

Stefan Sjöstrand, CEO SkiStar AB

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FOURTH QUARTER ALSO MARKED BY THE CORONA CRISIS: STRONG DEMAND FOR THE COMING WINTER SEASON WITH SECURITY AND SAFETY IN FOCUS

Year-End Report

September 2019-August 2020

Fourth Quarter

- Net sales for the fourth quarter were SEK 151 (109) million, an increase of SEK 42 million (38 percent) compared with the previous year.
- Profit after tax was SEK -101 (-206) million, an increase of SEK 105 million (51 percent) compared with the previous year.
- Earnings per share amounted to SEK -1.23 (-2.57), an increase of 52 percent.

Full Year

- Net sales for the full year were SEK 2,362 (2,676) million, a decline of SEK 314 million (12 percent) compared with the previous year.

- Profit after tax was SEK 287 (460) million, a decline of SEK 173 million (38 percent) compared with the previous year.
- Earnings per share amounted to SEK 3.71 (5.95), a decline of 38 percent.
- The Board proposes that no dividend be paid for the 2019/20 financial year.

Significant Events

- The decline of SEK -413 million (excluding sale of interests in accommodation and exploitation assets) in revenue for the third quarter is entirely due to the early closure of the ski resorts.
- In the fourth quarter a positive effect of the company's own cost reductions and the government support of SEK 35 million received by SkiStar can be seen.
- Strong demand for the 2020/21 winter season with an increase of 10 percent measured in the number of booked overnight stays through SkiStar's accommodation agency compared with the same period last year.

Comments from the CEO Stefan Sjöstrand:

The 2019/20 winter season came to an unexpected and abrupt end when the corona pandemic shook not only the wider world but also SkiStar, with closures of our operations 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 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. We have made several digital investments 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 by the lift for example, but that also help create a sense of security and make

things safer for both guests and employees – something we always prioritise.

The consequence of the season being impacted by corona was that our revenue declined by SEK 314 million, while profit after tax was SEK 287 million during the financial year. It is thus a different financial year that we are now putting behind us. At the same time, we see that there is still keen interest in alpine mountain tourism and we are proud to report strong demand figures for the 2020/21 season, with an increase of ten percent, measured as the number of overnight stays booked through SkiStar's accommodation agency, compared with the same period in the previous year. Sweden accounts for the largest increase, while the Norwegian market is somewhat more cautious.

Our retail 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 17 of this report.

In Sweden we managed to take several safety measures during the winter in line with the corona situation that we then carried over into the summer season. The lessons learned during the winter and summer have led to us strengthen our preparations ahead of the 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. The aim is to achieve joint agreement on clear guidelines for reducing the spread of infection, and here too we maintain close contact with the authorities and associations in each country. We are doing all of this out of care for our guests and employees.

During the summer months, we saw a strong inflow of guests to our destinations as many chose to spend their holidays at home in the mountains – a 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 summer investment ever in our 45-year history with the launch of a new summer concept – SkiStar Sports & Adventures – ahead of summer 2021. Shifting travel patterns and the staycation focus have prompted us to strategically channel even more energy into our home market of Scandinavia 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 in offering our guests all-year-round activities in the mountains in close connection with nature. 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

Chief Executive Officer

This information is information that SkiStar AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 1 October 2020, 07.30 a.m. CET.

SkiStar in brief:

SkiStar AB (publ.) is listed on the Nasdaq Stockholm stock exchange, Mid Cap segment. The group owns and operates ski resorts in Sälen, Åre, Vemdalen, and Hammarbybacken (Stockholm) in Sweden, Hemsedal and Trysil in Norway, and St Johann in Tirol in Austria. Market share is 53% in Sweden, 29% in Norway and a total of 43% in Scandinavia. Our core business is alpine skiing, and our main focus is the overall ski experience of our guests. The business is divided into three segments; Ski resorts – Operation, Infrastructure and Development.

Images and videos in SkiStar's Newsroom can be freely used along with information about SkiStar and/or SkiStar's destinations and products.

Contacts



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