on the ground before the Swedish spring break.

THIRD QUARTER

Third quarter affected by coronavirus crisis – confidence ahead of next winter season

- * Due to the municipal decisions in Norway in response to the novel coronavirus, SkiStar had to close its ski resorts in Hemsedal and Trysil from 13 March.
- * Due to the increased pressure on the healthcare system at the time, SkiStar closed all ski resorts in Sweden as of 6 April for the rest of the winter season on the recommendation of the Public Health Agency of Sweden.
- * Important collaboration for children and young people's health initiated – SkiStar joins Generation Pep to help inspire youths to live a healthier life.

FOURTH QUARTER

Fourth quarter affected by coronavirus crisis: strong demand ahead of the winter season with a focus on safety and security

- * SkiStar prepares for a safe and secure coronavirus-adapted winter season.
- * SkiStar's news for the winter season presented – smart digital services that provide a safe experience are launched, along with new accommodation options near the slopes.
- * SkiStar takes a historic step by launching its summer concept: SkiStar Sports & Adventures.



THE YEAR IN FIGURES

	2019/20	2018/19	+/-	+/-, %
Revenue, SEK million	2,362	2,676	-314	-12
Profit before tax, SEK million	350	553	-203	-37
Profit after tax, SEK million	287	460	-173	-38
Cash flow from operating activities, SEK million	735	722	13	2
Earnings per share, SEK	3.71	5.95	-2.24	-38
Dividend proposal, SEK	0.00	3.50	-3.50	-100
Share price 31 August, SEK	104.00	116.00	-12.00	-10
Share dividend yield, %	0.00	3.00	-3.00	-100
P/E ratio, times	28.01	19.50	8.51	44
Equity, SEK million	2,561	2,602	-41	-2
Equity/assets ratio, %*	43	51	-8	-16
Return on capital employed, %	9	15	-6	-40
Return on equity, %	11	18	-7	-39
Gross margin, %	32	33	-1	-3
Operating margin, %	16	22	-6	-27
Net margin, %	15	21	-6	-29
Average number of employees	1,166	1,322	-156	-12

* Equity/assets ratio excluding IFRS 16 amounted to 49 percent.

Definitions are provided on page 76.

Comments from the CEO

On 2 March 2020, I took over as President and CEO of SkiStar. Around one week later, the WHO classified the Covid-19 outbreak as a pandemic. This was the start of a different and turbulent period, both for me in my new role as CEO and for the company. The 2019/20 winter season came to an unexpected and abrupt end when the coronavirus pandemic shook not only the wider world but also SkiStar, with closures first in Norway and Austria and then also in Sweden when the Public Health Agency advised us to close due to increasing pressure on healthcare services especially the intensive care unit at the time.

A shorter winter season has led us to review our costs, while also enabling us to develop our business and our products and invest extensively in business development and digitalisation. We are therefore launching digital solutions that not only make it smoother and easier for guests to check in digitally at our lodging properties or top up their SkiPass directly in our app while in the lift queue for example, but also to make it safer for both our guests and employees – something we always prioritise. During the spring, Group management drew up a new roadmap with six clear strategies and developed a new organisation with skills to be better equipped for the future.

The consequence of the season being impacted by the coronavirus was that our revenue declined by SEK 314 million, while profit after tax was SEK 287 million for the financial year. It is thus a different financial year that we are now putting behind us. However, we note that interest in alpine mountain tourism remains strong and we are proud to report high demand for the 2020/21 season, particularly in the Swedish market. Bookings are more cautious in Norway.

Our shop operations continue to show strong growth online, increasing by 42 percent during the financial year. The number of MySkiStar members is now 973,000.

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 after the financial year have increased by SEK 698 million, reducing our equity/assets ratio by six percentage points. More details about the effect of IFRS 16 can be found on page 59.

In Sweden we managed to take several safety measures during the winter in line with the coronavirus situation that we then carried over into the summer season. The lessons learnt from the winter and summer have helped us to take extensive measures to keep guests and staff safe this upcoming winter season. We have enhanced our dialogue and cooperation with



local and regional bodies, such as healthcare and emergency services, restaurant owners and hotels, through the destination companies at our ski resorts. Together we have produced joint Corona precautions for reducing transmission, and here too we have maintained close contact with the authorities and ski industry associations in Sweden and Norway. We are doing all of this out of care for our guests and employees. We are monitoring coronavirus developments carefully and are continuously adapting our activities to the rules and recommendations that affect us due to the current situation. It is crucial for us to continue our efforts to plan for different scenarios ahead of this winter season.

During the summer months, we saw a strong inflow of guests to our destinations as many chose to spend their holidays in their home country in the mountains – a staycation trend we believe is here to stay. More people are choosing an active lifestyle, often with family and friends on holiday, where a sustainable lifestyle is becoming increasingly important. It is therefore particularly pleasing to be making the largest summertime investment ever in our 45-year history with the launch of a new summer

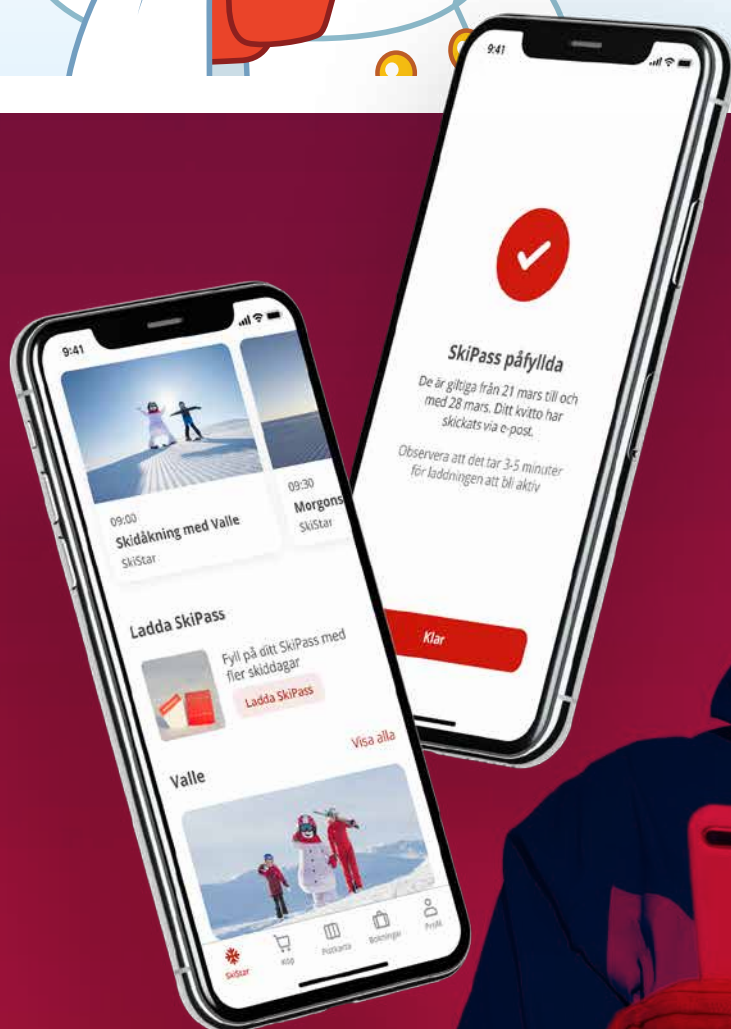
concept – SkiStar Sports & Adventures – ahead of summer 2021. Changed travel patterns and the staycation focus have prompted us to strategically channel even more energy into our Scandinavian home market for the coming year.

Sustainability has been a focus area for us during the year and this will continue as we are now investing more into offering our guests all-year-round activities in the mountains close to nature. For us, people's health and wellbeing are just as important sustainability issues as the climate and environment, and represent an important part of how we as a company take social responsibility. We have initiated a partnership with Generation Pep to promote better public health by increasing children and young people's enthusiasm for exercise. As CEO, what I see as my main task for our company is taking responsibility for ensuring that the next generation can live sustainably and enjoy the fantastic mountain environment and nature available to us, now and in the future.

Stefan Sjöstrand
CEO

New for the 2020/21 winter season

From smart digital services that provide a secure experience to new accommodation options near the slopes – here is SkiStar's news for the winter season



DIGITAL SOLUTIONS FOR A COMFORTABLE AND SAFE STAY

As a leading operator of Scandinavian skiing facilities, SkiStar is continuing to rapidly digitalise with the aim of increasing accessibility and making the experience for the company's guests easier – before, during and after their trip. In 2019, skistar.com was named Sweden's best website, and since then the media has been paying particular attention to the development of SkiStar's app. The next step is being taken for the winter with the launch of the option to top up SkiPass directly in the SkiStar app. Guests will be able to purchase and easily pay for SkiPass in the app right up until they step onto the lift. This service will be further enhanced by guests having the chance to book a table at a nearby restaurant directly in the SkiStar app.

To simplify check-in, most guests will be met by a digital check-in system this winter. This means guests will not have to visit reception. Check-in will be done via digital check-in pods in easily accessible locations, where guests can easily pick up and hand in their key. The company will also offer mobile keys for around 500 apartments, so guests can go directly to their accommodation and unlock the door using their mobile phone.

When it is time to rent skis from the SkiStar-Shop, guests will be able to take a queue ticket directly on their phone to easily see how many people are ahead of them in the queue.

NEW PROTECTION FOR CANCELLATION AND BOOKING CHANGES

SkiStar is now launching new and improved protection for cancellation and booking changes. "Book with confidence" gives customers greater peace of mind when booking accommodation. With SkiStar's protection for cancellation and booking changes, customers can always obtain full refunds for cancellations up to 21 days before arrival. This means that you can cancel your trip and get your money back without having to submit any kind of claim.

ÅRE ADDS ACTIVITIES AND ACCOMMODATION

JumpYard, an activity hall for the whole family, will be available in Åre this winter. Snow production is being enhanced in the skiing area and the variety of accommodation on offer is increasing. Train departures from Malmö will be increased during the Christmas and New Year holidays to meet increased demand.

NEW HOTEL AND MORE ACCOMMODATION WITH SKI-IN, SKI-OUT OPTIONS IN SÄLEN

This winter, Sälen is investing in more modern, slope-side accommodation, while Hundfjället's restaurant offering will also see development. A major new ICA Supermarket with a large parking area will open in Lindvallen. The development of Sälkfjällstorget is continuing in line with the opening of a new hotel.

VERMDALEN IS GROWING – INVESTING IN THE ENTIRE FAMILY AND GAINING A NEW HOTEL IN KLÖVSJÖ

Vemdalen's focus for the coming winter is on making improvements to the experience for parents and kids, with the new button lift in Björnrike representing an excellent enhancement that will simplify their stays considerably. Together with the new conveyor belt, the longer lift and the widening of the Turisten slope, the experience for families with children in Vemdalskalet will also be enhanced. The opening of the new Klövsjöfjäll hotel will make visits to the Klövsjö area even more enjoyable, be it summer or winter.

HEMSEDAL ENHANCES ITS SKIING EXPERIENCE WHILE ULTRA-MODERN ACCOMMODATION CONTINUES TO BE DEVELOPED

Ahead of the 2020/2021 winter season, the Fun Ride area will be improved with new lighting, great effects and features, and the snow cannons will be streamlined to provide faster and more environmentally friendly snow production. The investment in new, state-of-the-art apartments in the heart of the skiing area is continuing, and the majestic Fýri Resort mountain hotel is now complete, with its spa, Pool Club and gym.

TRYSIL IMPROVES SKIING EXPERIENCE FOR FAMILIES WITH CHILDREN AND EXTENDS AVAILABLE RANGE OF ACCOMMODATION AND FOOD

For the winter 2020/21 season, Trysil, Norway's largest skiing region, is investing in more easily accessible skiing for families with children with the construction of the new conveyor belt in Fageråsen. The development of modern, high-class accommodation is continuing, while the range of food is being developed to become more varied and healthy.

SKISTAR FUN RIDE MOVES INTO ST. JOHANN IN TIROL

In preparation for winter 2020/21, we are continuing to develop our activities – particularly for families and children – by launching the popular SkiStar Fun Ride and Valle's Fun Ride at St. Johann in Tirol. Another piece of news is that SkiStar will be offering even more skiing when morning skiing is launched from 6:59 am.

SKISTAR INVESTING IN ELECTRIC SNOWMOBILES

We are expanding our equipment to include electric snowmobiles as part of SkiStar's sustainability efCont. First up is Sälen with two electric snowmobiles, while in the next phase of the investment all ski resorts will be equipped with them. The electric snowmobiles are made by manufacturer Taiga Motors and will be the first of their kind in Europe. Electric snowmobiles have been tested before, but those were upgraded, normal snowmobiles while the new ones from Taiga Motors are designed to run specifically on electricity and to handle every challenge posed by the mountains.

SCANDINAVIAN MOUNTAINS AIRPORT

SAS is continuing to fly to Scandinavian Mountains Airport on several routes. TUI will be flying routes to the airport from Stockholm, Malmö and Gothenburg throughout the winter, as well as on selected dates from Norrköping, Växjö and Copenhagen. From 21 January, Dutch company BBI Travel will offer a new route to the airport between Sälen and Trysil. With two departures per week from Groningen Airport Eelde, on Thursdays and Sundays, the Dutch and other international guests will be able to access Sweden and Norway's largest ski resorts, SkiStar Sälen and Trysil, and enjoy real winter weather and skiing.

MORE BOOKABLE TRANSPORT VIA SKISTAR'S CHANNELS

In spring 2021, SkiStar will be adding flight and transfer bookings to its transport alternatives at skistar.com. This means that customers can easily book their entire holiday at skistar.com.

NEW NUTRITIOUS ENTERTAINMENT ON VALLE'S APP

Valle has become a role model for children; they listen to almost everything he says and remember it. With that comes great responsibility – conveying valuable knowledge with a focus on sustainability. The new "Valle's Kök" (Valle's Kitchen) game is now being launched in the app. The game is intended to inspire children to enjoy food and a healthy diet. The basic aim of Valle's Kitchen is a game that involves children in Valle's creative world in a playful manner, while inspiring them to eat food according to the famous plate model.

NEW SKISTAR LODGE HUNDFJÄLLET TO BE COMPLETED WINTER 2021/22

The SkiStar Lodge concept continues to be developed – an entirely new lodge is being built in Hundfjället, Sälen, that is expected to open in winter 2021/22. With the ultimate central location and focus on comfort and relaxation, SkiStar Lodge Hundfjället will be a place people yearn to come and stay.

LAUNCH OF SKISTAR SPORTS & ADVENTURES

SkiStar is making its biggest investment in the snow-free season in the company's 45-year history. The increased interest over the past few years in spending time in the mountains year-round shows that the staycation trend is here to stay. The fact that many people also want to have an active holiday together with family and friends has led to SkiStar investing in a complement to its ski product with the launch of SkiStar Sports & Adventures. The company has also brought in the popular sporting-star couples Maria Pietilä Holmner and Hans Olsson along with Emil Jönsson Haag and Anna Jönsson Haag to serve as ambassadors for the new holiday concept.

Our industry

Alpine skiing is found in 100 countries around the world



THE GLOBAL TOURISM INDUSTRY AND THE EFFECTS OF AN UNEXPECTED PANDEMIC

The tourism industry is one of the world's largest financial industries. According to the UN World Tourism Organisation (UNWTO), which publishes statistics on global tourism, the sector accounted for around seven percent of total global exports of goods and services in 2019. According to UNWTO, global tourism has increased by approximately 166 percent since 1995, in terms of tourist arrivals. In 2019, holidays, recreation and other types of leisure activities accounted for 56 percent of travel, while 13 percent related to business travel and 27 percent could be attributed to visits by family and friends and travel for religious or health-related reasons.

Over the course of 2020, the coronavirus pandemic has radically altered the conditions for global tourism. Statistics from the OECD

show that the total net loss of revenue for international tourism in 2020 is estimated to be 60-80 percent, which, according to the UNWTO, has resulted in tourism being the industry hardest hit financially by the pandemic.

THE SWEDISH TOURISM INDUSTRY

Just as in many other countries, tourism is an important industry in Sweden. According to the Swedish Agency for Economic and Regional Growth and Statistics Sweden, tourism accounted for 2.5 percent of Sweden's GDP in 2019. Just as in the rest of the world, the coronavirus pandemic hit hard here too. According to SLAO, Swedish ski resorts were heading for a new record year based on the situation after the late winter break, when there were very good snow conditions and high booking numbers for early Easter, but unfortunately the coronavirus

pandemic had an effect on the entire industry. For SkiStar, the coronavirus pandemic meant a winter season that ended too early at all of its destinations, as well as the subsequent restrictions for the opening of summer activities. Preliminary statistics from the Swedish Agency for Economic and Regional Growth and Statistics Sweden show that the number of overnight guests in Sweden for the period March-May 2020 fell around 54 percent year-on-year.

Due to the risk of spreading the novel coronavirus and the resulting recommendations, many Swedes chose to stay home for their holidays during the summer season, with many regions across the country showing an increase in overnight guests compared with the previous year. According to the Agency for Economic and Regional Growth, this helped Swedish tourism recover somewhat.

THE GLOBAL ALPINE SKIING MARKET

Alpine skiing on six continents

There are just over 2,000 alpine skiing destinations in the world, and the annual number of skier days globally has remained relatively stable at around 400 million, according to the 2020 International Report on Snow & Mountain Tourism, which reports statistics from the 2018/19 season. Alpine skiing is found at organised outdoor ski resorts in 68 countries worldwide. If we then add countries with indoor arenas, the number of countries offering alpine skiing rises to around 100. The Alps account for 43 percent of all skier days globally. Owing to this, Europe constitutes the largest alpine market, with typically around 210 million skier days a year. Sweden, Norway and Finland accounted for roughly 19 million skier days during the 2018/19 season.

In the 2019/20 season, the number of skier days at Sweden's 50 largest ski resorts amounted to some 7.65 million, with the total for over 200 facilities reaching some 7.9 million. This was a national decrease of around 16 percent. Ski pass sales in Sweden amounted to over SEK 1.5 billion, a decrease of 13 percent compared with the previous winter. The main reasons behind this decrease in the number of SkiPass sales were the measures taken and the earlier end to the season due to the prevailing coronavirus pandemic.

National and international skiers

There are an estimated 135 million skiers in the world, and the figure is set to increase in the long term. However, the number of skier days is not expected to rise at the same rate, as new skiers tend to consume fewer skier days than existing skiers.

A national customer base is an important tool, as most skiers visit resorts in their own country. For most countries, the significance of international skiing guests is limited. Travel

between countries is affected by factors such as size of market, transport opportunities, travel time and travel costs, as well as access to airports.

Flows of international skiing guests are mainly concentrated to Europe, with Germany and the UK exporting the most skiers. The volume of inbound skiers has the most significance for countries such as Austria, where the percentage of foreign skiers is roughly 66 percent, and for Switzerland and Norway, for which the figure is around 46–47 percent according to the 2020 International Report on Snow & Mountain Tourism. In the US and Canada, international skiers account for around six and twelve percent respectively. In Sweden and Finland, the share is around 15 and 17 percent respectively.

Corporate culture and ownership

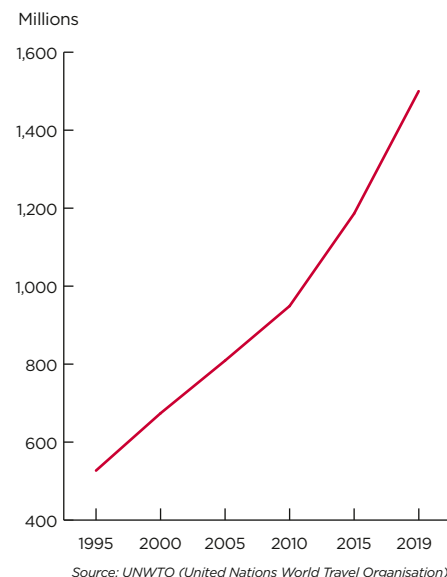
The ownership structure in the global alpine market is fragmented, with many small companies. Examples of larger companies in the industry include the listed ski resort companies Compagnie des Alpes (CDA) in France and Vail Resorts in the US. These companies are operators that have acquired most of their resorts in their own countries. Otherwise, most ski resorts in Europe and North America are privately owned or owned by public interests such as municipalities, local tourist organisations and/or local banks. Examples of companies, besides SkiStar, that own more than one ski resort in Sweden include Branäsgruppen and Grönklittgruppen, and in Norway, Alpinco.

COMPETITION

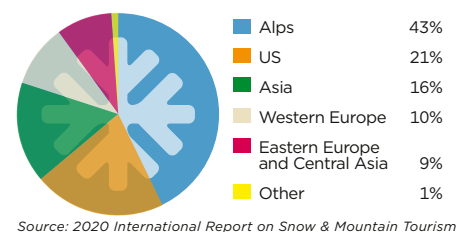
SkiStar competes for people's disposable income. This means that, in a broader sense and in addition to the travel industry, SkiStar is competing with industries such as durable goods and home improvement. The travel industry competes with varying holiday offerings. Skiing primarily

competes with travel alternatives involving sunshine, beaches, big cities, amusement parks, shopping or all-inclusive packages. In the alpine ski industry, competitors comprise other alpine resorts in Scandinavia and the Alps.

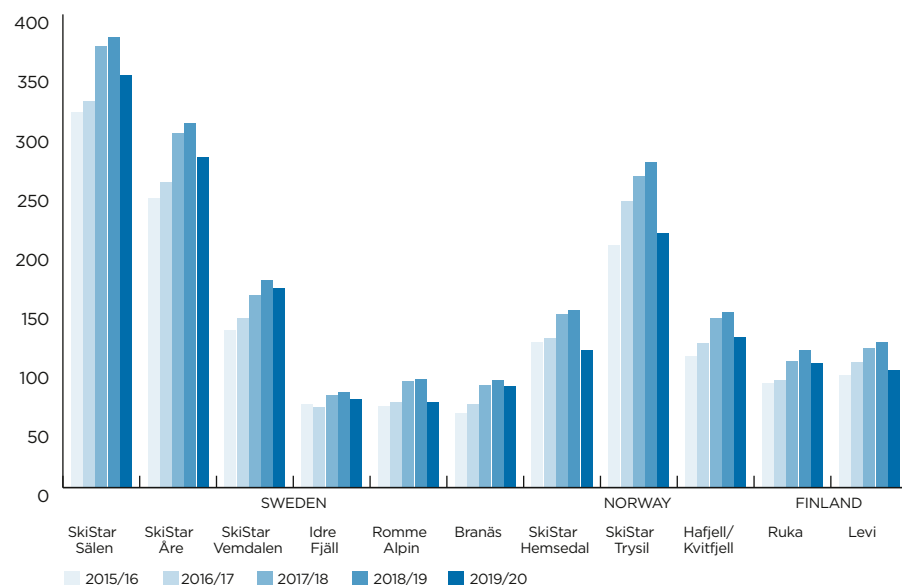
TOURIST VISITS globally, MILLIONS



MARKET SHARE, skier days



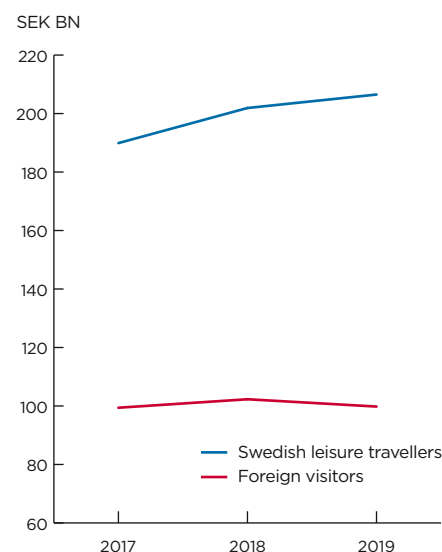
SKI PASS SALES, SEK M, for the larger alpine resorts in the Nordic region



NOK/SEK is restated at the rate of 1.01 for 19/20, 1.08 for 18/19, 1.05 for 17/18, 1.06 for 16/17 and 1.02 for 15/16. EURO/SEK is restated at the rate of 10.61 for 19/20, 10.48 for 18/19, 10.05 for 17/18, 9.48 for 16/17 and 9.51 for 15/16.

Sources: Svenska Skidanläggnings Organisation (Swedish Ski Lift Organisation), Alpinleggenes Landsforening (Norwegian Ski Lift Association) and the Finnish Ski Area Association

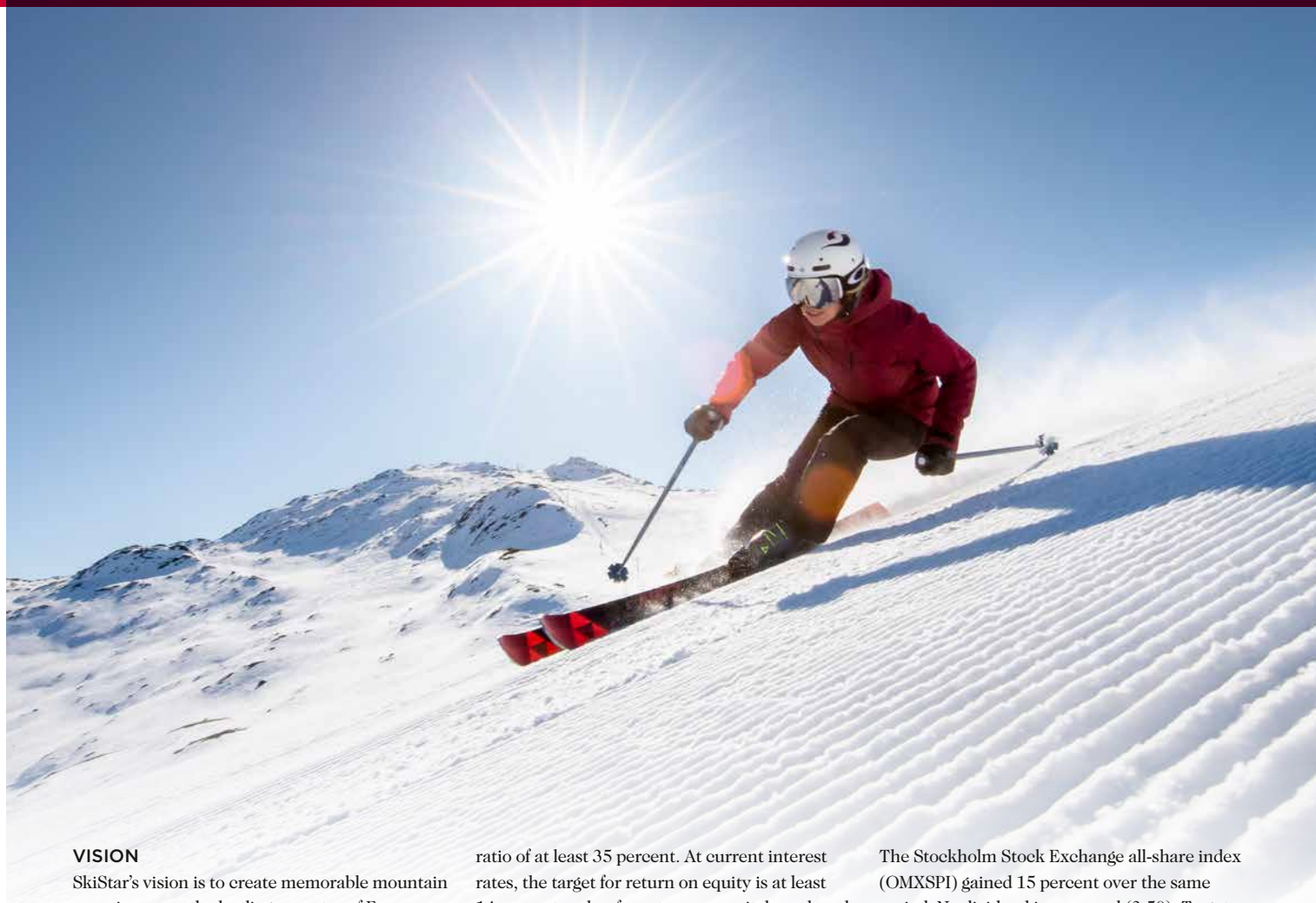
TOURIST CONSUMPTION IN SWEDEN at current prices, SEK BN



Source: Swedish Agency for Economic and Regional Growth /STATISTICS SWEDEN

Vision, goals and strategies

SkiStar aims to lead the way in terms of concept, overall approach and development



VISION

SkiStar's vision is to create memorable mountain experiences as the leading operator of European alpine destinations.

BUSINESS CONCEPT

SkiStar's business concept is to develop alpine mountain tourism by packaging products and services that strengthen the alpine mountain experience. SkiStar is a listed company whose mission is to create value for both shareholders and guests. The SkiStar brand is strong and clear. It encompasses various products, services and fields of activity within alpine mountain tourism that combine to form a comprehensive offering that boosts the brand.

SkiStar is continually developing, with the ambition to always be at the forefront in order to offer guests the best possible vacation and memorable mountain experiences. Everything is packaged under skistar.com to simplify the booking and purchasing process, as well as to inspire and reinforce the alpine skiing experience.

GOALS

Financial targets

To enable a proactive strategy while balancing operational risk, SkiStar must have a strong financial base. The target is an Equity/Asset

ratio of at least 35 percent. At current interest rates, the target for return on equity is at least 14 percent and as for return on capital employed at least 9 percent. The targets are based on 3-month treasury bills, which had an average interest rate of -0.24 percent (-0.50) during the 2019/20 financial year. The operating margin target is to exceed 22 percent in the long term.

Operational targets

SkiStar's growth target is an annual organic growth rate exceeding inflation by at least 4 percentage points, in addition to any growth through acquisitions. Inflation in Sweden during the financial year was 1.4 percent (2.0).

Target achievement

The overall target is to increase the value of shareholders' capital. SkiStar's share price fell by 10 percent during the 2019/20 financial year.

The Stockholm Stock Exchange all-share index (OMXSPI) gained 15 percent over the same period. No dividend is proposed (3.50). Target achievement figures are shown in more detail in the table below. Information about the Group's earnings trend during the financial year can be found on page 41.

STRATEGIES

Strategy roadmap – SkiStar's six long-term strategies, 2020–2025

SkiStar is to:

1. Further develop its core business of alpine skiing.

SkiStar's core business is alpine skiing, with the guest's overall skiing experience in focus. Our long-term goal is to run profitable and strategic operations in alpine skiing, ski schools, ski rental and accommodation within SkiStar's

TARGET ACHIEVEMENT, FINANCIAL TARGETS

	Target 20/21	Outcome 19/20	Target 19/20	Outcome 18/19
Equity/assets ratio*, %	>35	49	>35	51
Return on capital employed, %	9	9	9	15
Return on equity, %	14	11	14	18
Operating margin, %	22	16	22	22
Organic growth above inflation, %	4	-11	4	4

* Before additional debt via IFRS 16.

organisation at our various destinations. SkiStar will strive to ensure that all agents at our alpine destinations maintain high levels of quality and service to strengthen the destinations' brands nationally and internationally, and to offer our guests an improved experience.

2. Create more sources of income based on the core business and customer database.

SkiStar will strive to develop activities which supplement our existing range of services and add value for our guests, as well as for SkiStar. Examples of such activities are sales of related sports products via skistarshop.com and in physical stores.

3. Develop a sustainable property business.

The Property Development & Exploitation segment is to develop a sustainable property business that creates new, modern and attractive accommodation units, as well as to generate profit through sales, through logistical projects and active property development. Timeshare sales of accommodation units at our destinations will be developed through the SkiStar Vacation Club.

4. Meet customers where customers want to be.

Marketing and sales strategies

The primary purpose of the company's marketing and sales strategies is to increase the number, and maximise the percentage of, alpine skiers at SkiStar's destinations. The SkiStar brand and SkiStar's destinations are to be clarified and enhanced both nationally and internationally via coordinated marketing, strategic communication and adaptation to different target groups. Through implementation of data analytics; a data-driven approach based on SkiStar's customer database, SkiStar can develop its CRM work whereby each individual customer receives more individually adapted communications and offers. This approach will enable higher sales conversions in each customer dialogue. Coordination of sales through a single website and a single telephone number will enable further increased cross-sales and an enhanced level of service, as well as improved efficiency and optimisation of the range of accommodation options at each of our destinations. A higher percentage of advance sales secures a greater portion of earnings at an early stage, even before the start of the season, which entails less risk and a more balanced cash flow. An increased share of online sales cuts selling expenses and expands our customer register for marketing activities. Attracting more visitors to our website provides an opportunity to generate add-on sales. Customers purchasing a ski trip to a SkiStar destination are customers of SkiStar and guests at their chosen destination.

5. Use the brand and existing assets to generate future business.

SkiStar's business development function is to develop complementary activities and concepts that add value for both guests and SkiStar and

increase profit through higher revenue or lower costs. Examples of such activities are product and concept development adapted to snow-free activities.

6. Operate cost-effectively – the right resources in the right place.

To be able to create added value for guests, the company's resources need to be invested where they make a difference. Consequently, SkiStar aims to always be effective in terms of how the company works and how products and services are purchased.

SkiStar aims to ensure that it has a corporate culture centred on learning, high standards of performance, consideration for others, a guest-centred approach and pride in what we do. The service we provide to our guests will be a constant priority. The underlying strategy to achieve this is to have professional selection processes when recruiting, training, coordinated/centralised customer service and support for greater efficiency, development of new digital services and system support to manage customer support at the destinations.

Operational strategies

Well-managed products and services result in a high percentage of returning guests. These in turn represent our best marketing tools. By providing a well-developed infrastructure, our guests should be able to find everything they need within walking distance. Accommodation and skiing areas should be linked to provide a wide range of accommodation close to the lifts. A ski-in ski-out concept enables our guests to be less reliant on their cars as a means of transport during their stay. Investing in and developing the Group's snowmaking systems is a top priority. These systems have been modernised and continually

expanded to ensure we offer good skiing conditions, regardless of the amount of natural snow. Our destinations have individual profiles and should as a result, as a combined offering, attract large customer groups. SkiStar will work to ensure that there is a wide range of affordable options of transport for each destination, primarily through agreements with external providers, and secondarily by offering our own transport solutions.

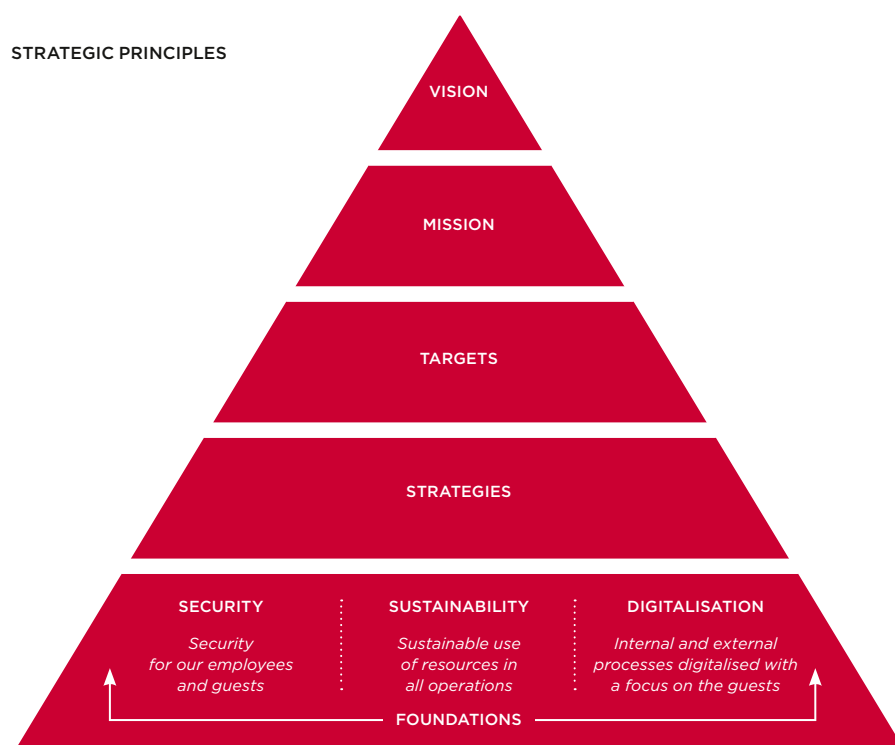
Cross-learning and benchmarking

SkiStar's employees have extensive experience and knowledge of how to operate alpine ski resorts. Meetings between colleagues at our various destinations ensure a continual process of cross-learning and collaboration is strengthened between destinations and central functions. Comparing activities and operating models at our various resorts enables us to create optimal conditions for greater operational and cost efficiency as well as to strengthen the relationship with our guests, thus establishing a foundation for increased growth and profitability.

Sustainability strategies

SkiStar's sustainability strategy is built on the company's vision. Through dedicated resources, SkiStar will safeguard the unique alpine environment in which the company operates by considering all sustainability aspects in the business, with the aim of creating memorable mountain experiences. SkiStar will offer its guests active holidays that improve their health and wellbeing, with positive knock-on effects for society. Resources will be expanded to strengthen sustainability aspects of the organisation, while uniform sustainability strategies will be integrated as part of the company's other operations, such as green financing, sustainable land and property development and more.

STRATEGIC PRINCIPLES



Sales and marketing

Over 64 percent of SkiStar's sales are generated before the guest arrives at the destination and skistar.com is the largest sales channel.



MISSION AND TARGETS

The overall goal of the sales and marketing departments at the resorts is to maximise the occupancy rate of available beds, as well as to maximise sales of the Group's own services and products, such as SkiPass, ski rental, ski school, sports goods and accommodation. Cost effectiveness will be achieved by prioritising distribution via skistar.com above all other sales channels. Furthermore, the sales department should work to ensure effective and affordable transportation solutions for all destinations.

BRAND POSITIONING

SkiStar's brand portfolio consists of the main brands SkiStar and skistar.com, along with the destinations' brands and the joint brands MySkiStar, Valle, SkiStar Lodge, skistarshop.com, SkiStarshop Concept Store, SkiStar Business, SkiStar Snow Parks, SkiStar Fun Ride, EQPE and SkiStar Living.

SkiStar and skistar.com are brands that stand for peace of mind, simplicity and accessibility, as well as many products and offers linked to skiing holidays. Being a SkiStar customer and joining the MySkiStar customer club allows customers to earn bonus points and discounts and give them access to unique partner offers and their skiing statistics, pins and free Wi-Fi in selected skiing areas.

SkiStarshop Concept Store and skistarshop.com are brands for the Group's

venture into alpine sporting goods such as clothing, equipment and accessories. Marketing of the group travel and conference market is carried out under the remit of the SkiStar Business concept and brand. The Valle brand has grown strong over the years and is now a strategically important brand as both a children's concept and ambassador for SkiStar's sustainability work. SkiStar Snow Parks is the brand that aims to attract young people to our parks, while the SkiStar Fun Ride experience aims to provide excitement for the entire family.

MARKETS

SkiStar's customers primarily come from the Nordic countries, where Sweden, Norway and Denmark are considered domestic markets. In the 2019/20 season, 74 percent of SkiStar's customers came from the Swedish market. The Danish market increased from 15 to 17 percent. The Norwegian market fell to three percent and other foreign markets accounted for six percent. Market shares for the financial year were significantly affected by the coronavirus situation.

TARGET GROUPS

SkiStar's target groups can be classified according to many different criteria, such as geographical location, age, interests, family situation or based on the destinations' various profiles. The most important target group is families with children, and our Valle concept provides a strong

incentive and inspires loyalty with this group.

On top of this, there will also be the unique SkiStar Fun Ride experience, aimed at the entire family. To engage in marketing on a broad front, SkiStar works with different concepts focused on various target groups, such as SkiStar Snow Park. SkiStarshop Concept Store and skistarshop.com help us reach a broader customer segment. Sales of shop products online grew during the year by over 40 percent and this is SkiStar's sole largest sales channel for shop products. Guests are met at the Concept Stores with professional expertise and service relating to the equipment they need for their stay at SkiStar's destinations.

MARKETING AND SALES STRATEGIES

Bespoke winter holidays

SkiStar's strategy is to offer each individual guest a customised winter holiday, in line with their own specific wishes. Guests can choose between five different means of transport: car, bus, train, plane or boat, or a combination of these, depending on the chosen destination. Transportation can in turn be combined with thousands of accommodation alternatives in different price ranges, encompassing everything from self-catering cabins to hotels with all amenities under one roof. Furthermore, guests can choose from an extensive selection of ski schools, ski rental options, SkiPass and sporting goods outlets. Guests also have the option of choosing the length of their holiday, whether it happens to be

a couple of days, a weekend, a short break, an entire week or an even longer visit on occasion. Specially designed insurance products for alpine vacations at SkiStar destinations are also available via external insurance companies, which can be simply added at the time of booking the winter holiday.

Online booking and shopping combined with loyalty rewards

The single most important sales channel is the website skistar.com, which is a one-stop shop where guests can book their entire winter holiday, including travel arrangements, accommodation, ski school, ski rental, SkiPass, sports goods and insurance. A considerable portion of the investments made in SkiStar's business systems relates to making it easier for customers to book on skistar.com. Skistar.com attracted 16.8 million visits during the 2019/20 financial year. More than 80 percent of SkiStar's guests use SkiStar's apps, which have been downloaded around 850,000 times. By going to 'My Page' on skistar.com or in the SkiStar app, guests can access their current and previous bookings, as well as their customer data. With MySkiStar, guests earn points on their online purchases, which can be used as a form of payment on skistar.com and skistarshop.com. MySkiStar is a customer club also offering guests access to skiing statistics, pins, discounts and partner offers. At the end of the 2019/20 financial year, MySkiStar had around 970,000 registered users, which is an increase of over 80,000 on the previous year.

Mediated beds with high occupancy rates

High and consistent accommodation occupancy rates over the entire winter season are the foundation for high profitability. To achieve this, the sales department works actively with differentiated pricing based on underlying demand. To optimise demand during the low season, different special offers and events are marketed, aimed at the various target groups, such as packages, theme weeks and events. SkiStar actively works to mediate as many beds as possible on skistar.com. In the 2019/20 season, SkiStar destinations had a total of 38,900 beds in 5,800 properties (cabins and apartments) to mediate through skistar.com. A total of 75 percent of accommodation sales came from online sales. Accommodation owners who rent out their cabins and apartments via SkiStar are entitled

to several benefits and great offers via SkiStar. Such benefits include a unique discount on a SkiStar All Season Pass for themselves and family members.

Affordable transport solutions

To secure a high accommodation occupancy rate, it must be easy for guests to travel to the destinations. Consequently, SkiStar actively works to secure affordable transport solutions to its destinations via external partners. For example, SkiStar cooperates with ferry lines in Denmark, Germany, Finland, Russia and the Baltic States, with charter companies in Russia, the UK and the Netherlands, as well as with travel agencies in all foreign markets. SkiStar also cooperates with several airline, train and bus companies in its domestic markets.

More bookable transport via SkiStar's channels

In spring 2021, SkiStar will be adding flight and transfer bookings to its transport alternatives at skistar.com. This means that customers can easily book their entire holiday at skistar.com.

Returning guests – loyalty

Returning guests are an important factor for SkiStar's profitability, as the marketing cost for a returning guest is much lower compared with the cost of a newly recruited guest. We maintain a continual marketing campaign targeting guests who have visited any of SkiStar's destinations. For example, the guest may receive an offer to return to the same destination or visit another destination in the same season. In December/January, large sections of the next winter season's accommodation programme are also released for booking. Returning guests are given priority to this accommodation through communication via email and marketing via our own social media channels such as Facebook, Instagram and LinkedIn. With its strong brand, our children's concept headed up by Valle is now a pivotal factor for families with children in choosing a SkiStar destination.

SALES CHANNELS

Sales are carried out via four channels: online, phone (call centres), on site at our destinations and via agents. Sales via the first three channels, or internal sales, account for 96 percent (95). The proportion of bookings via skistar.com in the 2019/20 season was 15 percent (47). If we

look at accommodation alone, 75 percent (71) of total sales came via online bookings. A total of 4 percent (5) of SkiStar's sales are conducted through retailers, including travel agents and transportation companies. Such intermediaries are primarily important for markets outside Sweden and Norway. SkiStar considers its high-priority foreign markets to be Denmark, Finland, the UK, the Netherlands, Russia, the Baltic States and Germany.

Communication

SkiStar's marketing efforts aim to emphasise the unique characteristics of each individual destination to provide our guests with a broad selection. SkiStar maintains regular communication with guests who have previously visited SkiStar's destinations. Our distributed emails, advertising via social media channels and posts in our own social media channels inform guests of various offers, events and discounted periods. Anyone who books a trip will also receive information and offers by email aimed at simplifying the guests' preparations prior to their winter holiday, allowing more time for activities and leisure time at the resort. SkiStar's communication is integrated into various media channels. Both current and potential guests are therefore reached by SkiStar's marketing, for example via advertising in social channels, digital billboards, linear television, online advertising, social media, local advertising and via SkiStar's partners' channels. PR and editorial visibility in the media are also important parts of SkiStar's communications strategy.

Simpler to be a SkiStar guest

Digitalisation improves the guest experience before, during and after the trip. In time for the winter, the option to buy, top up and pay for the SkiPass directly in the SkiStar app will be launched. It will also be possible to book tables at a selection of restaurants using the SkiStar app.

Many guests will be met by a digital check-in service. Check-in will be done via digital check-in pods in easily accessible locations, where guests can easily pick up and hand in their key. Mobile keys for around 500 apartments will also be offered, meaning guests can go directly to their accommodation and unlock the door using their mobile phone.

When renting skis at the SkiStarShop, guests will be able to take a queue ticket on their mobile to see how many people are ahead in the queue.

FÖRSÄLJNINGSKANALER, %

	Advance sales			Destination Cashier sales
	Telephone	Online	Agent	
SkiPass	5	44	1	49
Accommodation	13	75	11	1
Transport	35	54	11	0
Ski rental	2	47	2	49
Ski school	12	69	3	15
Insurance	17	70	0	14
Shop	0	22	0	78
Total	9	51	4	36
Total		64		36

PROPORTION OF GUESTS IN RENTED ACCOMMODATION BY NATIONALITY, %*

	Åre	Vemdalen	Sälen	Hemsedal	Trysil	SkiStar total
Sweden	77	95	85	34	43	74
Denmark	7	2	13	43	40	17
Norway	7	0	1	14	4	3
Germany	0	0	0	4	5	1
UK	1	0	0	2	3	1
Finland	3	1	0	0	0	1
Russia	3	0	0	0	1	1
Netherlands	0	0	0	2	2	1
Baltic States	2	1	0	0	1	1
Other	0	1	1	1	1	0

* The number of guests per nationality was affected by the coronavirus pandemic during the 2019/20 season, with fewer foreign guests compared with past years.

Our Operations

Operations are divided into two segments: Operation of Ski Resorts and Property Development & Exploitation.

SkiStar's operations are divided into two segments, along with several central functions

Segments

Operation of Ski Resorts

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

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

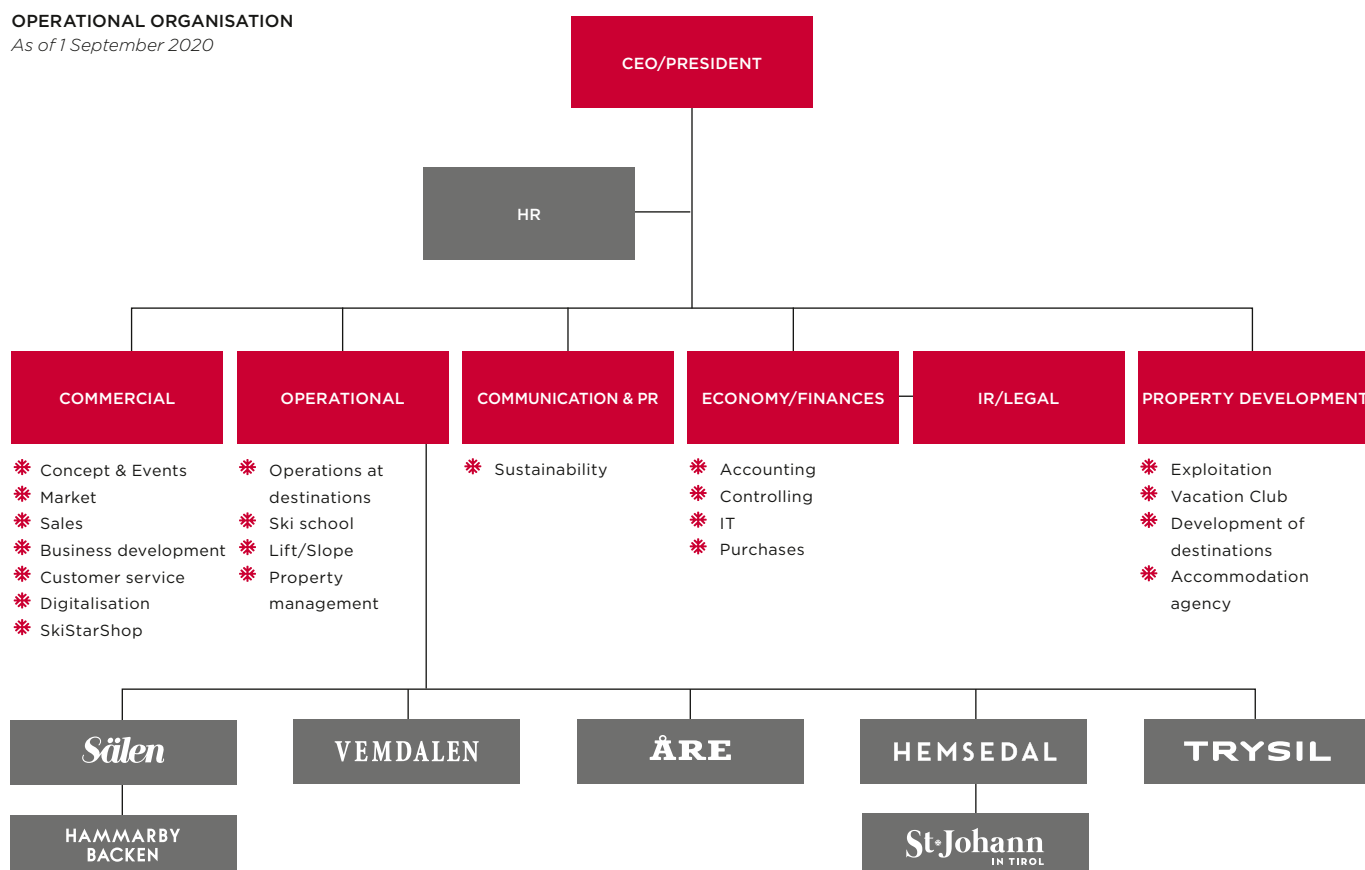
associations and associated companies focusing on hotels and the renting of cabins and apartments close to the Group's skiing areas.

Central functions

To derive optimum benefit from SkiStar's combined resources and thereby gain the greatest possible effect, several joint functions have been centralized as appears from the organizational chart set out below.

OPERATIONAL ORGANISATION

As of 1 September 2020



■ The individual responsible for the function is a member of Group management. The Head of PR and Communications has been a member of Group management since 1 November 2020.

■ Other central function/destination.

Operation of Ski Resorts

SkiStar operates the five largest ski resorts in the Nordic region and one destination in the Alps.

STRATEGIC PRODUCT AREAS

Alpine Skiing/Ski Lift/SkiPass

Alpine skiing is the Group's core business. The majority of SkiStar's profits are generated by SkiPass sales. The marginal revenue for each additional SkiPass that is sold is high. SkiPass sales during the 2019/20 financial year totalled SEK 1,231 million (1,393). The average price change was 3.1 percent.

The Group's market share of SkiPass sales during the financial year in Sweden was 53 percent (50) and in Norway it was 29 percent (30). The market share in Scandinavia was 43 percent (41). The number of skier days in the Group amounted to 5,148,000 (5,800,000), a decline of 11.3 percent compared with the previous year. This decline is an effect of the previous destination closures in connection with the coronavirus outbreak.

Accommodation agency

To ensure the availability of accommodation in its operations, SkiStar needs control over the leasing of a large volume of beds at all its destinations. In this manner, the occupancy rate can be optimised, and possible weak sales can be adjusted at an early stage via proactive marketing efCont. The occupancy rate in cabins and apartments owned and mediated by the Group during the 2019/20 season (weeks 51–16) amounted to 68 percent (78). The number of mediated beds rose during the year. The decline in the occupancy rate is an effect of the previous destination closures in connection with the coronavirus outbreak. Income from accommodation amounted to SEK 260 million (303).

Ski rental

The equipment from SkiStar's ski rental shops is prepared, waxed and correctly adjusted. To ensure that enough ski equipment is available for rental and that the equipment is of the required quality, ski rental has been identified as a strategically important area for SkiStar. During

the financial year, SkiStar operated a total of 29 ski rental outlets: nine in Sälen, nine in Åre, six in Vemdalen, two in Hemsedal and three in Trysil. Sales totalled SEK 163 million (188). This decline is an effect of the previous destination closures in connection with the coronavirus outbreak.

Ski school

Ski school operations are strategically important for SkiStar, as a life-long interest in skiing is established and long-term contacts are forged between the destination, the skiing instructors and the guests. Children and youngsters who learn to ski early in life often develop a lasting interest in the sport, which they, in turn, pass on to their children. SkiStar has a unique ski school brand, Valle's Ski School, which is aimed at the 3–9 age group. Net sales for the ski schools amounted to SEK 50 million (57) during the financial year. The number of learners at SkiStar's wholly owned ski schools totalled 69,293. This figure excludes St. Johann and Trysil's ski schools, in which SkiStar only has a participating interest. This decline is an effect of the previous destination closures in connection with the coronavirus outbreak.

OTHER PRODUCT AREAS

SkiStarshop and skistarshop.com

SkiStar sells alpine sports goods in stores and online. The company operates its own SkiStar shops in Åre and Hemsedal, and there are two stores in Sälen and Vemdalen. All the Group's ski rental outlets also sell sporting goods related to alpine skiing. Skistarshop.com is an online store stocking the market's strongest alpine sports brands. The e-store is fully integrated into the flow of bookings of other products and services on skistar.com, which means that customers can buy a ski jacket while topping up their SkiPass. Customers can then choose to have the goods delivered to their home or pick them up from any of our SkiStarShop Concept Stores. In the

2019/20 financial year, the Group's sporting goods operations generated sales of SEK 179 million (171). E-commerce continued to grow during the year.

Property services

The property services product area is made up of building superintendents, carpenters, electricians, janitors and other service personnel. Revenues within property services comprise rental income for the business premises and remuneration for cabin service and cleaning. During the financial year, revenues totalled SEK 102 million (109). This decline is an effect of the previous destination closures in connection with the coronavirus outbreak.

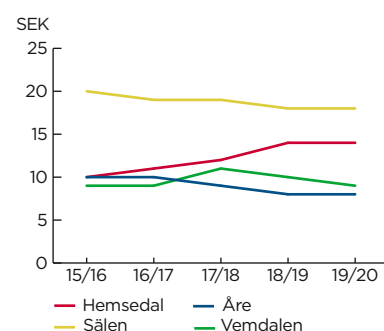
Other

Other revenue includes income from events, advertising sales, kiosks, selling Ski*Direct cards (the plastic card for the electronic SkiPass) and received grants. Other income during the financial year amounted to SEK 199 million (226).

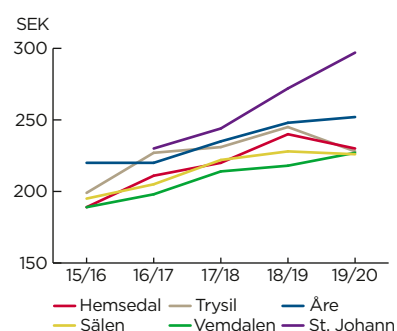
BUSINESS DEVELOPMENT

SkiStar works actively on business development to generate further growth and profitability. This involves developing new revenue streams based on the brand, existing assets and the customer database. Efforts relating to business development also involve meeting customers' future expectations in terms of products and concept. This work follows a structured SkiStar model based on (1) Idea, Feasibility Study & Analysis, (2) Project Phase, (3) Test Phase and (4) Implementation and Launch. Business development is conducted in projects and is organised under Commercial. Today, business development is one of the company's six main strategies.

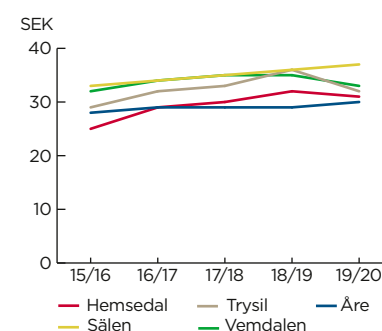
SKI SCHOOL SALES
per skier day, SEK



SKIPASS SALES
per skier day, SEK



SKI RENTAL SALES
per skier day, SEK



Sälen

LARGEST ALPINE SKI AREA IN NORTHERN EUROPE

Ski holiday made easy for the whole family.



SÄLEN IN FIGURES

	2019/20
No. mediated beds	14,500
Occupancy rate, %	74
No. ski school pupils	39,113
No. ski rental equipment items	14,684
No. skier days	1,542,000
Number of lifts	90
Lift capacity, skiers/hour	90,000
Number of slopes	100
Number of children's areas	9
Longest slope, kilometres	1.8
Total length of groomed slopes, kilometres	82
Maximum vertical drop, metres	303
Highest groomed ski area, metres above sea level	860
Total area of groomed slopes, square metres	2,890,500
Area covered by snowmaking systems, square metres	2,291,000
No. lighted slopes	32
No. snow parks	4

DESTINATION AND FOCUS

The Sälen mountains are in northwest Dalarna roughly 400 kilometres from Stockholm and about 450 kilometres from Gothenburg. SkiStar Sälen consists of four skiing areas – Lindvallen, Högfjället, Tandådalen and Hundfjället – which together offer varied skiing across more than 100 slopes. The region offers everything from Scandinavia's largest button lift area, to challenging skiing on one of Sweden's steepest groomed pistes, Väggen, along with several park and off-piste areas. Valle the snowman, SkiStar's concept for children, can be found all over Sälen providing theatre performances and the opportunity to meet Valle at various locations. Trollskogen in Hundfjället has over 400 talking wood sculptures and is popular with skiers of all ages.

To complement the skiing, there is SkiStar Lodge Experium Lindvallen – an 11,500-sqm experience centre housing SkiStar Lodge and a water park.

Sälen's skiing area also offers a wide range of restaurants, nightclubs, cafés, shops, dog sled-

ding and snowmobile operators, cross country ski tracks and much more.

OPERATIONS

Operations in the skiing area are pursued almost exclusively on land owned by SkiStar. SkiStar mediates just over 14,500 beds in the area, around 3,000 of which are owned by SkiStar. In addition, SkiStar sublets Sälen's Högfjällshotell, two sporting goods shops and all restaurants on the slopes to external operators. Hammarbybacken in Stockholm is also operated under Sälen's organisation.

MARKET

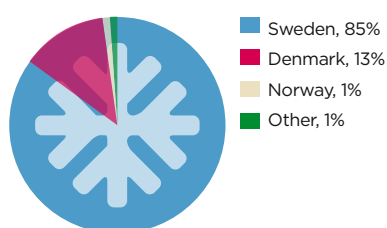
The number of skier days in 2019/20 amounted to 1,542,000, which is a decline of 7 percent compared with previous years due to earlier closures linked to the risk of spreading the novel coronavirus. Irrespective of this, the number of skier days has experienced a positive trend over a five-year perspective. The occupancy rate in cabins and apartments owned and mediated by SkiStar amounted to 74 percent (82), with

persistently healthy growth for the period from 6 January until the spring school break. Most of Sälen's guests come from Sweden. Sälen also has a significant proportion of Danish guests, at 13 percent. Most people travel to Sälen in their own car. It is also possible to travel direct by bus from Stockholm, Gothenburg and Malmö. At the international Scandinavian Mountains Airport, which opened on 22 December 2019, SAS operated flights from Denmark and the UK during the 2019/20 winter season, while BRA operated flights from five Swedish destinations.

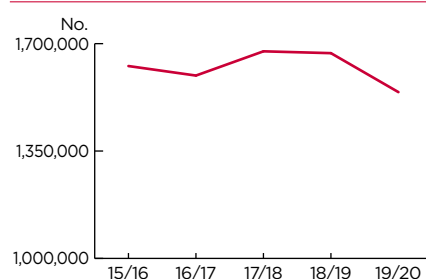
INVESTMENTS

New investments ahead of the 2019/20 winter season totalled SEK 83.8 million, including SEK 60 million related to the development of the area around Hundfjället. Reinvestments amounted to SEK 49.1 million, of which SEK 7 million concerned measures to improve snowmaking systems. General investments were related to replacement of piste machines and snowmobiles, as well as building repairs.

PROPORTION OF GUESTS by nationality



SKIER DAYS



ÅRE

COSMOPOLITAN ATMOSPHERE

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



ÅRE IN FIGURES	2019/20
No. mediated beds	6,400
Occupancy rate, %	68
No. ski school pupils	11,465
No. ski rental equipment items	10,633
No. skier days	1,109,000
Number of lifts	41
Lift capacity, skiers/hour	54,555
Number of slopes	89
Number of children's areas	4
Longest slope, kilometres	7
Total length of groomed slopes, kilometres	191
Maximum vertical drop, metres	890
Highest groomed ski area, metres above sea level	1,274
Total area of groomed slopes, square metres	3,304,194
Area covered by snowmaking systems, square metres	2,058,405
No. lighted slopes	8
No. snow parks	3

DESTINATION AND FOCUS

Åre, which is situated 650 kilometres northwest of Stockholm, consists of three destinations: Åre Björnen, Åre By and Duved. Each destination has its own profile and target group. Åre Björnen, the resort located farthest to the east, is a favourite with children. Just one lift away is the more challenging skiing at Åreskutan, offering an extensive choice of ski slopes and varied terrain. Åre By is the most well-known destination. Fantastic skiing can be found here in the direct vicinity of a small town with a great atmosphere and a long tradition of ski tourism, as well as a wide selection of restaurants, entertainment and activities. Duved is situated west of Åre By and is also a resort with a long-standing tradition. Duved has a slightly calmer pace and, consequently, suits all types of skiers.

OPERATIONS

SkiStar's operations in Åre include the skiing area, nine ski rental outlets, a sporting goods outlet and a ski school. Approximately 32

percent of the land on which operations in the skiing area are conducted is owned by SkiStar, while the remaining 68 percent is held through 30–50-year leases. At the end of the leasing period, SkiStar has the right to renew these leases on the same terms as are currently in place. SkiStar rents out approximately 6,400 beds in the area, around 650 of which are owned by the Group. The company also owns and sublets eight slope restaurants, food shops in Åre Björnen and Tegefjäll, as well as the restaurant, nightclub and conference centre Bygget in Åre Fjällby.

MARKET

The number of skier days declined during the financial year by 13 percent to 1,109,000 as a result of earlier seasonal closures, which were in turn caused by the spread of the novel coronavirus. The occupancy rate in cabins and apartments owned and mediated by the Group amounted to 68 percent (81). Swedish guests in Åre account for approximately 77 percent of all

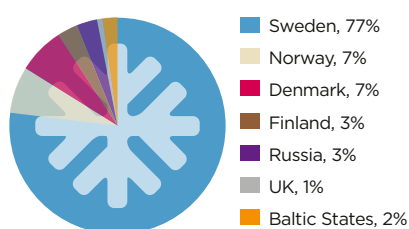
visitors, most of whom are from the Mälardalen region around Stockholm. The largest foreign market is Norway, followed by Denmark, Finland and Russia. Åre is proceeding with its long-term commitment to foreign markets via marketing activities in prioritised markets and annually recurring international events.

The alpine world cups that were due to kick off between 12 and 14 March were cancelled the day before the start of the competition, when the Public Health Agency of Sweden recommended that events with more than 500 people be cancelled.

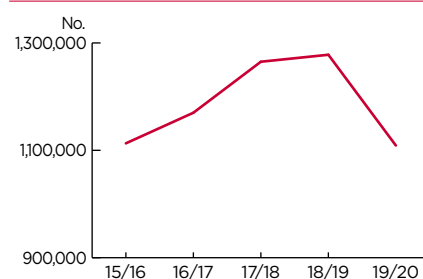
INVESTMENTS

Investments for the 2019/20 season amounted to SEK 32 million and related to reinvestments in existing operations, limited expansion of snow production capacity and lighting.

PROPORTION OF GUESTS by nationality



SKIER DAYS



VEMDALEN

A MOUNTAIN GEM

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



VEMDALEN IN FIGURES	2019/20
No. mediated beds	6,700
Occupancy rate, %	62
No. ski school pupils	10,633
No. ski rental equipment items	7,754
No. skier days	744,000
Number of lifts	35
Lift capacity, skiers/hour	38,512
Number of slopes	58
Number of children's areas	4
Longest slope, kilometres	2
Total length of groomed slopes, kilometres	52
Maximum vertical drop, metres	470
Highest groomed ski area, metres above sea level	946
Total area of groomed slopes, square metres	2,013,900
Area covered by snowmaking systems, square metres	1,502,853
No. lighted slopes	18
No. snow parks	3

DESTINATION AND FOCUS

The Vemdalen destination lies approximately 480 kilometres northwest of Stockholm, on the border between the provinces of Härjedalen and Jämtland, and consists of three resorts: Björnrike, Vemdalsskalet and Klövsjö/Storhogna. Vemdalsskalet is the largest resort in terms of revenue. In addition to varied skiing, Vemdalsskalet also offers a wide range of entertainment and activities. Björnrike is the choice of families with children. Good skiing, with accommodation close to the ski lifts and good service facilities, combine to make Björnrike an attractive destination. Klövsjö, also known as the “ski resort for skiers” and “Sweden’s most beautiful village”, offers good skiing for children and beginners, as well as more challenging skiing. Storhogna offers the option of combining skiing with other activities and experiences, including Sweden’s first mountain spa.

OPERATIONS

SkiStar’s operations in Vemdalen include skiing areas, ski schools, six ski rental outlets and two sporting goods outlets. Approximately 6,700 beds in the area are mediated through SkiStar, around 700 of which are owned by the Group. Approximately 58 percent of the land on which operations in the skiing areas are conducted is owned by the Group. The remaining land is leased on a long-term basis, with the right to renew the lease on expiration. Three slope restaurants are sublet to external operators.

MARKET

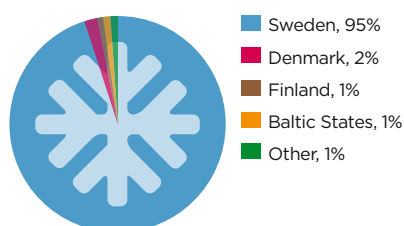
The number of skier days declined by 7 percent to 744,000 during the financial year. The occupancy rate in cabins and apartments owned and mediated by the Group amounted to 62 percent (67). The declines above can be entirely linked to the early closures caused by the coronavirus outbreak.

Most of Vemdalen’s visitors come from Sweden, with the Mälardalen region and the industrial coast from Gävle to Härnösand comprising the most important catchment areas. The primary target group is families with children. Most guests travel to Vemdalen in their own cars. During the winter season, there are train connections from Stockholm and Malmö, with a transfer bus from Röjan/Vemdalen to Klövsjö, Vemdalsskalet and Björnrike. Flights to Vemdalen go via Östersund or Sveg.

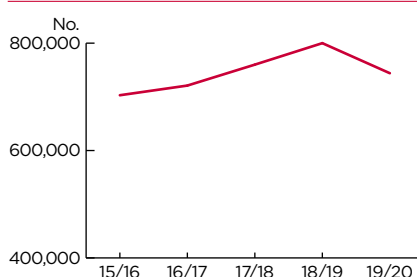
INVESTMENTS

Investments for the 2019/20 season amounted to SEK 30 million and were largely related to reinvestments in existing operations, with a focus on the skiing area.

PROPORTION OF GUESTS by nationality



SKIER DAYS



HEMSEDAL

SCANDINAVIA'S ALPS

High peaks, staggering views and adventurous skiing.



HEMSEDAL IN FIGURES

	2019/20
No. mediated beds	4,600
Occupancy rate, %	60
No. ski school pupils	8,033
No. ski rental equipment items	6,143
No. skier days	512,000
Number of lifts	19
Lift capacity, skiers/hour	26,800
Number of slopes	51
Number of children's areas	1
Longest slope, kilometres	6
Total length of groomed slopes, kilometres	54
Maximum vertical drop, metres	830
Highest groomed ski area, metres above sea level	1,450
Total area of groomed slopes, square metres	1,624,500
Area covered by snowmaking systems, square metres	933,800
No. lighted slopes	12
No. snow parks	4

DESTINATION AND FOCUS

Hemsedal is situated 200 kilometres northwest of Oslo and 280 kilometres east of Bergen. The destination, often referred to as the Scandinavian Alps, is a complete ski resort, offering a wide selection of activities for skiers of all ages. Hemsedal is home to one of Norway's largest nursery slopes, alongside extremely challenging slopes for the most advanced skiers. Hemsedal has been designated Norway's best alpine resort for ten years in a row.

OPERATIONS

SkiStar's operations in Hemsedal include the skiing area, a ski school, four ski rental outlets and three sporting goods outlets. Some 4,600 beds in the area are mediated through SkiStar, just over 1,000 of which are owned by the Group. Operations in the skiing area are conducted on leased land. The lease contracts are long-term and SkiStar is entitled to renew them on expiration. Six slope restaurants are sublet to external operators.

MARKET

The 2019/20 season was affected by the facility being closed as a result of municipal decisions in response to the novel coronavirus on 12 March. Until the closure, the season had been very strong and forecasts were looking positive. The number of skier days for 2019/20 amounted to 512,000. This is a decline of around 18 percent compared to the previous season and is entirely attributable to the shutdown on 12 March. The occupancy rate in cabins and apartments owned and mediated by the Group amounted to 60 percent (77). This decline was also entirely attributable to the early closure of the season.

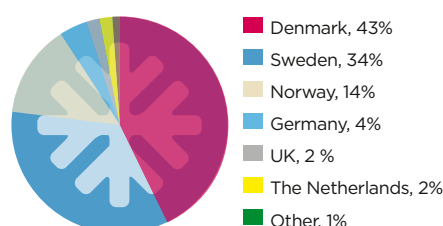
Hemsedal has a large proportion of foreign guests; over three quarters of the visitors come from abroad. Most foreign guests come from Denmark and Sweden, but Hemsedal is also a popular ski destination with countries such as Germany, the Netherlands and the UK. The combination of foreign markets with the Norwegian market contributes to a high occupancy rate at SkiStar's resorts for most of the winter season.

Norwegian guests are primarily from the areas around Oslo and Bergen, and the majority travel with their own cars. Foreign guests travel either by ferry, in their own cars, via charter flights or by bus.

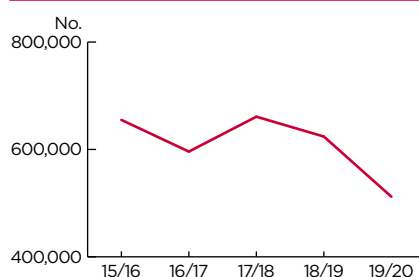
INVESTMENTS

Investments for the 2019/20 season amounted to approximately SEK 30 million. In addition to significant maintenance investments in lifts and machinery, investments in snowmaking systems continuing, in order to produce faster and more efficiently. An investment was also made in a new T-bar lift that connects the newly built Fyri Hotel to the ski resort. This lift has also enabled the use of the popular "loop" which has now made it possible to ride the lift back to the ski resort. In terms of property, work has been undertaken on improvements to the popular Hemsedal Alpin Lodge, where all apartments, corridors and communal areas have been renovated.

PROPORTION OF GUESTS by nationality



SKIER DAYS



TRYSIL

NORWAY'S LARGEST SKI RESORT

A modern destination for families who love skiing.



TRYSIL IN FIGURES	2019/20
No. mediated beds	6,500
Occupancy rate, %	64
No. ski rental equipment items	8,417
No. skier days	958,000
Number of lifts	31
Lift capacity, skiers/hour	35,915
Number of slopes	68
Number of children's areas	3
Longest slope, kilometres	5
Total length of groomed slopes, kilometres	78
Maximum vertical drop, metres	685
Highest groomed ski area, metres above sea level	1,100
Total area of groomed slopes, square metres	2,541,100
Area covered by snowmaking systems, square metres	1,197,100
No. lighted slopes	6
No. snow parks	6

DESTINATION AND FOCUS

Trysil is situated 210 kilometres northeast of Oslo. The mountain, Trysilfjellet, offers 78 kilometres of skiing on three sides of the mountain and is therefore suitable for both families with children and more experienced skiers. Trysil is Norway's largest ski resort and is highly accessible, due to its great geographical location. Trysil is also one of Norway's most visited tourist attractions.

OPERATIONS

SkiStar's operations in Trysil comprise the skiing area, three ski rental outlets and the ski school, in which SkiStar has a 35 percent stake. SkiStar mediates around 6,500 beds in the area. Operations in the skiing area are conducted on leased land. The leases have a term of 50 years, with the possibility for SkiStar to renew upon expiration. SkiStar also sublets 13 slope restaurants in Trysil to external operators.

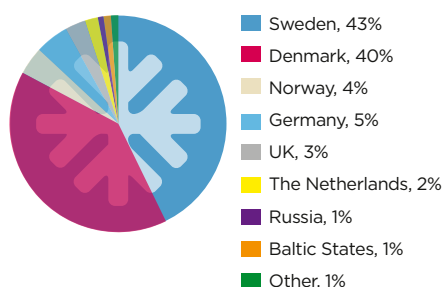
MARKET

The 2019/20 season was very strong until the facility was forced to close on 12 March due to the risk of the novel coronavirus spreading. The shutdown led to the number of skier days falling to 958,000, a decline of around 15 percent compared to 2018/19. The occupancy rate in cabins and apartments owned and mediated by the Group amounted to 64 percent (85). Of the guests staying in this accommodation, 43 percent came from Sweden, 40 percent from Denmark and 4 percent from Norway. The Danish and Swedish guests mainly arrive in their own cars. Most Norwegian guests come from the Oslo region and therefore also prefer to travel in their own cars. Germany, Russia and especially the UK are regarded as important markets for the future. The main target group in all markets is families with children.

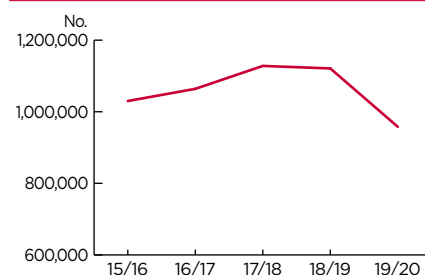
INVESTMENTS

Investments of approximately SEK 42 million were made in the 2019/20 season. The largest investments, in addition to annual maintenance, were in the new snow system in the popular number 13 slope at the tourist centre, along with the construction of the new Fjellroa restaurant in Fageråsen. The new restaurant has 50 percent more capacity than the previous one, a more modern design and a new food concept. Continuous investments are made in the snow system to ensure the destination has reliable snowconditions, as well as widening of the slopes so guests will have a better and safer alpine experience.

PROPORTION OF GUESTS by nationality



SKIER DAYS



A FAMILY RESORT IN THE HEART OF THE TYROL

Accessible and relaxing destination for pleasure-seekers of all ages.



ST. JOHANN IN TIROL IN FIGURES	2019/20
No. skier days	283,000
Number of lifts	17
Lift capacity, skiers/hour	15,000
Number of slopes	22
Number of children's areas	4
Longest slope, kilometres	6
Total length of groomed slopes, kilometres	43
Maximum vertical drop, metres	940
Highest groomed ski area, metres above sea level	1604
Total area of groomed slopes, square metres	1,333,000
Area covered by snowmaking systems, square metres	1,040,000
No. lighted slopes	1
No. snow parks	1

DESTINATION AND FOCUS

St. Johann in Tirol is a charming ski resort situated in the heart of the Austrian Tyrol, roughly 60 kilometres from Salzburg, 100 kilometres from Innsbruck, 160 kilometres from Munich and 7 kilometres from Kitzbühel. A total of 17 lifts transport skiers up to the summit of the skiing area, 1,604 metres above sea level. Some 43 kilometres of red and blue runs then take you all the way from the summit down to the village, along the north side of Kitzbüheler Horn. St. Johann in Tirol also offers large areas for children and beginners, which give the resort a distinct family-oriented atmosphere.

OPERATIONS

St. Johann in Tirol's main source of revenue is SkiPass sales. Lifts and slopes are on land leased by the company. Commercial accommodation is offered primarily via small, family-owned hotels. Ski hire and the ski school are run by external operators in cooperation with the resort. The

skiing area has 19 slope restaurants, many of them housed in family-owned farms on the mountainside.

MARKET

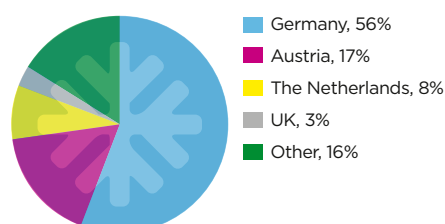
Operations at the ski resort of St. Johann in Tirol were affected by the spread of the novel coronavirus, and the lifts were forced to close on 15 March. This led to a decline in the number of skier days of 8 percent compared with the previous season, amounting to 283,000. Guests are mainly coming from Germany, Austria, the Netherlands and the UK. Three international airports within a radius of 150 kilometres and a railway with a station in the centre of the village make St. Johann in Tirol easy to get to from most of the major cities in Europe.

INVESTMENTS

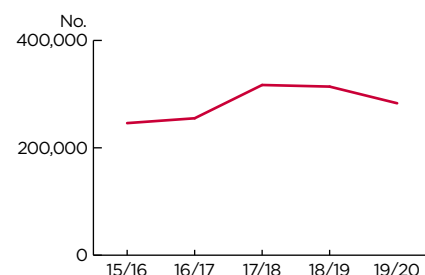
Approximately EUR 1.5 million, or SEK 16 million, was invested ahead of the 2019/20 financial year. In addition to investments in machinery

and equipment maintenance, investments were also made in a new "Valle" children's lift in Oberndorf. The lift has proved to be a popular addition to the children's area and was used extensively during the season. Investments were also made in more snow systems during the season to ensure good, early snowmaking at the facility.

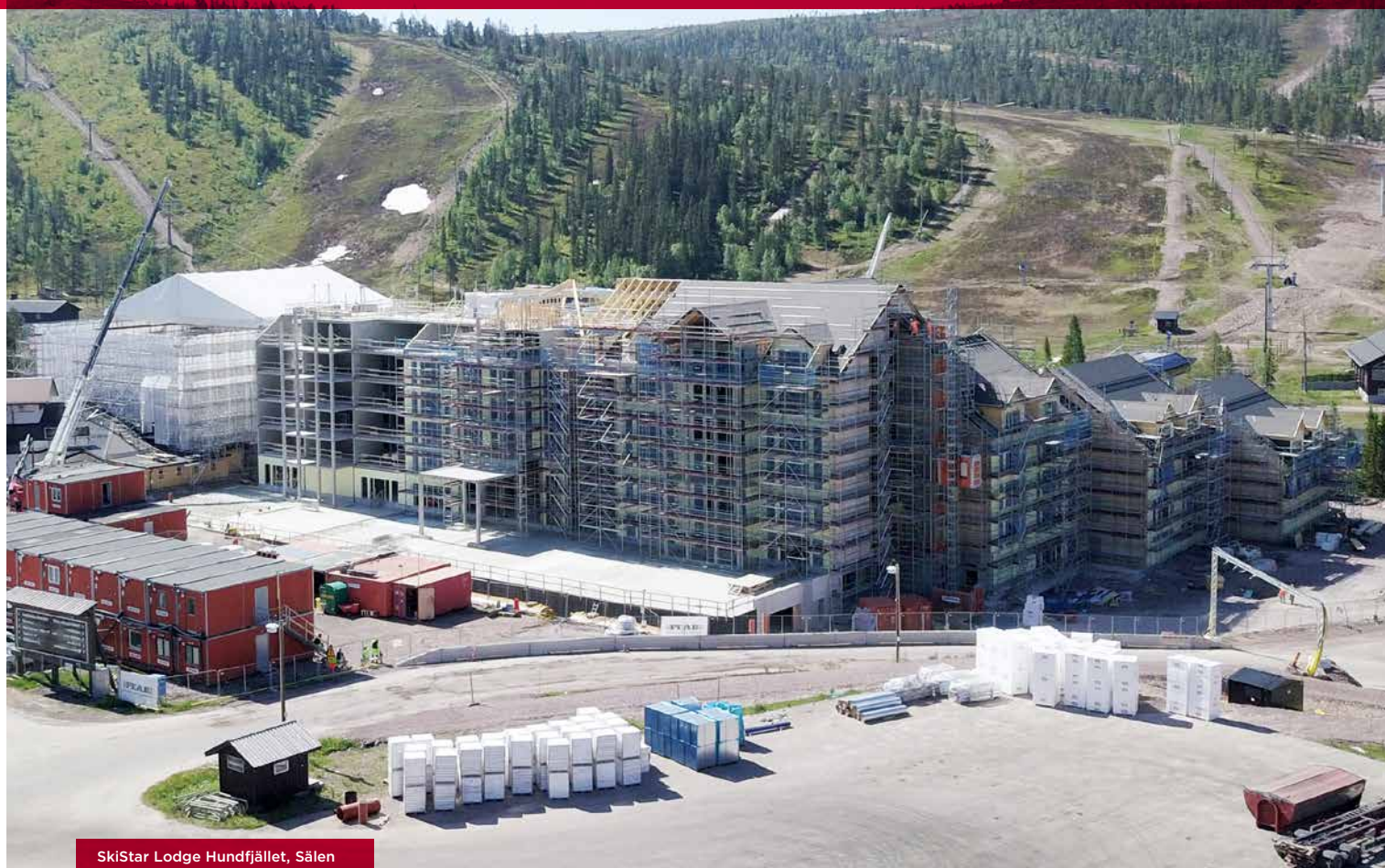
PROPORTION OF GUESTS by nationality



SKIER DAYS



Property Development and Exploitation



SkiStar Lodge Hundfjället, Sälén

As of the 2018/19 financial year, the Property Development & Exploitation segment encompasses non-current assets such as land, property and investments in co-owned companies. The focus is on developing and realising value. This is achieved by drawing up long-term development plans for future investments at SkiStar's destinations. Such investments will create business opportunities through, for example, the sale of land and plots, building for rental, building for sale or to increase value in some other manner. This can either be carried out by SkiStar or in cooperation with other partners. The segment's revenues mainly comprise capital gains from the divestment of utilised non-current assets. Investment credits have been allocated to the segment where pledged assets are reported. Assets attributable to the segment comprise properties, which are recognised at their carrying amount, as well as an interest in a joint venture for property development. For detailed information about the segment's earnings and position, please refer to Note 3 on page 58.

PROPERTY PORTFOLIO

In Sweden, SkiStar owns accommodation properties with a carrying amount of SEK 361 million

(328) via subsidiaries. In addition, there are holdings in associates that primarily own accommodation properties with a carrying amount in which SkiStar's share amounts to SEK 139 million (145) and holdings in tenant-owner associations with a total carrying amount of SEK 22 million (25).

In Norway, the subsidiary Fjellinvest Norge AS owns SkiStar Lodge Alpin Hemsedal, with a carrying amount of SEK 72 million (81), along with 50 percent of the Radisson Blu Resort and the Radisson Blu Mountain Resort in Trysil and SkiStar Lodge Suites in Hemsedal via a joint venture in which SkiStar's share of the carrying value amounts to SEK 466 million (533).

LAND ASSETS

Land development assets and unsold plots total 5.4 million sqm (5.4). Most of the assets were acquired a long time ago and therefore have a low acquisition value. No market valuation of the assets has been conducted, as it is difficult to make a reasonable assessment of the possible exploitation rate of the land assets. Based on our own assumptions and experience, around 50 percent of the land can be built on, which is 2.7 million square metres. If the land is sold as plots,

it would mean 2,700 plots, each comprising 1,000 square metres.

LAND AND PLOTS FOR SALE

At the end of the financial year, development land was available for sale in Ullådalen, Åre, and two plots in Björnrike, Vemdalen. In the Sadel area in Åre there is an additional detailed development plan in a fifty-percent owned joint venture for continued sales to newly formed housing associations.

SKISTAR VACATION CLUB

SkiStar Vacation Club is a form of accommodation that is customised to meet guests' demands and requirements. The apartments are divided into weekly units, and guests purchasing one or more of these units are entitled to the additional benefits of membership of the international exchange and placement organisation, RCI, as well as membership of SkiStar Vacation Club. This form of accommodation is cost-effective, simple and flexible for the timeshare owner. Cost-effectiveness is achieved either through the utilisation of a purchased week, compared with the equivalent cost of renting for that week, or by exchanging the week with a trip abroad



Project image, SkiStar Lodge Hundfjället, Sälen

through RCI. In addition, the timeshare owner can purchase foreign trips through the RCI system. SkiStar Vacation Club also provides timeshare owners with a raft of advantages and benefits during their stay. The simplicity of timeshares comes from the fact that the guest is not responsible for the maintenance of their ownership share. Instead, the tenant-owner association, of which the timeshare owner automatically becomes a part, takes care of the maintenance and development. The apartment is always clean, the beds made up, and it is warm and ready ahead of the guest's arrival. Flexibility is achieved as the timeshare owners can enjoy RCI's entire range of over 7,000 destinations worldwide. SkiStar Vacation Club is currently offered in Sälen, Vemdalen and Åre, however, the intention is to roll out the concept to more destinations.

REVENUE AND EARNINGS

Revenue from Property Development & Exploitation amounted to SEK 219 (296) million, with a loss of SEK 56 (152) million. During the year, interests in accommodation were sold for a total of SEK 117 million (78), with a profit of SEK 55 million (68). SEK 43 million (33) related to rev-

enue from sales of shares in Vacation Club and SEK 74 million (45) to other interests in accommodation. Profit is broken down as follows: SEK 29 million (23) attributable to Vacation Club and SEK 26 million (45) to other interests. Sales of interests in accommodation other than within Vacation Club are mainly derived from the divestment of apartments in Vemdalen and Hotell Renen in Duved. The Vacation Club increase is due to new cabins or apartments being added in Åre, Vemdalen and Sälen during the year.

During the year, exploitation assets were sold for a total of SEK 59 million (126), with a profit of SEK 50 million (98). SEK 33 million (10) related to revenue from the sale of land, while SEK 26 million (116) was from the sale of plots. Profit is broken down as follows: SEK 26 million (10) to land and SEK 24 million (88) to plots. Sales of plots related to 8 plots (53), including 1 in Åre and 7 in Sälen. The average profit per plot was SEK 3.3 million (1.7). The average profit per plot over time is estimated at around SEK 2.5 million. In a fifty-percent owned joint venture, the sale of land to two tenant-owner associations generated SEK 13 million (16) in share of profit. Other activities within Property Development

& Exploitation relate primarily to rental of accommodation to the Operation of Ski Resorts segment.

INVESTMENTS

The investments expected to be used in the Group's own operations amounted to SEK 366 million during the financial year. In Sälen this involved the completion of the third stage in Solbacken in Tandådalen with a further 24 apartments and a gym, along with the fourth stage comprising 44 apartments to be used for the first time in the 2020/21 winter season. A fifth stage with 30 apartments has been launched with expected completion for the 2021/22 winter season. The construction of SkiStar Lodge Hundfjället is continuing with 153 double rooms and apartments, a restaurant, a bar and a sporting goods outlet, with completion set for the 2021/22 winter season. Redevelopment of the adjacent Hundfjällscenter building got under way during the year, comprising a restaurant and pool/spa. In Åre, planning continues for SkiStar Lodge Åre in the area around the Cable Car (Sw. Kabinbanan).

Development projects



Project image, ICA Supermarket Lindvallen, Sälen

DEVELOPMENT PROJECTS WITHIN SKISTAR LIVING

SkiStar Living aims to develop, package and sell attractive accommodation solutions at SkiStar's destinations. This involves SkiStar Living working with Group management and the management of each destination to develop and refine the destinations' areas with both modern sleeping accommodation and infrastructure, to support SkiStar's core operations in the short and long term and help boost profitability. SkiStar Living will also offer a market-specific range of ownership alternatives for accommodation at SkiStar's destinations and provide services for existing and potential cabin and timeshare owners, to encourage loyal owners and a high occupancy rate.

At all destinations, identifying future development projects is an ongoing process. These projects require capital and can either be carried out by SkiStar or in cooperation with other partners. To follow is a more detailed description of the Group's current development projects within exploitation.

Sälen

In Sälen, SkiStar owns large land development areas. Several significant master and local development plans are under way, for implementation over the next few years. Essentially, they involve consolidating central facilities at each of the Sälen destinations. This is to meet demand for ski-in, ski-out accommodation. These plans will facilitate the creation of just over 7,000 new beds. In Hundfjället, the construction of a hotel under the name SkiStar Lodge Hundfjället has been under way since spring 2019. The building comprises almost 18,600 square metres GFA, including 1,500 square metres of underground parking. In addition to a ski shop, the hotel building will also include a restaurant, a lounge bar and 805 beds allocated across 153 rooms/apartments. SkiStar Lodge Hundfjället will be ready to welcome guests in time for the 2021/22 winter season.

In Tandådalen, stage three of Solbacken was completed during the financial year. This stage consisted of two major buildings containing 418

beds distributed across 39 apartments. In addition to the accommodation, gym and laundry room, the buildings will also house a modern ICA Nära supermarket. Stages four and five of Solbacken are under construction. Stage four will be completed before the 2020/21 season and stage five during summer 2021. In total, these two stages contain 440 beds distributed across 74 apartments. In Lindvallen, a shopping and activity area is being completed. The area contains three development rights totalling 10,000 sq m. The first to open will be ICA Supermarket in November 2020. Construction of an activity centre is planned before summer 2021.

Åre

The planning phase for construction of SkiStar Lodge Åre as well as new lifts is under way. The project involves around 155 apartments/hotel rooms with around 750 beds for commercial use. The building will also contain a restaurant, spa, conference facilities, shops and an underground parking garage.



Project image, Solbacken in Tandådalen, Sälen

Åre Sadeln, the popular area in Åre Björnen, will continue to be developed in additional stages. The project is owned 50/50 with Peab Bostad AB and will be carried out in seven stages, providing about 1,000 beds. Stages 5 and 6 are in production, with a total of 48 apartments, which will be ready for occupancy in autumn 2021. The building permit application for the final stage will be submitted this autumn. Sales will provisionally commence in December. There are also plans to build a restaurant, a warming cabin and a few commercial apartments directly connected to Sadeln's skiing area.

Vemdalen

In Vemdalen, there is still significant activity among external investors regarding the construction of commercial beds. New accommodation property is being built for commercial and private use in all three areas: Vemdalskskalet, Björnrike and Klövsjö. The largest development is taking place in Skalet's square and in the skiing area next to the children's area, both situated in

Vemdalskskalet. In Björnrike, SkiStar is a minority owner in a development project encompassing Björnrike's new plaza. Plans are under way there for a building containing a bakery and café, as well as a few commercial apartments for the 2021/22 season. In Vemdalskskalet, work is under way on a local development plan relating to land owned by SkiStar for future housing. SkiStar also owns land for which there is already a local development plan in Vemdalskskalet, which has scope for approximately 20 apartments, in Klövsjö for roughly 20 apartments and in Björnrike for roughly 160 apartments and stores.

Hemsedal

Fjellnest Hemsedal is a housing project encompassing a total of 169 apartments close to the ski resort's popular children's area. Sales in the first stage involving some 69 apartments were due to restart in the week beginning 28 September 2020. Sales came to a halt due to the coronavirus pandemic. Construction is planned to start in spring 2021.

Trysil

In Trysil, work has begun on the construction of 28 new apartments at Aasgard Fjelltun. The project, which is co-owned with Fageråsen Fritid AS and in which SkiStar has an 85-percent holding, will mean the addition of around 200 new beds. Aasgard Fjelltun has so far sold and delivered 12 apartments. The remaining 16 apartments will be delivered in the first quarter of 2021. All have been sold. Planning is under way for around 40 apartments in Trysil Suiter.

The SkiStar share

SkiStar's B share is listed on the Mid Cap list of the Nasdaq Stockholm exchange. SkiStar had 46,735 shareholders at 31 August 2020 and the share's closing price was SEK 104.



SHARE STRUCTURE

The company's share capital at 31 August 2020 amounted to SEK 19,594,014, allocated among 78,376,056 shares. Of these shares, 3,648,000 are Class A shares entitling the owner to ten votes per share, and 74,728,056 are Class B shares entitling the owner to one vote per share. All shares have equal rights to dividends.

SHARE PRICE PERFORMANCE AND TRADING

During the 2019/20 financial year, the share price increased by SEK 12.00 (10.34 percent) to SEK 104. Nasdaq Stockholm's all-share index (OMXSPI) gained 15.15 percent over the same period. SkiStar's B share was listed in 1994. Since the company was listed, the share price has increased from SEK 4.50 to SEK 104, adjusted for share splits. During the 1 September 2019–31 August 2020 period, 21,871,114 SkiStar shares (16,300,732) were traded on Nasdaq Stockholm at a total value of SEK 2,169 million (1,860). The highest price paid was SEK 128.80

on 1 October 2019, and the lowest was SEK 60.50, noted on 17 March 2020. On 31 August 2020, SkiStar's market value amounted to SEK 7,772 million (9,092).

SHAREHOLDERS

According to the shareholder register maintained by Euroclear Sweden AB, there were 46,735 shareholders (36,874) on 31 August 2020. At the end of the financial year, the ten largest shareholders accounted for 64 percent (64) of the capital and 75 percent (75) of the votes. Foreign shareholders accounted for 14 percent (16) and Swedish institutional owners for 14 percent (19) of the capital. Major shareholders who have changed their holdings in 2019/20 include Handelsbanken Fonder, which increased its holding to approximately 2.71 percent of the capital, and BNY Mellon SA/NV (formerly BNY) and Nordea Investment Funds, which reduced their holdings to 1.10 percent and 1.39 percent of the capital respectively.

DIVIDEND POLICY

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

In view of the financial effect that the spread of the novel coronavirus is having on SkiStar and the continuing uncertainty regarding its impact on the company's operations, the Board proposes that no dividend be paid for the 2019/20 financial year.

SHARE INFORMATION

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

DATA PER SHARE

	2019/20	2018/19	2017/18	2016/17	2015/16
Average number of shares*	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056
Earnings per share, SEK	3:71	5:95	6:25	4:96	3:91
Cash flow from operating activities, SEK	9:37	9:22	8:67	8:03	6:65
Equity, SEK	33	33	31	27	24
Share price, SEK	104:00	116:00	101:00	93:25	71:00
Dividend, SEK	0:00	3:50	3:50	2:75	2:50
P/E ratio, times	28.0	19.5	16.2	18.7	18.2
Share price/cash flow, times	11.1	12.6	11.7	11.6	10.7
Share price/equity, %	318	349	327	350	298
Dividend yield, %	0.0	3.0	3.5	3.0	3.2

* 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.

OWNERSHIP STRUCTURE, 31 AUGUST 2020

Holdings	Number of owners	%	Number of Class A shares	Number of Class B shares	Capital, %	Votes, %
1-200	31,099	66.54		2,028,103	2.59	1.82
201-1,000	13,062	27.95		5,873,841	7.49	5.28
1,001-5,000	2,137	4.57		4,540,217	5.79	4.08
5,001-100,000	378	0.81		6,116,078	7.80	5.50
100,001-	59	0.13	3,648,000	56,169,817	76.32	83.31
Totalt	46,735	100	3,648,000	74,728,056	100.00	100.00

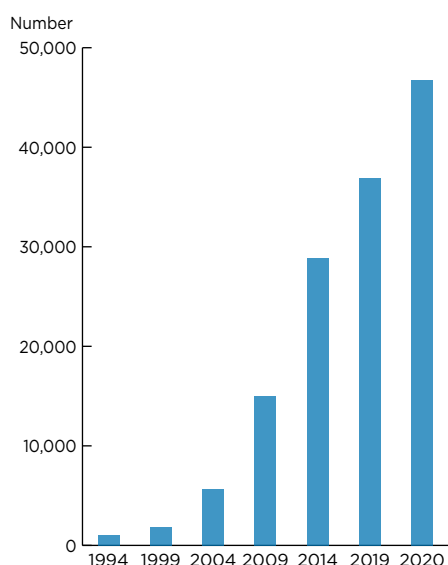
SHARE STRUCTURE, 31 AUGUST 2020

Share type	Number of shares	Number of votes	Capital, %	Votes, %
Class A, 10 votes	3,648,000	36,480,000	4.65	32.8
Class B, 1 vote	74,728,056	74,728,056	95.35	67.2
Total	78,376,056	111,208,056	100	100

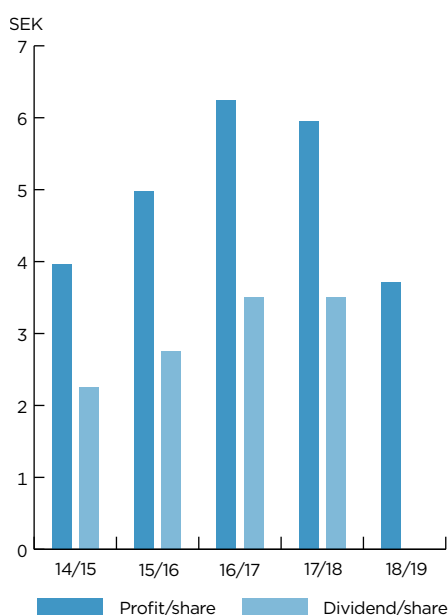
LARGEST SHAREHOLDERS, 31 AUGUST 2020

Owner	Class A shares	Class B shares	Capital, %	Votes, %
Mats and Fredrik Paulsson incl. company and family	3,648,000	15,284,978	24.16	46.55
Erik Paulsson family incl. company	0	18,287,420	23.33	16.44
Swedbank Robur fonder	0	4,111,343	5.25	3.70
Handelsbanken Fonder	0	2,126,847	2.71	1.91
Lima Jordägande Sockenmän för Besparingsskogen	0	1,800,000	2.30	1.62
State Street Bank and Trust Co, W9	0	1,586,786	2.02	1.43
Nordea Investment Funds	0	1,089,387	1.39	0.98
BNY Mellon SA/NV (formerly MELLON), W9	0	944,457	1.21	0.85
Öhman Bank S.A	0	912,320	1.16	0.82
BNY Mellon NA (formerly BNY), W8IMY	0	858,658	1.10	0.77
CBNY-Norges Bank	0	848,353	1.08	0.76
Prior & Nilsson Fond- och Kapitalförvaltning AB	0	714,155	0.91	0.64
JPM Chase Na	0	664,056	0.85	0.60
Per-Uno Sandberg	0	654,415	0.83	0.59
Other shareholders	0	24,844,881	31.70	22.34
Total shares outstanding	3,648,000	74,728,056	100.00	100.00

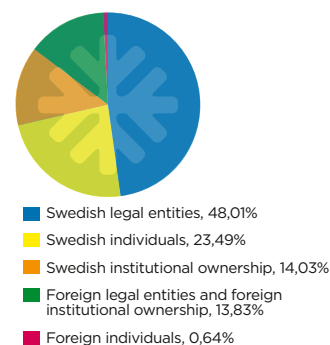
NUMBER OF SHAREHOLDERS, 31 AUGUST



EARNINGS AND DIVIDENDS PER SHARE, SEK

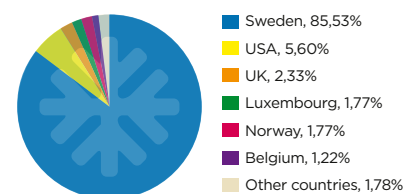


OWNERSHIP CATEGORIES 31 AUGUST 2019

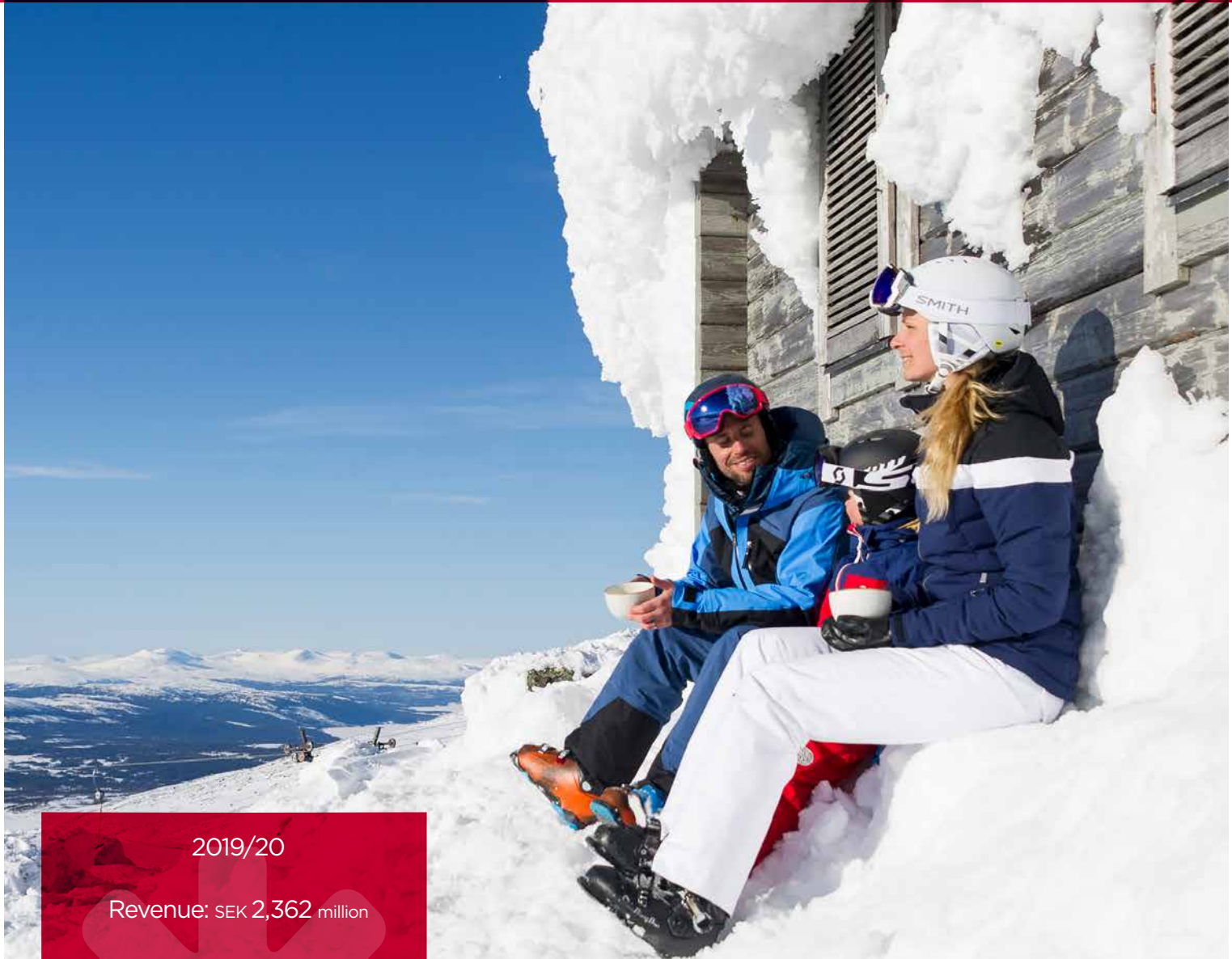


LARGEST SHAREHOLDER COUNTRIES

Share of equity, %



SkiStar as an Investment



2019/20

Revenue: SEK 2,362 million

P/E: 28.0

Operating margin: 16%

Profit after tax: SEK 287 million

Cash flow: SEK 735 million
from operating activities

Earnings per share: SEK 3.71

Share price trend: +8%
year on year, over the past five years

Equity/assets ratio: 43%
The equity/assets ratio excluding IFRS 16
was 49 percent

SkiStar is a market leading operator of ski resorts in Sweden, Norway and Austria, whose offering and efficient organisation has generated consistent growth with stable profitability.

The company holds a leading position in Scandinavia, and its business model has proved to be scalable via the development of St. Johann in Tirol. The trend of active leisure time and holidays means that SkiStar will further consolidate its position in the future.

Sales have purposely focused on skistar.com, where customers' engagement has been monitored, thus giving SkiStar a direct relationship with the customer. This is a competitive advantage.

The company also owns substantial assets in the form of land and properties at the destinations where SkiStar operates. Property development and exploitation operations

generate capital gains, but also strategic projects that increase the number of beds, and thus potentially also guest numbers, for core operations.

SHAREHOLDER BENEFITS

Shareholders who own a minimum of 200 SkiStar shares receive a discount at all SkiStar destinations. The discount amounts to 15 percent on SkiPass, purchases at skistarshop.com and ski rental and SkiStar's own ski school. The shareholder discount extends to family members as well (spouse/partner and children under 18).

Find out more about booking with the shareholder discount and the complete terms and conditions at skistar.com or contact Shareholder Services at aktieagarservice@skistar.com or +46(0)280-880 95.

Sustainability

SkiStar is Scandinavia's leading operator in alpine mountain tourism. Protecting the unique mountain environment in which the company operates is a fundamental condition for the sustainable development of SkiStar's business. SkiStar's sustainability efforts are an integral aspect of our daily work and a natural part for all employees.

SkiStar's sustainability report for the 2019/20 financial year has been prepared in accordance with Global Reporting Initiative (GRI) Standards guidelines, Core option. SkiStar's GRI index on pages 72–73 contains references to where the information can be found in the annual report. Notes to the sustainability report can be found on pages 74–75.

Sustainability governance

SkiStar's sustainability work is based on the critical sustainability areas that have been identified as part of a materiality analysis (see page 74). The materiality analysis gives SkiStar the opportunity to live up to the expectations placed on the company by its stakeholders and enables it to meet the opportunities and challenges linked to aspects of sustainability.

Internal controls

SkiStar is guided by several policies and regulatory documents that clarify the company's risks, risk management strategy and approach to achieving its objectives. All policies are reviewed annually and constitute a basic tool to ensure each employee at SkiStar can easily access information regarding how they are expected to act, when and for what reason.

Risk management

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

company's materiality analysis. SkiStar's risk management is described in the administration report on pages 37–39.

Code of Conduct

SkiStar's Code of Conduct has been determined by the company's Board of Directors. The Code clarifies SkiStar's guidelines and values, creates transparency and functions as a blueprint for how SkiStar's employees should behave towards one another and the people they meet. It also explains that SkiStar supports the ten principles of the UN Global Compact regarding human rights, working conditions, the environment and anti-corruption, as well as the ILO's eight fundamental conventions concerning minimum standards for working conditions. SkiStar's Code of Conduct is reviewed annually and is available to all employees via the intranet.

Policies

In addition to the overall Code of Conduct, SkiStar also operates according to several policies. The purpose of these policies is to create transparency and clarify how we intend to pursue operations with a long-term, sustainable approach to generate growth and develop the company. Annual online training is provided to increase awareness and understanding of how SkiStar is expected to act and respond to its operating environment. The training is also aimed at increasing understanding of how sustainability aspects should be observed in all areas of the business, and how they should be a natural consideration for every employee at all levels and in all decisions. All the company's policies are available to SkiStar's employees via the intranet. A review of all policies is carried out each year and they are covered in the annual training, alongside the Code of Conduct. Find out more about SkiStar's policies on page 82.

Compliance and reporting

SkiStar aims to achieve full compliance with

the company's policies. For everyone to feel confident that the company is working towards shared goals, and to pick up on any possible policy breaches, SkiStar has established a whistleblower service. The service is designed to give all employees the opportunity to anonymously report any suspicions of serious irregularities. The whistleblower service is a warning system aimed at reducing risks, preferably at an early stage in the chain of events. A whistleblower service is an important aspect of effective corporate governance and maintains public confidence in us as a company. Directives and procedures for reporting are available to all employees. No cases of SkiStar's policies being violated were reported during the year.

Supplier Code of Conduct

Effective partnerships and responsible procurement of suppliers are an important factor in the ongoing sustainable development of operational activities. SkiStar works with many different suppliers within the company's various business areas. Both price and the length of the business relationship with each supplier consequently vary. SkiStar applies a Supplier Code of Conduct, which sets out the expectations SkiStar has of its suppliers. SkiStar's Supplier Code of Conduct includes respect for human rights, among other areas. It states that suppliers are to be familiar with basic human rights and labour conditions, and to respect them and comply with them. All SkiStar's suppliers and business partners are expected to accept this Code of Conduct. SkiStar will act on any breaches. SkiStar's Supplier Code of Conduct is available on SkiStar's website, skistar.com/en/company-information, under Sustainability.

To ensure responsible procurement, SkiStar works based on established directives for purchasing, which take account of various perspectives during procurement and purchasing processes, including accessibility, price and quality, along with sustainability aspects.

SUSTAINABLE DEVELOPMENT OBJECTIVES

Building on SkiStar's sustainability work and facilitating sustainable development of the company demands dedication and a long-term approach. Long-term business objectives were established in 2018/19. These objectives cover all sustainability aspects that are relevant to the business. Each goal has an associated plan of

action, including activities and measures. The objectives have been linked to the UN's 17 Sustainable Development Goals (SDGs) to ensure SkiStar's goals generate long-term value both in the regions in which SkiStar operates and from a global perspective.

SkiStar's business was affected by the shut-

down of activities, first in Norway and Austria and then Sweden, when the Public Health Agency advised SkiStar to shut down given the heightened pressure locally on the healthcare system at that time. This affected the outcome of SkiStar's sustainability goals, and several of the projects were postponed to a later date.

OBJECTIVES

Area	Goal	Outcome 19/20	UN	
			Global Goals	Status
Education/Further education	SkiStar will train all employees in relevant sustainability areas.	During the financial year, all new employees, seasonal employees and permanent employees took part of SkiStar's online sustainability training.	4.7	●
	SkiStar will offer employees opportunities for training and professional development.	To ensure that employees maintain and develop their skills and to guarantee future needs, the Group places great emphasis on training and education. On average, a permanent employee has 10 hours of training per financial year, while a seasonal employee has 25 hours of training per year.	8.6	●
Water consumption	SkiStar will endeavour to improve biodiversity in lakes and watercourses, partly via responsible water usage and partly by participating in projects that boost biodiversity.	During the financial year, SkiStar Vemdalen completed a number of improvements to Varggransstjärnen lake together with the local fishery management association. As a result, summer fishing on Varggransstjärnen was improved and there is more water for making snow for the slopes in Vemdalskalet in the winter.	6.4, 6.6	●
Emissions	SkiStar will not have any emissions of greenhouse gases from its own vehicles or from energy consumption by 2030.	During the financial year, SkiStar's carbon footprint amounted to 3,419 tonnes, which is an 18% reduction from 2018/19.	13.1, 13.2	●
Energy	During the 2019/20 financial year, SkiStar will select certification models for its own construction of new housing, which will be implemented in the 2020/21 financial year.	It was decided during the financial year that all new housing construction managed by SkiStar is to be certified to the silver standard of the Sweden Green Building Council.	12.3	●
Biodiversity	SkiStar will participate in projects to promote biodiversity at all its destinations.	Due to the coronavirus pandemic, planned projects are being postponed to a future date.	15.4, 15.5	○
Circular resource management	SkiStar will offer guests opportunities to sort waste for recycling at all destinations by 2025.	During the financial year, there were ongoing dialogues with relevant partners to ensure the availability of waste recycling at all SkiStar destinations. Due to the coronavirus pandemic, planned projects are being postponed to a future date.	12.5	●
	SkiStar will work towards increasing the rental of beds already available at SkiStar's destinations.	Due to the coronavirus pandemic, SkiStar closed its ski resorts early during the winter season, which resulted in fewer beds being rented out compared to 2018/19. In contrast, the number of ski rental outlets increased, which SkiStar views as a positive trend of circular resource management.	12.5	●
Health and safety	SkiStar's workplaces will be free from alcohol and drugs.	SkiStar aims to guarantee a healthy and safe work environment, so one of our basic requirements is a drug and alcohol-free workplace. During the financial year, over 1,000 alcohol tests and 270 drugs tests were carried out.*	3.5	●
	SkiStar's workplaces will be accident free.	SkiStar has a structured work process that includes work environment teams and a crisis management organisation for each destination that work to prevent accidents and near-accidents. There were 105 near-accidents among SkiStar's employees during the financial year. None of these near-accidents was classified as serious.	8.6	●
Diversity	SkiStar will increase diversity in senior management.	Diversity among senior executives at SkiStar increased during the financial year by 6% compared with 2018/19.	5.5	●
	80% of SkiStar's employees should be willing to recommend SkiStar as an employer.	The consolidated employee survey for 2019/20 shows that 79.6% of SkiStar's employees would recommend SkiStar as an employer.	8.6	●
	SkiStar will keep the proportion of returning young employees among SkiStar's seasonal employees to two thirds.	During the financial year, 69% of seasonal employees returned to SkiStar.	8.6	●
Indirect economic impacts	SkiStar will be a leading advocate of sustainable tourism at the company's destinations, with growth in visitor numbers.	Expected growth within tourism and hospitality during the winter season came to a halt due to the coronavirus pandemic. A positive trend in the number of overnight stays was seen during the summer season, with the county of Jämtland seeing the strongest growth**; an area that includes SkiStar's destinations of Åre and Vemdalen.	8.1, 8.9	●
	SkiStar will work to encourage more children and young people to get active, whatever their circumstances.	SkiStar strives to constantly inspire people's enthusiasm for keeping active. Some examples of SkiStar's contribution to increasing activity among children and young people during the 2019/20 winter season include: * Giving out 2,826 free Skipasses to children and young people under the age of 15 staying at SkiStar's destinations. * Over 35,000 children attended Valle's Ski School. * SkiStar launched a collaboration with Save the Children and Generation Pep as part of the Digifritids initiative to get children and young people exercising more and eating healthy food.	3.D	●

* The drugs and alcohol tests are only carried out at SkiStar's Swedish destinations.

** Statistics from Swedish Agency for Economic and Regional Growth - compared year on year.

● Completed ● Started ○ Not started

ECONOMIC RESPONSIBILITY



SkiStar's mission is to create long-term, sustainable value for shareholders via stable and solid finances. Solid finances are also important to satisfying expectations from guests and other stakeholders in the long term. The alpine ski industry requires large capital investments to maintain and increase competitiveness. This means that the financial targets are established to create a strong cash flow. SkiStar's CEO and management team have overall responsibility for ensuring operations are directed towards achieving these financial targets. For details regarding goals, outcomes and financial risks, please refer to pages 10–11.

Several financial targets are established each year, which are continually followed up during the year in connection with internal reports and quarterly reporting to the Board of Directors.

Taxes affect return but are also a responsi-

bility issue for SkiStar as a corporate citizen.

SkiStar complies with the tax legislation in each country in which operations are conducted.

SkiStar operates in sparsely populated areas of both Sweden and Norway. SkiStar's presence boosts the tourism industry and gives other operators that are complementary to a certain extent an opportunity to offer services within and near the destinations, including restaurants, hotels and other alpine activities. These activities provide jobs in the local area and thus increased tax revenues, which in turn allow opportunities for a positive impact on the region in the form of improvements to infrastructure.

Visitors to the region, permanent residents and local businesses benefit from an operator that adopts a long-term and sustainable approach to alpine tourism.

Anti-corruption

SkiStar's risk management and regulatory documents cover anti-corruption. SkiStar's anti-corruption efforts primarily aim to counteract corruption within the company. This is achieved by analysing risks associated with corruption and establishing purchasing procedures and guidelines to counteract incidents, and monitoring and acting on confirmed cases of corruption. All SkiStar's employees are trained in how to combat corruption, in order to improve knowledge and raise awareness. SkiStar has a zero-tolerance policy when it comes to bribery and corruption. A whistleblower service has been set up to reduce the risks associated with corruption.

EMPLOYEES



Employees engagement is essential for SkiStar. Motivated and satisfied employees will provide good service for guests, and our guests are always at the core of SkiStar's operations. If guests experience good service, they will come back. This is an extremely important factor in generating long-term profitability. To have motivated employees, there are several elements that are vital to the company's success. SkiStar is a big employer. At all its destinations, SkiStar has collective agreements that regulate minimum wages and employee rights in relation to the employer. All SkiStar employees, except for the CEO, are covered by collective agreements.

Work environment, health and safety

Health and safety include both safe and secure workplaces for Group employees, good working conditions and a healthy work/life balance. Living and working at one of SkiStar's destinations allows good opportunities for an active lifestyle in a natural alpine environment. Each SkiStar destination has a work environment team that ensures the organisation works systematically with health and safety, which includes, for example, regular safety inspections and risk assessment of operations. SkiStar also has a robust crisis management organisation at each destination, with procedures for escalating to crisis mode in the event of serious incidents. Crisis management exercises are carried out every year to improve our ability to handle serious situations.

SkiStar carries out regular employee surveys to ensure a good and pleasant work environment. These employee surveys also serve to identify areas where there is potential for improvement. Following the surveys, three focus areas are selected that SkiStar then works on to bring

about further improvement, and to respond to employees' preferences and expectations. Health checks are also carried out regularly to prevent occupational risks and contribute to the physical wellbeing of the company's employees. Performance and salary reviews are conducted annually with all employees.

Diversity and equality

Equal treatment and rights apply regardless of gender, sexual orientation, ethnicity, beliefs, disability or age. SkiStar does not accept any form of discrimination and takes strong action in response to incidents and conduct that contravenes SkiStar's policies and directives. The company's corporate culture is characterised by values and attitudes that are consistent with SkiStar's diversity policy. As with other policies, the diversity policy is reviewed annually.

Responsibility for active gender equality work lies with each department/business area

manager. SkiStar has a zero-tolerance approach to all forms of discrimination and discriminatory treatment. SkiStar places great emphasis on the importance of valuing differences and diversity. SkiStar works to create an inclusive working environment, an important aspect of which is for all employees to feel a sense of belonging.

Recruitment

Another key issue for both the company and the industry is recruitment and ensuring that the right skills are available in the future. SkiStar's mountain locations mean that it needs to devote considerable time to developing partnerships with companies that run similar seasonal operations during the summer months, and the company works closely with local firms in the tourism industry. SkiStar uses an online recruitment tool that promotes a qualitative selection process. SkiStar's values are matched with those of potential candidates. A well-structured

FROM DAILY OPERATIONS

- * SkiStar is part of young people's first experience of the world of work. Over the past ten years, SkiStar has given over 11,000 young people aged between 18 and 24 the opportunity to gain professional experience.
- * SkiStar has teamed up with Panta Mera. At the destinations, cans and PET bottles are collected in clearly marked 'Panta Mera' containers and igloos. SkiStar opted to use the money collected from recycled bottles this year to purchase protective visors and personal protective equipment that was then donated to the regions of Jämtland/Härjedalen and Dalarna.

- * SkiStar donates to the Swedish foundation Min Stora Dag (My Special Day), which makes dreams come true for seriously ill children. Several My Special Day wishes have been granted at SkiStar destinations, with the help of volunteers and SkiStar personnel.
- * Stefans Stuga in Lindvallen is a specially designed set of accommodation close to the lifts, the purpose of which is to provide a haven where families affected by cancer can relax and spend precious time together. Stefans Stuga is an initiative of the Stefan Paulsson Cancer Fund.



recruitment process lays the ground for successful appointments, which then contribute to the prevailing positive corporate culture.

Employer for young people

SkiStar has provided work for more than 11,000 young people aged 18 to 24 over the past ten years, and the company receives thousands of new applications every year. Being a big employer for young people and offering a way into the job market is an important recruitment strategy for SkiStar.

Launching school partnerships and offering work experience placements are just some examples of how SkiStar is working to attract young people even before they enter the labour market and start looking for their first job.

SkiStar makes a concerted effort to recruit and attract employees from the local areas

around SkiStar's ski resorts. A job with SkiStar provides a great deal of significant experience and opportunities to develop in areas like service, teamwork and interaction with guests. Combining stimulating tasks with the opportunity to lead an active lifestyle and a strong sense of belonging among colleagues boosts SkiStar's appeal as an employer.

Training and education

To ensure that employees maintain and develop their skills and to guarantee future needs, the Group places great emphasis on training and education. All employees complete an online course every year, which focuses on important areas such as sustainability, GDPR and working environment. In addition, SkiStar implements an annual internal leadership programme, and a trainee programme that aims to provide continu-

ity for key functions. Since SkiStar's operations are seasonal, there is a substantial need for seasonal employees. Every winter season, the workforce is made up of roughly two-thirds returning employees and one-third new. This puts pressure on the company to ensure that recruitment, training and staff inductions are systematic and simple, so that a large volume of seasonal employees is well prepared in a short period of time. As an employer, SkiStar is extremely proud of its ability to offer many young people the chance to gain professional experience and the opportunity to develop their skills in their working lives.

Many of SkiStar's employees choose to stay on within the organisation, but with new duties or at a different destination. All employees are encouraged to further develop their skills internally, and combined positions are common.



Cold winters with temperatures below freezing are crucial for SkiStar, so any change in the climate with higher temperatures and a shift in weather conditions can change our situation. SkiStar's vision is to create memorable mountain experiences. Through systematic improvement initiatives, SkiStar will be the sustainable choice for guests. This is done by constantly reducing any negative environmental impact by designing and selecting products and services in such a manner as to limit their environmental impact during purchase, production, utilisation and disposal. SkiStar continually trains and informs its employees to improve environmental awareness and expertise, mainly about the alpine environment.

Energy and energy conservation

SkiStar's goal is to conduct operations adapted to the environment while consuming as little energy as possible. SkiStar endeavours to conserve energy and keep energy consumption to a minimum in its operations. Snowmaking, property management and ski lifts are all processes requiring a great deal of energy. All the electricity that SkiStar procures is green and has been for many years, and our focus is on maximum efficiency to reduce electricity consumption.

To conserve energy, SkiStar will:

- * systematically analyse energy use;
- * adopt processes that use as little energy as possible;

- * consider efficient energy consumption when making new investments and reinvestments, and
- * highlight energy consumption for individual employees and together devise ways of reducing energy consumption without impacting product quality.

Water withdrawal by source

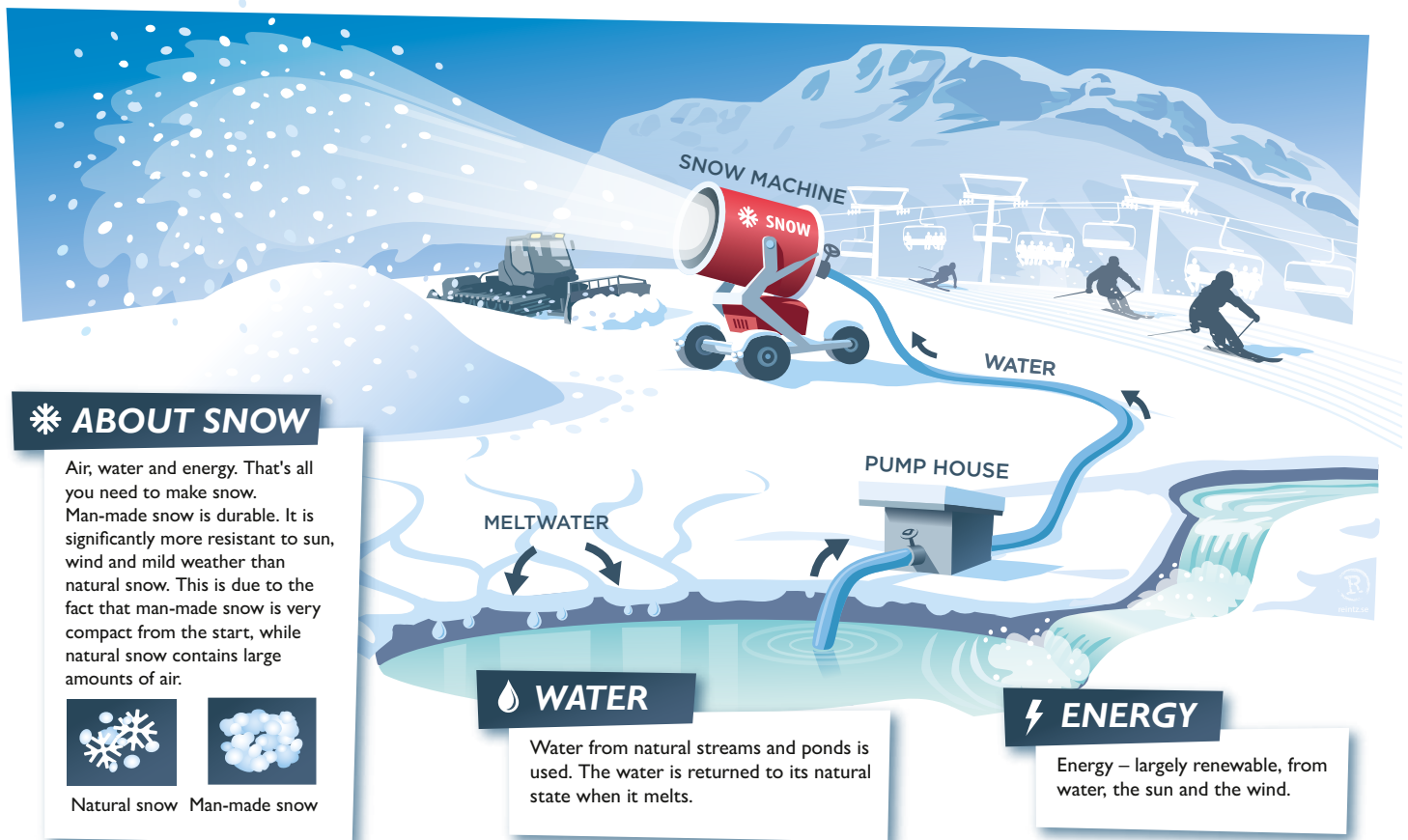
SkiStar's operations are water intensive. The water issue is of great importance from a sustainability perspective, and it is important for SkiStar to manage the assets and resources available responsibly. SkiStar's main water consumption in operations is in the form of snow production. For snow production, SkiStar uses water from nearby watercourses and lakes, known as surface water. In some cases, the water is kept in storage ponds directly adjacent to the ski resorts. When making snow, nothing is added to the water and particles are filtered out before it is used. Water is extracted from water sources mainly during the months prior to the start of the winter season and during the first part of the winter season. In the spring, when the snow melts, all the water returns to natural sources. Water extraction from each source is regulated via water rights court rulings.

The focus for SkiStar is on producing the right amount of snow in the right location in as short a time as possible. In addition to technological advances for snow cannons, other

measuring tools have also had a positive effect on water usage in snow production. All SkiStar's destinations now have piste machinery equipped with GPS systems that measure snow depth to enable optimum snow production in the right locations. SkiStar reduced its water consumption during the financial year by 8 percent compared with 2018/19. See note S4 on page 75.

Snow production

SkiStar's main activities are based on alpine skiing. The company uses snow cannons in order to ensure a good experience on the slopes. To produce snow from the cannons, water is required in combination with air and colder temperatures. Snow production methods have been developed both technically and environmentally. This has in turn led to more efficient snow production. This is achieved using automated snow production systems in which temperature, optimum wind direction, humidity and water temperature are pre-set, meaning snow is made in perfect conditions using a technique that ensures sustainable snow production. Effective snowmaking systems produce a lot of snow during cold snaps. Snow from snow cannons lasts longer than natural snow and is more tolerant of both sun and milder weather. Energy efficiency in snow production has improved considerably over the past 10 years. Snow production has gone from around 7 kWh to produce 1 m³ of snow, to roughly 1 kWh to produce the same amount.



Climate and emissions

There can be no doubt that the world is facing a rise in temperatures. Global warming is happening at a faster rate than anticipated, and a long-term temperature rise of two degrees will mean a drop in groundwater levels, extreme weather and a shortage of sustainable energy.

SkiStar's operations require large amounts of fuel. This produces carbon dioxide emissions, which are one of the main causes of climate change. SkiStar uses new technology and active measures to cut its carbon dioxide emissions. Climate change is considered within the framework of SkiStar's risk management, which evaluates challenges and measures.

The piste machines' GPS-based snow depth measuring function also helps reduce emissions, as it optimises the snowmaking process and driving patterns. SkiStar has also initiated the transition to non-fossil fuel and at the present rate of transition has increased the proportion of non-fossil fuel to 60 percent. This corresponds to

an increase of 5 percent compared with 2018/19. In the 2019/20 season, 100-percent non-fossil fuel has been used in operations, lifts and on pistes at SkiStar's Swedish destinations. During the financial year, SkiStar's carbon footprint amounted to 3,419 tonnes, which is a reduction of 18 percent compared with 2018/19. See note S6 on page 75.

SkiStar is also focusing on to reduce indirect emissions from operations, for example by working towards a better developed infrastructure for charging stations. SkiStar offers guests with a valid SkiPass transportation by ski bus at SkiStar's destinations, which in turn reduces car use during their stay. The ski buses at SkiStar's Swedish destinations run on non-fossil fuel.

Biodiversity

SkiStar's possibility to develop on untouched areas of land are heavily restricted. There are stringent environmental requirements when it comes to developing land. To be able to

continue offering guests a magnificent alpine setting with untouched nature just around the corner, SkiStar needs to develop new areas while observing great consideration for the existing environment. In practice, this means that as a basic principle SkiStar will not develop new untouched land, but instead focus on densifying areas that are already in use. Concentrating beds centrally around the ski areas reduces the need for transporting guests and means that infrastructure can be built more efficiently. However, when development of untouched land does take place, closeness to nature is an important factor, which means that parts of existing forest are kept aside. This applies both when constructing the skiing area and when expanding within the skiing area. From a forest conservation perspective, expansion of the ski resort can benefit the area as it provides a guarantee that it will not be completely felled, which would otherwise be a strong possibility.

FROM DAILY OPERATIONS

- * SkiStar aims to construct new accommodation close to the lift systems (ski-in ski-out), reducing car travel at the destinations.
- * Charging points for electric vehicles are standard for new builds, to meet heightened demand for eco-friendly means of transport.
- * When SkiStar develops land, existing vegetation around the buildings is preserved and restored. Trees in the vicinity of the buildings are protected during the construction period.
- * SkiStar works continuously to prevent erosion of the slopes by building dams and planting vegetation.
- * In areas with a district heating network, SkiStar's own properties are being converted from direct electric heating to hydronic heating.
- * SkiStar is participating in renewable energy and carbon-neutral electricity production

- through co-ownership of Dala Vindkraft Ekonomisk Förening, as well as Dala Vind AB.
- * Together with other investors, SkiStar operates three biomass heating plants.
- * At all destinations, SkiStar's piste machines have snow depth measuring functions to make them efficient and optimise driving, which leads to reduced emissions and lower energy consumption.
- * Non-fossil fuel is being used in operations at SkiStar's Swedish destinations, cutting carbon dioxide emissions by 90 percent.
- * The ski buses at SkiStar's Swedish destinations run on non-fossil fuel.
- * SkiStar's operations are spread over a wide geographical area, which is why physical meetings are being replaced by telephone, web and video conferences wherever possible.

PROJECTS PROMOTING BIODIVERSITY.

During the financial year, SkiStar Vemdalen completed a number of improvements to Varggransstjärnen lake together with the local fishery management association. Both necessary reinforcement and less raising of the dam walls represent measures that have been taken with a focus on maintaining the beautiful landscape and promoting biodiversity. As a result, summer fishing on Varggransstjärnen was enhanced and there is more water to create snow for the slopes in Vemdalskskalet in the winter, which has also led to greater energy efficiency.

HEALTH AND ACTIVE LEISURE TIME



In addition to economic, social and environmental areas of responsibility, SkiStar works with health and active leisure time as a priority sustainability area, where SkiStar has an opportunity to make a considerable difference. As SkiStar is convinced that an active lifestyle with friends and family contributes significantly to a healthy life, the company is constantly looking for new opportunities to create the conditions for such a lifestyle. This is about stimulating growth in activities linked to a mountain setting, while also providing opportunities and inspiration for 52 weeks of exercise. Interest in health and wellbeing has increased and the trend to stay active while away on holiday is continuing to

grow. SkiStar tries to promote health and active leisure time via various initiatives, which are detailed below.

- * SkiStar offered a free SkiPass for the 2019/20 winter season to 2,826 children and young people under the age of 15 living in a municipality at one of SkiStar's destinations in Sälen, Åre, Vemdalen, Trysil and Hemsedal.
- * During Valle's Winter Weeks, skiing, ski school and ski rental are free for children up to the age of six. In the 2019/20 winter season, over 5,000 children took part in Valle's Winter Weeks.
- * MySkiStar grew by over 80,000 members compared with 2018/19. MySkiStar is a

customer club offering guests access to skiing statistics, discounts and partner offers. At the end of the 2019/20 financial year, MySkiStar had over 970,000 registered users.

- * SkiStar wants its ski school to inspire a lifelong interest in skiing, which is why enjoyment of skiing forms the basis of all lessons. Over 80,000 children and adults took part in one of SkiStar's ski schools in 2019/20.
- * At Valle's Ski School, children learn how to be safe and confident skiers, with the support of highly qualified ski instructors and Valle the Snowman. Over 35,000 children took part in Valle's Ski School in the 2019/20 winter season.



SKISTAR WANTS TO MAKE A DIFFERENCE WITH VALLE

The Valle concept has proved a huge success at all our destinations. Valle is also an important communication platform, as he is an ambassador for SkiStar and the values that characterise the entire operation. Valle is a role model for SkiStar's younger guests, which is a big responsibility that SkiStar will continue to safeguard, not only for guests but also for the public good. With Valle as a role model, SkiStar is helping to reinforce children's wellbeing and positive behaviour by boosting their self-esteem, protect-

ing the unique mountain environment in which Valle lives and creating a lasting enthusiasm for keeping active. SkiStar wants to use Valle's positive image to make a real difference in health, the environment and social responsibility.



Health with Valle

- * Inspiring a lifelong interest in alpine skiing.
- * Energy from exercise – the importance of staying active to improve health.
- * Good diet – eating well and healthily.



Environment with Valle

- * Looking after the natural environment and Valle's unique mountain home.
- * Inspiring children to be environmentally friendly for a sustainable society.



Social responsibility with Valle

- * Being a good skiing buddy all year round.
- * Boosting children's self-esteem and self-confidence.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

TO THE GENERAL MEETING OF THE SHAREHOLDERS IN SKISTAR AB (PUBL.),
CORPORATE IDENTITY NUMBER 556093-6949

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2019/20 on pages 29– 35 and 72–75 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR

12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

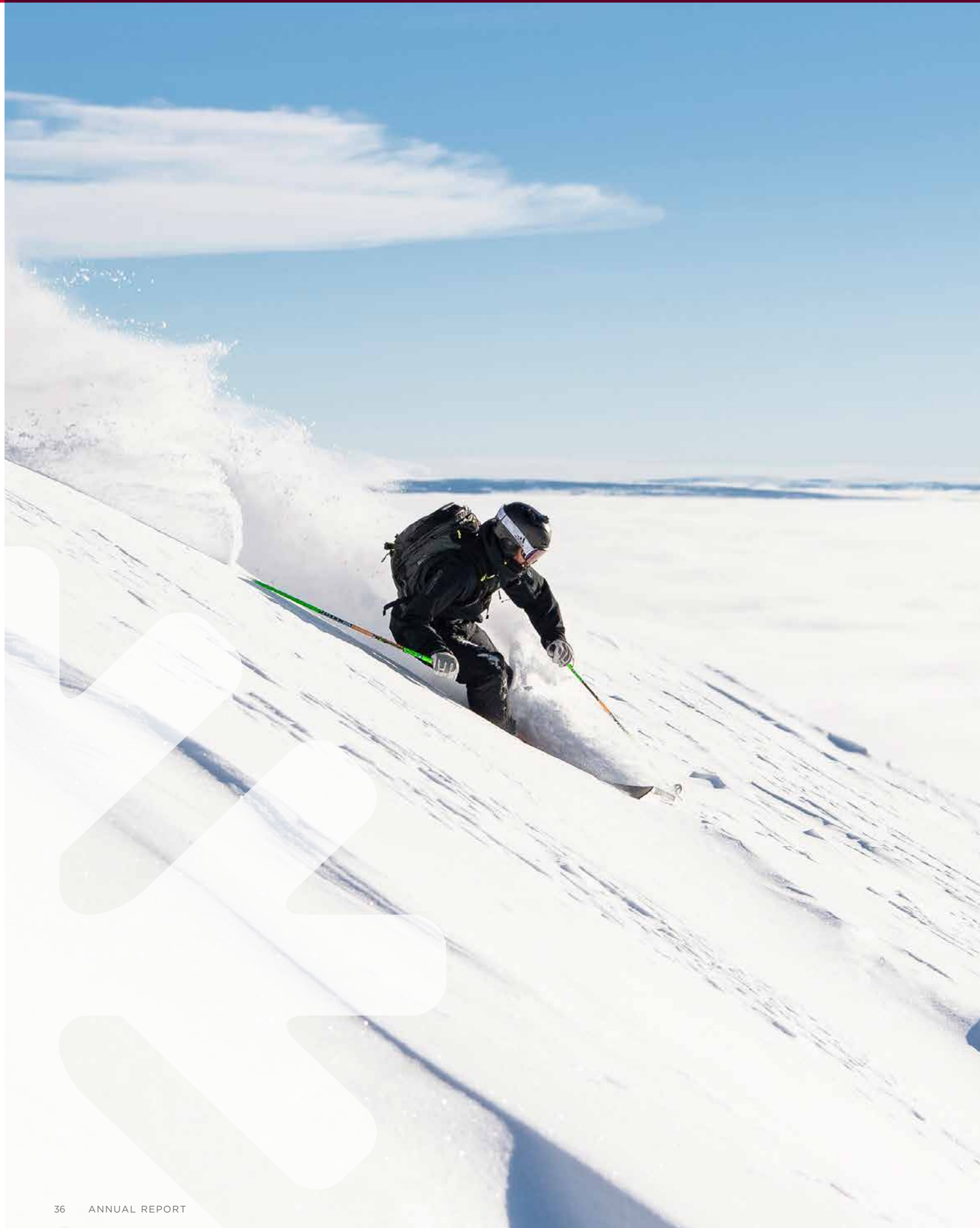
A statutory sustainability report has been prepared.

Stockholm 5 november 2020
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

Annual Report

SKISTAR AB (PUBL) 1 SEPTEMBER 2019 – 31 AUGUST 2020



ADMINISTRATION REPORT

ADMINISTRATION REPORT

The Board of Directors and CEO of SkiStar AB (publ), corporate identity number 556093-6949, hereby present the annual report and consolidated accounts for the financial year 1 September 2019 – 31 August 2020.

BUSINESS NAME AND REGISTERED OFFICE

The Company's business name is SkiStar AB (publ). The Company's registered office is in the Municipality of Malung-Sälen in the County of Dalarna. The head office is in Sälen (postal address 780 67 Sälen, Sweden).

NATURE OF THE BUSINESS

SkiStar operates alpine ski resorts in Sälen, Vemdalen, Åre and Hammarbybacken (Stockholm) in Sweden, Trysil and Hemsedal in Norway and St Johann in Tirol in Austria. The core business is alpine skiing, with a focus on the guest's overall skiing experience. Operations are divided into two segments: Operation of Ski Resorts and Property Development and Exploitation. SkiStar's vision is to create memorable mountain experiences as the leading operator of European alpine destinations.

OWNERSHIP STRUCTURE

SkiStar's B share has been listed on the Mid Cap list of the Nasdaq Stockholm exchange since 1994. According to the shareholder register maintained by Euroclear Sweden AB, the number of shareholders was 46,735 (36,874) on 31 August 2020.

Major shareholders are Mats and Fredrik Paulsson, including company and family, with 24.16 percent of the capital and 46.55 percent of the votes, and Erik Paulsson's family, including company, with 23.31 percent of the capital and 16.43 percent of the votes.

THE SHARE

The total number of shares is 78,376,056, distributed as follows: 3,648,000 Class A shares (ten votes per share) and 74,728,056 Class B shares (one vote per share). The highest price paid was SEK 128.80 on 1 October 2019 and the lowest was SEK 60.50 on 17 March 2020. The share price at the close of trading on the reporting date was SEK 104.00. The Annual General Meeting on 14 December 2019 authorised the Board of Directors to make decisions on the purchase and transfer of the Company's own shares. The authorisation is valid until the next AGM. The Board had not repurchased any shares as of the date of preparation of this annual report.

MARKET DEVELOPMENT

According to SLAO (Swedish Ski Lift Organisation), the industry was heading for a new

record year based on the situation after the late winter break, when there were excellent snow conditions and high booking numbers for the early Easter. Then came the spread of the novel corona virus and overall SkiPass sales in Sweden declined by 13 percent during the 2019/20 winter season compared with the season before. SkiPass sales in Norway declined by 24 percent according to ALF (Norwegian Ski Lift Association).

SkiStar's market share in Sweden was 53 (50) percent and in Norway 29 (30) percent. The market share in Scandinavia was 43 (41) percent.

OPERATIONS

The Group's operating profit for the full year was SEK 394 (604) million, a decline of 35 percent or SEK 210 million. Translation from the Norwegian krone and euro had a negative effect of SEK 3 million on operating profit. Net financial items improved by SEK 7 million, mainly due to the effects of changes in the value of interest rate derivatives. The transition to IFRS 16 affected net financial items by SEK -15 million. Profit after tax fell by SEK 173 million to SEK 287 (460) million, a decline of 38 percent. Earnings per share fell to SEK 3.71 (5.95).

Operation of Ski Resorts

Revenue from Operation of Ski Resorts amounted to SEK 2,239 (2,481) million, a decline of 10 percent compared with the previous year. Early closures of the Company's ski resorts are the reason for the downward trend. Translation from the Norwegian krone and euro had a negative effect of SEK 39 million on revenue. SkiPass sales fell by 12 percent and accounted for 52 percent of revenue, the same percentage as in the previous year. The number of skier days (one day's skiing with a SkiPass) fell to 5.1 (5.8) million. Sold accommodation, expressed as the number of overnight stays, fell by 14 percent compared with the previous year. The occupancy rate for own and agency-booked accommodation was 68 (78) percent.

Revenue from sporting goods outlet sales amounted to SEK 179 million, an increase of approximately 5 percent, mainly related to online sales.

Personnel costs decreased by SEK 71 million compared with the previous year. Other external expenses fell by SEK 104 million. The lower personnel costs are mainly due to the earlier closure due to the coronavirus pandemic.

For the full year, SkiStar received government support totalling SEK 42 million in Sweden and Norway. Reorientation support totalling SEK 21 million was received in Sweden, along with furloughing support and lower social security contributions of SEK 9 million. Business support

of SEK 12 million was received in Norway.

Operating profit from investments in joint ventures and associates showed a decline of SEK 4 million.

Property Development & Exploitation

Revenue from Property Development & Exploitation amounted to SEK 219 (296) million, with a profit of SEK 56 (152) million. Profit from exploitation activities related to plot and land sales and the sale of shares in tenant-owner associations and Vacation Club amounted to SEK 118 (189) million during the financial year.

CASH FLOW

Cash flow from operating activities after changes in working capital was SEK 735 (722) million, with the effect of the transition to IFRS 16 making a positive contribution of SEK 161 million. Cash flow from investing activities was SEK -653 (-503) million, while cash flow from financing activities was SEK -94 (-221) million. The transition to IFRS 16 contributed SEK -82 million.

LIQUIDITY AND FINANCING

The Group's cash and cash equivalents ended the financial year at SEK 60 (71) million. Unused overdraft facilities plus cash and cash equivalents were SEK 592 million at the reporting date, compared with SEK 257 million at the end of the previous year. Interest-bearing liabilities amounted to SEK 2,675 (1,758) million, an increase of SEK 917 million from the previous year. The increase is mainly due to the transition to IFRS 16, which contributed SEK 698 million. The average interest rate during the year was 2.07 (2.2) percent. Net financial debt was SEK 2,514 (1,589) million at the end of August, an increase of SEK 925 million, which was mainly due to the transition to IFRS 16. The equity/assets ratio fell to 43 (51) percent. The Equity/assets ratio excluding IFRS 16 was 49 percent.

INVESTMENTS, DISPOSALS AND OTHER ACQUISITIONS

Investments during the financial year amounted to SEK 653 (546) million. Depreciation and amortisation in the same period amounted to SEK 373 (273) million, with the transition to IFRS 16 contributing SEK 89 million. The investments mainly concerned exploitation and maintenance investments at the destinations.

RISKS AND OPPORTUNITES

Risk management

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

Where necessary, measures are taken to avoid, minimise or monitor identified risks. The purpose of risk management is to continuously assess and manage the risks that arise in the operations and to ensure that it forms the basis for successful sustainability work.

Operational risks

Seasonality

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

Snow availability

The number of guests at SkiStar's destinations is influenced by weather and snow conditions. A late winter with a lack of cold weather and natural snow in time for Christmas has an adverse impact on demand. Lower demand can also arise in winters with prolonged cold periods and good snow conditions in the southern, more densely populated parts of Scandinavia, as snow, cold weather and skiing opportunities are available closer to home. However, in a longer perspective, it is positive for the industry if skiing is available throughout Scandinavia, as many new skiers will be recruited. SkiStar addresses these risks through continuous development of snowmaking systems to guarantee skiing, and through early sales to ensure that most of the accommodation capacity is booked before the Christmas week when the high season starts. SkiStar's operations are also dependent on there being no restrictions on travel within or between mainly the Scandinavian countries. The spread of the novel 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 dialogue with authorities, regional governments and local municipalities as well as continuing to work for financial stability.

Economic cycle

Changes in people's disposable income are reflected in private consumption, which in turn has a bearing on whether they can take a winter holiday. SkiStar's historical sales and earnings trend shows that the Company has been able to deal with fluctuations in the economy. A large proportion of SkiStar's guests are families who tend to return year after year and who see a winter holiday as a high priority. Sensitivity to economic conditions in Sweden is reduced by the existence of operations in Norway and Austria.

Competition

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

Other important competitive factors include a strong financial position, known and attractive brands and a strong cash flow.

Expansion

SkiStar's strategy for growth includes better utilisation of the existing destinations and development of the products and services offered. Growth is also created through the acquisition or leasing of other ski resorts. All the companies acquired by SkiStar have performed well and made major contributions to the Company's successful development.

Accommodation capacity and occupancy rate

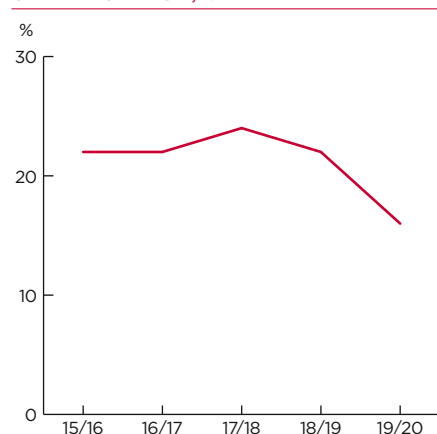
The profitability of alpine destinations is dependent on the number of available beds and the occupancy rate. For SkiStar, it is important to have control over a large accommodation capacity to optimise the occupancy rate by monitoring changes in demand and pricing accommodation correctly at all stages of the season. SkiStar works actively to increase the number of beds at the destinations and to increase the proportion mediated by the Company itself. It is also important for older cabins and apartments to be modernised to maintain high demand. In addition to SkiStar's own investments, new investments in cabins and apartments are mainly conducted by external parties or jointly owned companies. The attractiveness of SkiStar's destinations draws investment capital, which generates long-term growth in the number of beds and the development of different types of accommodation.

Employees

Payroll expenses are the Company's largest individual cost item. SkiStar's continuing success is dependent on motivated and committed employees. SkiStar works on leadership issues and training to increase the efficiency, awareness and commitment of its employees.

The level of service that guests receive from our staff plays an important role in their overall experience. So, there is a risk that it will be harder to recruit qualified seasonal employees when the economy is strong and unemployment is low.

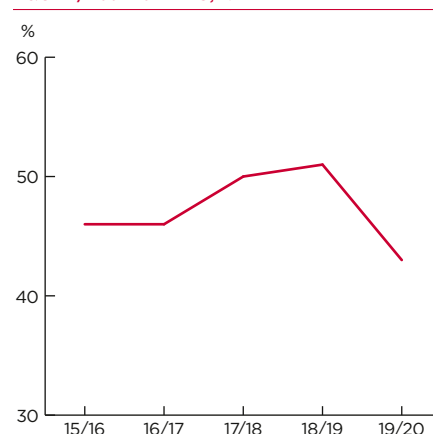
OPERATING MARGIN, %



RETURN on capital employed, %



EQUITY/ASSETS RATIO, %*



*The Equity/assets ratio excluding IFRS 16 was 49 percent.

The graphs show trends for alternative performance measures. For detailed information, see page 71.

SkiStar's Group management at the end of the financial year consisted of the CEO, CFO, Marketing and Sales Director, CTO, Legal Counsel/Head of IR, two Norwegian Resort Managers and three Swedish Resort Managers. These individuals owned a total of 131,952 Class B shares in the Company as at 31 August 2020.

To retain key personnel, SkiStar offers leadership development, succession planning, training and incentive programmes.

Safety and security

SkiStar works actively on safety by means of trade union cooperation, regular training, incident reporting and a systematic health and safety programme. Continuous risk analyses are conducted at all destinations to minimise the various types of risks and have the correct insurance cover in place. SkiStar also has an extensive crisis plan to ensure that the Company is well prepared in the event of any accidents or incidents.

Sustainability risks

Sustainability is included as an evaluation factor in SkiStar's business development and decisions. Management of sustainability risks is an integral part of the Group's operations. All identified sustainability risks are managed in the Company's risk management process and play a fundamental part in investments and decisions. A description of SkiStar's work on sustainability and tackling of risks can be found in the sustainability report on pages 29–35 and 72–75.

Dependence on climate and weather

SkiStar's operations are dependent upon cold winters with sub-zero temperatures. Climate change in the form of warmer temperatures and changing weather conditions and precipitation can affect the business and increase the risks of a shorter season, also affecting the number of skier days. To address the risks associated with climate change, the Company works on long-term

objectives aimed at minimising the Company's impact on nature and the climate. This is done partly through technical solutions to ensure favourable conditions at SkiStar's destinations, and partly by working towards defined climate and emission targets to reduce emissions and deterioration of the natural environment where SkiStar operates.

SkiStar may, to some extent, be directly and adversely affected during winters when skiing is available in the southern densely populated parts of Scandinavia, as skiing can be offered closer to home. However, in the long term, this is positive for the industry, as new skiers are recruited.

Corruption

Corruption is difficult to detect and SkiStar's focus is therefore on minimising the risks of corruption. During training and induction programmes, SkiStar's employees gain knowledge about how the Company's policies and other governing documents are structured and how employees are expected to act in the event of suspected corruption. A whistleblower service is available internally to enable anonymous reporting of violations.

ONGOING DISPUTES

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

SENSITIVITY ANALYSIS

The sensitivity analysis on page 43 describes how the Group's annual earnings are affected by changes in some of the Group's key variables. The assumptions regarding the earnings impact of changes in the occupancy rate are based on all mediated objects and relate only to the impact on SkiPass sales. Changes in other revenue categories in the sensitivity analysis are considered neutralised by increased and reduced expenses. In calculating the sensitivity of the price of electricity, only the portion of electricity consumption that is directly affected by changes in the market price is considered. SkiStar uses a portfolio management system for the procurement of electricity tariffs, in accordance with an adopted hedging strategy. In calculating the sensitivity of a change in interest rates, loans that are affected by the changed rate are considered.

PERSONNEL

The average number of employees for the financial year was 1,166 (1,322), a decline of 156. Each destination has a structured organisation for addressing work environment and gender issues. These groups are coordinated centrally and have common governing documents such as policies, directives and procedures (see also Corporate Governance Report, page 80).

Skills development expenses amounted to SEK 5 (5) million during the financial year and were mainly associated with internal training. Staff turnover (permanent employees) during

the year was as follows: 58 (34) individuals joined the Company and 45 (31) left the Company.

PROPOSAL FOR GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

The Board recommends that the Annual General Meeting adopt the following guidelines for remuneration of senior executives. The guidelines have been developed in line with new EU rules on shareholders' rights, which have been implemented through amendments to the Swedish Companies Act and the Swedish Corporate Governance Code. The guidelines apply until new guidelines are adopted by the general meeting and are valid for a maximum of four years.

Scope

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

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

SkiStar's vision is to create memorable mountain experiences as the leading operator of European alpine destinations. As a listed company, SkiStar aims to create value for the Company's shareholders and promote long-term sustainability in all operations.

Further information about SkiStar's strategy, long-term interests, including financial and operational targets and sustainability work, can be found on pages 10–11, 29–35 and 72–75 and at www.skistar.com/en/corporate.

Successful implementation of the Company's business strategy and safeguarding of its long-term interests, including sustainability, are contingent on the Company having qualified employees. SkiStar must therefore be able to offer competitive remuneration. The Company's remuneration structure in accordance with these guidelines shall

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

RETURN on equity, %



- * offer a salary based on the Company's financial targets and senior executives' individual responsibility, competence, performance, duties, experience and position.

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

Remuneration and forms of remuneration

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

Fixed cash salary

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

Variable remuneration/bonus including undertaking to acquire shares

Senior executives may receive variable cash remuneration/bonuses, based on the current bonus programme for SkiStar's senior executives as decided by the Board for each financial year. Bonuses shall be related to measurable criteria defined by the Board with regard to the Company's performance on earnings per share, return on equity, operating margin and organic growth, measured for each financial year. If the Board considers that the business strategy and the Company's long-term interests, including sustainability, would be better promoted if the criteria were supplemented or changed, these guidelines allow such changes to be made.

The CEO's bonus may amount to a maximum of 60% of 3 x the current monthly salary x 12. However, the bonus may not exceed 60% of the current monthly salary x 12. Other senior executives' bonuses may amount to a maximum of 60% of the current monthly salary x 12.

The level of fulfilment of the criteria for awarding variable cash remuneration shall be determined at the end of the measurement period. The Remuneration Committee is responsible for the CEO's variable cash remuneration assessment. The CEO is responsible for other senior executives' variable cash remuneration assessment. Assessment of financial targets shall be based on the most recent financial report published by the Company. Variable remuneration is paid in October of the year after it was earned.

Under an agreement with the Company, senior executives who receive bonuses shall undertake to acquire shares in the Company for long-term ownership (a period of at least three years), investing at least 1/3 of their post-tax bonuses. The purpose is to create involvement and engagement by offering senior executives the opportunity to become shareholders in a structured way. Through the criteria that determine the outcome as described above, incentives are created for senior executives to contribute to realisation of the Company's business strategy and safeguarding of the Company's long-term interests, including sustainability, and therefore to long-term value creation.

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

Pension benefits

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

Car benefits

Senior executives may be offered car benefits.

Other benefits

Senior executives may be entitled to health insurance as well as the benefits available to other SkiStar employees. The total value of the benefits may not exceed five percent of a senior executive's fixed cash salary.

In addition, the CEO may be entitled to private travel between home and work (including air travel), tax return assistance and supplementary health insurance in addition to collectively agreed health insurance.

Other

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

Period of notice and termination benefits

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

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

The Board's Remuneration Committee is responsible for annually reviewing the need to revise the guidelines prior to the Board's proposal to the AGM (if applicable) for adoption. The Board shall prepare a proposal for new guidelines at least every fourth year and present it to the AGM for resolution. The guidelines shall be valid until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for senior executives, the application of guidelines for remuneration of senior executives and applicable remuneration structures and remuneration levels in the Company. The Board makes decisions on the salary and other terms of employment for the CEO on the basis of proposals from the Remuneration Committee. The CEO makes decisions on the salary and other terms of employment for other senior executives and consults with the Remuneration Committee on this matter. The CEO and other senior executives are not present when the Board and the Remuneration Committee consider and make decisions on remuneration-related matters in so far as they are affected by these matters.

Derogation from the guidelines

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

Salary and terms of employment for other employees

In preparing the Board's proposal for these remuneration guidelines, the salaries and terms of employment for the Company's employees have

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

Changes from previous guidelines

The Board's proposal for guidelines for remuneration of senior executives prior to the 2020 AGM is mainly in accordance with the guidelines adopted at the 2019 AGM, but the proposed new guidelines are more detailed than previously, due to changed rules in the Swedish Companies Act and the Swedish Corporate Governance Code.

More information

On the date of submission of these proposed remuneration guidelines for senior executives, SkiStar did not have any remuneration commitments not due for payment other than ongoing commitments to senior executives in accordance with the remuneration principles adopted at the 2019 AGM. Further information about remuneration at SkiStar can be found in Note 8 on page 60.

PARENT COMPANY

The Parent Company's revenue amounted to SEK 1,685 (1,739) million, while profit before tax was SEK 316 (318) million. Investments amounted to SEK 146 (267) million. Most of the Swedish operations are conducted in the Parent Company.

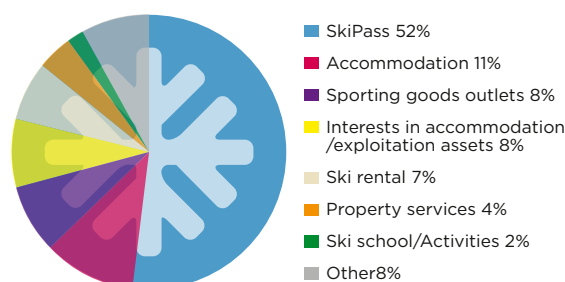
CORPORATE GOVERNANCE

The section describing corporate governance is presented as a separate corporate governance report on page 80.

THE 2020/21 WINTER SEASON

The development and impact of the spread of the novel coronavirus makes it difficult to provide an assessment of the outlook for the forthcoming winter season. However, with high demand for the winter season, we can say that total bookings ahead of the new winter season (measured as the number of overnight stays booked through SkiStar's accommodation agency) as of week 42 are nine percent higher than at the same time last year, which is a sign that SkiStar's offering is attractive even in these uncertain times. While domestic demand for active holidays in mountain settings is strong, we anticipate a decline in demand partly from foreign guests and conference organisers in 2020/21, which should be followed by a recovery to normal levels.

DISTRIBUTION OF REVENUE, %



SENSITIVITY ANALYSIS

	Change	Impact on earnings
Bookings*	+/-10%	+/- SEK 95 million
SkiPass prices*	+/-10%	+/- SEK 139 million
Interest	+/-1%	+/- SEK 11 million
Payroll expenses*	+/-10%	+/- SEK 70 million
Market price of electricity*	+/-10 öre	+/- SEK 1 million
Currency NOK/SEK	+/-10%	+/- SEK 17 million

*Based on latest full-year outcome = 18/19, due to coronavirus during 19/20.

PROFIT/LOSS BEFORE TAX, BY PERIOD, SEK THOUSAND

	2019/20	2018/19
September–November	-321,524	-218,014
December–February	809,244	702,490
March–May	-2,592	317,684
June–August	-135,070	-248,919

APPROPRIATION OF PROFITS

Proposed appropriation of the Company's profits. The Board of Directors proposes that the available funds of SEK 815,136,913 be distributed as follows:

Carried forward	815,136,913
Total	815,136,913

In view of the financial effect that the spread of the novel coronavirus is having on SkiStar and the continuing uncertainty regarding its impact on the Company's operations, the Board proposes that no dividend be paid for the 2019/20 financial year and that all profits be carried forward.

As previously announced, a decision has been made to invest about SEK 281 million, mainly in replacements, modernisation and snow production capacity. In view of the earnings performance linked to the coronavirus crisis and the uncertain situation, it has been decided to postpone nearly SEK 181 million of these investments to enable us to manage our liquidity situation responsibly. However, SkiStar has decided on a few capacity-increasing investments totalling SEK 10 million to strengthen the offering for the Christmas and New Year weeks.

There is a high level of uncertainty about the duration and effects of the coronavirus pandemic. SkiStar's actions in taking liquidity-strengthening measures such as deferred investments, increased borrowing and cost savings – together with strong demand for winter holidays in Scandinavia – are considered sufficient to ensure liquidity and operation as a going concern in the current and following years.

FIVE-YEAR OVERVIEW

FIVE-YEAR OVERVIEW		2019/20	2018/19	2017/18	2016/17	2015/16
<i>Revenue and earnings</i>	Revenue, SEK million	2,362	2,676	2,536	2,306	1,991
	Operating income, SEK million	2,406	2,688	2,548	2,311	1,999
	Profit before depreciation/amortisation, SEK million	768	877	865	750	653
	Profit before tax, SEK million	350	553	587	478	386
	Profit after tax, SEK million	287	460	486	387	306
<i>Cash flow</i>	Cash flow before changes in working capital, SEK million	671	725	768	670	495
	Cash flow after changes in working capital, SEK million	735	722	679	629	521
	Cash flow after investing activities, SEK million	82	219	285	172	259
<i>Profitability</i>	Return on capital employed, %	9	15	17	14	13
	Return on equity, %	11	18	22	20	17
	Return on total assets, %	8	13	14	12	11
	Gross margin, %	32	33	34	33	33
	Operating margin, %	16	22	24	22	22
	Net margin, %	15	21	23	21	19
<i>Investments</i>	Gross investments, SEK million	656	546	533	481	477
	Net investments, SEK million	653	503	394	457	262
<i>Financial position</i>	Total assets, SEK million	6,023	5,066	4,871	4,508	4,107
	Equity, SEK million	2,561	2,602	2,421	2,090	1,870
	Equity/assets ratio, %*	43	51	50	46	46
	Debt/equity ratio, times	1.0	0.7	0.7	0.9	0.9
	Interest coverage ratio, times	4.8	6.6	8.4	10.7	7.3
<i>Liquidity</i>	Current ratio, %	101	116	91	64	44
	Cash liquidity ratio, %	80	90	73	55	36
<i>Personnel</i>	Average number of employees	1,166	1,322	1,283	1,240	1,132
	Revenue per employee, SEK thousand	2,025	2,024	1,976	1,860	1,758

*The equity/assets ratio excluding IFRS 16 was 49 percent.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT, SEK thousand		NOTE	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
<i>Revenue</i>	Revenue	2	2,361,636	2,675,902
	Other income	4	44,795	12,159
	Total operating income	3	2,406,431	2,688,061
<i>Operating expenses</i>	Goods for resale		-274,756	-291,953
	Other external expenses	6.7	-663,221	-766,895
	Personnel costs	5.8	-632,304	-703,458
	Costs of sold interests in accommodation/exploitation		-71,263	-55,402
	Share of profit/loss of joint ventures/associates	16	2,736	6,814
	Depreciation	9	-373,260	-273,384
	Operating profit/loss		394,363	603,783
<i>Profit/loss from financial items</i>	Profit/loss from securities held as non-current assets	33	428	15,304
	Interest and similar income	34	46,228	33,725
	Interest and similar expenses	35	-90,960	-99,571
	Profit/loss before tax		350,059	553,241
	Tax	11	-63,345	-92,841
	Profit/loss for the year		286,714	460,400
OTHER COMPREHENSIVE INCOME, SEK thousand		NOTE	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
	Items that may be reclassified to profit or loss	23		
	Change in fair value of cash flow hedges for the year		6,776	6,758
	Deferred tax on cash flow hedges		-1,490	-1,487
	Exchange differences on translation of foreign operations		-59,224	-10,380
	Other comprehensive income for the year		-53,938	-5,109
	Total comprehensive income for the year		232,776	455,291
<i>Profit/loss for the year attributable to:</i>	Shareholders of the Parent		291,013	466,303
	Non-controlling interests		-4,299	-5,903
	Profit/loss for the year		286,714	460,400
<i>Comprehensive income for the year attributable to:</i>	Shareholders of the Parent		239,691	460,323
	Non-controlling interests		-6,915	-5,032
	Comprehensive income for the year		232,776	455,291
<i>Earnings per share</i>	Earnings per share, basic and diluted, SEK	12	3.71	5.95
	Average number of shares, basic and diluted	12	78,376,056	78,376,056

QUARTERLY FIGURES, SEK thousand

2019/20	Q1	Q2	Q3	Q4	Full year
Operating income, SEK thousand	187,677	486,661	1,607,571	124,521	2,406,431
Operating profit/loss, SEK thousand	-127,814	14,598	833,415	-325,836	394,363
Operating margin, %	neg	4	52	neg	16
2018/19	Q1	Q2	Q3	Q4	Full year
Operating income, SEK thousand	198,727	1,435,580	942,765	110,989	2,688,061
Operating profit/loss, SEK thousand	-208,997	716,061	318,611	-221,892	603,783
Operating margin, %	neg	51	37	neg	24

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS, SEK thousand		NOTE	31/08/2020	31/08/2019
<i>Non-current assets</i>				
	Intangible assets	13	181,609	191,953
	Property, plant and equipment	14	3,886,780	3,647,258
	Right-of-use assets	7	712,577	-
	Investments in associates and joint ventures	16	394,684	393,166
	Other investments and securities held as non-current assets	17	34,935	36,874
	Other non-current receivables	18	220,290	245,794
	Total non-current assets		5,430,875	4,515,045
<i>Current assets</i>				
<i>Inventories</i>	Goods for resale	19	229,995	164,176
			229,995	164,176
<i>Current receivables</i>	Trade receivables	20	16,522	51,201
	Tax receivables		60,221	53,704
	Other current receivables	21	127,971	114,149
	Prepaid expenses and accrued income	22	98,100	96,249
			302,814	315,303
<i>Cash and cash equivalents</i>	Cash and bank balances	31	59,567	71,253
	Total current assets		592,376	550,732
	TOTAL ASSETS		6,023,251	5,065,777
EQUITY AND LIABILITIES				
<i>Equity</i>	Share capital	23	19,594	19,594
	Other contributed capital		397,573	397,573
	Reserves		-73,565	-22,243
	Retained earnings including profit for the year		2,167,417	2,150,720
	Equity attributable to shareholders of the Parent		2,511,019	2,545,644
	Non-controlling interests		49,505	56,420
	Total equity		2,560,524	2,602,064
<i>Non-current liabilities</i>				
<i>Non-current interest-bearing liabilities</i>	Liabilities to credit institutions	25	1,489,002	1,587,811
	Provisions for pensions	26	15,183	12,864
	Non-current lease liabilities	7	619,851	
<i>Non-current non-interest-bearing liabilities</i>	Other provisions	28	9,366	1,510
	Derivatives	32	29,475	31,388
	Deferred tax liabilities	11	186,364	193,648
	Total non-current liabilities		2,349,241	1,827,221
<i>Current liabilities</i>	Liabilities to credit institutions	25	473,121	157,856
	Trade payables		147,240	118,583
	Tax liabilities		72,717	88,124
	Current lease liabilities	7	78,218	-
	Other current liabilities		231,828	167,110
	Accrued expenses and deferred income	29	110,362	104,819
	Total current liabilities		1,113,486	636,492
	Total liabilities		3,462,727	2,463,713
	TOTAL EQUITY AND LIABILITIES		6,023,251	5,065,777

Pledged assets and contingent liabilities, see Note 30.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

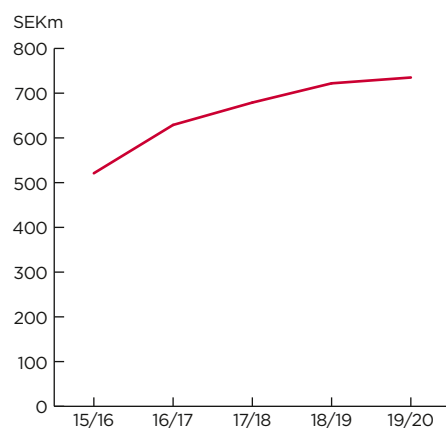
GROUP, SEK thousand	Equity attributable to shareholders of the Parent					Total	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserves	Hedging reserves	Retained earnings and profit for the year			
Opening equity, 1 Sep 2018	19,594	397,573	1,642	-17,905	1,958,733	2,359,637	61,452	2,421,089
Profit/loss for the year					466,303	466,303	-5,903	460,400
Other comprehensive income for the year*			-11,251	5,271		-5,980	871	-5,109
Comprehensive income for the year			-11,251	5,271	466,303	460,323	-5,032	455,291
Dividend					-274,316	-274,316		-274,316
Closing equity, 31 Aug 2019	19,594	397,573	-9,609	-12,634	2,150,720	2,545,644	56,420	2,602,064
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 year					291,013	291,013	-4,299	286,714
Other comprehensive income for the year*			-56,608	5,286		-51,322	-2,616	-53,938
Comprehensive income for the year			-56,608	5,286	291,013	239,691	-6,915	232,776
Dividend					-274,316	-274,316		-274,316
Closing equity, 31 Aug 2020	19,594	397,573	-66,217	-7,348	2,167,417	2,511,019	49,505	2,560,524

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

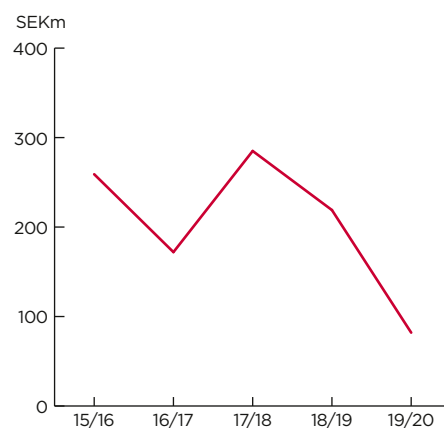
CONSOLIDATED STATEMENT OF CASH FLOWS

SEK thousand	NOTE	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
<i>Operating activities</i>	Profit/loss before tax	350,059	553,241
	Adjustments for non-cash items etc.	410,033	239,844
		760,092	793,085
	Tax paid	-88,726	-68,269
	Cash flow from operating activities before changes in working capital	671,366	724,816
<i>Cash flow from changes in working capital</i>	Increase (-)/Decrease (+) in inventories	-67,908	1,862
	Increase (-)/Decrease (+) in operating receivables	24,131	78,892
	Increase (+)/Decrease (-) in operating liabilities	107,057	-83,220
	Cash flow from operating activities	734,646	722,350
<i>Investing activities</i>	Acquisition of subsidiaries, net cash effect	-17,826	-
	Acquisition of intangible assets	-13,451	-16,625
	Acquisition of property, plant and equipment	-598,199	-496,070
	Acquisition of financial assets	-26,435	-32,035
	Disposal of financial assets	-	36,964
	Disposal of property, plant and equipment	3,332	4,556
	Cash flow from investing activities	-652,579	-503,210
<i>Financing activities</i>	Proceeds from borrowings	1,030,887	775,016
	Repayment of borrowings	-767,827	-721,519
	Repayment of lease liability	-82,426	-
	Dividend paid	-274,316	-274,316
	Cash flow from financing activities	-93,682	-220,819
	Cash flow for the year	-11,615	-1,679
	Cash and cash equivalents at start of year	71,253	73,146
	Exchange differences	-71	-214
	Cash and cash equivalents at end of year	59,567	71,253

CASH FLOW
from operating activities, SEK MILLION



CASH FLOW
after investing activities, SEK MILLION



The transition to IFRS 16 has had a positive effect of SEK 161 million on cash flow from operating activities.

INCOME STATEMENT - PARENT COMPANY

SEK thousand		NOTE	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
	Revenue	2	1,660,214	1,735,375
	Other operating income	4	24,793	3,838
	Total operating income		1,685,007	1,739,213
<i>Operating expenses</i>	Goods for resale		-209,734	-223,173
	Other external expenses	6, 7	-625,336	-563,332
	Personnel costs	5, 8	-445,339	-479,462
	Costs of sold interests in accommodation/exploitation		-5,321	-31,647
	Depreciation/amortisation of tangible and intangible assets	9	-156,534	-147,128
	Operating profit/loss		242,744	294,471
<i>Profit/loss from financial items</i>	Profit/loss from securities held as non-current assets	33	676	226
	Profit/loss from investments in Group companies	10	79,122	68,077
	Interest and similar income, external	34	38,553	30,995
	Interest income, Group companies	34	4,732	4,682
	Interest and similar expenses, external	35	-50,722	-70,352
	Interest expenses, Group companies	35	-252	-214
	Profit/loss after financial items		314,852	327,885
	Appropriations	24	1,100	-10,323
	Profit/loss before tax		315,952	317,562
	Tax	11	-39,759	-58,157
	Profit/loss for the year		276,193	259,405
OTHER COMPREHENSIVE INCOME				
	Items that may be reclassified to profit or loss	23		
	Change in fair value of cash flow hedges for the year		6,776	6,758
	Deferred tax on cash flow hedges		-1,490	-1,487
	Other comprehensive income for the year		5,286	5,271
	Total comprehensive income for the year		281,479	264,676

BALANCE SHEET – PARENT COMPANY

ASSETS, SEK thousand		NOTE	31/08/2020	31/08/2019
<i>Non-current assets</i>	Intangible assets	13	74,334	33,229
	Property, plant and equipment	14	1,702,840	1,722,367
<i>Financial assets</i>	Investments in Group companies	15	299,377	379,497
	Investments in associates	16	2,812	2,812
	Other investments and securities held as non-current assets	17	19,211	20,247
	Other non-current receivables	18	13,664	22,012
	Receivables from Group companies	27	265,097	572,679
TOTAL NON-CURRENT ASSETS			2,377,334	2,752,843
<i>Current assets</i>				
<i>Inventories</i>	Goods for resale	19	102,084	89,424
			102,084	89,424
<i>Current receivables</i>	Trade receivables	20	10,072	38,098
	Receivables from Group companies		462,070	15,159
	Tax receivables		53,651	48,456
	Other current receivables	21	53,810	24,503
	Prepaid expenses and accrued income	22	73,395	62,079
			652,998	188,295
<i>Cash and cash equivalents</i>	Cash and bank balances		994	165
TOTAL CURRENT ASSETS			756,076	277,884
TOTAL ASSETS			3,133,410	3,030,727
EQUITY AND LIABILITIES				
<i>Equity</i>		23		
<i>Restricted equity</i>	Share capital, par value 0.25		19,594	19,594
	Statutory reserve		25,750	25,750
	Development expenditure fund		4,309	4,309
			49,653	49,653
<i>Non-restricted equity</i>	Share premium reserve		4,242	4,242
	Retained earnings		534,701	554,583
	Profit/loss for the year		276,193	259,405
			815,136	818,230
Total equity			864,789	867,883
<i>Provisions</i>	Provisions for pensions	26	12,212	9,705
	Other provisions	28	78	800
Total provisions			12,290	10,505
<i>Non-current interest-bearing liabilities</i>	Liabilities to Group companies	27	685,211	794,882
	Liabilities to credit institutions	25	487,735	852,648
<i>Non-current non-interest-bearing liabilities</i>	Derivatives	32	15,374	22,835
	Deferred tax liabilities	11	147,932	145,318
Total non-current liabilities			1,336,252	1,815,683
<i>Current liabilities</i>	Liabilities to credit institutions	25	417,473	-
	Liabilities to Group companies		161,577	30,581
	Trade payables		74,396	80,375
	Other current liabilities		202,782	159,095
	Accrued expenses and deferred income	29	63,852	66,605
Total current liabilities			920,080	336,656
Total liabilities			2,268,622	2,162,844
TOTAL EQUITY AND LIABILITIES			3,133,410	3,030,727

Pledged assets and contingent liabilities, see Note 30.

STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

PARENT COMPANY, SEK thousand	Restricted equity			Non-restricted equity				Total equity
	Share capital	Statutory reserve	Development expenditure fund	Share premium reserve	Hedging reserves	Retained earnings	Profit/loss for the year	
Opening equity, 1 Sep 2018	19,594	25,750	1,790	4,242	-17,905	844,051		877,523
Profit/loss for the year							259,405	259,405
Development expenditure fund			2,519			-2,519		0
Other comprehensive income for the year					5,271			5,271
Comprehensive income for the year					5,271		259,405	264,677
Dividend						-274,316		-274,316
Closing equity, 31 Aug 2019	19,594	25,750	4,309	4,242	-12,634	567,216	259,405	867,883
Opening equity, 1 Sep 2019	19,594	25,750	4,309	4,242	-12,634	826,621		867,883
Profit/loss for the year							276,193	276,193
Development expenditure fund								0
Merger result						-10,256		-10,256
Other comprehensive income for the year					5,286			5,286
Comprehensive income for the year					5,286		276,193	281,479
Dividend						-274,316		-274,316
Closing equity, 31 Aug 2020	19,594	25,750	4,309	4,242	-7,348	542,049	276,193	864,789

CASH FLOW STATEMENT – PARENT COMPANY

SEK thousand	NOTE	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
<i>Operating activities</i>			
Profit/loss after financial items		314,852	327,885
Adjustments for non-cash items etc.	31	163,138	147,369
		477,990	475,254
Tax paid		-57,546	-24,342
Cash flow from operating activities before changes in working capital		420,444	450,912
<i>Cash flow from changes in working capital</i>			
Increase (-)/Decrease (+) in inventories		-12,660	-10,745
Increase (-)/Decrease (+) in operating receivables		-61,748	-28,276
Increase (+)/Decrease (-) in operating liabilities		56,489	79,778
Cash flow from operating activities		402,525	491,669
<i>Investing activities</i>			
Acquisition of intangible assets		-13,451	-16,620
Acquisition of property, plant and equipment		-118,155	-238,601
Sale of property, plant and equipment		1,179	3,332
Investments in financial assets		-15,410	-14,684
Cash flow from investing activities		-145,837	-266,573
<i>Financing activities</i>			
Proceeds from borrowings		782,286	706,060
Repayment of borrowings		-763,829	-658,015
Dividend paid		-274,316	-274,316
Cash flow from financing activities		-255,859	-226,271
Cash flow for the year		829	-1,175
Cash and cash equivalents at start of year		165	1,340
Cash and cash equivalents at end of year	31	994	165

NOTE 1 ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND STATUTORY REQUIREMENTS

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

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

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

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

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

The Group's accounting policies described below have been applied consistently to all periods presented in the consolidated financial statements unless otherwise stated. The Group's accounting policies have been applied consistently in the reporting and consolidation of the Parent Company, subsidiaries and associates.

CHANGES IN ACCOUNTING POLICIES

New or amended standards and interpretations applied with effect from 1 September 2019.

✱ IFRS 16 Leases: The standard came into effect on 1 January 2019 and SkiStar applies the standard with effect from the financial year beginning 1 September 2019. IFRS 16 is applied for all leases, regardless of classification. Leases consist mainly of land, buildings and ski lift installations. The transition to IFRS 16 has had a significant effect on the Company's balance sheet. See also Note 7.

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

SEGMENT REPORTING

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

CLASSIFICATION

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

BASIS OF CONSOLIDATION

Subsidiaries

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

Subsidiaries are accounted for using the acquisition method. The acquisition of a subsidiary is treated as a transaction through

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

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

A non-controlling interest (NCI) exists when the ownership of the subsidiary is less than 100 percent. There are two options for the measurement of non-controlling interests: to measure the NCI's proportionate share of net assets or to measure the NCI at fair value (full goodwill method). The accounting policy choice for measuring non-controlling interests is available on a transaction by transaction basis. For business combinations achieved in stages (step acquisitions), goodwill is determined on the date on which control arises. Previously held interests are measured at fair value, with any resultant gain or loss recognised in profit or loss for the year. Following a disposal that results in loss of control, any retained holding is measured at fair value, with any resultant gain or loss recognised in profit or loss.

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

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

Losses attributable to a non-controlling

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

Acquisitions of non-controlling interests are accounted for as equity transactions – that is, between owners of the Parent (in retained earnings) and non-controlling interests. Consequently, goodwill does not arise in these transactions. Changes to holdings of non-controlling interests are based on their proportionate share of net assets. For acquisitions conducted before 1 September 2004, goodwill has been tested for impairment and is recognised at a cost corresponding to the carrying amount under previous accounting policies. The classification and accounting treatment of business combinations that occurred before 1 September 2004 has not been reassessed in accordance with IFRS 3 in preparing the Group's IFRS opening balance at 1 September 2004.

Sales to non-controlling interests

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

Associates

Associates are entities in which the Group has significant influence but not control. A holding of between 20 and 50 percent of the voting power normally indicates significant influence. Ownership must also be part of a lasting connection and the holding shall not be reported as a joint arrangement. Associates are accounted for using the equity method, as are joint ventures.

Joint ventures

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

Equity method

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

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

Transactions eliminated on consolidation

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

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

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

FOREIGN CURRENCY

Foreign currency transactions

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

Financial statements of foreign operations

Assets and liabilities of foreign operations, including goodwill and other consolidated fair value adjustments, are translated from the foreign operation's functional currency to the Group's presentation currency (SEK) using the closing rate.

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

Net investment in a foreign operation

Exchange differences arising on translation of a net investment in a foreign operation and the associated effects of hedges of net investments are accumulated in a separate component of equity. On disposal of a foreign operation, the cumulative exchange differences, less any hedging, relating to that foreign operation are reclassified to profit or loss.

REVENUE

Sales of goods and services

Revenue from the sale of goods and services is recognised when the control associated with the goods or service has been transferred to the buyer. Revenue from accommodation, SkiPass and other goods and services associated with guest visits is recognised during the guest's stay. Revenue from the sale of goods in shops is recognised at the time of the transaction, when control has been transferred to the buyer. Revenue is not recognised if there is significant uncertainty regarding payment or associated costs or there is a risk of returns.

Loyalty programme

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

Revenue from property sales

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

Revenue from property sold to tenant-owner associations is recognised when the company owning the properties is sold to a tenant-owner association or other party, provided the apartments have been let. Otherwise, the revenue is recognised as the apartments are let. The

Company does not have any obligation to a tenant-owner association regarding the apartments the association does not sell. However, SkiStar may rent apartments for use in Operation of Ski Resorts.

Rental income

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

Government grants

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

FINANCE INCOME AND EXPENSES

Finance income and expenses

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

FINANCIAL INSTRUMENTS

Financial instruments recognised under assets in the consolidated statement of financial position include shares and participations, non-current receivables, trade receivables, current

loan receivables and cash and cash equivalents. Financial instruments reported under equity and liabilities include borrowings, derivatives in the form of interest rate swaps and accrued interest. Financial instruments are initially recognised at cost, which corresponds to the instrument's fair value plus transaction costs. However, financial assets in the category 'at fair value through profit or loss' are recognised at fair value net of transaction costs. Subsequent recognition is based on the instruments' classification in accordance with the description below. A financial asset or liability is recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. A receivable is recognised when the Company has performed and there is a contractual obligation for the counterparty to pay, even if an invoice has not yet been sent. Trade receivables are recognised in the statement of financial position when an invoice has been sent. A liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade payables are recognised on receipt of the invoice. A financial asset is derecognised in the statement of financial position when the contractual rights have been realised, have expired or the Company loses control over them. The same applies to a part of a financial asset. A financial liability is derecognised in the statement of financial position when the contractual obligation has been discharged or extinguished in some other way. The same applies to a part of a financial liability. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company commits itself to the purchase or sale of an asset. However, the Company's purchases and sales of listed securities are recognised on the settlement date. The fair value of listed financial assets corresponds to the assets' bid price at the reporting date. The fair value of unlisted financial assets is determined using valuation techniques such as recent transactions, prices of similar instruments and discounted cash flows. Further information can be found in Note 32. At each reporting date, the Company assesses whether there is evidence that a financial asset or group of financial assets is impaired. See also the section on Impairment on page 55. A financial instrument is classified on initial recognition according to the purpose for which it was acquired, which affects subsequent measurement. The financial instrument's subsequent measurement is dependent on its classification in accordance with the categories described below.

Receivables measured at amortised cost

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

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

Fair value through profit or loss

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

Other financial liabilities

Financial liabilities not held for trading are measured at amortised cost. Amortised cost is determined using the effective interest calculated on initial recognition of the liability. This means that surplus and deficit values and direct issue costs are accrued over the period of the liability. Liabilities are classified as other financial liabilities, which means they are initially recognised at the amount received, net of transaction costs. After acquisition, the loans are measured at amortised cost using the effective interest method. Non-current liabilities have an expected maturity exceeding one year, while current liabilities have a maturity of less than one year. Trade payables are classified in the category other financial liabilities. As trade payables have a short expected maturity, they are measured at nominal amounts without discounting.

Cash and cash equivalents

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

PROPERTY, PLANT AND EQUIPMENT

Owned property, plant and equipment consists of:

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

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

Owned property, plant and equipment

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

Accounting policies for impairment are set out below

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

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

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

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

Right-of-use assets – Leases

The leases are reported as a right-of-use asset and a corresponding liability on the date on which the leased asset is available for use by the Group. Each lease payment is apportioned between repayment of the liability and the finance cost.

The finance cost is distributed over the lease term so that each accounting period is expensed with an amount corresponding to a fixed interest rate for the liability recognised during each period. Right-of-use assets are depreciated on a straight-line basis over the shorter of their useful life or the lease term.

Lease liabilities are initially measured at the present value of future lease payments, which include fixed payments, variable payments that depend on an index or a rate, amounts expected to be paid to the lessor under a residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise the option and the penalty for terminating the lease if the lease term reflects an assumption that this termination option will be exercised. The lease payments are discounted at the rate implicit in the lease if this rate can be readily determined. Otherwise, the incremental borrowing rate is used, which is the interest rate that would be offered to the Company if the acquisition were financed with a loan from a financial institution.

On initial recognition, right-of-use assets are measured at the amount of the lease liability adjusted for any lease payments made on or before the commencement date.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any impairment. Depreciation is applied from the lease's commencement date on a straight-line basis over the shorter of the asset's expected useful life and the lease term. If the Group is reasonably certain to exercise a purchase

option, the right-of-use asset is depreciated over the underlying asset's useful life. Impairment testing is carried out if there is evidence that the right-of-use asset's carrying amount exceeds its recoverable amount.

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

For short-term and low-value leases, lease payments are recognised as an expense on a straight-line basis in the income statement. Short-term leases are contracts with a lease term of 12 months or less.

When a new lease is entered, the Company makes an assessment of whether the lease will be extended, purchased or terminated early. In cases where leases are open, without a defined end date, local laws and regulations may provide security of tenure for the lessee. In these cases, the Company makes an assessment of what a reasonable lease term is and determines the term by referencing factors such as the importance of the asset to the business and the Company's own planned or completed investments. Extension options are taken into account in the lease term only if it is reasonably certain that such an option will be exercised.

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

Cash flows from leases are classified and presented as follows:

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

Land restoration costs

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

Subsequent costs

Subsequent costs are added to the cost of acquisition only when it is probable that future economic benefits associated with the asset will

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

Depreciation

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

Estimated useful lives:

- * Buildings (owner-occupied properties) 15–50 years
- * Land improvements 20 years
- * Machinery and equipment 3–33 years

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

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

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

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

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

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

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

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

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

INTANGIBLE ASSETS

Goodwill

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

Other intangible assets

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

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

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

Subsequent costs

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

Amortisation

Amortisation is recognised in profit/loss for the year on a straight-line basis over the intangible

asset's useful life, unless it has an indefinite useful life. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or whenever there is an indication that the asset in question may be impaired.

Amortisation begins when the asset is available for use. The estimated useful lives are:

- * Land leases 15–50 years
- * Capitalised development expenditure, tenancy rights etc. 5 years

The useful lives are reviewed annually.

INVENTORIES

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

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

IMPAIRMENT

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

If it is not possible to determine largely independent cash flows for an asset, it is tested for impairment within its cash-generating unit, which is the smallest identifiable group of assets generating largely independent cash flows. An impairment loss is recognised when the recoverable amount of an asset or a cash-generating unit is less than its carrying amount. Impairment losses are recognised in profit or loss. Impairment recognised for a cash-generating unit (group of units) is initially allocated to goodwill and subsequently to the other assets of the unit (group of units) pro rata based on the carrying amount of each asset. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. In measuring value in use, cash flows are discounted using

a discount rate that reflects the risk-free rate of interest and the risk specific to the asset. If an asset does not generate cash flows that are largely independent of other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

Impairment of financial assets

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

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

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

Equity instruments classified as available-for-sale financial assets are considered impaired and are written down when cost exceeds the fair value by a significant amount, or there has been a prolonged decline in value. The Company considers a decline in excess of 20 percent to be significant and a period of nine months or more to be prolonged.

When an impairment loss is recognised for an equity instrument classified as available for sale, the cumulative gain or loss previously recognised in equity through other comprehensive income is reclassified to profit or loss. The amount of the cumulative loss reclassified from equity, via other comprehensive income, to profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in profit or loss.

Impairment losses on available-for-sale financial assets are reported under net financial items in the income statement.

Reversal of impairment

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

the depreciated historical cost would have been if the impairment had not been recognised.

Impairment of loans and receivables recognised at amortised cost is reversed if the previous indication of impairment no longer exists and full payment from the customer is expected.

Impairment of equity instruments classified as available-for-sale financial assets, previously recognised in profit or loss, is not reversed through profit or loss but through other comprehensive income. The written-down value is the value from which subsequent remeasurements are made, which are recognised in other comprehensive income. Impairment of interest-bearing instruments classified as available-for-sale financial assets is reversed through profit or loss if the fair value increases and the increase can be objectively related to an event occurring after the impairment was recognised.

EMPLOYEE BENEFITS

Defined contribution plans

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

Defined benefit plans

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

Termination benefits

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

PROVISIONS

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

TAXES

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

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

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

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

EARNINGS PER SHARE

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

CONTINGENT LIABILITIES

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

PARENT COMPANY ACCOUNTING POLICIES

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

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

Classification and presentation

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

Subsidiaries and associates

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

Financial guarantees

The Parent Company's financial guarantee contracts consist mainly of guarantees provided for subsidiaries. Under a financial guarantee, the Company has an obligation to reimburse the holder of a debt instrument for losses it incurs if a specified debtor fails to make payment when contractually due. In its reporting of financial guarantee contracts, the

Parent Company applies an exemption from the provisions of IFRS 9 permitted by the Swedish Financial Reporting Board. The exemption applies to financial guarantees provided for subsidiaries, associates and joint ventures. The Parent Company reports financial guarantee contracts as a provision for the Group when the Company has an obligation, and an outflow of resources is likely to be required to settle the obligation.

Financial instruments

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

Taxes

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

Group contributions and shareholder contributions for legal entities

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

NOTE 2 DISTRIBUTION OF REVENUE

GROUP

	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
TOTAL, SEK million		
Alpine skiing/SkiPass	1,231	1,393
Accommodation	261	303
Ski rental	163	188
Ski school/Activities	50	57
Sporting goods outlets	179	171
Property services	102	109
Sale of interests in accommodation and exploitation assets	176	229
Other	199	226
Total Group	2,362	2,676

BY SEGMENT, SEK million

	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
Operation of Ski Resorts		
SkiPass	1,231	1,393
Accommodation	261	303
Ski rental	163	188
Activities	50	57
Sporting goods outlets	179	171
Property services	102	109
Other	178	159
Total Operation of Ski Resorts	2,164	2,380
Property Development and Exploitation	198	296
Total Group	2,362	2,676

BY COUNTRY AND SEGMENT, SEK million

Sweden		
-Operation of ski resorts	1,525	1,588
-Property development & exploitation	163	293
Norway ¹⁾		
-Operation of ski resorts	548	701
-Property development	35	3
Austria ²⁾	91	91
Total Group	2,362	2,676

¹⁾ There are no exploitation operations in Norway.

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

CONT. NOTE 2 DISTRIBUTION OF REVENUE

PARENT COMPANY

	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
TOTAL, SEK million		
Alpine skiing/SkiPass	807	876
Accommodation	185	198
Ski rental	117	128
Ski school/Activities	43	48
Sporting goods outlets	149	142
Property services	59	67
Sale of interests in accommodation and exploitation assets	34	58
Other	266	218
Total revenue derived from Sweden	1,660	1,735

BY SEGMENT, SEK million

	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
Operation of Ski Resorts		
SkiPass	807	876
Accommodation	185	198
Ski rental	117	128
Activities	43	48
Sporting goods outlets	149	142
Property services	59	67
Other	266	218
Total Operation of Ski Resorts	1,626	1,677
Property Development & Exploitation	34	58
Total Parent Company derived from Sweden	1,660	1,735

The opening balance for contract liabilities as of 31 August 2019 was recognised in the 2019/20 financial year as shown in the following table, where revenue was recognised over the period of the guest's stay.

	31/08/2020	31/08/2019
Contract liabilities		
Advances from guests	200	135
Opening balance	135	45
Via profit/loss	-118	-45
Repaid	-10	
Remaining from previous year	-2	
New receipts	200	135
Translation difference	-5	
Closing balance	200	135

LOYALTY PROGRAMME

Utilised loyalty discounts for the year amount to SEK 2.5 (2.4) million. Expired discounts during the year amount to SEK 1.1 (1.0) million and additional loyalty liabilities are SEK 4.3 (3.8) million. Closing loyalty liabilities amount to SEK 7.2 (6.5) million and are included in other liabilities

NOTE 3 GROUP OPERATING SEGMENTS

	Full year 1 Sep-31 Aug	
SEK thousand	2019/20	2018/19
OPERATION OF SKI RESORTS		
External revenue	2,206,532	2,435,645
Internal revenue	31,297	45,099
Capital gains	1,210	697
Total revenue	2,239,039	2,481,441
External operating expenses	-1,593,703	-1,685,758
Costs from other segments	-51,888	-80,822
Capital losses	-607	-417
Profit/loss from investments in joint ventures and associates	1,407	-10,730
Depreciation/amortisation	-264,234	-252,337
Operating profit/loss	330,014	451,377
Intangible assets	181,609	191,953
Property, plant and equipment	3,089,986	2,946,081
Financial assets	68,350	80,676
Operating loans	1,089,825	1,155,347
PROPERTY DEVELOPMENT AND EXPLOITATION		
External revenue	21,434	21,426
Exploitation revenue	176,076	228,755
Internal revenue	20,473	44,291
Capital gains	1,179	1,538
Total revenue	219,162	296,010
External operating expenses	-64,567	-72,512
Costs from other segments	118	-8,568
Costs of sold exploitation assets	-71,263	-55,402
Capital losses	-9,256	-3,619
Profit/loss from investments in joint ventures and associates	1,328	17,544
Depreciation/amortisation	-19,730	-21,047
Operating profit/loss	55,793	152,406

CONT. NOTE 3 GROUP OPERATING SEGMENTS

	Full year 1 Sep-31 Aug	
SEK thousand	2019/20	2018/19
Intangible assets	-	-
Property, plant and equipment	796,794	701,177
Financial assets	581,532	595,158
Operating loans	872,326	590,320
Internal revenue	-51,770	-89,390
Internal costs	51,770	89,390
Consolidated revenue	2,406,431	2,688,061
Consolidated operating profit/loss	385,808	603,783
Consolidated intangible assets	181,609	191,953
Consolidated property, plant and equipment	3,886,780	3,647,258
Consolidated financial assets	649,882	675,834
Consolidated operating loans	1,962,151	1,745,667
Revenue		
Sweden	1,699,892	2,041,424
Norway	608,059	580,996
Austria	98,480	65,641
	2,406,431	2,688,061
Non-current assets		
Sweden	3,078,530	2,567,869
Norway	1,280,366	1,576,175
Austria	359,376	371,001
	4,718,271	4,515,045

SkiStar's 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 and shops. The focus is on sales and efficient operation. Earnings are charged with the segment's own costs as well as internal rents, mainly for guest accommodation rented from Property Development & 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 utilised 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 unit weeks 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.

NOTE 4 OTHER OPERATING INCOME

Government support received in connection with the coronavirus pandemic is reported under other income and includes reorientation support of SEK 21,224 thousand in Sweden and business support of SEK 12,400 thousand in Norway. Other recognised income consists of exchange gains in operations and capital gains on the disposal of non-current assets used in operations and not included in available-for-sale assets. Total other operating income for the Group amounts to SEK 44,795 (12,159) thousand and for the Parent Company SEK 24,793 (3,838) thousand.

NOTE 5 WORK PERFORMED BY THE COMPANY AND CAPITALISED

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

The year's capitalised amounts were SEK 3,021 (3,992) thousand for the Group and SEK 293 (2,519) thousand for the Parent Company.

NOTE 6 AUDITORS' FEES AND REMUNERATION

GROUP	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
<i>PriceWaterhouseCoopers</i>		
Audit engagements	2,253	1,820
Other audit services	266	62
Tax advisory services	219	189
Other services	248	57
	2,986	2,128

PARENT COMPANY	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
<i>PriceWaterhouseCoopers</i>		
Audit engagements	1,392	1,319
Other audit services	163	62
Tax advisory services	189	189
Other services	122	35
	1,867	1,605

Audit engagements comprise the statutory audit of the annual report, annual financial statements, accounting records and administration of the Board and CEO, other procedures required to be carried out by the Company's auditors and advice or other assistance arising from observations made during the audit or performance of such other procedures.

Other engagements refers to advice on accounting issues and advice on processes and internal controls.

NOTE 7 LEASES

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

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. The accumulated effect of the transition at 1 September 2019 is an increase in total assets, with right-of-use assets amounting to SEK 815 million, including prepayments of SEK 23 million. Lease liabilities amount to SEK 792 million. There has not been any effect on opening equity at 1 September 2019. On 31 August 2020, the liabilities amounted to SEK 698 million. SkiStar has significant leases for land, buildings and ski lift installations and several of them are long-term leases.

SkiStar previously reported all leases as operating leases, which are shown in the table for the previous year.

RIGHT-OF-USE ASSETS

GROUP	01/09/2019 -31/08/2020
<i>Accumulated cost</i>	
Opening balance, 1 Sep 2019	815,409
New leases	29,553
Terminated leases	-191
Translation differences	-44,227
Closing balance, 31 Aug 2020	800,544
<i>Accumulated depreciation</i>	
Opening balance, 1 Sep 2019	0
Depreciation	-89,296
Translation differences	1,329
Closing balance, 31 Aug 2020	-87,967
Residual value, right-of-use assets	
Opening balance, 1 Sep 2019	815,409
Closing balance, 31 Aug 2020	712,577

LEASE LIABILITIES

GROUP	01/09/2019 -31/08/2020
<i>Accumulated cost</i>	
Opening balance, 1 Sep 2019	792,662
New leases	29,408
Lease payments made	-96,152
Terminated leases	-169
Interest applied	15,426
Accrued expenses	-663
Translation differences	-42,443
Closing balance, 31 Aug 2020	698,069
Of which current liabilities	
Opening balance, 1 Sep 2019	81,676
Closing balance, 31 Aug 2020	78,218
Costs for leases not included in right-of-use assets	
or lease liabilities	17,078
Leases with variable payments	36,771
Short-term leases (<12 months)	1,042
Low-value leases	54,891

CONT. NOTE 7 LEASES

RIGHT-OF-USE ASSETS BY ASSET CLASS	31/08/2020	01/09/2019
Land leases	356,928	373,689
Premises	194,460	256,046
Ski lift installations	138,131	154,112
Other	23,058	31,562
Total right-of-use assets	712,577	815,409
Depreciation of right-of-use assets by asset class	31/08/2020	
Land leases	14,053	
Premises	48,198	
Ski lift installations	15,442	
Other	11,603	
Total depreciation of right-of-use assets	89,296	

TOTAL CASH FLOW FROM LEASES

	Maturity analysis		
Reporting year	Within one year	2-5 years	>5 years
96,152	102,076	291,455	561,570

TRANSITION EFFECTS, IFRS 16

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 leases	36,282
Discounting using Group's incremental borrowing rate, 2.4%	-173,516
Opening balance, lease liabilities under IFRS 16	792,662

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

The Parent Company's leases consist mainly of rental agreements for shop premises, ski rental, and accommodation for guests and seasonal employees. SkiStar AB also has rental agreements for ski lifts in Åre and Vermdalen, with the remaining terms of 9-15 years.

PARENT COMPANY	01/09/2019 -31/08/2020
Lease costs for the financial year	93,921
Agreed future lease payments under non-cancellable leases are due as follows:	
Within one year	54,662
Two to five years	124,574
After five years	181,893
Total future lease payments	361,129

PREVIOUS YEAR

LAND LEASES

GROUP	01/09/2018 -31/08/2019
Lease costs for the financial year	29,834
Agreed future lease payments under non-cancellable leases are due as follows:	
Within one year	20,578
Two to five years	66,577
After five years	444,645
Total future lease payments	531,800

PARENT COMPANY	01/09/2018 -31/08/2019
Lease costs for the financial year	7,277
Agreed future lease payments under non-cancellable leases are due as follows:	
Within one year	2,347
Two to five years	9,390
After five years	14,085
Total future lease payments	25,822

OTHER LEASES

GROUP	01/09/2018 -31/08/2019
Lease costs for the financial year	37,875
Agreed future lease payments under non-cancellable leases are due as follows:	
Within one year	34,522
Two to five years	96,019
After five years	115,268
Total future lease payments	245,810

PARENT COMPANY	01/09/2018 -31/08/2019
Lease costs for the financial year	30,013
Agreed future lease payments under non-cancellable leases are due as follows:	
Within one year	29,053
Two to five years	86,568
After five years	115,268
Total future lease payments	230,890

Total future minimum lease payments, Group	777,610
Total future minimum lease payments, Parent Company	256,712

NOTE 8 INFORMATION ON PERSONNEL AND REMUNERATION OF THE BOARD OF DIRECTORS AND CEO

AVERAGE NUMBER OF EMPLOYEES

Average number of employees, classified by gender

GROUP	01/09/2019 –31/08/2020	Proportion, %	01/09/2018 –31/08/2019	Proportion, %
<i>Sweden</i>				
Women	356	42	399	42
Men	497	58	557	58
<i>Foreign entities</i>				
Norway				
Women	76	32	93	33
Men	161	68	192	67
Austria				
Women	10	14	16	20
Men	66	86	65	80
Total, Group	1,166		1,322	

PARENT COMPANY	01/09/2019 –31/08/2020	Proportion, %	01/09/2018 –31/08/2019	Proportion, %
<i>Sweden</i>				
Women	349	42	388	42
Men	486	58	541	58
Total, Parent Company	835		929	

GENDER DISTRIBUTION, BOARD OF DIRECTORS AND GROUP MANAGEMENT

GROUP	31/08/2020 % women	31/08/2019 % women
Board of Directors	67%	43%
Other senior executives	10%	11%
PARENT COMPANY		
Board of Directors	67%	43%
Other senior executives	13%	11%

SALARIES, OTHER BENEFITS AND SOCIAL SECURITY CONTRIBUTIONS

	01/09/2019–31/08/2020					01/09/2018–31/08/2019				
	Salaries	Bonuses	Other benefits	Social security contributions	Pension contributions	Salaries	Bonuses	Other benefits	Social security contributions	Pension contributions
PARENT COMPANY										
Mats Årjes	979	2,340	56	1,060	416	4,125	1,392	148	1,780	1,407
Anders Örnulf	510	-	33	171	120	-	-	-	-	-
Stefan Sjöstrand	2,104	-	66	682	640	-	-	-	-	-
CEO total	3,593	2,340	155	1,913	1,176	4,125	1,392	148	1,780	1,407
Other senior executives	10,326	3,446	640	4,357	4,096	9,169	3,338	593	4,133	3,897
Other personnel	295,255	-	2,159	98,638	16,128	314,549	-	-	104,449	15,548
Total Parent Company	309,174	5,786	2,954	104,908	21,400	327,843	4,730	741	110,362	20,852
SUBSIDIARIES										
Other senior executives ¹⁾	2,991	1,035	360	511	433	2,907	405	396	437	416
Other personnel	149,400	20	1,168	21,184	9,087	179,244	-	-	27,263	10,182
Total subsidiaries	152,391	1,055	1,528	21,695	9,520	182,151	405	396	27,700	10,598
Group	461,565	6,841	4,482	126,603	30,920	509,994	5,135	1,137	138,062	31,450

Government support in connection with the coronavirus pandemic has reduced payroll expenses by SEK 8,440 thousand for the Group and SEK 7,961 thousand for the Parent Company.

¹⁾ The only senior executives in other countries are in Norway.

REMUNERATION OF SENIOR EXECUTIVES

Members of the Board received remuneration of SEK 2,670 (1,406) thousand. The distribution between the Chairman and individual members is described in the Corporate Governance Report on page 84. Former CEO Mats Årjes was also a Board member. However, he did not receive any Board fees. The present CEO is not a Board member.

No Board member received any other remuneration in addition to Board fees.

GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

The guidelines below cover the remuneration and other terms of employment for the CEO and Group management of SkiStar AB, hereinafter referred to as senior executives. The guidelines were prepared by the Remuneration Committee and fully approved by the Board of Directors to be presented for adoption by the Annual General Meeting on 14 December 2019. The guidelines were adopted by the AGM on said date. These guidelines will be applied to new employment contracts and amendments to existing contracts.

Fundamental principles

The Company's remuneration structure shall

- contribute to a consensus between employees and shareholders in terms of the long-term perspective of the operations;
- ensure that employees receive remuneration that is on market conditions and competitive, enabling the Company to recruit and retain employees; and
- offer a salary based on employees' performance, duties, competence, experience and position.

Fixed salary

Senior executives will be offered a fixed salary that is competitive in relation to responsibilities, expertise, performance and regional salary levels. The fixed salary will be determined annually to apply during the period September to August.

Bonuses and undertaking to acquire shares

Senior executives are entitled to cash bonuses based on the current bonus programme for SkiStar AB's senior executives as decided by the Board. The maximum bonus amount is 60% of 12 times the current monthly salary. Bonuses must be related to measurable criteria defined by the Board for earnings per share, return on equity, operating margin and organic growth.

Senior executives who receive bonuses must undertake to acquire shares in the Company for long-term ownership (a period of at least three years), investing at least 1/3 of their variable remuneration after tax. The purpose is to create involvement and engagement by offering senior executives the opportunity to become shareholders in a more structured way.

In accordance with what is stated above, bonus cash payments (cost borne by the Company) cannot exceed SEK 9.4 million for the 2019/20 financial year. Bonus payments are based on the Company's performance in terms of growth in earnings per share, return on equity, operating margin and organic growth.

Non-monetary benefits

Senior executives are entitled to extra health insurance as well as the benefits available to other employees of SkiStar AB.

Pension

Senior executives are entitled to pension arrangements under collective agreements and agreements with SkiStar. All pension obligations are defined-contribution plans. For the CEO, the

Company pays pension contributions corresponding to 30 percent of the pensionable salary.

For other senior executives, pension payments are made according to the customary ITP plan.

Period of notice and termination benefits

The maximum period of notice is 24 months for termination of employment initiated by SkiStar AB and 6 months for termination by the senior executive. Termination benefits are only payable for termination initiated by the Company and only during the period of employment until the individual under notice obtains new employment.

Remuneration decisions

The Board makes decisions on the salary and other terms of employment for the CEO on the basis of proposals from the Board's Remuneration Committee. The Board is entitled to derogate from the guidelines if there is reason to do so in an individual case.

On the date of the 2019 Annual General Meeting, SkiStar AB did not have any remuneration commitments not due for payment other than ongoing commitments to senior executives in accordance with the remuneration principles adopted at the 2018 AGM.

The guidelines for remuneration of senior executives are the same as the guidelines adopted by the 2018 AGM, apart from pension contributions for the CEO, which have changed from a maximum of 35 percent of pensionable salary to a maximum of 30 percent.

OUTCOMES IN RELATION TO GUIDELINES

See table above. The retirement age for the CEO and other members of the management group is in line with the laws and collective agreements in the relevant countries. The period of notice and termination benefits for the CEO and other members of the management group follow the guidelines above.

The AGM on 14 December 2019 adopted an extra fee of SEK 600 thousand for Chairman of the Board Eivor Andersson, who was newly appointed during the previous financial year (2018/2019), in addition to the Chairman's fee adopted by the 2018 AGM. The AGM also adopted additional termination benefits to former CEO Mats Årjes as follows: total remuneration of SEK 325 thousand per month for twelve (12) months from December 2019. The remuneration is pensionable but is not linked to annual leave entitlement. SkiStar will pay social security contributions on the remuneration and make customary tax deductions in accordance with applicable regulations. If Mats Årjes receives income from any other employment during the relevant twelve-month payment period, such income (including social security contributions) shall be deducted from the additional remuneration received from SkiStar.

In addition, in connection with the decision to appoint Stefan Sjöstrand as CEO, SkiStar's Board found that there were grounds to derogate from the guidelines that the Board was able to use. In order to satisfy the Company's long-term interests in being able to recruit a competent and experienced CEO, the following extra benefits have been granted in the employment contract with Stefan Sjöstrand, i.e., in addition to the benefits specified in the guidelines: (i) SkiStar will pay for Stefan Sjöstrand's private air travel between his home in Copenhagen and his place of work in Stockholm, (ii) SkiStar will ensure that Stefan Sjöstrand receives any such tax return assistance that he requires, at SkiStar expense, and (iii) SkiStar will ensure that Stefan Sjöstrand receives supplementary health insurance in addition to collectively agreed health insurance. The Board's assessment is that the benefits were necessary in order to complete the recruitment on market conditions. In comparison with the CEO's total remuneration, these extra benefits represent an insignificant amount.

NOTE 9 DEPRECIATION /AMORTISATION OF ASSETS

GROUP	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
Capitalised expenditure on IT systems	12,592	16,089
Rights of tenancy and similar rights	3,322	2,718
Land and buildings, land improvements	70,493	68,276
Plant, machinery and equipment	197,557	186,301
Leases ¹⁾	89,296	-
	373,260	273,384
PARENT COMPANY		
Capitalised expenditure on IT systems	12,592	16,089
Rights of tenancy and similar rights	1,809	521
Land and buildings, land improvements	27,249	26,703
Plant, machinery and equipment	114,884	103,815
	156,534	147,128

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

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

PARENT COMPANY	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
Impairment*	-	-15,142
Dividend, Group companies	79,089	83,219
Liquidation of Fjällförsäkring	33	-
Dividend, associates	-	-
	79,122	68,077

* Impairment of shares in VM 2019 AB in 2018/19.

NOTE 11 TAX

RECOGNISED IN INCOME STATEMENT

GROUP	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
Current tax expense		
Tax for the period	-66,283	-85,853
Adjustment of tax relating to prior years	-3,615	-187
	-69,898	-86,040
Deferred tax expense (-)/tax income (+)		
Deferred tax on temporary differences	517	-6,801
Deferred tax arising from changes in tax rates	6,036	-
	6,553	-6,801
Total tax expense recognised, Group	-63,345	-92,841

RECOGNISED IN INCOME STATEMENT

PARENT COMPANY	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
Current tax expense	-44,450	-48,943
Adjustment of tax relating to prior years	-3,377	-187
	-47,827	-49,130
Deferred tax expense (-)/tax income (+)		
Deferred tax on temporary differences	2,323	-9,027
Deferred tax arising from changes in tax rates	5,745	-
	8,068	-9,027
Total tax expense recognised, Parent	-39,759	-58,157

RECONCILIATION OF EFFECTIVE TAX	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
GROUP	Percent	Amount
Profit/loss before tax		350,059
Tax according to Parent's current tax rate	21.4%	-74,913
Difference in tax rates in foreign operations	-	-539
Effect of change in tax rate	-1.7%	6,036
Non-deductible expenses	0.3%	-1,007
Non-taxable income*	-3.0%	10,595
Tax attributable to prior years	1.0%	-3,615
Change in temporary differences in non-current assets	-0.1%	491
Other	0.1%	-393
Recognised effective tax	17.9%	-63,345

* SEK 16 (27) million of non-taxable income relates to the sale of shares in companies.

CONT. NOTE 11 TAX

RECONCILIATION OF EFFECTIVE TAX	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
PARENT COMPANY	Percent	Amount
Profit/loss before tax		315,952
Tax according to Parent's current tax rate	21.4%	-67,614
Non-deductible expenses	0.4%	-1,268
Non-taxable income*	-5.5%	17,268
Tax attributable to prior years	1.1%	-3,377
New tax rate	-1.8%	5,745
Change in temporary differences in non-current assets	-3.0%	9,543
Other	0.0%	-56
Recognised effective tax	12.6%	-39,759

* SEK 17 (11) million of non-taxable income relates to dividends from subsidiaries and associates.

RECOGNISED IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION

GROUP, 31 AUG 2020	Deferred tax assets	Deferred tax liabilities	Net
Non-current assets	-	-189,531	-189,531
Derivatives	3,167	-	3,167
	3,167	-189,531	-186,364
Offset	-3,167	3,167	-
Net deferred tax assets/liabilities	0	-186,364	-186,364
GROUP, 31 AUG 2019	Deferred tax assets	Deferred tax liabilities	Net
Non-current assets	-	-195,094	-195,094
Derivatives	1,446	-	1,446
	1,446	-195,094	-193,648
Offset	-1,446	1,446	-
Net deferred tax liabilities	0	-193,648	-193,648

RECOGNISED IN BALANCE SHEET

PARENT COMPANY, 31 AUG 2020	Deferred tax assets	Deferred tax liabilities	Net
Non-current assets	-	-151,099	-151,099
Derivatives	3,167	-	3,167
	3,167	-151,099	-147,932
Offset	-3,167	3,167	-
Net deferred tax liabilities	0	-147,932	-147,932
PARENT COMPANY, 31 AUG 2019	Deferred tax assets	Deferred tax liabilities	Net
Non-current assets	-	-148,784	-148,784
Derivatives	3,466	-	3,466
	3,466	-148,784	-145,318
Offset	-3,466	3,466	-
Net deferred tax assets/liabilities	0	-145,318	-145,318

CHANGES IN DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSS CARRYFORWARDS

GROUP, 31 AUG 2020	Amount at start of year	Recognised in income statement	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-197,114	6,096	-	-191,018
IFRS 16	0	1,487	-	1,487
Derivatives	3,466	1,191	-1,490	3,167
	-193,648	8,774	-1,490	-186,364

PARENT COMPANY, 31 AUG 2020	Amount at start of year	Recognised in income statement	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-148,784	-2,315	-	-151,099
Derivatives	3,466	1,191	-1,490	3,167
	-145,318	-1,124	-1,490	-147,932

GROUP, 31 AUG 2019	Amount at start of year	Recognised in income statement	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-190,884	-6,230	-	-197,114
Derivatives	4,958	-5	-1,487	3,466
	-185,926	-6,235	-1,487	-193,648

PARENT COMPANY, 31 AUG 2019	Amount at start of year	Recognised in income statement	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-139,762	-9,022	-	-148,784
Derivatives	4,958	-5	-1,487	3,466
	-134,804	-9,027	-1,487	-145,318

The Nordic operations had no remaining tax losses at the end of the financial year.

In the Austrian operations, there is an unutilised loss carryforward of SEK 10 (10) million, with a tax effect of SEK 2.5 (2.5) million. Up to 75% of the value of the Austrian losses can be used over the life of the company.

NOTE 12 EARNINGS PER SHARE

	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
NUMBER OF SHARES BEFORE DILUTION		
Total number of shares, 1 September	78,376,056	78,376,056
Weighted average number of basic shares during the year	78,376,056	78,376,056
BASIC EARNINGS PER SHARE		
Profit/loss for the year	291,013	466,303
Average number of shares outstanding	78,376,056	78,376,056
Basic earnings per share	3.71	5.95

During the previous financial year, a share split was carried out on 17 January 2019. All previous periods have been restated.

Calculation of earnings per share is based on profit for the year attributable to shareholders of the Parent, which amounted to SEK 291,013 (466,303) thousand, and on the weighted average number of shares outstanding, which was 78,376,056 (78,376,056). There are no financial instruments that could have dilutive effects.

NOTE 13 INTANGIBLE ASSETS

GROUP	Capitalised expenditure on IT systems	Rights of tenancy and similar rights	Goodwill	Total
Accumulated cost				
Opening balance, 1 Sep 2018	185,666	137,314	97,346	420,326
Capitalised expenditure	11,656	803	-	12,459
Reclassifications	3,647	518	-	4,165
Translation differences	-	-878	-1,195	-2,073
Closing balance, 31 Aug 2019	200,969	137,757	96,151	434,877
Opening balance, 1 Sep 2019	200,969	137,757	96,151	434,877
Capitalised expenditure	10,863	79	-	10,942
Merger	-	-19,094	-	-19,094
Disposals	-17,689	-554	-	-18,243
Reclassifications	2,510	-	-	2,510
Translation differences	-	-4,884	-6,209	-11,093
Closing balance, 31 Aug 2020	196,653	113,304	89,942	399,899
Accumulated amortisation and impairment				
Opening balance, 1 Sep 2018	-153,537	-71,128	-	-224,665
Amortisation	-16,089	-2,718	-	-18,809
Translation differences	-	548	-	550
Closing balance, 31 Aug 2019	-169,626	-73,298	0	-242,924
Opening balance, 1 Sep 2019	-169,626	-73,298	-	-242,924
Amortisation	-12,592	-3,322	-	-15,914
Merger	-	19,094	-	19,094
Disposals	17,688	-	-	17,688
Translation differences	-	3,766	-	3,766
Closing balance, 31 Aug 2020	-164,530	-53,760	0	-218,290
Carrying amount, 31 Aug 2019	31,343	64,459	96,151	191,953
Carrying amount, 31 Aug 2020	32,123	59,544	89,942	181,609
PARENT COMPANY	Capitalised expenditure on IT systems	Rights of tenancy and similar rights	Goodwill	Total
Accumulated cost				
Opening balance, 1 Sep 2018	185,666	20,943	18,442	225,051
Capitalised expenditure	11,656	798	-	12,454
Reclassifications	3,647	518	-	4,165
Closing balance, 31 Aug 2019	200,969	22,259	18,442	241,670
Opening balance, 1 Sep 2019	200,969	22,259	18,442	241,670
Capitalised expenditure	10,863	79	-	10,942
Merger	-	42,055	-	42,055
Disposals	-17,689	-554	-	-18,243
Reclassifications	2,510	-	-	2,510
Closing balance, 31 Aug 2020	196,653	63,839	18,442	278,934
Accumulated amortisation and impairment				
Opening balance, 1 Sep 2018	-153,537	-19,853	-18,442	-191,832
Amortisation	-16,099	-521	-	-16,610
Closing balance, 31 Aug 2019	-169,626	-20,373	-18,442	-208,441
Opening balance, 1 Sep 2019	-169,626	-20,373	-18,442	-208,441
Disposals	17,688	554	-	18,242
Amortisation	-12,592	-1,809	-	-14,401
Closing balance, 31 Aug 2020	-164,530	-21,628	-18,442	-204,600
Carrying amount, 31 Aug 2019	31,343	1,886	-	33,229
Carrying amount, 31 Aug 2020	32,123	42,211	-	74,334

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

CONT. NOTE 13 IMMATERIELLA ANLÄGGNINGSTILLGÅNGAR

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL

THE FOLLOWING CASH-GENERATING UNITS HAVE GOODWILL VALUES	31/08/2020	31/08/2019
Sälen	3,910	3,910
Åre	16,546	16,546
Hemsedal	13,613	14,534
Trysil	55,873	61,161
	89,942	96,151

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment. There was no indication of impairment in the 2020 testing. The impairment testing was based on the calculated value in use. The value in use is obtained from projected cash flows for a five-year period based on the Company's business plan. The key assumptions in the five-year plan are growth, revenue, earnings and cash flow per cash-generating unit. The assumptions are based on historical results and the Company's own plans.

The cash flow projections after the first five years are based on an annual growth rate of 1 (1) percent. The projected cash flows for each cash-generating unit have been discounted to the present value using a pre-tax discount rate of 8 (8) percent.

Goodwill has been allocated to each destination's Operation of Ski Resorts segment as a cash-generating unit. The cash-generating units correspond to the identifiable groups of assets that generate cash flows independently of other assets.

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

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and buildings, land improvements	Plant, machinery and equipment	Construction in progress	Total
Accumulated cost				
Opening balance, 1 Sep 2018	2,927,403	3,825,341	252,819	7,005,563
Acquisitions	80,711	113,639	392,036	586,386
Business combinations	27,391	-	-	27,391
Disposals	-82,105	-84,010	-11,883	-177,998
Reclassifications etc.	42,286	107,318	-171,854	-22,250
Translation differences	779	-7,243	-621	-7,085
Closing balance, 31 Aug 2019	2,996,466	3,955,044	460,497	7,412,007
Opening balance, 1 Sep 2019	2,996,466	3,955,044	460,497	7,412,007
Acquisitions	74,496	89,013	543,803	707,312
Business combinations	1,496	-	-	1,496
Disposals	-71,554	-175,608	-47,423	-294,585
Reclassifications etc.	117,076	191,412	-327,072	-18,584
Translation differences	-79,039	-123,659	-7,317	-210,015
Closing balance, 31 Aug 2020	3,038,941	3,936,202	622,488	7,597,631
Accumulated depreciation and impairment				
Opening balance, 1 Sep 2018	-997,774	-2,627,249	-	-3,625,023
Business combinations	-1,144	-	-	-1,144
Disposals	27,455	81,464	-	108,919
Depreciation	-68,276	-186,301	-	-254,577
Reclassifications etc.	-621	-6,944	-	-7,565
Translation differences	1,140	13,500	-	14,640
Closing balance, 31 Aug 2019	-1,039,220	-2,725,529	-	-3,764,750
Opening balance, 1 Sep 2019	-1,039,220	-2,725,529	-	-3,764,750
Disposals	25,934	172,379	-	198,313
Depreciation	-70,493	-197,557	-	-268,050
Translation differences	25,224	98,411	-	123,635
Closing balance, 31 Aug 2020	-1,058,555	-2,652,296	-	-3,710,852
Carrying amount, 31 Aug 2019	1,957,245	1,229,515	460,497	3,647,258
Carrying amount, 31 Aug 2020	1,980,385	1,283,906	622,488	3,886,780
Components				
Buildings	1,199,124	-	-	
Land	374,032	-	-	
Land improvements	384,089	-	-	
Machinery and technical installations	-	1,217,665	-	
Equipment	-	11,850	-	
Total carrying amount, 31 Aug 2019	1,957,245	1,229,515		
Buildings	1,192,256	-	-	
Land	375,195	-	-	
Land improvements	412,934	-	-	
Machinery and technical installations	-	1,265,223	-	
Equipment	-	18,684	-	
Total carrying amount, 31 Aug 2020	1,980,385	1,283,907		

	31/08/2020	31/08/2019
Reported value of land for properties in Sweden	182,493	219,162
Carrying amount, slopes	250,819	243,552

CONT. NOTE 14 PROPERTY, PLANT AND EQUIPMENT

PARENT COMPANY	Land and buildings, land improvements	Plant, machinery and improvements	Construction in progress	Total		Land and buildings, land improvements	Plant, machinery and improvements
Accumulated cost					Components		
Opening balance, 1 Sep 2018	1,355,711	2,052,561	145,646	3,553,918	Buildings	370,502	-
Acquisitions	29,825	87,126	164,440	281,391	Land	160,890	-
Disposals	-37,809	-30,575	-11,883	-80,267	Land improvements	275,629	-
Reclassifications	13,457	71,368	-96,863	-12,038	Machinery and technical installations	-	714,006
Closing balance, 31 Aug 2019	1,361,184	2,180,480	201,340	3,743,004	Equipment	-	0
					Total carrying amount, 31 Aug 2019	807,021	714,006
Opening balance, 1 Sep 2019	1,361,184	2,180,480	201,340	3,743,004	Buildings	379,222	-
Acquisitions	20,138	68,742	52,640	141,520	Land	158,436	-
Merger	1,449	23,215	-	24,664	Land improvements	287,672	-
Disposals	-10,846	-142,397	-11,194	-164,437	Machinery and technical installations	-	800,668
Reclassifications	28,253	123,987	-165,944	-13,704	Equipment	-	0
Closing balance, 31 Aug 2020	1,400,178	2,254,027	76,842	3,731,047	Total carrying amount, 31 Aug 2020	825,330	800,668
						31/08/2020	31/08/2019
Accumulated depreciation and impairment					Reported value of land for properties in Sweden	158,436	160,890
Opening balance, 1 Sep 2018	-543,189	-1,394,399	-	-1,937,588	Carrying amount, slopes	250,819	243,552
Disposals	15,730	28,721	-	44,451			
Reclassifications	-	3,019	-	3,019			
Depreciation	-26,703	-103,816	-	-130,519			
Closing balance, 31 Aug 2019	-554,162	-1,466,475	-	-2,020,637			
Opening balance, 1 Sep 2019	-554,162	-1,466,475	-	-2,020,637			
Disposals	6,465	140,850	-	147,315			
Merger	-	-12,751	-	-12,751			
Reclassifications	98	-99	-	-1			
Depreciation	-27,249	-114,884	-	-142,133			
Closing balance, 31 Aug 2020	-574,848	-1,453,359	-	-2,028,207			
Carrying amount, 31 Aug 2019	807,022	714,005	201,340	1,722,367			
Carrying amount, 31 Aug 2020	825,330	800,668	76,842	1,702,840			

NOTE 15 PARTICIPATIONS IN GROUP COMPANIES

	31/08/2020	31/08/2019	SPECIFICATION OF PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES		31/08/2020	31/08/2019
Opening balance	379,497	366,449		Number of shares	Recognised amount	Recognised amount
Shareholder contributions	5,000	-	SUBSIDIARY/CORP. ID/REG'D OFFICE			
Merged companies	-54,636	-	Sälens Högfjällshotell AB / 556200-6311 / Municipality of Malung-Sälen	2,600,000	100.0%	9,427
Disposals	-30,484	-	SkiOnline AB / 556098-6381 / Municipality of Malung-Sälen	2,000	100.0%	-
Acquisitions	-	12,918	SkiStar Lodge Hundfjället AB / 556086-0990 / Municipality of Malung-Sälen	42,000	100.0%	3,000
Reclassification	-	130	Vintertorget i Sälen KB / 969618-0786 / Municipality of Malung-Sälen	198	99.0%	198
Closing balance	299,377	379,497	Vemdalen Sportaffärer & Skiduthyrning AB / 556068-9761 / Municipality of Härjedalen***	1,000	100.0%	-
			SkiStar Norge AS / NO977107520 / Trysil	5,000	100.0%	130,898
			Fageråsen Fjellbygg AS / NO 925167150 / Trysil	800	100.0%	-
			Trysil booking AS / NO989566342 / Trysil	100	100.0%	-
			Hemsedal booking AS / NO995699656 / Hemsedal	1,000	100.0%	-
			Hammarbybacken AB / 556650-2570 / Municipality of Malung-Sälen	910	91.0%	1
			Klövsjö Linbana AB / 556748-5429 / Municipality of Berg***	53,000	100.0%	-
			Fjällinvest AB / 556426-8380 / Municipality of Malung-Sälen	161,000	100.0%	25,279
			Hundfjället Servicecenter AB / 556675-5913 / Municipality of Malung-Sälen	10,000	100.0%	-
			Hundfjället Centrum AB / 556233-4549 / Municipality of Malung-Sälen	1,000	100.0%	-
			Fjällinvest Norge AS / NO993753084 / Trysil	21,054	100.0%	-
			Fageråsen Invest AS / NO990375410 / Trysil	850	85.0%	-
			Hemsedal Fjellinvest AS / NO922690669 / Hemsedal	500,500	100.0%	-
			Hemsedal Alpin Hotell AS / NO985289085 / Hemsedal	1,000	100.0%	-
			Hemsedal Fjellandsby AS / NO985289158 / Hemsedal	100	100.0%	-
			Vemdalen Logi AB / 556208-7634 / Municipality of Härjedalen	44,000	100.0%	-
			Björnrikegården Nya AB / 556914-1467 / Municipality of Stockholm	500	100.0%	-
			SkiStar Åre Mark AB / 559023-2830 / Municipality of Malung-Sälen	50,000	100.0%	-
			Bräcke Mark AB / 559135-9780 / Municipality of Åre	500	100.0%	-
			SkiStar Åre Logi AB / 559004-6446 / Municipality of Malung-Sälen	500	100.0%	-
			Fjällmedia AB / 556755-1055 / Municipality of Malung-Sälen	1,000	100.0%	100
			SkiStar Snöproduktion AB / 556952-7293 / Municipality of Åre**	50,000	100.0%	1,405
			SkiStar Invest AB / 559005-8615 / Municipality of Malung-Sälen	500	100.0%	50
			Fjällförsäkringar AB / 516406-0708 / Municipality of Malung-Sälen***	30,000	100.0%	-
			SkiStar Fastighetsservice AB / 556250-6997 / Municipality of Malung-Sälen	2,000	100.0%	842
			Entréhuset AB / 556756-7135 / Municipality of Malung-Sälen	20,000	100.0%	17,311
			Eveline Fastighets AB / 556805-9579 / Municipality of Malung-Sälen	500	100.0%	12,708
			World Cup Åre AB / 556749-7119 / Municipality of Åre	1,000	100.0%	5,340
			St. Johanner Bergbahnen GmbH / FN 42804 y / St. Johann in Tirol*	68.3%	92,818	92,818
					299,377	379,497

** Company was renamed from Skishop Åre AB during the year.

*** Vemdalen sportaffär och skiduthyrning AB and Klövsjö Linbana AB were merged into the Parent Company SkiStar AB during the year. Fjällförsäkringar AB was liquidated.

* The subsidiary St. Johanner Bergbahnen GmbH has non-controlling interests that are significant for SkiStar. See table below.

SEK million	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
Revenue	98,404	94,836
Profit/loss	-12,700	-18,498
Comprehensive income	-12,719	-18,517
Non-current assets	352,864	371,101
Current assets	43,353	44,216
Non-current liabilities	12,503	227,996
Current liabilities	219,899	11,203
NCI share of profit/loss	-4,027	-5,863
NCI share of equity	47,823	56,420

NOTE 16 PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

GROUP	31/08/2020	31/08/2019	PARENT COMPANY	31/08/2020	31/08/2019
Opening balance	393,166	387,294	Opening balance	2,812	2,992
New share issue	17,270	-	Acquisitions	-	15,000
Shareholder contributions	4,500	15,000	Reclassification	-	-130
Reclassification	-	-503	Impairment	-	-15,050
Disposals	-	1,429	Closing balance	2,812	2,812
Dividend	-12,466	-14,330			
Translation differences	-10,523	-2,538			
Share of profit/loss	2,736	6,814			
Closing balance	394,684	393,166			

SPECIFICATION OF THE GROUP'S AND PARENT COMPANY'S PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES 31/08/2020

ASSOCIATES AND JOINT VENTURES / CORP ID / REG'D OFFICE	Revenue	Profit/loss	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Shareholding, %	Group's share of equity	Carrying amount in Parent Company				
ASSOCIATES:														
Lima Transtrand Fastighets AB / 556258-6817 / Municipality of Malung-Sälen	22,031	3,436	126,848	10,757	60,869	7,123	69,613	45	32,929					
Åre Destination AB / 556171-5961 / Municipality of Åre	14,181	60	16,095	4,787	14,800	3,695	2,387	49	1,228	1,970				
Fjällvärme i Sälen AB / 556536-1895 / Municipality of Malung-Sälen	14,417	242	85,353	-7,586	47,760	7,530	22,477	50	11,941					
Knetsetra AS / NO971219807 / Trysil	14,258	-1,339	1,625	2,397	2,147	1,716	160	49	3,512					
Trysilguidene AS / NO965147659 / Trysil	30,957	2,977	32,858	5,827	8,341	7,107	23,237	35	5,518					
H A Aktiviteter AB / 556730-0065 / Municipality of Härjedalen	0	-79	452	262	700	0	14	42	-29	42				
Hemsedal Bioenergi AS / NO993016632 / Hemsedal	2,031	-181	5,644	1,190	7,530	-22	-675	33	527					
Skihytta Trysil AS / NO987561025 / Trysil	10,236	-475	2,336	3,159	2,578	1,340	1,578	35	1,224					
Scandinavian Mountains AB / 556973-5631 / Municipality of Malung-Sälen	39,537	-21,130	577,338	22,347	331,027	14,956	253,702	39	97,645					
Åre 2019 AB / 556973-4717 / Municipality of Åre	-	-	-	-	-	-	-	50	-	-				
														4) Current assets include:
														3) Profit/loss includes:
	Revenue	Profit/loss 3)	Non-current assets	Current assets 4)	Non-current liabilities	Current liabilities	Equity	Shareholding, %	Group's share of equity	Carrying amount in Parent Company	Depreciation/amortisation	Interest income (+)/Interest expenses (-)	Tax income (+)/Tax expense (-)	Cash and cash equivalents
JOINT VENTURES:														
Ski Invest Sälen AB / 556755-1022 / Municipality of Malung-Sälen	98,675	-9,989	457,641	32,121	123,310	233,557	132,895	50	83,098		-23,977	-6,916	1,041	17,526
Skitorget AS / NO994110527 / Trysil	1,700	-309	7,198	6,334	328	32	13,171	50	9,689		-300	62	-223	6,280
Mountain Resort Trysil AS / NO996284115 / Trysil	83,565	-5,152	311,061	41,632	255,825	9,944	86,924	50	89,641		-13,713	-8,386	-1,946	16,258
Skiab Invest AB / 556848-5220 / Municipality of Malung-Sälen	28,832	26,347	68,528	62,551	7	19,283	111,789	50	55,547		-1,094	260	24	37,753
Skiab Invest AS / NO915659454 / Trysil	15,549	-470	282,755	14,196	285,670	1,554	9,727	50	4,256		-10,434	-8,939	4,145	10,657
Staven Næringsseidom AS / NO988357014 / Hemsedal	3,303	356	29,564	17,097	0	42,722	3,939	50	6,821		-958	-614	-82	14,936
Trysilsuterna AS / NO991276068 / Trysil	0	-56	1,696	0	2,126	518	-948	50	-268		-	-	-	-
Björnrike Torg AB / 559069-4161 / Municipality of Härjedalen	2,410	237	45,120	-9	35,885	1,168	8,058	19	1,330		-1,047	-586	-	-324
Tegefjäll Linbane AB / 556659-6861 / Municipality of Åre	1,575	213	12,516	3,618	8,775	2,693	4,666	20	790	800	-949	-309	-58	1,556
Trysil Hotellutvikling AS / NO987054409 / Trysil	116,134	-2,037	340,379	23,954	383,593	15,574	-34,834	50	-10,713		-12,333	-8,046	-1,026	5,712
									394,684	2,812				

SPECIFICATION OF THE GROUP'S AND PARENT COMPANY'S PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES 31/08/2019

ASSOCIATES AND JOINT VENTURES / CORP ID / REG'D OFFICE	Revenue	Profit/loss	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Share-holding, %	Group's share of equity	Carrying amount in Parent Company				
ASSOCIATES:														
Lima Transtrand Fastighets AB / 556258-6817 / Municipality of Malung-Sälen	25,105	5,229	130,830	15,535	65,916	10,071	70,378	45	33,341					
Åre Destination AB / 556171-5961 / Municipality of Åre	10,745	89	16,132	3,927	14,241	3,489	2,329	49	1,189	1,970				
Fjällvärme i Sälen AB / 556536-1895 / Municipality of Malung-Sälen	10,179	-3,520	78,200	3,780	53,893	14,852	13,235	50	7,320					
Knettsetra AS / NO971219807 / Trysil	25,344	1,317	1,454	4,356	1,012	2,020	2,778	49	4,809					
Trysilguidene AS / NO965147659 / Trysil	38,656	4,371	34,660	4,430	9,684	7,131	22,275	35	4,414					
H A Aktiviteter AB / 556730-0065 / Municipality of Härjedalen	85	1	505	278	690	0	93	42	4	42				
Hemsedal Bioenergi AS / NO993016632 / Hemsedal	2,432	-479	6,725	2,241	8,991	521	-546	33	624					
Skihytta Trysil AS / NO987561025 / Trysil	14,886	1,552	3,224	3,298	3,104	649	2,769	35	1,376					
Scandinavian Mountains AB / 556973-5631 / Municipality of Malung-Sälen	1,102	-1,134	511,892	13,958	269,789	24,497	231,564	38	87,118					
Åre 2019 AB / 556973-4717 / Municipality of Åre	281,487	-29,262	-	38,863	-	38,026	837	50	-	-				
														4) Current assets include:
													3) Profit/loss includes:	
ASSOCIATES AND JOINT VENTURES / CORP ID / REG'D OFFICE	Revenue	Profit/loss 3)	Non-current assets	Current assets 4)	Non-current liabilities	Current liabilities	Equity	Share-holding, %	Group's share of equity	Carrying amount in Parent Company	Depreciation/amortisation	Interest income (+)/Interest expenses (-)	Tax income (+)/Tax expense (-)	Cash and cash equivalents
JOINT VENTURES:														
Ski Invest Sälen AB / 556755-1022 / Municipality of Malung-Sälen	130,330	2,949	478,740	36,372	346,198	26,032	142,882	50	87,433		-24,980	-6,823	-937	21,893
Skitorget AS / NO994110527 / Trysil	2,257	1,308	7,793	7,201	407	-159	14,746	50	11,736		-305	65	0	7,201
Mountain Resort Trysil AS / NO996284115 / Trysil	119,125	14,042	370,992	63,191	322,408	11,158	100,617	50	96,819		-15,993	-10,559	-4,112	37,258
Skiab Invest AB / 556848-5220 / Municipality of Malung-Sälen	52,981	31,887	-20,228	143,410	-22,017	39,697	105,502	50	52,416		-1,144	-162	-119	35,473
Skiab Invest AS / NO915659454 / Trysil	13,979	-7,410	320,558	12,013	319,766	1,688	11,117	50	6,401		-11,118	-9,931	0	11,900
Staven Naeringsseiendom AS / NO988357014 / Hemsedal	5,380	1,587	15,828	13,726	-	25,619	3,935	50	7,136		-1,021	-626	-389	13,659
Trysil Suiter AS / NO991276068 / Trysil	0	-59	1,857	0	2,327	508	-978	50	-255		-	-	-	-
Björnrike Torg AB / 559069-4161 / Municipality of Härjedalen	2,389	1,144	50,121	46	37,100	4,102	8,965	19	1,330		-1,047	-683	-	314
Tegefjäll Linbane AB / 556659-6861 / Municipality of Åre	1,545	184	13,465	3,102	9,450	2,664	4,453	20	790	800	-949	-301	-52	3,095
Trysil Hotellutvikling AS / NO987054409 / Trysil	145,253	3,487	380,546	29,642	428,630	17,527	-35,969	50	-10,834		-14,750	-8,885	-2,706	4,692
									393,166	2,812				

Business description

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

Joint ventures:

Ski Invest Sälen AB / 556755-1022 / Municipality of Malung-Sälen	Owns SkiLodge Village in Lindvallen, where SkiStar rents accommodation for its guests.
Mountain Resort Trysil AS / NO996284115 / Trysil	Owns buildings containing bathing facilities, shops and restaurants which are used by SkiStar's guests.
Skiab Invest AB / 556848-5220 / Municipality of Malung-Sälen	Hotel operator in Trysil, with accommodation units that can be booked through SkiStar.
Skiab Invest AS / NO915659454 / Trysil	Provides shop and reception premises.
Tegefjäll Linbane AB / 556659-6861 / Trysil	Owns Lodge in Hemsedal.
Trysil Hotellutvikling AS / NO987054409 / Trysil	Owns lift in Tegefjäll, Åre, leased by SkiStar.
	Hotel operator in Trysil, with accommodation units that can be booked through SkiStar.

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

GROUP	31/08/2020	31/08/2019
<i>Available-for-sale financial assets</i>		
Opening cost	36,874	36,596
Acquisitions	133	11,032
Disposals	-1,677	-10,712
Reclassification	-236	-
Translation difference	-159	-42
Closing balance	34,935	36,874
PARENT COMPANY		
<i>Available-for-sale financial assets</i>		
Opening cost	20,247	20,247
Acquisitions	-	-
Disposals	-800	-
Reclassifications	-236	-
Closing balance	19,211	20,247
GROUP		
Participations in tenant-owner associations	22,208	22,140
Other securities held as non-current assets	720	729
Shares and participating interests	12,007	14,005
Closing balance	34,935	36,874
PARENT COMPANY		
Participations in tenant-owner associations	8,261	8,261
Shares and participating interests	10,950	11,986
Closing balance	19,211	20,247

NOTE 18 OTHER NON-CURRENT RECEIVABLES

GROUP	31/08/2020	31/08/2019
Opening cost	245,794	258,579
Additional receivables	16,556	22,246
Settlement of receivables	-15,336	-18,823
Reclassification, other	-11,027	-12,945
Exchange difference	-15,697	-3,263
Closing balance	220,290	245,794
PARENT COMPANY		
Opening cost	22,012	21,272
Additional receivables	2,678	1,130
Settlement of receivables	-	-390
Reclassification, other	-11,026	-
Closing balance	13,664	22,012
GROUP		
Receivables from associates	163,399	189,277
Other non-current interest-bearing receivables	36,804	35,668
Other non-current non-interest-bearing receivables	20,086	20,849
Closing balance	220,290	245,794
PARENT COMPANY		
Receivables from associates	700	11,027
Other non-current interest-bearing receivables	12,964	10,985
Other non-current non-interest-bearing receivables	-	-
Closing balance	13,664	22,012

Receivables from associates and others are primarily loan receivables.

NOTE 19 INVENTORIES

GROUP	31/08/2020	31/08/2019
Goods for resale	127,308	115,746
Participations in tenant-owner associations	102,687	48,430
Closing balance	229,995	164,176
PARENT COMPANY		
Goods for resale	102,084	89,424
Closing balance	102,084	89,424

NOTE 20 TRADE RECEIVABLES

Trade receivables are recognised net of the Group's established and expected credit losses for the year, which were SEK 485 (729) thousand. Established losses accounted for SEK 381 (532) thousand of the amount. The Parent Company's established and expected credit losses were SEK 238 (526) thousand, with established losses amounting to SEK 144 (329) thousand. The Group recovered previous established and expected credit losses of SEK 255 (50) thousand during the year. The Group's provision for doubtful debts was SEK 104 (197) thousand, having decreased by SEK 93 thousand during the financial year. The Group's trade receivables from related parties amounted to SEK 14 (51) thousand. Further information on related party transactions can be found in Note 36. The credit quality of receivables that are not past due is considered good.

AGE ANALYSIS OF PAST DUE BUT NOT IMPAIRED TRADE RECEIVABLES

GROUP	2019-09-01 -31/08/2020	01/09/2018 -31/08/2019
30-90 days	2,623	685
91-180 days	1,192	26,110
Closing balance	3,815	26,795
PARENT COMPANY		
30-90 days	1,378	500
91-180 days	287	25,654
Closing balance	1,665	26,154

NOTE 21 OTHER CURRENT RECEIVABLES

GROUP	31/08/2020	31/08/2019
VAT recoverable	23,720	32,953
Current loan receivables	78,595	61,585
Tax account	1,033	857
Government grants	12,021	-
Other	12,602	18,754
Closing balance	127,971	114,149
PARENT COMPANY		
VAT recoverable	4,425	8,168
Current loan receivables	46,916	6,431
Tax account	56	929
Other	2,413	8,975
Closing balance	53,810	24,503

NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

GROUP	31/08/2020	31/08/2019
Prepaid rental charges and lease payments	16,361	38,617
Prepaid insurance	3,971	4,047
Accrued interest income	2,484	2,697
Prepaid site work	28,744	24,585
Government grants	21,224	-
Other items	25,316	26,303
Closing balance	98,100	96,249
PARENT COMPANY		
Prepaid rental charges and lease payments	33,655	34,143
Prepaid insurance	2,583	2,831
Accrued interest income	655	1,018
Government grants	21,224	-
Other items	15,278	24,087
Closing balance	73,395	62,079

NOTE 23 EQUITY

GROUP	31/08/2020	31/08/2019
<i>Translation reserve</i>		
Opening translation reserve	-9,609	1,642
Translation differences for the year	-56,608	-11,251
Closing translation reserve	-66,217	-9,609
<i>Hedging reserve</i>		
Opening hedging reserve	-12,634	-17,905
Value of hedging reserve	6,776	6,758
Deferred tax	-1,490	-1,487
Closing hedging reserve	-7,348	-12,634
<i>PARENT COMPANY</i>		
<i>Hedging reserve</i>		
Opening hedging reserve	-12,634	-17,905
Value of hedging reserve	6,776	6,758
Deferred tax	-1,490	-1,487
Closing hedging reserve	-7,348	-12,634

GROUP

Other contributed capital

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

Translation reserve

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

Hedging reserve

The Group had interest rate derivatives of SEK 600 million and NOK 200 million during the financial year, with remaining maturities of 0 to 7 years. Hedging has ceased with effect from the third quarter 2015/16. The value of the derivative is reversed in comprehensive income over the derivative's remaining life. See also Notes 32 and 35.

Retained earnings and profit for the year

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

Dividend

After the reporting date, the Board has recommended that no dividend be paid for the 2019/20 financial year. The appropriation of profits will be presented for adoption by the AGM on 12 December 2020. A dividend of SEK 3.50 per share was paid in 2019.

PARENT COMPANY

Restricted equity

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

Statutory reserve

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

Development expenditure fund

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

Non-restricted equity

Share premium reserve

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

Hedging reserve

During the financial year, interest was hedged through interest rate derivatives of SEK 500 million, with remaining maturities of 0 to 7 years. Hedging has ceased with effect from the third quarter 2015/16. The value of the derivative is reversed in comprehensive income over the derivative's remaining life. See also Notes 32 and 35.

Retained earnings

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

CONT. NOTE 23 EQUITY

NUMBER OF SHARES	31/08/2020	31/08/2019
Number of Class A shares outstanding at start of period	3,648,000	3,648,000
Number of Class B shares outstanding at start of period	74,728,056	74,728,056
Number of shares outstanding at end of period	78,376,056	78,376,056

A 2:1 share split was carried out in the 2018/19 financial year. Previous periods have been restated.

The overall goal is for the value of shareholders' capital to increase. To pursue a proactive strategy while balancing operational risk, SkiStar must have a strong financial base. The target is an equity ratio of at least 35 percent. At current interest rates, the target for return on equity is 13.5 percent and for return on capital employed 8.5 percent. On 31 August, the equity ratio was 43 (51) percent, return on equity was 11.1 (18.3) percent and return on capital employed was 9.2 (15.4) percent. The targets are based on 3-month treasury bills, which had an average interest rate of -0.24 percent during the 2019/20 financial year. The operating margin target is to exceed 22 percent in the long term. SkiStar's dividend policy is to pay an annual dividend of at least 50 percent of profit after tax. The policy was adopted on the basis that SkiStar has a strong financial base combined with a strong cash flow and is largely able to finance investments with its own funds.

NOTE 24 APPROPRIATIONS

PARENT COMPANY	31/08/2020	31/08/2019
Reversal of excess depreciation*	1,100	
Group contributions	-	-10,323
Closing balance	1,100	-10,323

*) Excess depreciation arose in connection with the merger of the wholly-owned subsidiary Klövsjö Linbana AB

NOTE 25 LIABILITIES TO CREDIT INSTITUTIONS

GROUP	31/08/2020	31/08/2019
Due within 1 year after reporting date	473,121	157,856
Due 1-5 years after reporting date	1,483,223	1,587,811
Due more than 5 years after reporting date	5,779	0
Closing balance	1,962,123	1,745,667
Overdraft facilities granted	750,000	750,000
Utilised portion of overdraft facilities	217,473	564,913

PARENT COMPANY	31/08/2020	31/08/2019
Due within 1 year after reporting date	417,473	-
Due 1-5 years after reporting date	487,735	852,648
Closing balance	905,208	852,648
Overdraft facilities granted	750,000	750,000
Utilised portion of overdraft facilities	217,473	564,913

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

	Liabilities to credit institutions		Lease liabilities		Liabilities to credit institutions		Lease liabilities	
	Total		Total		Total		Total	
GROUP	31/08/2020	31/08/2020	31/08/2020	31/08/2019	31/08/2019	31/08/2019	31/08/2019	31/08/2019
Opening balance	1,745,667	792,662	2,538,329	1,678,797	-	1,678,797	-	1,678,797
New leases	-	29,408	29,408	-	-	-	-	0
Borrowings	1,030,887	-	1,030,887	775,016	-	775,016	-	775,016
Repayment	-767,827	-96,321	-864,148	-721,519	-	-721,519	-	-721,519
Interest applied	20,058	15,426	35,484	27,833	-	27,833	-	27,833
Accrued interest	6,486	-	6,486	5,370	-	5,370	-	5,370
Accrued expense	-	-663	-663	-	-	-	-	0
Interest paid	-30,649	-	-30,649	-33,204	-	-33,204	-	-33,204
Asset acquisitions	-	-	0	21,495	-	21,495	-	21,495
Translation	-42,498	-42,443	-84,941	-8,121	-	-8,121	-	-8,121
Closing balance	1,962,124	698,069	2,660,193	1,745,667	-	1,745,667	-	1,745,667

Further information about lease liabilities can be found in Note 7.

PARENT COMPANY	31/08/2020	31/08/2019
Opening balance	852,648	801,310
Borrowings	782,287	706,060
Repayment	-729,727	-658,015
Interest applied	9,940	13,950
Accrued interest	3,159	2,422
Interest paid	-13,099	-13,079
Closing balance	905,208	852,648

NOTE 26 PROVISIONS FOR PENSIONS

GROUP	31/08/2020	31/08/2019
Other pension provisions	15,183	12,864
Closing balance	15,183	12,864

PARENT COMPANY	31/08/2020	31/08/2019
Other pension provisions	12,212	9,705
Closing balance	12,212	9,705

Provisions for pension obligations amounted to SEK 15.2 (12.8) million, while the fair value of plan assets was SEK 9.8 (11) million and payroll tax was SEK 0.5 (1.9) million. In Sweden and the Parent Company, these provisions consist of the fair value of endowment insurance. In Austria, there is a defined-benefit plan whose value is calculated annually on actuarial principles. As the value is of minor importance, full disclosures are not provided in accordance with IAS 19.

The total premium for pension insurance was SEK 30.9 (29.2) million. For salaried employees in Sweden, the ITP 2 plan's defined benefit obligations for retirement and survivor pensions are secured through insurance with Alecta, and through individual pension solutions for employees with annual salaries exceeding 10 income base amounts. According to the Swedish Financial Reporting Board's statement UFR 10, Accounting for ITP 2 Plans Financed by Insurance in Alecta, this is a multi-employer defined-benefit pension plan. For the 2019/20 financial year, the Company did not have access to sufficient information to report its proportionate share of the plan's obligations, plan assets and costs, which meant that it was not possible to report the plan as a defined-benefit plan. Consequently, the ITP 2 pension plan insured through Alecta is reported as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually and depends on factors that include salary, previously earned pension and expected remaining service.

Expected contributions in the next reporting period for ITP 2 insurance covered by Alecta are SEK 5.4 million (2019/20: SEK 5.4 million). The Group's share of the total contributions to the plan is 0.01 (0.02) percent, while its share of the total number of active plan members is 0.03 (0.03) percent. The collective funding ratio is the market value of Alecta's assets as a percentage of its insurance obligations calculated by reference to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. The ratio is normally permitted to vary between 125 and 155 percent. If Alecta's collective funding ratio falls below 125 percent or exceeds 155 percent, measures should be taken to create the conditions to allow it to return to the normal range. If the funding ratio is too low, an appropriate measure could be to increase the agreed price for new insurance and extension of existing benefits. If the funding ratio is too high, premium reductions could be introduced. At 31 December 2019, Alecta's surplus, in the form of a collective funding ratio, was 148 (142) percent.

NOTE 27 RECEIVABLES FROM/LIABILITIES TO GROUP COMPANIES

RECEIVABLES FROM GROUP COMPANIES	31/08/2020	31/08/2019
Fjellinvest Trysil AS	-	28,533
Hammarbybacken AB	-	99
Entréhuset AB	9,117	7,026
SkiShop Åre AB	-	9
SkiStar Snöproduktion AB	2,440	-
Eveline Fastighets AB	13,603	8,030
SkiStar Invest AB	107,363	90,093
SkiStar Norge AS	-	47,239
SkiStar Fastighet AB	8,211	20,558
St Johann in Tirol GmbH	-	210,752
Björnrikegården Nya AB	7,455	-
Vemdalen Logi AB	116,907	124,489
SkiStar Åre Mark AB	-	5,649
SkiStar Åre Logi AB	-	30,202
Closing balance	265,097	572,679

LIABILITIES TO GROUP COMPANIES	31/08/2020	31/08/2019
Fjällmedia AB	98	8
Hammarbybacken AB	5,117	-
Fjällinvest AB	143,203	101,575
Hemsedal Alpin Hotell AS	-	386
Hemsedal Fjellandsbyn AS	-	679
Hundfjället Centrum AB	124,943	114,038
Hundfjället Servicecenter AB	7,535	9,389
Sälens Högfjällshotell AB	373,328	518,521
SkiStar Åre Mark AB	3,410	-
SkiStar Lodge Hundfjället	25,369	25,369
Vemdalen Sportaffär och skiduthyrning AB	-	22,709
Vintertorget i Sälén KB	2,208	2,208
Closing balance	685,211	794,882

All loans mature within 5 years.

NOTE 28 OTHER PROVISIONS

GROUP	31/08/2020	31/08/2019
Other provisions	9,366	1,510
Closing balance	9,366	1,510

PARENT COMPANY	31/08/2020	31/08/2019
Other provisions	78	800
Closing balance	78	800

GROUP	31/08/2020	31/08/2019
Opening balance	1,510	1,453
Purchases	553	1,188
Other provision	10,098	-
Settlement of provision	-1,216	-133
Cancellations	-1,275	-1,007
Translation	-304	9
Closing balance	9,366	1,510

PARENT COMPANY	31/08/2020	31/08/2019
Opening balance	800	619
Purchases	553	1,188
Cancellations	-1,275	-1,007
Closing balance	78	800

SkiStar was registered with the Swedish Energy Agency as a power-intensive industry in January 2009. This means that SkiStar has a quota obligation and is required to submit a quota obligation declaration. For each MWh of electricity subject to a quota obligation in 2019, 0.305 certificates were cancelled. The registration as a power-intensive industry resulted in a reduction of approximately SEK 0.5 million in electricity costs in the 2019 calendar year.

NOTE 29 ACCRUED EXPENSES AND DEFERRED INCOME

GROUP	31/08/2020	31/08/2019
Accrued payroll expenses and social security contributions	48,486	60,159
Accrued finance costs	6,486	5,370
Accrued property costs	5,605	7,390
Accrued electricity costs and electricity tax	4,078	-
Accrued rental costs	9,886	13,109
Accrued profit-sharing, insurance	4,492	-
Accrued construction costs	7,447	-
Other items	23,882	18,791
Closing balance	110,362	104,819

PARENT COMPANY	31/08/2020	31/08/2019
Accrued payroll expenses and social security contributions	39,604	49,276
Accrued finance costs	3,159	2,422
Accrued property costs	2,416	4,159
Accrued electricity costs and electricity tax	4,078	-
Accrued rental costs	1,237	1,143
Accrued profit-sharing, insurance	4,492	-
Other items	8,866	9,605
Closing balance	63,852	66,605

NOTE 30 PLEDGED ASSETS AND CONTINGENT LIABILITIES

PLEDGED ASSETS	31/08/2020	31/08/2019
Property mortgages	810,668	828,968
Floating charges	7,000	7,000
Assets, SkiStar Norway Group	807,424	797,843
Other pledged assets	12,963	9,705
Closing balance	1,638,055	1,643,516
Of which pledged for own liabilities	1,638,055	1,643,516

PARENT COMPANY	31/08/2020	31/08/2019
Property mortgages	520,436	523,236
Floating charges	7,000	7,000
Other pledged assets	12,963	9,705
Closing balance	540,399	539,941
Of which pledged for own liabilities	540,399	539,941

CONTINGENT LIABILITIES	31/08/2020	31/08/2019
Contributions with conditional repayment liability	-	266
Guarantees	545,610	651,455
Other contingent liabilities	70,500	71,500
Closing balance	616,110	723,221

PARENT COMPANY	31/08/2020	31/08/2019
Contributions with conditional repayment liability	-	266
Guarantees provided for Group companies	960,591	823,618
Other guarantees	508,352	599,692
Other contingent liabilities	70,500	71,500
Closing balance	1,539,443	1,495,076

Guarantees are related to bank loans taken out by SkiStar AB and associates.

NOTE 31 CASH FLOW STATEMENT

	GROUP		PARENT COMPANY	
	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
Interest paid and dividend received				
Dividend received	-	-	-	83,445
Interest received	3,840	2,823	5,769	322
Interest paid*	-30,649	-33,204	-13,099	-13,079
Adjustments for non-cash items etc.				
Share of profit/loss of associates	-2,736	-21,490	-	-
Depreciation/amortisation and impairment of assets	373,260	273,384	156,534	147,128
Unrealised exchange differences	16,894	-2,201	-685	-
Capital gains/losses on sale of non-current assets	7,474	-1,565	5,504	-1,286
Capital gains/losses on sale of operations/subsidiaries	-	-	-	-
Provisions for pensions	-	-	2,507	1,346
Other provisions	8,160	-461	-722	181
Negative goodwill	-	-	-	-
Other non-cash items	6,981	-7,823	-	-
	410,033	239,844	163,138	147,369
Acquisition of subsidiaries and other business entities				
<i>Acquired assets and liabilities:</i>				
Property, plant and equipment		35,703	-	-
Inventories		100	-	-
Other assets		477	-	-
Total assets	0	36,280	0	0
Purchase consideration	-17,826	-13,618	-	-
Less cash and cash equivalents in acquired operation		1,165	-	-
Effect on cash and cash equivalents	-17,826	-12,453	0	0
Cash and cash equivalents				
The following components are included in cash and cash equivalents:				
Cash and bank balances	59,567	71,253	994	165
	59,567	71,253	994	165

NOTE 32 FINANCIAL RISKS AND FINANCIAL POLICIES

FINANCIAL RISKS

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

CURRENCY RISKS

Currency risk is the risk of exchange rate changes affecting the Group's income statement, statement of financial position and/or its cash flows. Currency risk includes both translation risk and transaction risk.

SkiStar conducts operations in Norway through its subsidiary SkiStar Norge AS and that company's subsidiaries and in Austria through its majority holding in St. Johanner Bergbahnen GmbH, and is exposed to translation risks in these operations. SkiStar's policy is not to hedge translation risk.

Approximately 22 (32) percent of SkiStar's total profit after tax is attributable to the Norwegian operations. If the Norwegian krone weakens against the Swedish krona, the destinations Hemsedal and Trysil, through SkiStar Norge AS, will be consolidated in the SkiStar Group at a lower profit level than if the Norwegian krone strengthens against the Swedish krona. A sensitivity analysis shows that a +/-10 percent change in the NOK/SEK exchange rate affects earnings by +/- SEK 6 million and equity by +/- SEK 17 million. An equalising factor is that it costs less for Swedish guests to visit Hemsedal and Trysil if the Norwegian krone is weaker. In Hemsedal, 86 (81) percent of guests come from outside Norway, with Swedish guests accounting for 34 (35) percent. The proportion of foreign guests in Trysil is 96 (94) percent, with Swedish guests accounting for 43 (45) percent. The income statements and balance sheets of subsidiaries are translated using the current method. This means that assets and liabilities are translated at closing rates, while all income statement items are translated at the average exchange rate for the period. Translation differences are recognised in other comprehensive income.

To reduce currency risks, assets in foreign subsidiaries are only financed in local currencies. Purchases of lifts, piste machines and particularly ski rental equipment are partly financed in EUR and USD and are hedged if this is considered beneficial to the Company. Only a small number of minor purchases have been made in recent years, which has resulted in the Company opting not to hedge the purchases. In the 2019/20 financial year, the Group purchased goods and services in euros, which totalled EUR 9.9 (13.6) million. Purchases are also made in other currencies, but their value is considered marginal.

CREDIT RISKS

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

INTEREST AND LIQUIDITY RISKS

SkiStar's financial policy requires most borrowings to have a short fixed-interest term of three months or less. With a strong financial base, including an equity/assets ratio of 43 (51)

percent and a strong cash flow, SkiStar can take advantage of the effects of short-term interest rates, which are lower than the long-term rates. When the Company considers that the market situation and interest rates are conducive to borrowing at longer fixed-interest rates, this can be done, subject to a decision by the finance team and the Board. Loans are taken out with large credit institutions such as DNB, Nordea and SEB. Interest-bearing liabilities, excluding the effects of IFRS 16 Leases, amounted to SEK 1,977 (1,758) million at the reporting date. Net interest income/expenses for the financial year were SEK -44 (-50) million and average interest expenses were 2.07 (2.2) percent. Net interest-bearing liabilities, excluding the effects of IFRS 16 Leases, were SEK 1,816 (1,589) million at the reporting date. A rise in interest rates of 1 percentage point would increase SkiStar's interest expenses by about SEK 11 (9) million, with virtually the entire amount affecting net financial items in the income statement and therefore equity. To offset the strong fluctuations in cash flow over the year, SkiStar has short maturities for just over 50 percent of its loan volume. SkiStar has covenants linked to the interest coverage ratio and equity/assets ratio. At 31 August 2020, the covenants had been fulfilled. The Group's cash and cash equivalents at the reporting date were SEK 60 (71) million. Unused credit facilities amounted to SEK 533 (185) million. In accordance with the disclosure requirements of IFRS 13, there follows a description of the fair value measurement of financial instruments in the balance sheet. This is done by classifying the measurement as follows:

Level 1: Fair value is determined according to quoted prices in active markets for identical instruments.

Level 2: Fair value is determined based on either directly (as prices) or indirectly (derived from prices) observable market data not included in level 1.

INTEREST RATE SWAPS

To hedge the risk of highly probable forecast interest-rate flows from borrowing at variable interest rates, the Company uses swaps, which means it receives a variable interest rate and pays a fixed rate. The interest rate swaps are measured at fair value in the statement of financial position. On 31 August 2020, the value for the Group was SEK 29 (31) million. The interest rate coupon portion is recognised in profit or loss as part of interest expenses. Up to and including May 2016, unrealised changes in the fair value of interest rate swaps were included in the hedging reserve. Hedge accounting for interest rate derivatives has ceased with effect from May 2016. The value of the derivative is reversed in comprehensive income over the derivative's remaining life. A cumulative effect of SEK -7 (-13) million for remaining cash-flow-hedged interest rate swaps was recognised in equity at 31 August 2020. The Group has interest rate swaps of SEK 600 million and NOK 200 million, with remaining maturities of 0-7 years.

FAIR VALUE

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

CONT. NOTE 32 FINANCIAL RISKS AND FINANCIAL POLICIES

LOAN STRUCTURE 31 AUGUST 2020

	Nominal amount in original currency	Recognised amount	Maturity	Fair value of loan
SWEDEN				
Overdraft facilities, variable interest	217,473	217,473	2021-08-31	217,473
accrued interest	432	432		
Bank loan, variable interest	610,000	610,000	2023-03-26	610,000
accrued interest	1,300	1,300		
Bank loan, variable interest	200,000	200,000	2024-06-28	200,000
accrued interest	922	922		
Bank loan, variable interest	200,000	200,000	2021-04-06	200,000
accrued interest	522	522		
Construction loan	255,749	255,749	2022-01-31	255,749
accrued interest	632	632		
NORWAY				
Bank loan, variable interest	267,500	262,703	2022-06-26	262,703
accrued interest	704	691		
Bank loan, variable interest	123,750	121,531	2024-02-21	121,531
accrued interest	42	42		
Bank loan, variable interest	42,000	41,247	2021-06-30	41,247
accrued interest	134	131		
Construction loan	41,665	40,918	2020-12-31	40,918
accrued interest	0	0		
AUSTRIA				
Bank loan, variable interest	562	5,778	2022-12-31	5,778
accrued interest	2	21		
Bank loan, variable interest	654	6,725	2024-04-30	6,725
accrued interest	2	20		
Total loans		1,962,124		
Total accrued interest on bank loans		4,711		
Accrued interest on derivatives		1,712		

In addition to interest rate swaps, which have a fair value of SEK 29 (31) million, other financial liabilities consist of liabilities maturing within one year.

The fair value of interest rate swaps for the Parent Company is SEK 15 (23) million.

FINANCIAL INSTRUMENTS AT FAIR VALUE, SEK million

	31/08/2020	31/08/2019
Interest rate swaps	29	31

The items are reported as liabilities in the balance sheet

The nominal value of the interest rate swaps was SEK 796 (815) million at 31 August 2020.

FINANCIAL ASSETS BY MEASUREMENT CATEGORY, SEK million

	Fair value through profit or loss	Amortised cost	Total carrying amount
31/08/2020			
Investments and other securities held as non-current assets ¹	35	-	35
Receivables from associates	-	163	163
Trade receivables	-	17	17
Other current receivables	-	106	106
Cash and cash equivalents	-	60	60
Total financial assets	35	346	381

FINANCIAL ASSETS BY MEASUREMENT CATEGORY, SEK million

	Fair value through profit or loss	Amortised cost	Total carrying amount
31/08/2019			
Investments and other securities held as non-current assets ¹	37	-	37
Receivables from associates	-	189	189
Trade receivables	-	51	51
Other current receivables	-	114	114
Cash and cash equivalents	-	71	71
Total financial assets	37	425	462

1) SEK 35 (37) million of the financial investments are primarily investments in tenant-owner associations and other small shareholdings. These are measured based on level 3 of the IFRS 13 measurement hierarchy.

CONT. NOTE 32 FINANCIAL RISKS AND FINANCIAL POLICIES

FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY, SEK million

	Liabilities to credit institutions	Derivatives used for hedge accounting	Other financial liabilities	Total carrying amount
31/08/2020				
Liabilities to credit institutions	1,977	-	-	1,977
Derivatives	-	-	29	29
Trade payables	-	-	147	147
Accrued interest	6	-	-	6
Total financial liabilities	1,983	0	176	2,159

FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY, SEK million

	Liabilities to credit institutions	Derivatives used for hedge accounting	Other financial liabilities	Total carrying amount
31/08/2019				
Liabilities to credit institutions	1,759	-	-	1,759
Derivatives	-	-	31	31
Trade payables	-	-	119	119
Accrued interest	5	-	-	5
Total financial liabilities	1,764	0	150	1,914

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

SEK million	Within 1 year	2-5 years	After 6 years
Liabilities to credit institutions	549	1,487	0
Derivatives	7	23	9
Trade payables	147	-	-

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

	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
GROUP		
Impairment	-9	-484
Dividend	1,136	464
Capital gain*	-	15,324
Capital loss	-699	-
	428	15,304

	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
PARENT COMPANY		
Dividend	676	226
	676	226

*) Conversion of Hemsedal Eiendomsselskap AS through demerger

NOTE 34 INTEREST AND SIMILAR INCOME

	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
GROUP		
Bank balances	1,570	1,356
Non-current receivables	2,022	2,081
Trade receivables	17	16
Tax account	0	5
Exchange gains	42,619	30,267
	46,228	33,725

	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
PARENT COMPANY		
Bank balances	4,999	4,914
Non-current receivables	392	491
Trade receivables	15	15
Tax account	-	0
Exchange gains	37,879	30,257
	43,285	35,677

Of which external	38,553	30,995
Of which intra-Group	4,732	4,682

NOTE 35 INTEREST AND SIMILAR EXPENSES

GROUP	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
Liabilities to credit institutions	36,395	68,461
Interest, IFRS 16	15,425	168
Trade payables	108	-
Tax account	37	70
Exchange losses	38,995	30,872
	90,960	99,571
PARENT COMPANY	01/09/2019 -31/08/2020	01/09/2018 -31/08/2019
Liabilities to credit institutions	13,131	40,639
Trade payables	19	40
Tax account	-	26
Exchange losses	37,824	29,861
	50,974	70,566
Of which external	50,722	70,352
Of which intra-Group	252	214

All items are derived from items at cost, apart from items arising from interest rate swaps, which are SEK -4.9 (-35.9) million for the Group and SEK -0.6 (-28.2) million for the Parent Company. Interest rate swaps are included in liabilities to credit institutions for both the Group and the Parent Company.

NOTE 36 RELATED PARTIES

RELATED PARTY RELATIONSHIPS

The Group is under the control of Mats and Fredrik Paulsson, including family and companies, with an ownership corresponding to approximately 47 (47) percent of the votes and 24 (24) percent of the capital in the Group's Parent Company at 31 August 2020. Erik Paulsson's family with companies (incl. Backahill AB) is SkiStar's second-largest shareholder, with a holding of approximately 23 (23) percent of the capital and 16 (16) percent of the votes in the Parent Company at 31 August 2020.

Peab

The Peab Group is under the control of Mats and Fredrik Paulsson, with family and companies. SkiStar purchases construction contracts from the Peab Group.

Backahill

The Backahill Group is under the control of Erik Paulsson, with family and companies.

SUBSIDIARIES AND ASSOCIATES

In addition to the related party relationships described above, the Parent Company has related party relationships through its control of subsidiaries. See Note 15. The SkiStar Group also has transactions with associates in which it does not have significant influence. See Note 16.

Sales to subsidiaries are mainly related to corporate services provided to the Norwegian subsidiaries. Sales to associates are mainly related to commission from accommodation agency operations, accounting and property services on behalf of Lima Transtrand Fastighets AB and SkiLodge Village Lindvallen AB, and staff accommodation provided for Experium AB. A transfer pricing agreement is in place for trade with the Norwegian subsidiaries.

SENIOR EXECUTIVES

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

SUMMARY OF RELATED PARTY TRANSACTIONS

	Sales to related parties 01/09/19- 31/08/20	Purchases from related parties 01/09/19- 31/08/20	Receivables from related parties 31/08/2020	Liabilities to related parties 31/08/2020
GROUP				
Associates	22,252	87,942	195,303	2,582
Peab	1,481	356,695	14	41,457
Backahill	-	-	-	-
Total	23,733	444,637	195,317	44,039
PARENT COMPANY				
Associates	10,644	82,720	23,700	2,446
Peab	1,481	27,212	14	6,133
Backahill	-	-	-	-
Total	12,125	109,932	23,714	8,579

SUMMARY OF RELATED PARTY TRANSACTIONS

	Sales to related parties 01/09/2018 -31/08/2019	Purchases from related parties 01/09/2018 -31/08/2019	Receivables from related parties 31/08/2019	Liabilities to related parties 31/08/2019
GROUP				
Associates	75,285	109,568	229,033	8,554
Peab	1,455	152,956	51	18,744
Backahill	347	100	0	-
Total	77,087	264,939	229,084	28,030
PARENT COMPANY				
Associates	61,177	94,140	40,638	6,258
Peab	1,455	7,146	51	1,266
Backahill	347	100	-	-
Total	62,979	103,701	40,689	8,256

NOTE 37 ACQUISITIONS

SkiStar acquired properties through one company during the financial year. The acquisition consisted of assets and liabilities and does not include business operations.

NOTE 38 EVENTS AFTER THE REPORTING DATE

The development and impact of the spread of the novel coronavirus makes it difficult to provide an assessment of the outlook for the coming winter season. However, with high demand for the winter season, we can say that total bookings ahead of the new winter season (measured as the number of overnight stays booked through SkiStar's accommodation agency) are nine percent higher than at the same time last year, which is a sign that SkiStar's offering is attractive even in these uncertain times. While domestic demand for active holidays in mountain settings is strong, we anticipate a decline in demand partly from foreign guests and conference organisers in 2020/21, which should be followed by a recovery to more normal levels.

As previously announced, a decision has been made to invest about SEK 281 million, mainly in replacements, modernisation and snow production capacity. In view of our earnings performance linked to the coronavirus crisis and the uncertain situation, it has been decided to postpone nearly SEK 181 million of these investments to enable us to manage our liquidity situation responsibly. However, SkiStar has decided on a few capacity-increasing investments totalling SEK 10 million to strengthen the offering for the Christmas and New Year weeks.

There is a high level of uncertainty about the duration and effects of the coronavirus pandemic. SkiStar's actions in taking liquidity-strengthening measures such as deferred investments, increased borrowing and cost savings – together with strong demand for winter holidays in Scandinavia – are considered sufficient to ensure liquidity and operation as a going concern in the current and following years.

The Board proposes that no dividend be paid for the 2019/20 financial year.

NOTE 39 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

MEASUREMENT OF GOODWILL

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

MEASUREMENT OF USEFUL LIFE OF OWNED PROPERTY, PLANT AND EQUIPMENT

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

DISPUTES

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

MEASUREMENT OF RIGHT-OF-USE ASSETS AND LIABILITIES

Reporting of leases under IFRS 16 requires a number of assessments and assumptions to be made. The single most significant parameter is the assessment of the lease term. When assessing the lease term, management takes into account all available information that provides a financial incentive to exercise an extension option. Lease extension options are only included in the lease term if it is reasonably certain that the lease will be extended. Individual assessments of extensions are made on a lease by lease basis.

Most land and lift leases are very long: land up to 40 years and lifts up to 20 years. For these leases, extension options are not included in the lease liability, as it is not reasonably certain that the leases will be extended, while for shorter land leases, extension options are normally included in the lease liability.

The lease term is reviewed if an extension option is exercised (or not exercised). The assessment of reasonable certainty is only reviewed if there is a significant event or change in circumstances that affects this assessment and the change is within the lessee's control.

NOTE 40 INFORMATION ABOUT THE PARENT COMPANY

SkiStar AB (publ), corporate identity number 556093-6949, is a Swedish limited company, with its registered office in the Municipality of Malung-Sälen, Dalarna County. The head office is in Sälen and the postal address is SE-780 67 Sälen. The Parent Company's shares are listed on Nasdaq Mid Cap Stockholm.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

SEK thousand	FULL YEAR 1 Sep-31 Aug	
FINANCING AND INTEREST-BEARING LIABILITIES	2019/20	2018/19
Non-current interest-bearing liabilities to credit institutions	1,489,002	1,587,811
Non-current lease liabilities	619,851	-
Provisions for pensions	15,183	12,864
Current interest-bearing liabilities to credit institutions	473,122	157,856
Current lease liabilities	78,207	-
Interest-bearing liabilities	2,675,365	1,758,530
Other non-current receivables	220,290	245,793
Non-interest-bearing portion of non-current receivables	-141,393	-154,194
Current interest-bearing receivables	22,427	6,431
Cash and cash equivalents	59,567	71,253
Interest-bearing receivables	160,890	169,283
 Financial net debt (interest-bearing receivables – net interest-bearing liabilities)	 2,514,475	 1,589,247

SEK thousand	2019/20 Q 4	2018/19 Q 4	2017/18 Q 4	2016/17 Q 4	2015/16 Q 4
RETURN ON CAPITAL EMPLOYED					
Profit/loss after financial items	350,059	553,242	586,629	477,756	385,832
Finance income	46,656	49,029	55,283	13,067	7,664
Finance costs	-90,960	-99,571	-79,548	-49,096	-61,197
Net financial items	-44,304	-50,542	-24,265	-36,030	-53,533
Profit/loss after financial items plus finance costs	441,019	652,812	666,177	526,852	447,028

	2019/20 Q 4	Aug 2019	2018/19 Q 4	Aug 2018	2017/18 Q 4	Aug 2017	2016/17 Q 4	Aug 2016	2015/16 Q 4	Aug 2015
Capital employed										
Assets	6,023,251	5,065,776	5,065,776	4,870,568	4,870,568	4,507,860	4,507,860	4,107,146	4,107,146	3,759,838
Non-current non-interest-bearing liabilities	225,205	226,546	226,546	221,113	221,113	190,107	190,107	149,441	149,441	96,467
Current non-interest-bearing liabilities	562,156	478,637	478,637	537,253	537,253	455,254	455,254	334,910	334,910	290,279
Total non-interest-bearing liabilities	787,361	705,182	705,182	758,366	758,366	645,361	645,361	484,351	484,351	386,746
Capital employed	5,235,890	4,360,594	4,360,594	4,112,202	4,112,202	3,862,499	3,862,499	3,622,795	3,622,795	3,373,092
Average capital employed	4,798,242		4,236,398		3,987,350		3,742,647		3,497,943	
Return on capital employed	9%		15%		17%		14%		13%	

RETURN ON EQUITY										
Equity	2,560,524	2,602,064	2,602,064	2,421,089	2,421,089	2,090,251	2,090,251	1,869,945	1,869,945	1,641,389
Average equity	2,581,294		2,511,576		2,255,670		1,980,098		1,755,667	
Profit/loss after tax	286,714		460,400		486,368		386,707		306,349	
Return on equity	11%		18%		22%		20%		17%	

RETURN ON TOTAL ASSETS										
Total assets	6,023,251	5,065,776	5,065,776	4,870,568	4,870,568	4,507,860	4,507,860	4,107,146	4,107,146	3,759,838
Average total assets	5,544,513		4,968,172		4,689,214		4,307,503		3,933,492	
Return on total assets	8%		13%		14%		12%		11%	

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

GRI INDEX

SkiStar's sustainability report for the 2019/20 financial year has been prepared in accordance with Global Reporting Initiative (GRI) Standards guidelines, Core application level. SkiStar's GRI index contains references to where the information can be found in the annual report.

To prepare a sustainability report in accordance with the GRI guidelines, SkiStar is required to complete three steps: identification, prioritisation and validation. An internal analysis has been carried out as a first step, with the aim of identifying material sustainability topics. This

has enabled a selection of sustainability topics to be identified. The sustainability topics have been drawn up in dialogue with business area managers to ensure that the entire operations are covered by the selection.

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	COMMENTS
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL DISCLOSURES 2016			
ORGANISATIONAL PROFILE			
	102-1	Name of the organisation	37
	102-2	Activities, brands, products and services	12-13, 15
	102-3	Location of headquarters	37
	102-4	Location of operations	14
	102-5	Ownership and legal form	26-27, 80-84
	102-6	Markets served	14-21
	102-7	Scale of the organisation	14
	102-8	Information on employees and other workers	31-32, 60.74-75
	102-9	Supply chain	29
	102-10	Significant changes to organisation and its supply chain	No significant changes implemented in the past year
	102-11	Precautionary principle or approach	29, 31
	102-12	External initiatives	29-30
	102-13	Membership of associations	29-30
STRATEGY			
	102-14	Statement from senior decision-maker	5
	102-15	Key impacts, risks, and opportunities	29-30, 39-40
ETHICS AND INTEGRITY			
	102-16	Values, principles, standards and norms of behaviour	29-30, 32, 75
GOVERNANCE			
	102-18	Governance structure	14, 64
STAKEHOLDER ENGAGEMENT			
	102-40	List of stakeholder groups	74
	102-41	Collective bargaining agreements	31
	102-42	Identifying and selecting stakeholders	74
	102-43	Approach to stakeholder engagement	74
	102-44	Key topics and concerns raised	74
REPORTING PRACTICE			
	102-45	Entities included in the consolidated financial statements	64
	102-46	Defining report content and topic boundaries	74
	102-47	List of material topics	74
	102-48	Restatements of information	75 Reporting of emissions from greenhouse gases has been distributed across several categories. Figures from past year have been adjusted to allow comparability.
	102-49	Changes in reporting	75 Reporting of emissions from greenhouse gases has been distributed across several categories. Figures from past year have been adjusted to allow comparability.
	102-50	Reporting period	74
	102-51	Date of most recent report	74
	102-52	Reporting cycle	74
	102-53	Contact point for questions regarding the report	74
	102-54	Claims of reporting in accordance with the GRI Standards	74
	102-55	GRI content index	72-73
	102-56	External assurance	35

GRI STANDARD	DISCLOSURE		PAGE REFERENCE	COMMENTS
GRI 200: ECONOMIC STANDARDS				
ECONOMIC PERFORMANCE				
GRI 103: Management approach 2016	103-1-3	Material topics, their boundaries and management	11, 29, 74	
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	31	
INDIRECT ECONOMIC IMPACTS				
GRI 103: Management approach 2016	103-1-3	Material topics, their boundaries and management	11, 29, 74	
GRI 203: Indirect economic impacts 2016	203-2	Significant indirect economic impacts	31	
ANTI-CORRUPTION				
GRI 103: Management approach 2016	103-1-3	Material topics, their boundaries and management	11, 29, 74	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	32, 75	
GRI 300 ENVIRONMENTAL STANDARDS				
ENERGY				
GRI 103: Management approach 2016	103-1-3	Material topics, their boundaries and management	11, 29, 74	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	34, 75	
WATER				
GRI 103: Management approach 2018	103-1-3	Material topics, their boundaries and management	11, 29, 74	
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	33-34, 75	
EMISSIONS				
GRI 103: Management approach 2016	103-1-3	Material topics, their boundaries and management	11, 29, 74	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	75	
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	75	
GRI 400 SOCIAL STANDARDS				
HEALTH AND SAFETY				
GRI 103: Management approach 2016	103-1-3	Material topics, their boundaries and management	11, 29, 74	
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	31	
TRAINING AND EDUCATION				
GRI 103: Management approach 2016	103-1-3	Material topics, their boundaries and management	11, 29, 74	
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	32, 75	
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management approach 2016	103-1-3	Material topics, their boundaries and management	11, 29, 74	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	31, 75	

SUSTAINABILITY NOTES

SkiStar's sustainability initiatives are reported annually. This report is for the period 1 September 2019 – 31 August 2020.

SkiStar's sustainability work is initiated by Group management and endorsed by the Board of Directors as a priority area for SkiStar. The work is managed by the sustainability officer together with working groups that handle sustainability issues identified within the organisation for their respective areas.

This sustainability report has been prepared in accordance with Global Reporting Initiative (GRI) Standards guidelines, Core application level. The GRI index on pages 72-73 contains references to where the information can be found in the annual report. By applying the international GRI guidelines, SkiStar strives to provide reporting of sustainability-related content relevant for our stakeholders in a transparent and balanced manner.

The sustainability report includes the Parent Company and wholly owned subsidiaries. It has been determined that co-owned associates do not constitute a significant portion of operations, which is why they are not included in the report.

For questions relating to SkiStar's sustainability reporting, contact the company at hall-barhet@skistar.com.

STAKEHOLDER DIALOGUE AND MATERIALITY ANALYSIS

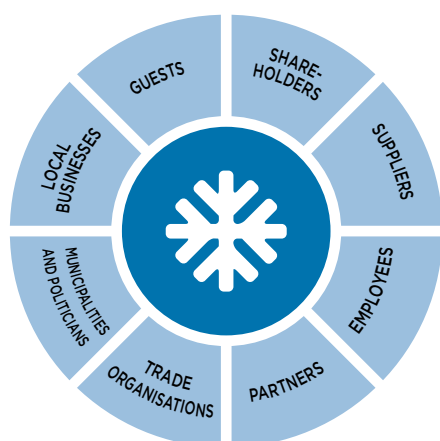
Writing SkiStar's sustainability report in accordance with GRI guidelines was facilitated by identifying, prioritising and validating sustainability areas that are relevant for SkiStar. An assessment was subsequently made of the materiality of these areas. An internal analysis has been carried out as a first step, with the aim of identifying material sustainability topics. The sustainability topics have been drawn up in

dialogue with business area managers to ensure that all operations are covered by the selection. This internal analysis has identified a selection of sustainability topics. An online materiality analysis was then conducted, aimed at identifying and prioritising the critical areas.

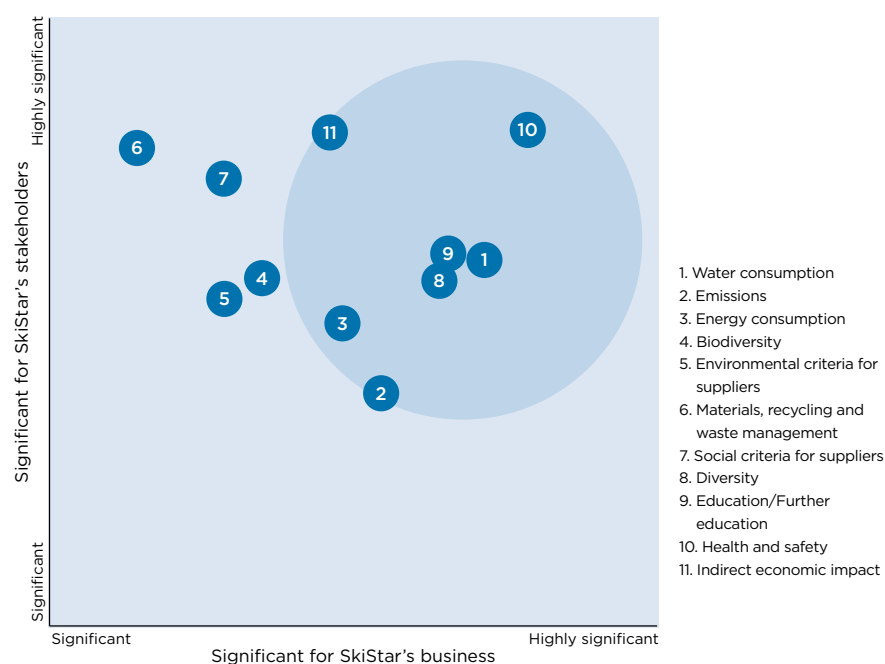
SkiStar involved its stakeholders when carrying out the materiality analysis. These stakeholders were identified via the respective business area. Stakeholder involvement facilitates the company's work on long-term sustainable solutions going forward. Beyond this, additional stakeholder dialogues were carried out via employee and guest surveys, and through meetings and discussions with suppliers.

The analyses carried out identified the priority sustainability topics for SkiStar set out below.

SKISTAR'S STAKEHOLDERS



SKISTAR'S SUSTAINABILITY TOPICS



*The sustainability topics within the area marked with a circle constitute SkiStar's critical sustainability topics. Other topics are mentioned in the text but are not included in SkiStar's GRI reporting.

NOTE S1 EMPLOYEES*

	2019/20				2018/19			
	Permanent employees*		Seasonal employees**		Permanent employees		Seasonal employees	
NUMBER OF EMPLOYEES	Men	Women	Men	Women	Men	Women	Men	Women
Sweden	219	133	848	822	224	125	842	805
Norway	75	41	361	208	73	50	356	203

*Permanent employees refers to those employed at 31 August 2020.

**Seasonal employees refers to the number of employees at 29 February 2020.

NOTE S2 DIVERSITY

2019/20	Women	Men	<29 years	30–50 years	>50 years
Board of Directors	4	3	0	2	5
Group management	1	9	0	5	5
Management teams	7	25	0	15	17
Senior executives*	11	15	2	18	6

*Senior executives relates to individuals who report to a member of Group management. All figures are from 31 August 2020.

NOTE S3 TRAINING HOURS PER EMPLOYEE

	2019/20		2018/19		2017/18		2016/17	
	Women	Men	Women	Men	Women	Men	Women	Men
Permanent employees	10	10	10	10	10	10	10	10
Seasonal employeesw	25	25	25	25	25	25	25	25

NOTE S4 WATER USE IN SNOW PRODUCTION

m ³	2019/20	2018/19	2017/18
Sälen	1,213,308	1,273,001	1,006,692
Åre	1,611,204	2,008,217	1,546,341
Vemdalen	850,782	817,609	649,523
Trysil	806,775	720,000	540,915
Hemsedal	404,908	484,000	473,191
Total water use	4,886,977	5,302,827	4,216,662

NOTE S5 FUEL AND ENERGY CONSUMPTION

ELECTRICITY CONSUMPTION WITHIN THE ORGANISATION

MWh	2019/20	2018/19	2017/18
Consumption of electricity	72,369	82,169	74,893
Electricity total	72,369	82,169	74,893

FUEL CONSUMPTION WITHIN THE ORGANISATION

Litres	2019/20	2018/19	2017/18
Consumption of HVO 100	1,417,129	1,518,380	1,500,244
Consumption of diesel	772,632	966,817	1,122,767
Consumption of petrol	166,497	98,718	121,936
Total fuel	2,356,258	2,583,914	2,744,947

*New table; figures from previous years recalculated from MWh to litres

DISTRICT HEATING WITHIN THE ORGANISATION*

MWh	2019/20	2018/19	2017/18
District heating	7,977	10,168	13,050
District heating total	7,977	10,168	13,050

NOTE S6 GHG EMISSIONS (CO₂e)

SUMMARY OF TOTAL GHG EMISSIONS, TONNES CO₂

Tonnes	2019/20	2018/19	2017/18
Electricity total (S2)	21.7	24.7	22.47
Renewable fuels (S1)	575	616	619
Fossil fuels (S1)	2,680	3,338	3,787
District heating (S2)	142	181	221
Total	3,419	4,160	4,649
Emissions intensity (tonnes CO ₂ e/SEK m revenue)	1.6	*	*

S1 = Scope 1 – Refers to direct emissions from SkiStar's operations.

S2 = Scope 2 – Refers to indirect emissions from electricity and heating.

* Not reported for this year.

CO₂ emissions have been confirmed using guidance from emissions factors from the Swedish Petroleum and Biofuel Institute, the Swedish Energy Agency and the Swedish Environmental Protection Agency. Fuel quantities have been obtained from readouts and invoices. Measurements relating to electrical power have been obtained from the respective network operators. Measurements relating to heating have been obtained from the respective heating supplier. Emissions factors have been adjusted according to new reports from the Swedish Energy Agency.

DEFINITIONS OF FINANCIAL PERFORMANCE MEASURES

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

Average interest expense

Interest expenses divided by average interest-bearing liabilities.

Cash flow from operating activities before change in working capital

The reason for this key ratio is that the change in inventories, trade receivables and trade payables is marginal, and these items are therefore eliminated to obtain a fairer presentation of operations.

Cash flow per share

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

Current ratio

Current assets including unutilised credit facilities granted as a percentage of current liabilities.

Debt/equity ratio

Interest-bearing liabilities as a percentage of equity.

Diluted earnings per share

Profit/loss for the year attributable to shareholders of the Parent, adjusted for interest expenses after tax on convertible debt, divided by the number of shares after full conversion of convertibles subscribed for.

Earnings per share

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

Equity/assets ratio

Equity as a percentage of total assets.

Equity per share

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

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.

Interest coverage ratio

Profit/loss after net financial items plus finance costs as a percentage of finance costs.

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

Organic growth

Growth above inflation.

P/E ratio

Share price at the reporting date divided by earnings per share after tax.

Price/equity ratio

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

Quick ratio

Current assets including unutilised credit facilities granted less inventories divided by current liabilities.

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 equity

Profit/loss after tax as a percentage of average equity.

Return on total assets

Profit/loss after net financial items plus finance costs as a percentage of average total assets.

Share dividend yield

Dividend divided by the share price.

Share price/cash flow

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

OTHER DEFINITIONS

ALF

Alpinanleggenes Landsforening (Norwegian Ski Lift Association).

Booking volume

A comparison of booked overnight stays between two defined periods.

Financial year

SkiStar's financial year covers the period 1 September – 31 August.

First quarter (Q1)	September – November
Second quarter (Q2)	December – February
Third quarter (Q3)	March – May
Fourth quarter (Q4)	June – August

Occupancy rate

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

Overnight stay

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

Skier day

One day's skiing with a SkiPass.

SkiPass

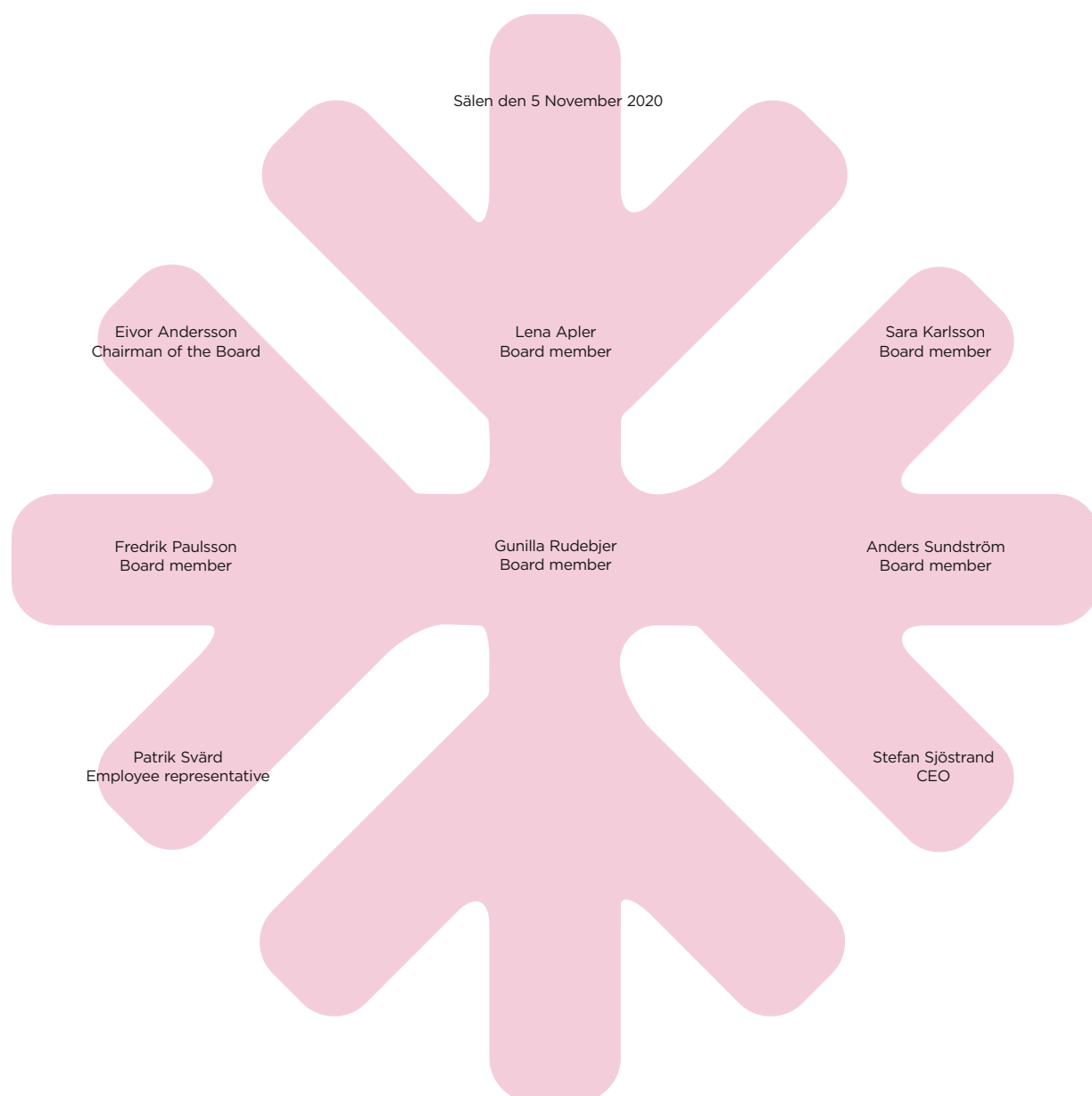
Card providing access to ski lifts.

SLAO

Svenska Skidanläggnings Organisation (Swedish Ski Lift Organisation).

SIGNATURES OF THE BOARD AND CEO

The consolidated financial statements and annual report have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and generally accepted accounting principles, and provide a true and fair view of the Group's and the Parent Company's financial position and earnings. The Administration report for the Group and the Parent Company provides a true and fair view of the development of the operations, financial position and performance of the Group and the Parent Company, and describes material risks and uncertainties faced by the Parent Company and the other Group companies.



Our audit report was submitted on 5 November 2020
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

The Board has authorised the annual report and consolidated annual financial statements for issue on 5 November 2020. The consolidated statement of financial position and statement of comprehensive income and the Parent Company's income statement and balance sheet will be presented for adoption at the Annual General Meeting on 12 December 2020.

AUDITOR'S REPORT

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF SKISTAR AB (PUBL), CORPORATE IDENTITY NUMBER 556093-6949

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Skistar AB (publ) for the financial year 1 September 2019 to 31 August 2020. The annual accounts and consolidated accounts of the company are included on pages 36–71 and 76–77 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 August 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 August 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matters

Revenue recognition

Net sales for the financial year 2019-09-01 - 31/08/2020 amounted to SEK 2,362 million in the consolidated income statement and SEK 1,660 million in the Parent Company's income statement. Accounting principles for revenue are set out in Note 1.

As stated in Note 2, net sales are distributed to various sources of income such as SkiPass, accommodation, ski rental, sports shops, real estate services and sales of shares in housing and development assets. The number of transactions in different flows is extensive and for the exploitation business they can be complex. We have therefore assessed the income statement as a particularly important area in the audit.

Tangible fixed assets

Tangible fixed assets are reported at SEK million 3,887 in the report on financial position for the Group as of August 31, 2020 and in the Parent Company to SEK million 1,703. This represents 64 per cent of the Group's total assets, whereby valuation and reporting of these have constituted an important area in our audit.

Accounting principles for tangible fixed assets are set out in Note 1, and information on tangible fixed assets is provided in Note 14.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach Overview

- In the audit, we focused on the operations of the parent company Skistar AB and the subsidiaries SkiStar AS and Fjällinvest AB.
- We have assessed that the revenue recognition and tangible fixed assets are particularly important areas for the audit.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved

making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

How our audit particularly took into account the important area

In our audit, we evaluated and reviewed the principles for revenue recognition, processes for significant revenue flows and related IT systems. We have tested significant checks, conducted analytical reviews and sampled. We also used data analysis in our review. We have examined more complex transactions regarding the sale of exploitation assets against the required documentation. We also reviewed the information provided in the annual report.

Based on our review, we have not identified any significant observations for the audit as a whole regarding SkiStar's revenue recognition.

In our audit, we have evaluated processes and tested significant controls and, on a sampling basis, examined balanced amounts against established criteria for what should be reported as an asset or expensed directly. We have analyzed and assessed the assumptions and assessments made by the company management regarding useful periods and any indications of impairment. We have reviewed the information provided in the annual report. Based on our review, we have not identified any significant observations for the audit as a whole regarding SkiStar's reporting of tangible fixed assets.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–28 and 80–87. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Skistar AB (publ) for the financial year 1 September 2019 to 31 August 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's

and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

PricewaterhouseCoopers AB was appointed auditor of Skistar AB (publ) by the general meeting of the shareholders on the 14th December 2019 and has been the company's auditor since the 15th December 2018.

Stockholm 5 November 2020
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorized Public Accountant

Corporate Governance Report



Corporate governance is a central function for maintaining external confidence in the Company's management and Board. It is our aspiration for SkiStar to be a shareholder-friendly company that strives for sustainable growth with attractive dividend levels.

Our task as Board of Directors is to continuously monitor and review Group management's work and act as a sounding board in key matters. Procedures for control and decision-making and different policies are evaluated and reviewed on an ongoing basis to strengthen SkiStar's corporate governance.

In the light of the coronavirus pandemic, the Board's work during the financial year was obviously focused on safeguarding the Company's financial position. As one of several responsible measures in the current situation, the Board has decided to recommend to the Annual General Meeting that no dividend be paid for the 2019/20 financial year.

Developments arising from the pandemic remain uncertain, but financial strength and preparedness enable us to act in both the short and long term.

SkiStar strives for transparency in its reporting so that shareholders and other stakeholders are able to continuously monitor the Group's development.

I would also like to thank you, our shareholders, for your trust and support as the Company continues to develop and strengthen its offering.

EIVOR ANDERSSON
Chairman of The Board

SkiStar AB (publ), corporate identity number 556093-6949, is a Swedish limited company, whose B shares are admitted to trading on Nasdaq Stockholm, Mid Cap. The purpose of corporate governance is to ensure that SkiStar complies with existing regulations and that the Company is managed in a manner that is efficient and sustainable for shareholders. Corporate governance also helps to systematise and create good order in the work of the Board and management.

CORPORATE GOVERNANCE

SkiStar's corporate governance is based on the articles of association and other internal governance documents, such as policies (see figure on page 82) and underlying directives, including the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq's Nordic Main Market Rulebook for Issuers of Shares ("Nadaq's rules" below), good stock market practice, the Swedish Corporate Governance Code and other relevant Swedish laws and regulations.

Nasdaq's rules are available on the Nasdaq website and the Swedish Corporate Governance Code is available at bolagsstyrring.se. Internal governance documents, such as the articles of association, are available on SkiStar's website skistar.com/en/corporate, and are available to all employees on the intranet SkiStar Hub.

OWNERSHIP STRUCTURE

SkiStar had 46,735 shareholders at 31 August 2020 according to the register of shareholders kept by Euroclear Sweden AB. Together, the two largest owner groups by votes – Mats and Fredrik Paulsson with family and company and Erik Paulsson's family with company – accounted for approximately 63 percent of the votes and approximately 47 percent of the share capital. The shareholdings are shown in detail on page 27.

Shares held by Swedish private individuals, either directly or through companies, amounted to 72 percent, while Swedish institutional ownership represented 14 percent of the share capital. Foreign private individuals accounted for just under one percent of the share capital, while foreign legal entities and foreign institutional ownership represented 14 percent.

SHARES, SHARE CAPITAL AND VOTING RIGHTS

SkiStar's share capital at 31 August 2020 amounted to SEK 19,594,014. At 31 August

2020, the number of Class A shares in the Company was 3,648,000 and the number of B shares 74,728,056. Class A shares entitle the holder to ten votes, while each Class B share entitles the holder to one vote. All shares carry equal entitlement to a share of the Company's assets and profit, and equal rights to dividends. In addition to what is stated above, SkiStar's Articles of Association do not contain any restrictions on how many votes each shareholder may exercise at a general meeting.

SHAREHOLDERS' MEETING

The shareholders' meeting is SkiStar's highest decision-making body. The Annual General Meeting shall be held within six months of the end of the financial year. All shareholders who are listed in the register of shareholders and who have notified the Company of their intention to attend within the prescribed time are entitled to participate and vote according to the total number of shares owned. Shareholders who are not able to attend in person may be represented by proxy.

A notice convening the Annual General Meeting shall be placed in Post- och Inrikes Tidningar (The Official Swedish Gazette) and on the Company's website, skistar.com/sv/corporate. The release of the notice shall be announced in Dagens Nyheter. Shareholders wishing to attend the Annual General Meeting must be listed in the full printout of the shareholders' register six banking days before the meeting and must notify the Company of their intention to attend no later than the date specified in the notice convening the meeting. This date may not be a Sunday, any other public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth working day prior to the meeting. The annual general meeting shall be held in Sälen, Åre or Stockholm, in accordance with the Articles of Association. Business to be dealt with at the general meeting is governed by the Swedish Companies Act and the Articles of Association and may also include any matters that shareholders have requested to be considered.

2019 ANNUAL GENERAL MEETING

A total of 244 shareholders, representing 74 percent of the voting rights, attended the Annual General Meeting held at Experium in Sälen on 14 December 2019. At the Annual General Meeting, the Board was granted authorisation to purchase and sell the Company's own shares. The authorisation entitles the Board to adopt a resolution on the acquisition of the Company's Class B shares on one or more occasions in the period up to the next AGM. However, the Company's holding of

its own shares shall not at any one time exceed ten percent of the Company's total shares. The purchase shall be conducted in a regulated market and may only occur at a price within the current registered price interval, which is the interval between the highest buying price and lowest selling price, or through a purchase offer addressed to all shareholders. The authorisation also entitles the Board, in the period until the next Annual General Meeting, to adopt a resolution on the sale of the Company's own shares in regulated market or comparable marketplace in connection with the acquisition of a company or business. The authorisation includes the right to derogate from shareholders' preferential rights and to decide on whether payment will be in cash, in kind, by offsetting or subject to other conditions. The authorisation may be exercised on one or more occasions up to the maximum number of shares that can be acquired under the mandate to purchase the Company's own shares. The authorisation is aimed at giving the Board of Directors greater flexibility in optimising the Company's capital structure and, where appropriate, making acquisitions. The repurchase and sale of own shares only applies to Class B shares. The authorisation had not been used by the Board at the date of issue of this annual report.

2020 ANNUAL GENERAL MEETING

The 2020 Annual General Meeting will be held at Experium in Sälen at 2.00 p.m. on 12 December. The notice of the meeting, AGM documents and further information about the meeting are available at [skistar.com/en/corporate](https://www.skistar.com/en/corporate).

NOMINATION COMMITTEE

The Nomination Committee is appointed for a period of one year in accordance with the instructions for the Nomination Committee adopted by the AGM. The Nomination Committee's duties are to prepare proposals concerning the AGM Chairman, Board members, Chairman of the Board, Board fees and, when applicable, to make proposals for the election of auditors and for auditors' fees, assisted by the Audit Committee. In addition, the Nomination Committee proposes principles for the appointment of its own members, including instructions for the Nomination Committee. The composition

of the Nomination Committee prior to the 2020 Annual General Meeting is as follows: Anders Sundström, appointed by Fredrik and Mats Paulsson with companies and family, Lennart Mauritzson, appointed by Erik Paulsson family with companies, Marianne Nilsson, appointed by Swedbank Robur Fonder, and Per Limberg, appointed by Lima Jordägande Socknemän for Besparingsskogen. The Nomination Committee appoints a Chairman from its members, and has appointed Lennart Mauritzson as its Chairman. All shareholders have had the opportunity to submit nomination proposals to the Committee.

Prior to the 2020 Annual General Meeting, the Nomination Committee held five minuted meetings and several informal contacts by telephone and email. The Nomination Committee has received the results of the evaluation of its work conducted by the Board and has interviewed all existing elected members of the Board with regard to their views of the Board's composition and working methods. The Board's need for expertise, experience and diversity in the coming years has been discussed. The Nomination Committee has also discussed proposals for the election and remuneration of auditors with the Audit Committee.

BOARD OF DIRECTORS

Composition of the Board

The Board of Directors is appointed by the Annual General Meeting, in accordance with the Companies Act. Employee representatives are appointed by a local employee organisation that is bound by a collective agreement with a company within the Group, in accordance with the Board Representation (Private Sector Employees) Act.

The Articles of Association do not contain any provisions on the appointment and dismissal of Board members other than stipulating the number of members and deputies. The Board shall consist of four to nine members, with a maximum of three deputies, in addition to members who may be appointed by other parties pursuant to Swedish law. Board members are elected until the end of the next Annual General Meeting after the year of the Board Member's election.

At the Annual General Meeting held on 14

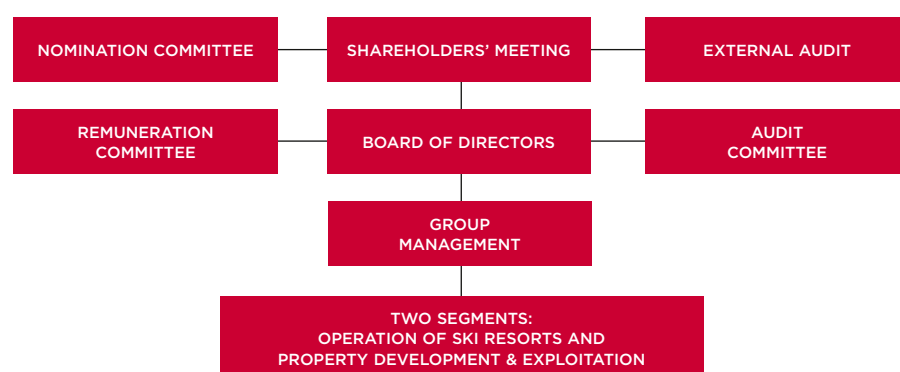
December 2019, seven members were elected to the Board: Eivor Andersson, Chairman, Lena Apler, Lars-Göran Dahl, Sara Karlsson, Fredrik Paulsson, Gunilla Rudebjer and Anders Sundström. One employee representative was also elected to the Board: Patrik Svärd, appointed by HRF. During the financial year, Lars-Göran Dahl resigned from the Board, due his appointment as the Company's Property Development Director in autumn 2020. Further information about Board members can be found on page 85.

Through the Nomination Committee, SkiStar applies Rule 4.1 of the Swedish Corporate Governance Code as its diversity when preparing nominations for the election of Board members. The rule requires the Board to have a composition that is appropriate to the Company's business, development phase and other circumstances, and Board members elected by the shareholders' meeting must reflect diversity and breadth of qualifications, experience and background. The Company must also strive for gender balance on the Board. The aim of the policy is to satisfy the need for sufficient diversity on the Board in terms of gender, age and nationality, and also experience, occupational background and business areas. The Nomination Committee has concluded that SkiStar's Board has equal gender distribution, an appropriate composition in other respects and diversity in terms of, for example, experience and occupational background.

Independence of the Board

Three of the directors are considered to have a connection to the Company's major shareholders: Sara Karlsson, Fredrik Paulsson and Anders Sundström. Two of the directors are considered to have a connection to the Company and its management: Fredrik Paulsson and Anders Sundström. Other elected Board members are independent of the Company, its management and major shareholders. The majority of the elected Board members are therefore independent of the Company and its management. In addition, in accordance with the regulations of the Swedish Corporate Governance Code, more than two of the members who are independent of the Company and its management are also independent of major shareholders.

CORPORATE GOVERNANCE STRUCTURE



INTERNAL REGULATIONS

- * Articles of Association
- * Board and Committee rules of procedure
- * CEO instructions
- * Policies
- * Directives
- * Procedures

EXTERNAL REGULATIONS

- * Swedish Companies Act
- * Swedish Annual Accounts Act
- * MAR (Market Abuse Regulation)
- * Nasdaq's rules
- * Swedish Corporate Governance Code
- * Other relevant legislation and regulations

Work of the Board

The work of the Board of Directors is governed by the rules of procedure adopted by the Board each year. Chairman of the Board Eivor Andersson directs the work and maintains continuous contact with the CEO regarding the Group's operations and development. The principal tasks of the Board are related to strategic matters, business plans, financial statements and large investments and sales. The Board held 18 meetings during the 2019/20 financial year. Board members' attendance is shown in the table on page 84. The Board's work is evaluated regularly in order to develop the Board's working methods and efficiency. As part of the evaluation, the Board also conducted a written survey during the financial year. The survey showed Board members' views on how Board work is carried out, what could be improved and whether the Board is well-balanced and diverse in terms of expertise. The Board also evaluated the CEO's work by means of the above survey and the Remuneration Committee's reports to the Board. The results of the Board evaluation have been discussed by the Board and have also been reported to the Nomination Committee.

At individual meetings with the Nomination Committee, members of the Board also expressed their views on the Board's procedures and efficiency, and made observations and suggestions on the desired expertise and experience for Board members. These discussions are used as a basis for the Nomination Committee's preparation of proposals for the Board prior to the AGM.

Remuneration Committee

At the inaugural Board meeting on 14 December 2019, Eivor Andersson was elected as Chairman of the Remuneration Committee, and Lars-Göran Dahl and Sara Karlsson were elected as members. During the financial year, Lars-Göran Dahl resigned from his position as a Committee member. No replacement has been appointed. The Remuneration Committee prepares the Board's decisions on proposals to the Annual General Meeting regarding guidelines for management's remuneration and other terms of employment, and the Board's decisions on the

CEO's remuneration and other terms of employment. The Remuneration Committee does not have decision-making power, but prepares and reports on matters to the Board as a whole. The Remuneration Committee held three minuted meetings during the financial year. Board members' attendance is shown in the table on page 84.

Audit Committee

At the inaugural Board meeting on 14 December 2019, Lena Apler was elected as Chairman of the Audit Committee, and Fredrik Paulsson and Gunilla Rudebjer were elected as members. The Audit Committee is responsible for ensuring that financial reporting maintains a high standard. The Committee also maintains regular contact with the Company's auditors, produces guidelines on negotiating service contracts with the Group's auditing firm and evaluates auditing activities. In addition, the Committee assists the Nomination Committee in the election and remuneration of auditors. The Audit Committee does not have decision-making power, but prepares and reports on matters to the Board as a whole. The Audit Committee held two minuted meetings during the financial year. Board members' attendance is shown in the table on page 84.

Remuneration of the Board

The 2019 Annual General Meeting adopted total remuneration of SEK 2,120,000 for the elected Board members, distributed as follows: SEK 500,000 to the Chairman of the Board and SEK 220,000 to each of the other non-executive Board members. In addition to the ordinary Board fees specified above, the AGM adopted an extra payment of SEK 600,000 to the Chairman of the Board. In addition, Audit Committee members receive total fees of SEK 200,000, distributed as follows: SEK 100,000 to the Chairman and SEK 50,000 to each of the other two members. Remuneration Committee members receive total fees of SEK 100,000, distributed as follows: SEK 50,000 to the Chairman and SEK 25,000 to each of the other two members. The distribution of fees is shown in the table on page 84.

External auditor

At the Annual General Meeting on 14 December 2019, the audit firm PricewaterhouseCoopers AB (PWC) was appointed as the Company's external auditor for a period of one year. The audit is led by Authorised Public Accountant Camilla Samuelsson. The results of the audit are reported regularly to Group Management and the Audit Committee during the year. The auditor meets the Company's Board of Directors on at least one occasion during the year. The external auditor's independence is regulated under the Audit Committee's separate rules of procedure, adopted by the Board, which specify how decisions are made regarding areas in which the external auditor may be engaged in addition to the statutory audit.

Fees to the auditor are paid continuously over the period on an approved current account basis. Further information about remuneration can be found in Note 6.

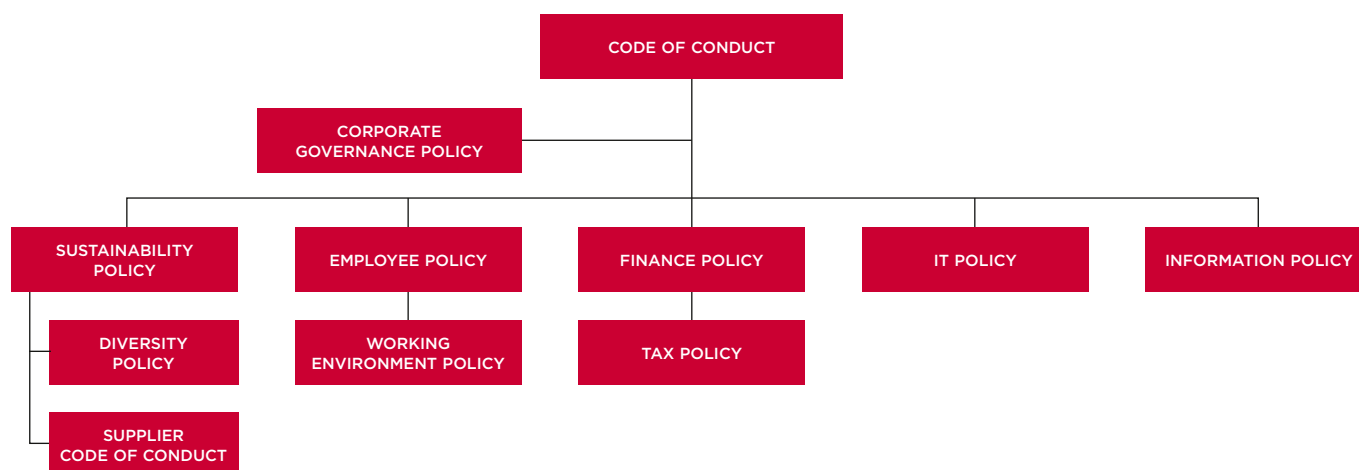
POLICY DOCUMENTS AND OPERATIONAL MANAGEMENT

In addition to the external and internal regulations above, there are a number of guiding policies in place to support the operations, see page 82, and more detailed directives, procedures and work instructions.

CEO

The CEO, who is also the Group President, is responsible for the day-to-day management of the Company in accordance with the Board's guidelines and instructions. The rules of procedure adopted annually by the Board include instructions for the division of duties between the Board and the CEO and instructions for financial reporting. The CEO is responsible for ensuring the Board regularly receives the information and support material it needs to assess the Group's financial position and make appropriate decisions. Mats Årjes was CEO during the period up to 30 November 2019 of the financial year, when his position as Company CEO ended. Anders Örnulf was Acting CEO for the period 1 December 2019 to 1 March 2020. On 2 March 2020, Stefan Sjöstrand took over as CEO and Anders Örnulf returned to his regular position as

SKISTAR'S POLICIES



the Company's CFO. Further information about the CEO can be found on page 86.

SkiStar's Group management

During the 2019/20 financial year, SkiStar's Group management consisted of ten individuals: the CEO, CFO, Marketing and Sales Manager, Legal Counsel/Head of IR, CTO and the five Scandinavian Resort Managers.

Guidelines for remuneration of senior executives

The complete guidelines for remuneration of the CEO and other Group management, adopted at the 2019 Annual General Meeting, are set out in Note 8 on page 60 and are also available at skistar.com/en/corporate.

The 2019 AGM also approved a derogation from the adopted guidelines for remuneration of senior executives, awarding additional termination benefits to the outgoing CEO Mats Årjes as follows: total remuneration of SEK 325,000 thousand per month for twelve (12) months from December 2019. The remuneration is pensionable but is not linked to annual leave entitlement. SkiStar will pay social security contributions on the remuneration and make customary tax deductions in accordance with applicable regulations. If Mats Årjes receives income from any other employment during the specified twelve-month payment period, such income (including social security contributions) shall be deducted from the additional remuneration received from SkiStar.

In addition, in connection with the decision to appoint Stefan Sjöstrand as CEO, SkiStar's Board found that there were grounds to derogate from the guidelines that the Board was able to use. In order to satisfy the Company's long-term interests in being able to recruit a competent and experienced CEO, the following extra benefits have been granted in the employment contract with Stefan Sjöstrand, i.e., in addition to the benefits specified in the guidelines: (i) SkiStar will pay for Stefan Sjöstrand's private air travel between his home in Copenhagen and his place of work in Stockholm, (ii) SkiStar will ensure that Stefan Sjöstrand receives any such tax return assistance that he requires, at SkiStar expense, and (iii) SkiStar will ensure that Stefan Sjöstrand receives supplementary health insurance in addition to collectively agreed health insurance. The Board's assessment is that the benefits were necessary in order to complete the recruitment on market-based terms. In comparison with the CEO's total remuneration, these extra benefits represent an insignificant amount.

Further information about remuneration of Group management, including outcomes, can be found in Note 8 on page 60.

The complete set of proposed guidelines for remuneration of the CEO and Group management for the 2020 AGM can be found in the Administration report on pages 40-41 and are also available at skistar.com/en/corporate.

FINANCIAL REPORTING

External financial reporting

The Board is responsible for internal control and financial reporting, in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code. SkiStar applies International Financial Reporting Standards (IFRS) in preparing the consolidated financial statements. The quality of the ongoing external financial reporting is ensured by a number of internal measures and procedures. At each meeting, the Audit Committee highlights a special focus area within financial and external reporting. The auditors review the Company's nine-month report.

DESCRIPTION OF INTERNAL CONTROL

Control environment

The Board is responsible for internal control. A clear division of roles and responsibilities in the rules of procedure for the Board of Directors and its committees and in the CEO's instructions ensures effective management of operational risks.

Group management reports regularly to the Board in accordance with defined procedures. Management is responsible for the internal controls required to manage significant risks in the day-to-day operations. Having a common business system for both external reporting and internal monitoring, budgeting and forecasts strengthens the control environment and the security of financial reporting. The Audit Committee assists the Board in its continuous monitoring of internal control, which includes evaluating and discussing important technical accounting and reporting issues.

During the financial year, the Audit Committee received management reports about what measures have been implemented to strengthen internal control.

Risk assessment

The Board ensures that risk assessments are conducted for significant risks to which the Company may be exposed in the context of its financial reporting. This includes identifying income statement and balance sheet items for which the risk of error is significant and designing control systems to prevent and detect such errors. This is mainly achieved by quickly identifying events in the operations or external environment that may affect the financial reporting and by monitoring changes in financial reporting regulations and recommendations that concern the Company's financial reporting.

Control activities

The Company works continuously to eliminate and reduce significant risks affecting internal control over financial reporting. Control activities aimed at managing risks include:

- * The management group's monitoring and analysis.
- * Special review of the Company's IT systems with an emphasis on the sales system.

- * Continuous monitoring of compliance with authorisation instructions and structures.
- * Annual review of the handling of payment methods at the Company's sales outlets.
- * Other ongoing forms of reconciliation and physical checks.

Information and communication

To comply with the Company's policies, directives and instructions, information must be well documented and communicated within the Company. In order to ensure effective information and communication, the management group holds regular meetings at Group, function and resort level with representatives from the Company's destinations and staff functions.

Policies and other governance documents are available to all employees on the SkiStar Hub intranet. When new policies or changed procedures are introduced, internal online training is also provided.

Monitoring

The Board of Directors continuously evaluates the information provided by Group management and the Audit Committee and ensures that identified internal control deficiencies are addressed. The Audit Committee's work and the external auditors' reports are of particular importance to monitoring.

Internal audit

After consideration of the matter in the Audit Committee, the Board has made the assessment that the control and monitoring described above is currently sufficient to ensure the efficiency of internal control without the need for a separate internal auditing function.

ARTICLES OF ASSOCIATION

The Company's current Articles of Association were adopted at the 2018 AGM. The articles do not contain any provisions on the procedure for amending the Articles of Association.

COMPLIANCE WITH THE SWEDISH CORPORATE GOVERNANCE CODE

SkiStar has one derogation from the Swedish Corporate Governance Code, which is attributable to the period before the 2019 AGM. This is presented and explained in the table on page 84.

AUDITOR'S OPINION ON THE CORPORATE GOVERNANCE REPORT

The auditor's opinion on this Corporate Governance Report is presented on page 84.

5 November 2020
SkiStar AB (publ)

BOARD COMPOSITION, ATTENDANCE AND FEES IN 2019/20

	ELECTED	INDEPENDENT OF COMPANY & ITS MANAGEMENT	INDEPENDENT OF MAJOR SHARE- HOLDERS	ATTENDANCE, BOARD OF DIRECTORS	ATTENDANCE AUDIT COMMITTEE	ATTENDANCE, REMUNERATION COMMITTEE	FEES ¹⁾ BOARD OF DIRECTORS	FEES ¹⁾ COMMITTEE
<i>Elected board members</i>								
Eivor Andersson	2011	✓	✓	18/18	-	3/3	1,100,000 ²⁾ (293,011)	50,000 (77,419)
Lena Apler	2015	✓	✓	18/18	2/2	1/2 ³⁾	220,000 (200,000)	100,000 (70,161)
Lars-Göran Dahl	2019	✓	✓	11/11 ⁴⁾	-	1/1 ⁵⁾	175,389 (-)	19,931 (-)
Sara Karlsson	2017	✓		18/18	1/1 ⁶⁾	1/1 ⁷⁾	220,000 (200,000)	25,000 (50,000)
Fredrik Paulsson	2017			18/18	2/2	2/2 ⁸⁾	220,000 (200,000)	50,000 (75,000)
Gunilla Rudebjer	2019	✓	✓	13/13 ⁹⁾	1/1 ¹⁰⁾	-	220,000 (-)	50,000 (-)
Anders Sundström	2019			13/13 ¹¹⁾	-	-	220,000 (-)	- (-)
Mats Årjes	2003		✓	4/4 ¹²⁾	-	-	- (-)	- (-)
<i>Employee representative</i>								
Patrik Svärd	2017	-	-	18/18	-	-	✓	✓

¹⁾ Fee in accordance with decision of 2019 AGM.

²⁾ Includes the Chairman's ordinary fee of SEK 500,000 and the extra fee of SEK 600,000 adopted by the 2019 AGM.

³⁾ Committee member to 14 December 2019.

⁴⁾ Board member from 14 December 2019 to 17 June 2020.

⁵⁾ Committee member from 14 December 2019 to 17 June 2020.

⁶⁾ Committee member to 14 December 2019.

⁷⁾ Committee member from 14 December 2019.

⁸⁾ Committee member to 14 December 2019.

⁹⁾ Board member from 14 December 2019.

¹⁰⁾ Committee member from 14 December 2019.

¹¹⁾ Board member from 14 December 2019.

¹²⁾ Board member to 30 November 2019.

DEROGATION FROM THE SWEDISH CORPORATE GOVERNANCE CODE 2018/19

Code ref.	Description	Derogation	Explanation
9.2	Composition of the Remuneration Committee	Committee members elected by the shareholders' meeting are required to be independent of the Company and its management under the Code.	As the majority, but not all, of the Committee members were independent of the Company and its management in the period up to the AGM on 14 December 2019, it was the Board's assessment that the Committee still had an appropriate composition. With effect from the AGM on 14 December 2019, all Committee members are independent of the Company and its management.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

TO THE GENERAL MEETING OF THE SHAREHOLDERS IN SKISTAR AB (PUBL.), CORPORATE IDENTITY NUMBER 556093-6949

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the corporate governance statement for the financial year 2019/20 on pages 80–84 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINIONS

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 5 november 2020
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorized Public Accountant

Board of Directors

Eivor Andersson

Chairman of the Board, Chairman of the Remuneration Committee

Born: 1961
Elected: 2011



Principal education and professional experience: Marketing diploma, management training IHM Business School. Former President and CEO of TUI Nordic and CEO of Ving Sverige AB. Extensive and broad experience of the travel industry and within concept development for consumer companies.
Other significant assignments: Director of Mekonomen Group AB (publ), AB Svenska Spel and First Camp AB.
Independence: Independent of the Company, its management and major shareholders.
Shareholding in SkiStar:* 9,000 B shares.

Lena Apler

Board member, Chairman of Audit Committee

Born: 1951
Elected: 2015



Principal education and professional experience: University studies and SEB Higher internal bank training. Extensive experience in consumer and services market through her role as founder and owner, and previously CEO and executive chairman of listed Collector AB and Collector Bank.
Other significant assignments: Director of Helichrysum Gruppen AB.
Independence: Independent of the Company, its management and major shareholders.
Shareholding in SkiStar:* 10,000 B shares.

Sara Karlsson

Board member, member of Remuneration Committee

Born: 1969
Elected: 2017



Principal education and professional experience: Entrepreneur, Båstad Företagsby.
Other significant assignments: Chairman of Killebäckstorp i Båstad AB. Director of Wihlborgs Fastigheter AB, Backahill AB and Destination Bjäre Holding AB.
Independence: Not independent of major shareholders. Independent of the Company and its management.
Shareholding in SkiStar:* with family and companies 18,287,420 B shares, corresponding to 23.3% of the capital and 16.4% of the votes.

Fredrik Paulsson

Board member, member of Audit Committee

Born: 1972
Elected: 2017



Principal education and professional experience: Secondary education. Experience as CEO and Director of Kranpunkten Skandinavien AB and Ekhaaga Utveckling AB.
Other significant assignments: CEO and Director of Kranpunkten Skandinavien AB and Ekhaaga Utveckling AB. Director of Peab AB.
Independence: Not independent of the Company, its management and major shareholders.
Shareholding in SkiStar:* with family and companies 3,648,000 A shares and 15,284,978 B shares, corresponding to 24.2% of the capital and 46.6% of the votes.

Gunilla Rudebjer

Board member, member of Audit Committee

Born: 1959
Elected: 2019



Principal education and professional experience: MBA. Many years of broad experience from the experience industry. Former CFO of Scandic Hotels, Cision, Parks & Resorts Scandinavia, Mandator and TUI Nordic.
Other significant assignments: Director of Ambea AB (publ), NCAB Group AB (publ) and Oriflame Holding AG.
Independence: Independent of the Company, its management and major shareholders.
Shareholding in SkiStar:* with family 400 B shares.

Anders Sundström

Board member

Born: 1952
Elected: 2019



Principal education and professional experience: Bachelor of Arts. Former Chairman of Swedbank and KF. Many years of operational experience in industry and the financial sector, including CEO of Folksam. Has held several ministerial posts and other political assignments.
Other significant assignments: Chairman of Medicon Village Fastighets AB, NMI Group AB, Hedlunda Industri AB, Swedegas AB and Ekhaaga Utveckling AB. Director of SCA.
Independence: Not independent of the Company, its management and major shareholders.
Shareholding in SkiStar:* with family and companies 5,000 B shares.

Patrik Svärd

Employee representative, appointed by HRF.

Born: 1970
Elected: 2017



Principal education and professional experience: Secondary education. Employed by SkiStar since 1998.
Other significant assignments: -
Independence: -
Shareholding in SkiStar:* -

*Own and closely related natural or legal persons' holdings of shares and other financial instruments in SkiStar AB. The information above is correct at 31 August 2020.

Management

Stefan Sjöstrand

CEO

Born: 1968



Employed by the Company since: 2020

Principal education and professional experience: Marketing Diploma IHM. 13 years' experience with IKEA in positions including Commercial Manager IKEA Group, member of the Management Board and Group Management, CEO of IKEA Canada, Deputy CEO of IKEA France and Business Area Manager at IKEA of Sweden. Also has experience from various CEO and management roles at Weibulls, OLW, Malaco, Marabou and others.

Significant directorships outside the Company: Chairman of Bertegruppen AB and Director of Derome AB.

Significant shareholdings and ownership interests in companies with which the Company has significant business relationships: -

Shareholding in SkiStar*: 10,500 B shares.

Petra Hallebrant

Head of Public Relations and Communications

Born: 1974



Employed by the Company since: 2020

Principal education and professional experience: Bachelor's degree in media and communication science. Former Secretary-General of the UN Association of Sweden, Head of Communications and Sustainability at Telge Energi, and various communications management roles at UNICEF Sweden, Save the Children Sweden and other organisations.

Shareholding in SkiStar*: -.

Anders Örnulf

Head of Public Relations and Communications

Born: 1976



Employed by the Company since: 2018

Principal education and professional experience: MBA. Former Chief Controller Preem Group, various managerial positions at AB Svenska Spel and ICA AB.

Shareholding in SkiStar*: 3,302 B shares.

Mathias Lindström

Commercial Director**

Born: 1972



Employed by the Company since: 2007

Principal education and professional experience: Bachelor of Economics. Former Nordic Marketing Manager Fritidsresor, Sales and Marketing Manager Langley Travel.

Shareholding in SkiStar*: 15,774 B shares.

Sofie Arnell

Legal Counsel and Head of IR

Born: 1986



Employed by the Company since: 2017

Principal education and professional experience: Master of Laws. Former associate and lawyer at law firms Lindahl and Ramberg Advokater, district court service as law clerk.

Shareholding in SkiStar*: 1,000 B shares.

Niclas Sjögren Berg

Operational Director**

Born: 1969



Employed by the Company since: 1989

Principal education and professional experience: Marketing Diploma IHM. Various positions previously held within the SkiStar Group. Business Area Manager Ski School Tandådalen & Hundfjället AB.

Shareholding in SkiStar*: 34,609 B shares.

Lars-Göran Dahl

Property Development Director

Born: 1961



Employed by the Company since: 2020

Principal education and professional experience: MBA. Former Director of Business Development at Diös, Head of Riksbbyggen's commercial operations in Sweden and former Director of SBC and SkiStar.

Shareholding in SkiStar*: -.

The above persons comprise SkiStar's Group management from 1 September 2020, with the exception of the Head of Public Relations and Communications, who joined Group management on 1 November 2020. During the 2019/20 financial year, SkiStar's Group management consisted of ten individuals: the CEO, CFO, Marketing and Sales Director, CTO, Legal Counsel/Head of IR and the five Scandinavian Resort Managers.

*Own and closely related natural persons' holdings of shares and other financial instruments in SkiStar AB. The above information is correct at 31 August 2020.

**New title from 1 September 2020.

Financial information

FINANCIAL STATEMENTS

Interim reports and the year-end report for the 2020/21 financial year will be published as follows:

- * Q1 interim report,
1 September 2020-30 November 2020, 17 December 2020.
- * Half-year report,
1 September 2020-28 February 2021, 19 March 2021.
- * Q3 interim report
1 September 2020-31 May 2021, 17 June 2021.
- * Year-end report
1 September 2020-31 August 2021, 1 October 2021.

Interim and annual financial reports are available at www.skistar.com/en/corporate. The print version of the annual report can be ordered from aktieagarservice@skistar.com.

ANNUAL GENERAL MEETING

SkiStar's Annual General Meeting will be held at 2 p.m. on Saturday 12 December 2020 at Experium in Sälen.

Shareholders wishing to attend the Annual General Meeting must be listed in the register of shareholders kept by Euroclear Sweden AB as of Friday 4 December 2020 and must notify the Company of their intention to attend no later than Monday 7 December 2020. Notice of intention to attend should be made in writing to SkiStar AB, Aktieägarservice 780 67 Sälen, or on the Company's website www.skistar.com/sv/corporate or by telephone +46 (0)280 880 95.

In view of the risk of spreading the coronavirus, precautionary measures will be taken at the meeting. Shareholders are offered the opportunity – and are encouraged – to vote in advance (postal voting) instead of physically attending the meeting.

More information can be found in the AGM notice and associated documents, available at www.skistar.com/en/corporation.

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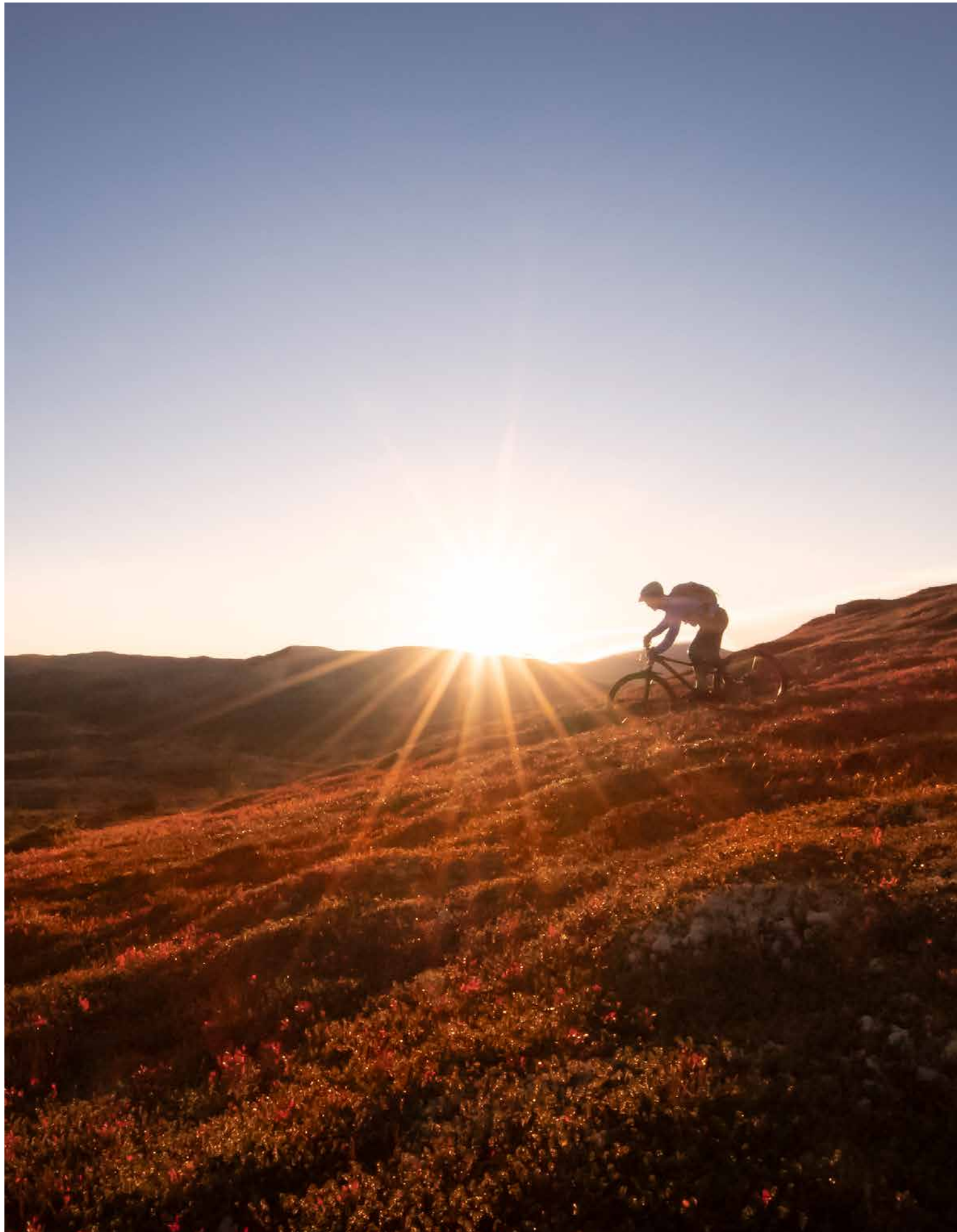
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This English version of the annual report is a translation of the Swedish original version. Should differences arise between the two texts, the Swedish version will take precedence.



 **SKISTAR**