



Inside information: Projected impact of the COVID-19 pandemic on TMR's performance

Tatry mountain resorts, a.s. with its headquarters in Demänovská Dolina 72, 031 01 Liptovský Mikuláš, the Slovak Republic IČO: 31 560 636, registered in the Business Register by the District Court of Žilina, Section: Sa, File No. 62/L (the "Company") as an issuer of securities admitted to trading at a listed market and a free market, hereunder announces the following inside information:

Tatry mountain resorts, a.s. (TMR) published a statement on the expected impact of the COVID-19 pandemic on its performance.

On 11 March 2020, the World Health Organization declared a global pandemic in relation to the spread of coronavirus. The COVID-19 pandemic also affects the TMR Group, which was affected by this virus at the end of the winter season and in the spring season.

Since the emergence of the situation, the Group has followed developments closely with respect to the safety of its clients and employees and has taken all guidelines and decisions of the national authorities in the countries in which it operates. Due to the order of the Central Crisis Bureau of the Slovak Republic, the Group had to close all its mountain resorts as well as aqua parks and other operations from 13 March 2020.

This resulted in a fall in sales, but because winter earnings had largely been accrued when the restrictions came into force, the negative effect on the revenue side was not significant. For this reason, as at the date of issuing the consolidated financial statements, the Group had a significant amount of available cash and cash equivalents and highly positive working capital. As of 28 February 2020, the volume of cash and cash equivalents increased by more than 30% compared to the end of the financial year.

The Group expects a drop in sales at the beginning of the spring season. It will compensate for lower revenue through cost-side savings and by non-realizing/postponing a portion of investments to the following year. If the virus restrictions remain in place for two months, there is likely to be only a minimal negative effect on the summer season, which begins no earlier than in the first half of June. Moreover, the closures were enforced at a time of limited Group activity at the end of the winter season, when many of its resorts and hotels are routinely closed annually.

At the same time, there is a high expectation that due to the pandemic, even after it will have ended, people will be less likely to travel abroad out of caution in the summer and will remain in their home countries, which means for the Group that they will spend the summer in Slovakia, Czechia and Poland, the countries where the Group operates.

Tatry mountain resorts, a.s.

In the event of a worse development of the pandemic, the Group will switch to a massive cost-saving regime and postpone all planned investments for the next year. The Group is currently not committed to any significant investment which it would not be possible to withdraw from. In order to address liquidity, the Group has already begun to actively negotiate with its creditors about the possibility of postponing loan repayments by one year, or is discussing the possibility of drawing on new bridging loans in case of need to cover its operating costs and maintaining financial stability.

The Group's management ordinarily plans monthly cash flows which, due to the current situation, are being reviewed weekly.

Due to its available cash and cash equivalents at the end of the winter season, plus short-term receivables expected to be repaid in the near future, the Group can meet its obligations related to loans and issued bonds for at least a further four months, assuming no change in the situation. In the case of bonds, the Group is obliged to repay only interest payments during the upcoming year.

Similarly, the Group has the option of using an approved overdraft account opened with Poštová banka, a.s. by means of which the Group will ensure its continuity in cash flows.

Following the closure of the Group's resorts under the government restrictions, the Group's management began discussions with employee representatives to address the situation in the best possible way, within the constraints of labor law. At the time of issuing the financial statements, negotiations are still ongoing, while administrative staff work via remote access from home. A large number of Group's employees are seasonal employees and if the pandemic restrictions continue until the beginning of the summer season, they will not be contracted until the Group's resorts reopen.

This information is included in Annual Report 2018/19, Consolidated Financial Statements, Note 38.

Tatry mountain resorts, a.s.
Ing. Jozef Hodek
Member of the Board of Directors

Liptovský Mikuláš, 30-3-2020

Tatry mountain resorts, a.s.



Demänovská Dolina 72
031 01 Liptovský Mikuláš 1, Slovensko



IČO: 315 606 36, DIČ: 2020428036
IČ-DPH: SK 2020428036

Spoločnosť je zapísaná v Obchodnom registri
Okresného súdu Žilina, Odd. Sa, vl. Č 62/L