

JUNGFRAU

TOP OF EUROPE

Jungfraubahn Holding AG

ANNUAL REPORT

2020

Part 1

MANAGEMENT REPORT

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MANAGEMENT REPORT

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MANAGEMENT REPORT

WELCOMING ADDRESS TO THE SHAREHOLDERS

DEAR SHAREHOLDERS

Like the rest of the national and international transport, tourism and recreation industry, the Jungfrau Railway Group too looks back at a year of major challenges due to corona pandemic. The pandemic and its economic repercussions, which have already persisted for a year, have also affected the earnings of the Jungfrau Railway Group.

The early end of the winter season 2019/2020 by official order, the almost three-month closure of the tourist rail- and cableways, the sudden and drastic slump in international tourism (border closures) and new official measures towards the end of the financial year, which resulted in the closure of shops and restaurants, travel restrictions and strict protective regulations for winter sports, resulted in the first-ever company loss in the history of Jungfraubahn Holding AG.

From the all-time record year 2019, we descended into the most severe tourism crisis in history. Nevertheless, thanks to the V-Cableway, Jungfrau Railways is ready to follow up on its success story in a 'new normal'

Statement of Prof. Dr. Thomas Bieger, Chairman of the Board of Directors and Urs Kessler, Chief Executive Officer

The severe impact of the pandemic resulted in a company loss of CHF 9.7 million (2019: record profit of CHF 53.3 million). Despite the difficult market situation, the group was able to generate positive EBITDA of CHF 22.3 million. In terms of liquidity and equity, the company stands on a solid foundation. The consolidated balance sheet as of 31 December 2020 shows equity of CHF 597.0 million. This results in a very solid equity ratio of 72.9%.

Following the best January in Jungfrau Railway's history, excursions to Jungfraujoch – Top of Europe came to a standstill in mid-February 2020 already due to the spread of the coronavirus. From 14 March 2020, this railway was forced alongside all the group's other tourist railways and cableways to suspend operations due to an order by the Federal Council. From mid-March, the group's business and the entire intercontinental tourism industry

came to a grinding halt and have not yet recovered. For the first time since World War I, Jungfrauoch – Top of Europe remained closed for an extended period of 83 consecutive days. The tourist links reopened on 6 June 2020. Thanks to dynamic marketing campaigns, especially in the home market Switzerland, 362,800 people visited Jungfrauoch – Top of Europe despite the unusual situation. This corresponds to the average number of visitors back in the 1980s. In the Swiss market, growth of more than 200% was achieved on Jungfrauoch – Top of Europe.

One special challenge since the reopening has been the great fluctuation in visitor numbers as a result of weather and especially weather forecasts, a situation typical for the domestic market. For this reason, the Jungfrau Railway Group has adapted its operations, introducing more flexibility to facilitate short-term planning of the deployment of the rolling stock and personnel. The company was quick to react, introducing its first austerity measures as early as February 2020. Operating expenses were reduced by requesting short-time working for most employees, keeping it in place until the end of the year. This key measure has helped preserve jobs in the region and can be used to ramp up operations whenever the demand rises.

Despite the corona crisis, the rollout of the V-Cableway project was successfully completed. This was accomplished under substantial time pressure. From construction start on 11 June 2018 to the official inauguration on 5 December 2020, the entire project was finished in only 908 days, an outstanding achievement by all involved. As far as this project was concerned, the lockdown in spring had a positive effect, as it was possible to make up for delays in the schedule, with inauguration even taking place a week earlier than planned. The inauguration ceremony on 4 December 2020 was held with only four speakers and 35 journalists. We were pleased to welcome the international media, who still attended in keeping with the quarantine restrictions, resulting in a broad national and international media coverage on stations including the BBC and CNN and in Asia.

The situation is somewhat similar to the circumstances in the early days of the Jungfrau Railway. Shortly after the railway had been built and inaugurated in 1912, World War I broke out in summer 1914, ushering in a major economic crisis. Had anyone predicted the unfolding of such events, it is highly unlikely that the Jungfrau Railway would ever have been built. Yet, in the further course of the 20th century, this outstanding, pioneering feat was what enabled our region to reposition itself in the tourism sector, to catch up and most notably to write economic history with the expansion to Asia. The idea to build the V-Cableway is bolstered by the conviction that in international competition, standing still and resting on your laurels is not an option. Though the corona crisis has brought new challenges for Jungfrau Railways, the V-Cableway in particular is making the Jungfrau Railway Group highly competitive and thus delivering a sound basis for overcoming the current crisis. The pandemic is accelerating key demand trends such as short-term booking, the need for speedy travel and especially the desire for space. The V-Cableway offers guests more space, more pleasant visitor guidance and a better overall travel experience. Active, digitally supported guest management is convenient and helps save time. The railways are able to actively reduce mass gatherings and congestion and make the best possible use of existing capacities.

The V-Cableway is more than a mere tourist project. With the new Jungfrau app and the features it offers (booking, reservation etc.), good use is made of new technologies. These are key criteria for guests who have been waiting impatiently for the opportunity to travel again after the coronavirus, and it will make the region attractive as a premium destination as soon as the crisis ends. A positive factor for the environment is that with its good connections to the railway network, the V-Cableway promotes the use of public transport. The Jungfrau

Railway Group thus plays a key role in getting guests who prefer traveling by car "back on track". Moreover, the V-Cableway enables significant productivity gains and greater flexibility in the operation of various routes, which is especially valuable during the corona crisis.

Even in the crisis year, the Jungfrau Railway Group did not lose sight of its corporate social responsibility (CSR). For example, the newly developed Code of Conduct was introduced in the 2020 financial year. An economical energy management is traditionally anchored in the company, for example with the return of braking energy at the Jungfrau Railway and the Wengernalp Railway. These two sustainability topics are presented in the online annual report in addition to the management reporting and the financial sections. Important environmental organisations are actively involved as external stakeholders. For example, projects are underway in collaboration with the management of the Swiss Alpine Jungfrau-Aletsch UNESCO World Heritage site. Moreover, the commitment to Lauterbrunnen and Grindelwald was highlighted with a sustainability fund that became active as of the go-live of the entire V-Cableway. And to further develop the field of compliance, the establishment of a compliance management system has been pushed ahead and an internal audit unit has been implemented. In addition, the organisational structure of the Jungfrau Railway Group has been further improved, e.g. through the expansion of the Executive Board. As a result, since the commissioning of the V-Cableway on 1 January 2021, the heads of the main departments have been represented on the Executive Board. The Executive Board now consists of six members (formerly three). This ensures the continuation of an efficient company management that is able to make decisions. Thanks to the long-term personnel planning, all positions have been staffed with internal candidates. Active succession planning also takes place in the Board of Directors. The Board of Directors of Jungfrau Holding AG intends to re-introduce the limit of 12 years on the term of office. This limit had been suspended during the planning and rollout of the V-Cableway. For this reason, Ueli Winzenried, the current Vice-Chairman and most senior member of the Board of Directors, will resign as of the General Meeting on 17 May 2021 and will not be replaced, thereby bringing back the number of members of the Board of Directors to six. Heinz Karrer is to assume the office of Vice-Chairman. As of the General Meeting 2022, Prof. Dr. Thomas Bieger, the current Chairman, is to resign, and Heinz Karrer is set to be proposed as Chairman (press release semi-annual report of 1 September 2020).

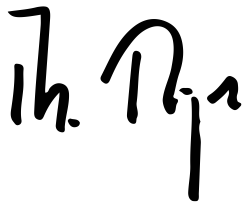
Various surveys and statements of tourism experts indicate that as of the date of publication of this Management Report, it is still not possible to fully assess and foresee the consequences of the worldwide corona crisis, which has already continued for one year. Until now, the impact on our financials has been more severe and more prolonged than previously expected. Nevertheless, thanks to its operable infrastructure, firm foothold in international markets, solid financing and latest innovations, the Jungfrau Railway Group has reason to face the future with confidence.

Long-standing international partnerships and contacts to key markets continued to be maintained, though this currently takes place exclusively in digital form. The mutual support by national and international partners forms a solid basis for a return to normal. Owing to the go-live of the V-Cableway, the Jungfrau Railway Group has a tourist hub that is unique in the Alps. The Jungfrau – Top of Europe brand is being strengthened, and guests are offered genuine added value especially through the new tricable cableway Eiger Express. Marketing measures include an agile, short-term approach with additional sales efforts and offerings in alternative markets. Thanks to the advancing digitisation, we are able to duly address the growing market by free independent travellers (FIT).

Thanks to the ongoing review of cost structures, the associated further efficiency increase, higher flexibility and

the good launch of the V-Cableway, the Jungfrau Railway Group will be able to leverage the crisis for the establishment of future strengths. In this context, the lack of planning security, the emergence of virus mutations, the dependence on various vaccination strategies, the development of the individual countries with their different travel restrictions (mandatory tests, mandatory vaccinations, quarantine rules) and the question when international flights will be resumed remain the greatest risk factors. It must be expected that in 2021, the earnings will continue to be impacted by the corona crisis unless the situation improves significantly in autumn. The Jungfrau Railway Group holds fast to its goal of generating positive EBITDA. More information on the opportunities and risks is available in the message from our company management.

We would like to thank our employees for the outstanding performance they have again demonstrated and the genuine hospitality they show our customers on a daily basis. We would also like to thank our customers, the federal and cantonal authorities, municipalities, the mountain communities, tourism organisations, neighbouring railways, resellers, suppliers, the High Altitude Research Stations Jungfrauoch and Gornergrat International Foundation, all involved parties who helped with the implementation of the V-Cableway and all other partners such as the hotel industry, with whom we enjoy a mutually beneficial partnership. And last but not least, we would like to thank you, our dear shareholders, for your trust in our group and the loyalty you have shown to Jungfraubahn Holding AG.



Prof. Dr. Thomas Bieger
Chairman of the Board of Directors



Urs Kessler
Chief Executive Officer

JUNGFRAUBAHN HOLDING AG IN BRIEF

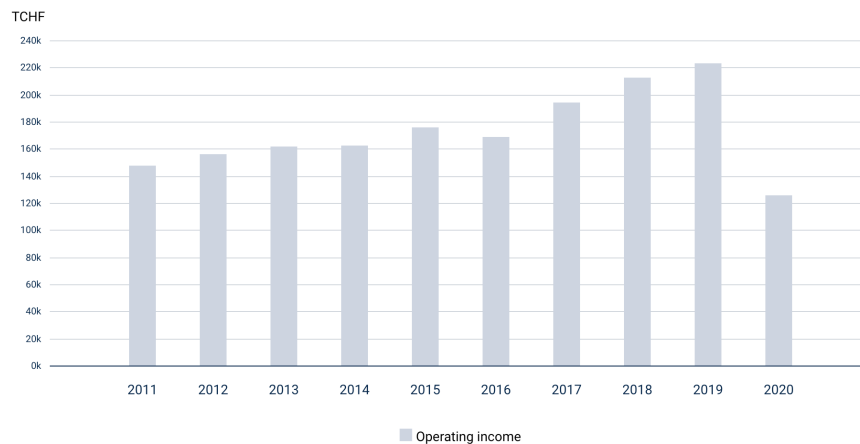
ACTIVITY OF THE JUNGFRAU RAILWAY GROUP

The Jungfrau Railway Group is one of Switzerland's leading tourism businesses and the largest mountain railway company. Its most important offering is the trip on the spectacular train to Jungfraujoch – Top of Europe, at 3,454 metres above sea level. Owing to the development of the first distribution and agency network for visits to the glacier world of the Alps, it plays a leading role in Asian markets. The Jungfrau Railway Group also operates other mountain railways and cableways to well-known Experience Mountains in the Jungfrau region, winter sports facilities, a hydroelectric power station and, further along the tourist value chain, restaurants, shops and parking facilities.

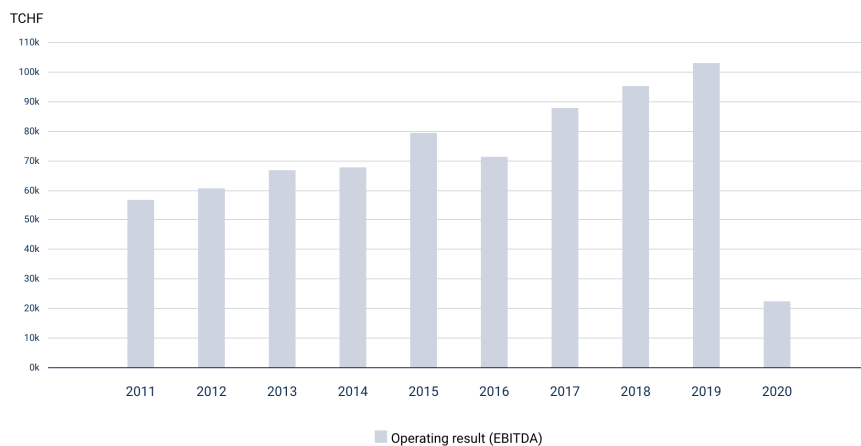
Chief among the guiding principles is a focus on the customer, as part of a broader orientation towards sustainability. By means of its focus on the customer, the group achieves an attractive positioning in the market for tourists and investors. Moreover, the group is an important player in the regional economy. In cooperation with other tourism companies, the Jungfrau Railway Group promotes the further development of the Jungfrau Region.



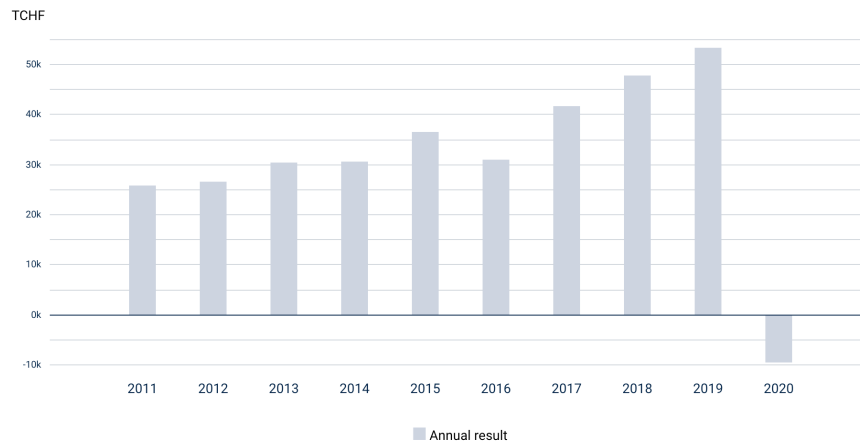
Operating income



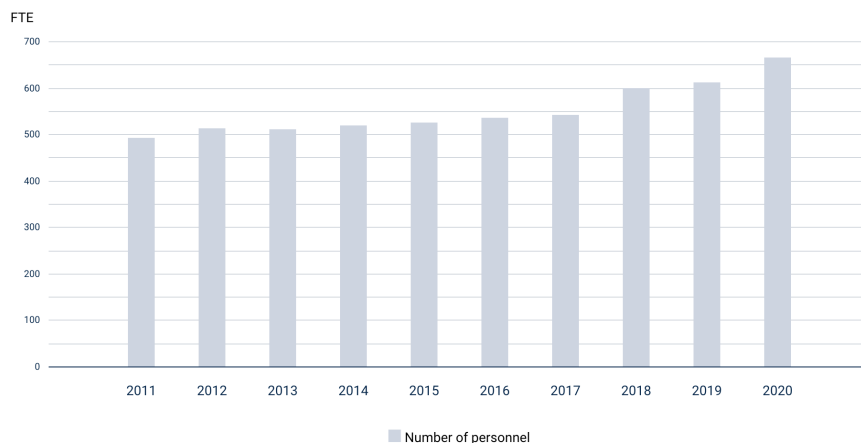
Operating result (EBITDA)



Annual result



Number of personnel



The headcount increase in the financial year 2020 was caused by the transfer of the operational management of Gondelbahn Grindelwald-Männlichen AG and the takeover of the restaurants on Jungfraujoch and Eigergletscher.

OBJECTIVES OF THE JUNGFRAU RAILWAY GROUP

As one of Switzerland's leading tourism businesses and the largest mountain railway group, the Jungfrau Railway Group is developing into an integrated leisure and service company. In this context, it draws on

- its entrepreneurial tradition of more than 120 years;
- the vision of its founder to make the unique alpine landscape accessible to the wider population and international tourists;
- its roots in the Jungfrau region; and
- its brand and excellence in service and technology, developed over generations.

The Jungfrau Railway Group is the driving force behind the economic development of the Jungfrau region and alpine tourism in Switzerland. In this way, it delivers a significant contribution to the strengthening of this region. At the same time, it takes the interests of the local population into consideration, supports its employees and looks after the environment, which represents an important resource for the development of both the region and of Jungfrau Railways. In line with the founder's vision, the environment is to be preserved and kept accessible for future generations. To reach this goal, the economic independence is to be maintained, and the attractiveness for investors is to be enhanced.

The Jungfrau Railway Group attaches great importance to sustainability. In connection with the construction of the V-Cableway, a concept for increased protection of nature in the directly affected areas is being implemented, and monitoring is being introduced in collaboration with the management of UNESCO World Heritage Site Swiss Alps Jungfrau-Aletsch. The Jungfrau Railway Group demonstrates its commitment to Lauterbrunnen and Grindelwald with a sustainability fund, which became active as of the go-live of the V-Cableway on 1 January 2021. The selection of projects to be rolled out with this fund takes place on the basis of specified criteria: the projects must be accepted by society, sustainable, eco-friendly and economically beneficial.

The objective is to strengthen JungfrauJoch – Top of Europe as the main source of revenue. Internal growth is to be achieved through better utilisation of the off-season and off-peak times, a moderate increase in transport capacities, and integration of additional services such as shopping, catering and soft adventure into the experience chain. The V-Cableway with its two new cableways and other integrated components (rolling stock renewals, public transport connection, multi-storey car park, slope construction and, in particular, a unique terminal) will ensure the successful future of the entire Jungfrau region in the medium and long term as an outstanding year-round Swiss tourism destination. Especially by shortening travel times and increasing travel comfort, the project strengthens the competitiveness of JungfrauJoch – Top of Europe as a world-famous beacon while also helping the winter sports destination to reach the top position in international competition.

The corona crisis has not changed this general focus. Like many experts, the Jungfrau Railway Group too is of the firm belief that travelling and getting to know other cultures and landscapes represents a basic need. The group expects international travels to rebound to at least the previous level in the medium term as soon as circumstances permit.

The strategic financial objectives of the group are aligned with its long-term goals and the policy of a value-

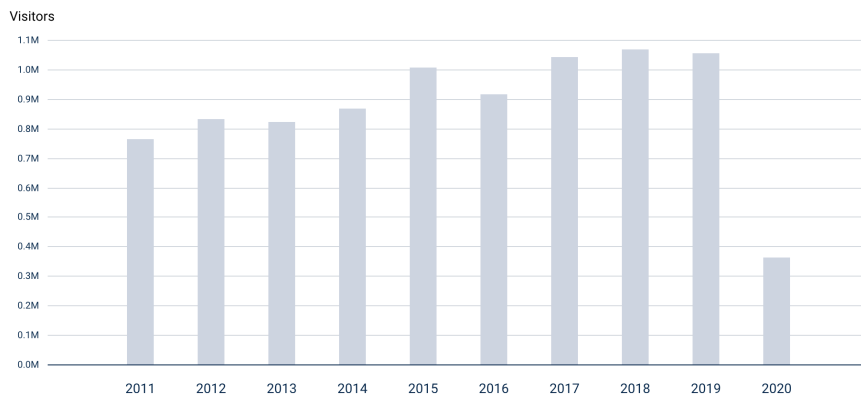
based company (value stock). The key factors determining the group's financial planning are targets geared to profitability (including revenue) and strong self-financing. During the pandemic, it has not been possible to reach all long-term financial targets. At present, it is not yet possible to fully assess the duration, magnitude and consequences of the pandemic. For the duration of the pandemic, the Board of Directors and the Executive Board will endeavour to keep operations as flexible as possible in order to optimise costs, focus on marketing activities in accessible markets, and make use of revenue opportunities, thus maximising the EBITDA at the level of the consolidated financial statements. Investments are currently limited to operationally necessary maintenance and replacements. You will find the corresponding figures in our Financial Report.

SEGMENTS OF THE JUNGFRAU RAILWAY GROUP

JUNGFRAUJOCH – TOP OF EUROPE

Jungfrauoch – Top of Europe is the Group’s highest-earning segment. This segment’s core is the highest railway station in Europe, at 3,454m above sea level, situated within the UNESCO World Heritage Site Swiss Alps Jungfrau-Aletsch. The company’s main activity comprises excursions with the Wengernalp Railway and the Jungfrau Railway as well as the tricable cableway Eiger Express to Jungfrauoch – Top of Europe. The stringent restrictions due to the pandemic, especially the closure of operations for 83 days and the slump in international tourism, have resulted in a sharp decline in the number of visitors: in the year under review, some 362,800 guests visited Jungfrauoch – Top of Europe, a figure that corresponds to the average number of visitors back in the 1980s.

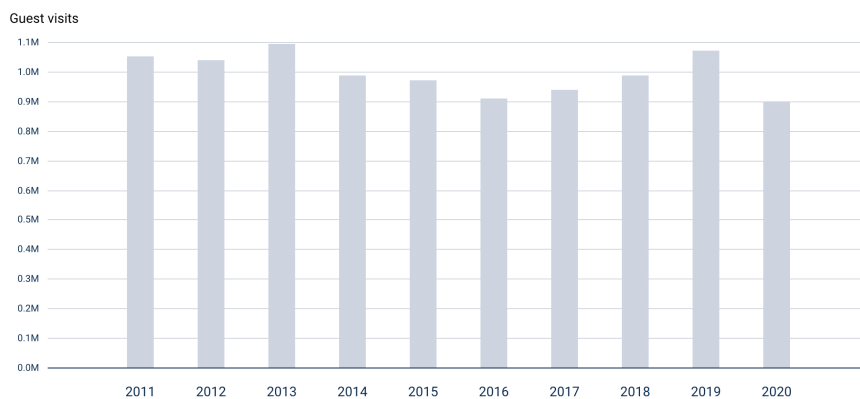
Visitors Jungfrauoch



WINTER SPORTS

The winter sports facilities around Kleine Scheidegg-Männlichen, Grindelwald-First and Mürren-Schilthorn are part of the Jungfrau Ski Region fare network. The Jungfrau Railway Group holds an interest of more than 60% in its facilities. Together with the partner companies, the group manages one of the most important ski resorts in Switzerland on behalf of the association. On 5 December 2020 the Eiger Express went live, enabling an early start of the winter sports season – a positive sign in such tough times for the tourism sector. The V-Cableway with the Eiger Express tricable cableway significantly upgrades the ski resort, which is likely to result in an increased market share in the medium term. Last year, the number of guest entries was impacted by the closure of the ski resort from 14 March 2020 by official order and the uncertainties with regard to the operation of the winter sports areas at the beginning of the winter season 2020/2021.

Guest visits Jungfrau Ski Region



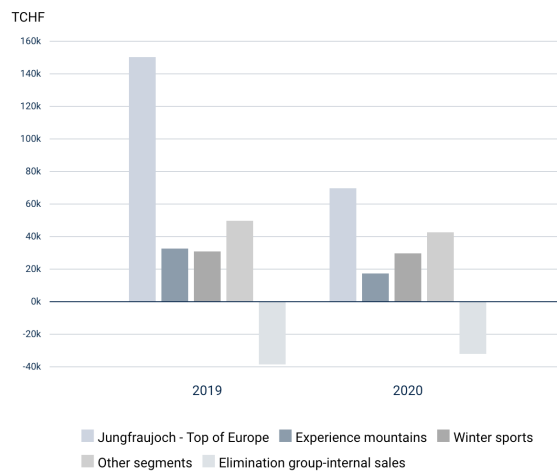
EXPERIENCE MOUNTAINS

The Experience Mountains segment includes the following excursion destinations around Jungfrauoch – Top of Europe: Grindelwald-First – Top of Adventure, Harder Kulm – Top of Interlaken and Winteregg-Mürren – Top of Family. These excursion destinations enhance the regional experience and allow for interesting combinations such as holiday passes and cross-marketing. Due to factors such as the closure of the tourist railways and cableways for almost three months and the absence of international guests and group tours, the Experience Mountains segment also suffered a significant decline in the number of visitors in the reporting year 2020.

Some of the offerings of the Experience Mountains also enjoy an excellent positioning in the national market and were strengthened via systematic marketing campaigns, resulting in a company profit at the level of the subsidiaries in the case of the Grindelwald-First – Top of Adventure and the Harder Kulm – Top of Interlaken.

Revenue by segments

The amount of net revenue indicates the size of the segments. “Other segments” comprises a wide range of services that support the business of the main segments internally and are also used by external customers. For example, these include Jungfraubahnen Management AG, the power plant and the multi-storey car parks in Lauterbrunnen and Grindelwald. The following overview also includes the internal group eliminations.



THE HOLDING COMPANY

Organisation

The Board of Directors of Jungfraubahn Holding AG is the group's supreme decision-making body. It is responsible for the strategic planning for the entire group, which it implements throughout the subsidiaries within the scope of legal and real-world feasibility. The Chairman and the previous five members of the Board of Directors were confirmed by the General Meeting 2020. With a view to the renewal of the organisation, an additional new member, Heinz Karrer, was elected to the Board of Directors.

The Executive Board of the Jungfrau Railway Group is hired by Jungfraubahnen Management AG in accordance with the provisions of the Board of Directors of Jungfraubahn Holding AG and the total remuneration framework approved by the General Meeting of Jungfraubahn Holding AG. From June 2017 to December 2020, the Executive Board consisted of three members: Urs Kessler (CEO), Christoph Seiler (CFO) and Christoph Schläppi (Corporate Secretary). Personal information on the Board of Directors and Executive Board and their remuneration as at 31 December 2020 can be found in the Remuneration Report and in the Corporate Governance section of this Annual Report.

Management of operational units

In 2019, planning began for the reorganisation of Jungfrau Railways for the period after the go-live of the V-Cableway. According to these plans, the matrix organisation (segments/departments) was to be abandoned. At the end of 2019, the decision was made to expand the Executive Board and to strengthen the integration of the departments. Moreover, elections were held with a view to the reorganisation. The next step was the dissolution of the business segments as of 1 April 2020, which also resulted in the termination of the responsibilities of Thomas Aebischer, Markus Balmer and Marco Luggen on 31 March 2020. The duties previously performed by the heads of the business segments were distributed to the following departments:

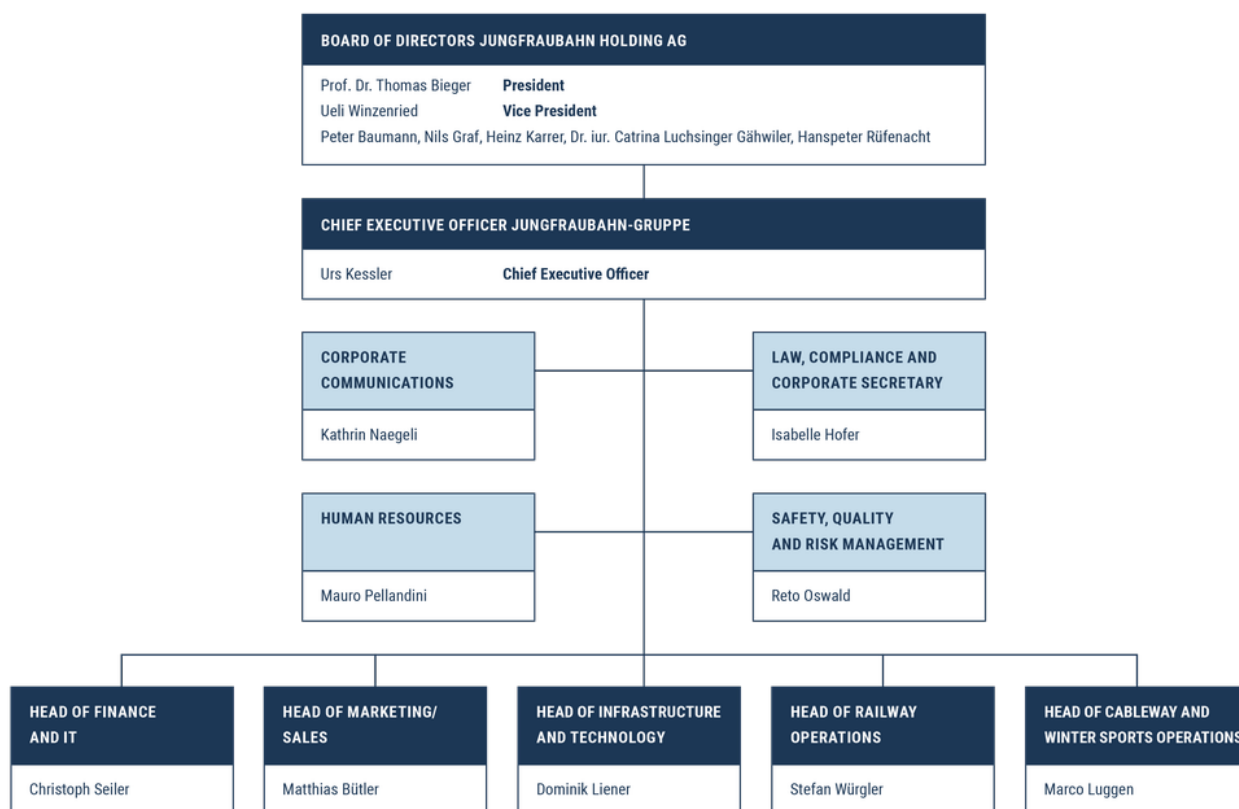
- Marketing/Sales: Matthias Bütler
- Infrastructure and Technology: Dominik Liener
- Railway Operations: Stefan Würigler
- Cableway and Winter Sports Operations: Marco Luggen

In the financial year 2020, the extended Executive Board – which ceased to exist at the beginning of 2021 – comprised the following members:

- Thomas Aebischer, Head of the business segment Berner Oberland-Bahnen until 31 March, departure from the company as of 31 July
- Markus Balmer, Head of the business segment Jungfraujoch – Top of Europe until 31 March, departure from the company as of 31 July
- Patrizia Bickel, Head of Corporate Communications, departure from the extended Executive Board as of 31 January and from the company as of 30 June
- Andreas Piattini, Head of Human Resources, departure from the company as of 29 February
- Reto Mettler, Head of Catering
- Urs Siegenthaler, Head of IT

- Matthias Bütler, Head of Marketing/Sales, member of the Executive Board from 1 January 2021
- Dominik Liener, Head of Infrastructure and Technology, member of the Executive Board from 1 January 2021
- Marco Luggen, Head of Cableway and Winter Sports Operations, member of the Executive Board from 1 January 2021
- Stefan Würigler, Head of Railway Operations, member of the Executive Board from 1 January 2021

As mentioned above, the administrative level “member of the extended Executive Board” was abolished as of 1 January 2021. The Executive Board now comprises the Chairman (Urs Kessler) and the department heads (Matthias Bütler, Dominik Liener, Marco Luggen, Christoph Seiler and Stefan Würigler). Moreover, four support departments report directly to the Chairman.



Introduction of the new Executive Board

This section briefly introduces the new members of the Executive Board as of 1 January 2021. The members of the Executive Board as of 31 December 2020 are listed in the Corporate Governance section.

Matthias Bütler, Head of Marketing and Sales

Matthias Bütler (born 1979) obtained a degree in Business Management from the University of Bern. In 2004, he received his Master of Science in Business Administration. In the following years, he worked in various executive positions in Switzerland and abroad (USA and China). Matthias Bütler has been with Jungfrau Railways since 2014, most recently as a member of the extended Executive Board. He is a member of the Board

of Directors of Jungfraubahn AG, Jungfrau Shopping AG and Wengernalpbahn AG.

Dominik Liener, Head of Infrastructure and Technology

Dominik Liener (born 1967) completed his studies in civil engineering in 1991. In 1998, he obtained a degree in industrial engineering. In the meantime and afterwards, he served in various functions as planner, project manager and executive board member in the field of civil engineering and infrastructure. Dominik Liener has been with Jungfrau Railways since 2017, and he was part of the extended Executive Board until the end of the year under review. He is a member of the Board of Directors of Jungfraubahn AG and of Wengernalpbahn AG and is Chairman of the Board of Directors of Sphinx AG Jungfraujoch.

Marco Luggen, Head of Cableway and Winter Sports Operations

Marco Luggen (born 1975) finished his studies in mechanical engineering in 2000. In 2007, he also obtained an Executive Master of Science in Corporate Management. Thereafter, he worked as Senior Commissioning Engineer and as Process Control Expert. Marco Luggen has been with Jungfrau Railways since 2006, and he was part of the extended Executive Board until the end of 2020. He is a member of the Board of Directors of Firstbahn AG, Jungfraubahn AG, Jungfrau Gastronomie AG and Wengernalpbahn AG.

Stefan Würigler, Head of Railway Operations

Stefan Würigler (born 1970) finished his apprenticeship in railway operations management in 1989. In 2001, he completed his studies in business administration. Following his apprenticeship, he served in various functions with SBB. Among other things, he worked as project leader and Head of Market Management. Stefan Würigler has been with Jungfrau Railways since 2007. Until the end of 2020, he was part of the extended Executive Board. He is a member of the Board of Directors of Jungfraubahn AG, Parkhaus Lauterbrunnen AG and Wengernalpbahn AG.

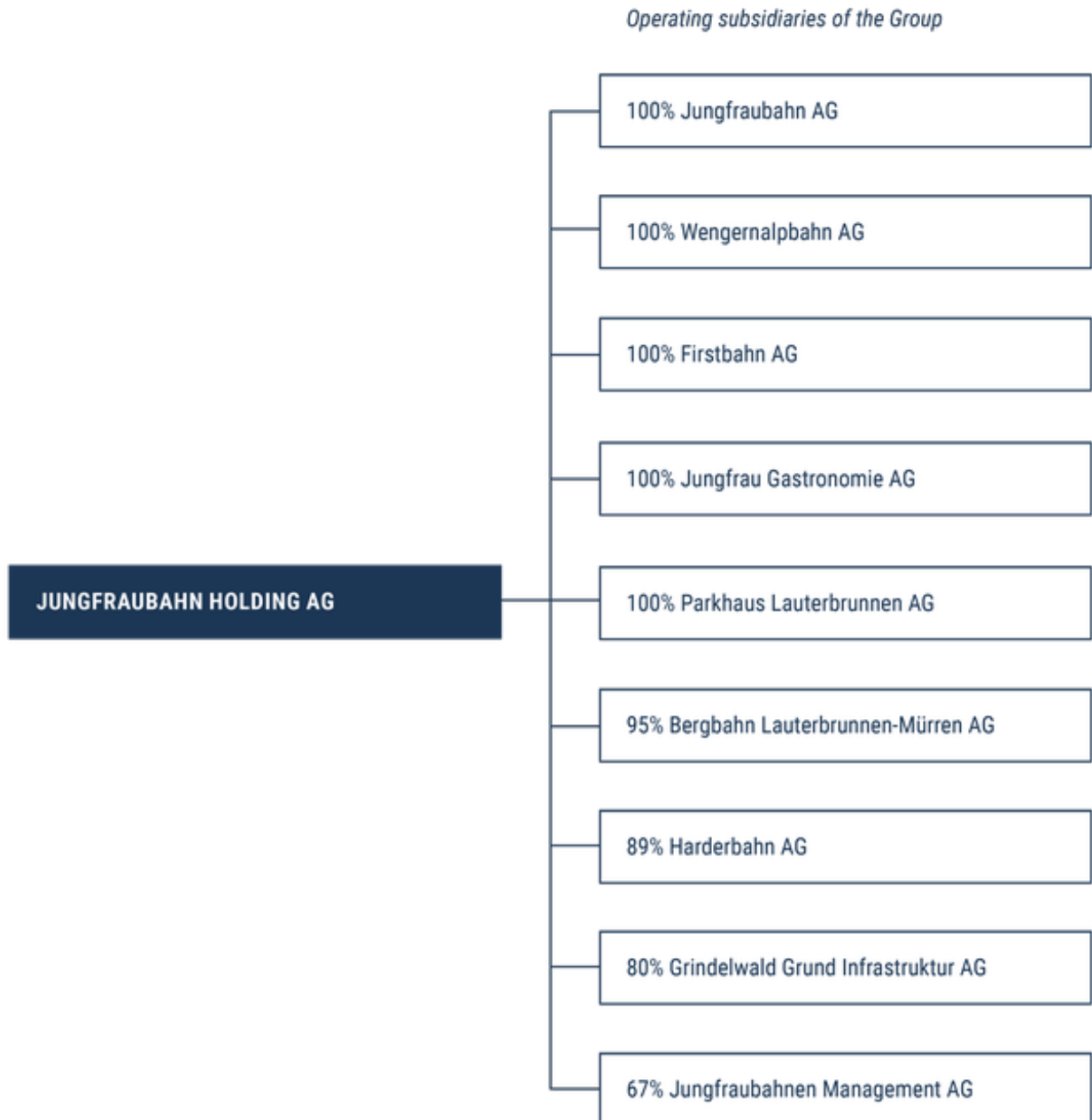
Up-to-date information can be found online at <http://www.jungfrau.ch/en-gb/corporate/jungfrau-railways/alliance-jungfrau-top-of-europe/management/>.

Key figures of the consolidated financial statements

CHF (thousands)	2020	2019	Change in per cent
Operating income	125,651	223,310	-43.7%
Transportation revenues	75,643	161,807	-53.3%
EBITDA	22,262	102,958	-78.4%
EBITDA in % of operating income	17.7%	46.1%	-61.6%
EBIT	-11,188	67,504	-116.6%
EBIT in % of operating income	-8.9%	30.2%	-129.5%
Annual result	-9,681	53,344	-118.1%
Return on sales (ROS)	-7.7%	23.9%	-132.2%
Free cash flow	-93,342	-21,511	-333.9%
Equity ratio	72.9%	79.0%	-7.7%
Headcount (full-time positions)	665	612	8.7%

Jungfraubahn Holding AG (parent company)

Jungfraubahn Holding AG is a holding company. Its business model is defined by fiscal and financial policy considerations. The most important part of the profit plan is the financial account. This includes the dividend payments for the subsidiaries and the internal interest income. In 2020, the income from shareholdings amounted to CHF 18.8 million. The loans to the subsidiaries in the amount of CHF 226.8 million bear interest. In the reporting period, impairment of CHF 9.1 million was applied to shareholdings. Together with the remaining financial income and after offsetting financial expenses, the financial account thus closed at CHF 10.7 million. Company result amount to CHF 10.1 million. The detailed annual financial statements with notes can be found after the consolidated financial statements in the financial report. It is part of the approval request to the General Meeting 2021.



JUNGFRAU RAILWAYS

The subsidiaries of Jungfraubahn Holding AG cooperate closely with Berner Oberland-Bahnen AG. The cooperation is managed by Jungfraubahnen Management AG (interest held: Jungfraubahn Holding AG 67%, Berner Oberland-Bahnen AG 33%). The management company provides the Executive Board elected by Jungfraubahn Holding AG with a management infrastructure including personnel (managers, specialists) that is suitable for managing the Jungfrau Railway Group and successfully exercising management mandates for other affiliated companies (e.g. Jungfrau Ski Region). Berner Oberland-Bahnen AG has also transferred its management to Jungfraubahnen Management AG on a mandate basis. This mandate is exercised with due regard to the interests of Berner Oberland-Bahnen AG and its independence in accordance with the instructions of the Board of Directors and the organisational regulations of Berner Oberland-Bahnen AG.

The operating consortium benefits from the best possible utilisation of the management resources (personnel, skills, tools) that the management company establishes, maintains and develops for all its clients. Insofar as it coordinates its approach with clients in order to strive for the greatest possible synergies – particularly in marketing, customer service, insurance, quality assurance, compliance management, procurement and IT – it does so as a full-function joint venture of the companies involved. Collectively, the companies involved operate under the name Jungfrau Railways and under the registered trademark Jungfrau – Top of Europe.

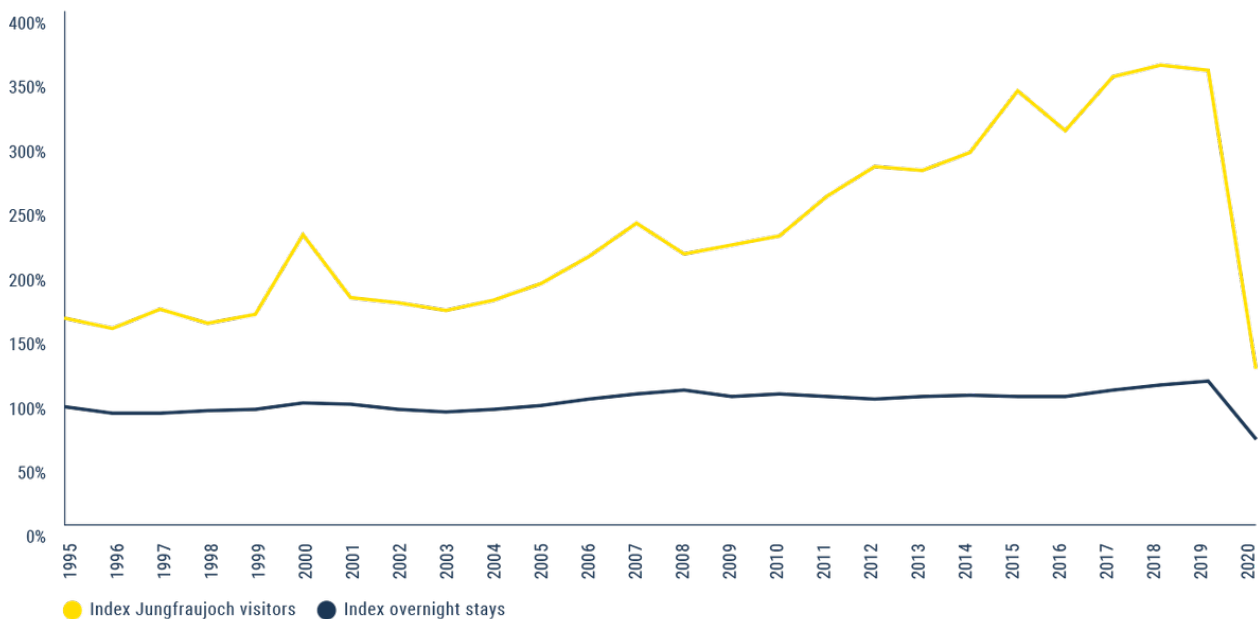
MESSAGE FROM THE COMPANY MANAGEMENT

OPPORTUNITIES AND RISKS

On 1 August 1912, Europe's highest railway station was opened on Jungfraujoch, 3,454m above sea level and in the middle of the unique mountain world of the Eiger, Mönch and Jungfrau mountains. This record still stands and is one of the reasons why a trip on the Jungfrau Railway is one of the great tourist attractions of the Alps. The eventful construction history surrounding the railway pioneer Adolf Guyer-Zeller contributes to its worldwide fame. Jungfraujoch – Top of Europe is thus an established brand in Switzerland and abroad.

Since early 2020, the Jungfrau Railway Group has been confronted with an unusual situation. Around the globe, the efforts of political bodies and authorities to halt the spread of a new virus infection have restricted the freedom of movement and thus the ability to travel. Key elements of the tourist service chain, such as restaurants, retailers and sports infrastructures, have been affected by closures and restrictions. Airlines have suspended important flights, and in March 2020, the Federal Council ordered the closure of all tourist facilities until the beginning of June 2020. Moreover, the booking behaviour has been impacted by the fear of infection and a plethora of travel restrictions and quarantine rules, which differ from country to country and even from region to region. Towards the end of the year, the Federal Council again tightened the measures. Restrictions are only eased step by step and at a very slow pace. Moreover, tourism needs a certain lead time until the effects of the easing reach the travel activity. However, a consistently high demand forms the basis for successfully positioning and marketing Jungfraujoch – Top of Europe around the globe. The pandemic thus represents the occurrence of a risk whose impact is unforeseeable, especially as far as the official measures are concerned.

Due to the said circumstances, in 2020 Jungfrau Railways recorded only 362,800 visitors to Jungfraujoch – Top of Europe, a figure that is 65.6% lower than in the record year 2019 and that corresponds to the numbers of visitors recorded back in the 1980s. Hotel occupancy dropped by 40% to numbers that had last been recorded in the late 1950s.



Benchmark for Jungfrauoch visitors and overnight stays for Switzerland indexed

Currently, nobody knows where the pandemic is headed. Though it is hoped that the available vaccines and tests will enable restrictions on international travelling to be eased, the virus mutations are causing some uncertainty. The Jungfrau Railway Group expects three phases, whose timeline can however not be determined as of yet:

1. Currently, the group is in the first phase – the phase in which the virus is not yet under control and the spread takes place in the form of waves. This is associated with restrictions and easing of official measures depending on the infection figures. The official measures – all the way up to lockdowns – result in operational restrictions and a reduced demand. The Jungfrau Railway Group reacts in an agile manner and makes responsible use of any opportunities that arise for the benefit of the guests and the region in order to provide an offering that is as good as possible, as is currently the case with winter sports. At the same time, expenses are reduced by way of operational optimisation and the V-Cableway, and the liquidity is used with care in order to ensure the company's solid substance and future viability. The objective is to generate and maximise positive EBITDA. Of course, the Board of Directors and the Executive Board are aware of the various challenges that the company faces. For example, this includes the responsibility toward the employees while ensuring financial stability and the challenge of providing an attractive offering under constantly changing operating contexts and despite necessary austerity measures. This phase requires flexibility and daily planning of the offering.
2. In the second phase, vaccinations and tests will have curbed the virus to such an extent that no new waves will occur, and the travel restrictions in the various countries will gradually be lifted, creating partial predictability for travel plans. Thereby, the various markets will open up, international flights will be resumed, and international tourism will recover. In this phase, the Jungfrau Railway Group will immediately be ready to address international markets on the basis of a strong brand, with new products, with the V-Cableway and thanks to the international network that has been developed over

many years. These markets are to be addressed speedily and systematically in order to encourage international guests to visit Jungfrauoch – Top of Europe and substantially step up the number of visitors as soon as possible. This will take place on the basis of the company's innovative drive and systematic adaptation of the offering of the various segments to the needs of the reopened markets.

3. In the third phase, with certain travel restrictions (e.g. compulsory vaccination), tourism will return to normal, and it will again be possible to reach the figures of 2019. The Jungfrau Railway Group is anticipating a "new normal", with fewer groups but more individual guests. Furthermore, guests will increasingly pay attention to quality – especially in the form of space and nature and under consideration of various sustainability criteria. With its focus on digitisation (especially in the form of the Jungfrau app) and its emphasis of ecological sustainability and social responsibility, the group is well prepared. With the newly commissioned V-Cableway and thanks to the expansion of track 3 on Jungfrauoch, guests have more space than previously. With the strategy of developing the Jungfrau Railway Group into an integrated leisure business, it will be possible to address guest needs even more effectively.

As previously mentioned, we do not yet know what the timeline will look like. However, in view of the many virus mutations that have emerged in various countries around the globe and the associated tightened travel restrictions, the International Air Transport Association (IATA) believes that the recovery of air travel in 2021 will be rather slow.

According to the UNWTO World Tourism Barometer of January 2021, international tourism suffered a slump of 74% in 2020, an effect caused by the extensive travel restrictions and the decline in demand. The latest survey conducted by the UNWTO expert panel (published on 28 January 2021) implies a mixed outlook for 2021: almost half of those interviewed (45%) expect the figures for the current year to be better than last year's figures, while 25% expect a similar performance and 30% consider a deterioration of the results to be likely. The question whether the upturn will take place in 2021 or only in 2022 remains open, with 50% being positive about this year and the other 50% believing that the upturn will only take place next year. However, experts see a growing demand for outdoor and nature activities, with an increasing trend towards domestic tourism and slow-travel experiences. It is believed that the gradual introduction of vaccines will help potential guests to regain their trust, that travel restrictions will be eased, and that travelling will slowly return to normal next year.

In terms of risk management, the Jungfrau Railway Group examines possible events that could jeopardise the achievement of strategic and financial goals. For this purpose, opportunities and threats are identified, evaluated and documented in a risk catalogue. For instance, the volatility of the tourism industry is a central risk. The tourist demand is affected by exchange rate fluctuation, geopolitical security concerns, health issues and pandemics, and the threat of war and terrorism. The corona crisis has resulted in the occurrence of one of the greatest business risks at a magnitude that could not have been foreseen.

As a pioneer in the East Asian markets, the Jungfrau Railway Group recognised Asia's potential decades ago. However, the alignment with the needs of the Asian markets also involves risk, which recently materialised with the onset of the corona pandemic. During the crisis, this weakness was at least partly counteracted by means of intensive marketing measures in the Swiss market and, to a certain extent, in the European markets. Thus, the number of Swiss nationals who visited Jungfrauoch – Top of Europe was higher than ever before, though this did by far not compensate the number of international visitors who stayed away.

A high quality of service, loyalty in the relationship with tour operators and agencies – even in difficult times – and consistent nurturing and strengthening of the brand are highly important factors for a quick return to a crisis-stricken market. In Jungfrau – Top of Europe, Jungfrau Railways has a strong brand of global fame. This value is preserved even during the crisis and represents an important basis for marketing the offering around the globe.

To protect itself against the volatility of the tourism industry, Jungfraubahn Holding AG has also developed special strengths. A high equity ratio of 72.9% is one of the company's key strengths. The financing of the large investments in the V-Cableway was structured and planned in such a way that the debt capital that is subject to interest is kept as low as possible. As at 31 December 2020, the debt subject to interest thus merely amounted to CHF 45 million. Stability is also guaranteed by the broad positioning in three different segments. The portfolio is structured in such a way that the diversified businesses support each other. In this way, economic risks are reduced and the independence is strengthened, which is vital especially in view of the current market situation and will also continue to play a key role with regard to the financial targets in the future.

The crisis has forced the Jungfrau Railway Group to work on its weaknesses, such as the high operating costs and the labour-intensive production. Since February 2020, savings potential has been and continues to be identified, and necessary measures are being taken continually. Furthermore, agility in the company has been greatly increased and efficiency has been boosted. It is now possible to adapt operations to weather conditions and visitor streams on a short-term basis, with a positive effect on operating expenses.

The Jungfrau Railway Group endeavours to make use of existing opportunities. The goal is to pursue projects that utilise the potential for quality improvement and promote digitisation in order to make Jungfraujoch – Top of Europe even more attractive and exclusive. As a result of the pandemic, the guests' enthusiasm for nature has further increased. The group addresses this need with a unique offering and the matchless location of Jungfraujoch – Top of Europe in the middle of the UNESCO world heritage and breath-taking mountain landscape comprising the Eiger, Mönch and Jungfrau mountains. Another positive aspect is the increasingly positive attitude of the employees and inhabitants of the Jungfrau region towards international guests. The crisis has clearly shown how the absence of international tourism impacts the region.

LONG-STANDING PARTNERSHIPS, BRAND MANAGEMENT AND DIGITISATION

Our representatives from majority Asian metropolises support Jungfrau Railways' contacts and the distribution. In this context, they are supported by a competent sales team and directly by the CEO. Currently, the interchange exclusively takes place digitally, but this does not pose any problems for the long-standing partnerships. The agencies ensure that the products of Jungfrau Railways are included in the tour operator programmes as well as in the on- and offline offers. To tap the potential demand as effectively as possible, the Jungfrau Railway Group has developed the brand management and distribution via tour operators into a core competence. To increase awareness of the brand JungfrauJoch – Top of Europe, the group cooperates with key sector players such as Schweiz Tourismus, BE! Tourismus AG, Jungfrau Region Tourismus AG and Interlaken Tourismus (TOI), and with partners from the field of industry and trade such as the Swatch Group, Coop, Victorinox and Lindt & Sprüngli.

The jungfrau.ch website invites users to dream and plan. It is aimed at individual travellers who want to book their holidays and excursions directly online and at group travellers who would like to get information about the JungfrauJoch – Top of Europe from their travel agency. Due to the fact that more and more people are travelling individually, global online sales are gaining in importance. This development will continue, and the reservation system remains a key instrument, as guests will continue to avoid queues and crowded conveyances. The marketing is based on the global direct and individual accessibility of potential customers via the internet and on digitisation (social media, virtual reality etc.), which open the door to new ways and opportunities in the fields of brand management, distribution, customer bonding, and experience design. The progressing digitisation is accompanied by an increasing level of agility with regard to the pricing and drafting of offerings. Digitised communication and distribution allow for rapid implementation of marketing measures introduced at short notice. In connection with the inauguration of the V-Cableway, the Jungfrau app was also launched, enabling guests to book tickets, reserve seats and handle related matters. The objective is to continually expand the app functionality in order to enable guests to plan and book their entire stay via the app.

INNOVATION AND DIVERSIFICATION

A special strength of the Jungfrau Railway Group is the variety of products and services in a very small space. With the Experience Mountains – the complementary segment in the summer business – customers on low travel budgets can be addressed, or excursions to Jungfraujoch – Top of Europe can be added in a meaningful way as part of an extended stay (cross-marketing). Moreover, the rollout of the innovative V-Cableway project has improved the competitiveness thanks to shorter travel times. In this context, the new V-Cableway represents a great opportunity. Guests are offered more space, more pleasant visitor guidance and a better overall travel experience. Active, digitally supported guest management is convenient and helps save time. The railways are able to actively reduce mass gatherings and congestion and make the best possible use of existing capacities. The time required or rather the time lost is an important quality factor in the modern tourism industry. Adventure seekers appreciate long transfers with no entertainment value as little as skiers appreciate long queues at the bottom of a ski lift, which take up a valuable part of their skiing day. Speed, capacities and optimum utilisation are therefore among the production factors that have represented a legacy weakness of the mountain railways since its early days. The Jungfrau Railway Group pays special attention to this area and has steadily made improvements, e.g. through more powerful traction units, track upgrades and a reservation system.

These are important criteria for guests who have been waiting impatiently for the opportunity to travel again after the corona crisis, and it will make the region attractive as a premium destination as soon as the crisis ends. In the medium and long term, the V-Cableway will ensure a successful future for the entire Jungfrau region as a year-round destination in Swiss tourism and thus secure the income of the local population. A positive factor for future generations will also be that being connected to the railway network, the V-Cableway will promote the use of public transport.

The record results of the Experience Mountains in 2019, which reflected the substantial demand increase among young international guests and families from all over the world, also had a positive effect in this segment in 2020. The offerings were also made use of by young Swiss guests and families. To meet guest expectations, the experience was upgraded with soft adventure offerings, a special outdoor design that includes features such as an experience trail that can be accessed easily and does not require any special physical abilities, a special vantage platform and an attractive playground. Most importantly, our services depend on our team, which is always ready to operate, maintain and clean the facilities on a daily basis. They welcome our guests, provide information and provide assistance in the event of emergency. As courteous hosts, they are the ones who define the company's external image.

INTEGRATED LEISURE AND SERVICE COMPANY

The demand for tourist offerings that deliver a great variety of experiences in the shortest possible time is on the rise. Therefore, integration of the service chain is becoming more important. The coordinated services and ordering processes make planning and organising a holiday trip much easier for both the tour operator and the individual traveller. Combined bundles and packages enable attractive offers and prices. The integrated company is able to fully exploit the potential of its customer base. It can ensure customer satisfaction more independently and optimise customer benefits more effectively on the basis of a custom-defined quality standard.

Thanks to its various segments, the diversity of the Experience Mountains it has opened up and its growing integration, the Jungfrau Railway Group is well positioned to offer comprehensive leisure experiences. It closes any remaining gaps with regard to the integration by cooperating with efficient partners in the region. From the outset, the online sales have been designed with a view to this integration; the individual elements of a holiday trip can be combined in the shopping cart and booked in one step.

Catering is being integrated more extensively into the business segment Jungfraujoch – Top of Europe. Instead of independent companies who rent the restaurants from the Jungfrau Railway Group, a subsidiary operates the various businesses. Jungfrau Gastronomie AG has taken over the restaurants on Kleine Scheidegg, Eiger Glacier and Jungfraujoch. Moreover, several small-space concepts have been implemented, and a logistically optimally located production kitchen has been built in the V-Cableway terminal in order to increase the catering efficiency in our main business. Integrated catering can be seamlessly incorporated in the sales system. For example, table reservations and aperitifs can be ordered together with the train journey. Therefore, the IT concept aims at the digitised integration of all services that customers use during their journey – all of this under the motto “one journey – one ticket”.

A further focus is on shopping, which is already an integral part of the group’s offering. In this area, the presence is expanded along the tourist routes and hotspots, and the range of products is widened out. The Top of Europe – Flagship Store was set up in a central location in Interlaken. Rail Info – an important point of sale – is here embedded in a large, vibrant and entertaining shopping world.

DRIVER OF TOURIST DEVELOPMENT (SUSTAINABILITY)

The business models of the Jungfrau Railway Group are geared to the needs of a national and international clientele seeking a special mountain experience. Thanks to our unique appeal, we are perceived as a rewarding travel destination. To meet the expectations of this clientele, we need to be socially embedded in the region. As an integrated and cooperative company, the Jungfrau Railway Group is an important driver of the economic development of the region. In doing so, it takes into account the interests of the local population and the concerns of nature, which is an important resource for the tourism industry. The regional value cycles are kept in motion by Jungfrau Railways' value generation. In the course of the crisis in the financial year 2020, it has been possible to save labour costs through natural fluctuation and by implementing short-time working. Moreover, many employees are offered promotion and development opportunities. In line with the vision of the founder of Jungfrau Railway, the environment is to be preserved and kept accessible for future generations. The sustainability fund is actively managed for the communities of Grindelwald and Lauterbrunnen, and systematic measures are taken to protect the fauna and flora in the sphere of the V-Cableway.

This stakeholder approach of the Jungfrau Railway Group represents a veritable tourism development driver: the activity of Jungfrau Railways helps to strengthen the fields of retail, trade, agriculture and local infrastructure and provides a basis on which the hotel industry can continually rejuvenate itself. This has a positive effect on the attractiveness of the overall offering and thus on the international appeal of the Jungfrau Region. This in turn results in demand potential from which the Jungfrau Railway Group creates value that strengthens the local rooting through various partnerships, tax payments, salaries and investments.

OBJECTIVES, EXPECTATIONS AND METRICS

Despite the roadblock encountered in the form of the corona crisis, the company is determined to reach its goals once the crisis is over. This also applies to the financial targets newly defined last year. However, the achievement of these targets has been postponed for one or two years, as the main issue at present is to manage the crisis. In the meantime, the company endeavours to protect its cash and cash equivalents, to react to the constantly changing market situation with agility, and to achieve the highest possible positive EBITDA in the financial year 2021. Key indicators include the EBITDA achieved, the amount of debt capital subject to interest, and liquidity. With a view to these factors, the financing of the intergenerational V-Cableway project plays a key role. Thanks to the outstanding earnings in previous years, the amount of debt capital subject to interest, which is needed to finance the V-Cableway, will remain far below the defined maximum debt of CHF 120 million despite the corona crisis.

Our objectives continue to focus on securing the success of the Jungfraujoch – Top of Europe business segment – the region's main attraction and the group's highest-margin segment. Despite the persisting uncertainties, the Board of Directors remains focused on the goal of reaching pre-crisis levels in the medium term and to increase the average income in continuous increments. CEO Urs Kessler summarises this objective as follows: "12 months of peak season." In terms of the guests' willingness to buy and pay, this always means quality before quantity.

As of the completion of the V-Cableway, the quality of the Jungfrau Railway offering in the main segment has increased dramatically. The project was completed successfully, on time and without any accidents. Some remaining work will be done and the new workflows and processes will be refined and optimised in 2021. Thanks to the V-Cableway, the Jungfrau Railway Group will be able to offer guests an innovative, unique product, especially after the end of the corona crisis. However, for the full potential to be made use of, the markets must first return to normal. Thus, the comparison with other alpine offerings and the shifts in market shares are also important parameters. In terms of the quality development, the average price achieved is another key parameter.

The new organisation as of 1 January 2021 has resulted in the reorganisation and strengthening of the Executive Board, in which the departments are now also represented. This will help the company to master the crisis with expanded and joined forces. The objective is to seamlessly introduce the new organisation and to develop the broader Executive Board as a team.

In terms of the quality, the go-live of the V-Cableway means a re-entry to the top league of winter sports. In terms of the quantity, however, this will only take place when the situation returns to normal and in collaboration with the entire region, especially with the hotel industry. The plan is to again reach the highest visitor numbers of the previous decade under our own steam.

In the future, we will continue to respond to seasonal demand fluctuations by adjusting prices. In this context, the pricing must be transparent and comprehensible. These criteria can be met by determining different prices for different seasons. The online sales system continues to be developed with the aim of tapping the potential of the entire spectrum of devices and multimedia services. For this, new sales channels and successful platforms are used. The central sales system is being configured in such a way that it can handle the various

customer interfaces available today while also digitally supporting internal processes (such as drafting of offers, reservation, scheduling and billing). By means of digitisation, Jungfrau Railways is stepping up its market presence and the efficiency of its processes. In 2020, the system was mainly optimised for the integration of the new V-Cableway, but in the medium term, it is to be developed in other areas as well.

In the current year, an integrated sustainability strategy will be defined in the corporate social responsibility unit on the basis of selected SDG (sustainable development goals).

SPECIAL

SHAREHOLDER BONDING

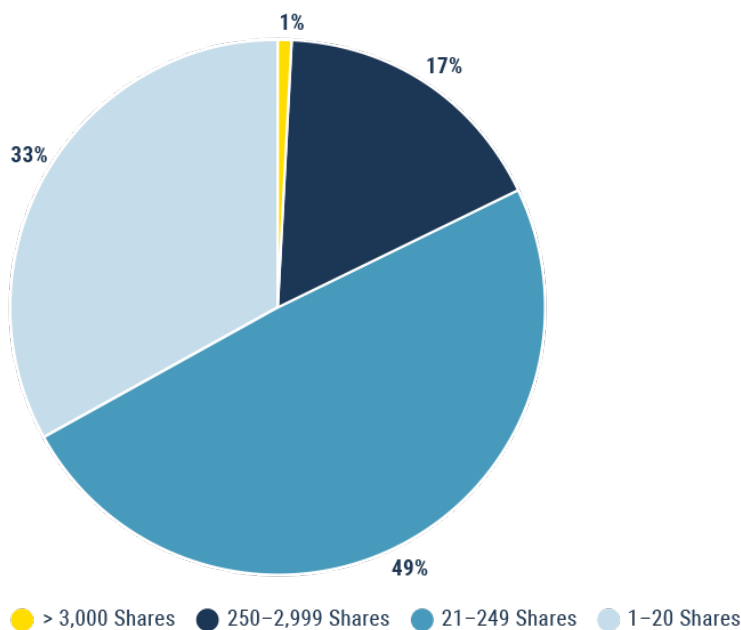
The shares of Jungfraubahn Holding AG are listed in the SIX Swiss Reporting Standard (JFN ISIN CH0017875789) and are managed as book-entry securities. Upon delivery, issued certificates are replaced by value rights. No new share certificates are issued.

In 2020, the shareholders were given the opportunity to visit one of the three Experience Mountains at a special price: Harder Kulm – Top of Interlaken, First – Top of Adventure or Winteregg – Top of Family. In total, 1,132 shareholders made use of this offer and were thus able to see for themselves how the Experience Mountains have developed.

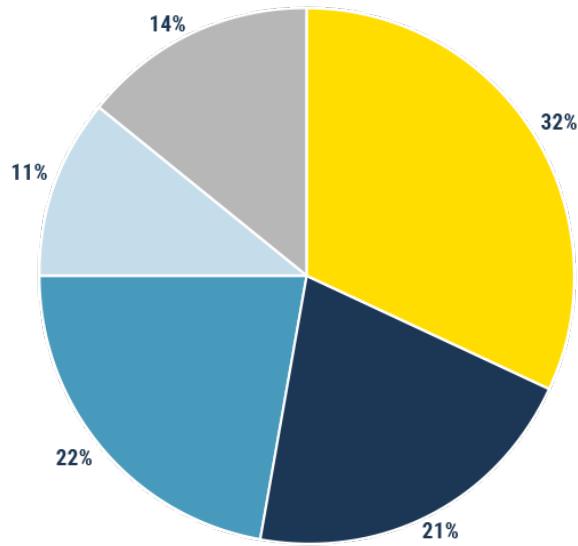
In 2021, the offering consists of two return tickets for Grindelwald Terminal–Eiger Glacier at a special price. In this way, the shareholders can view the new facilities in Grindelwald Grund and enjoy a trip on the new Eiger Express. The yearly shareholder offer does not represent an in-kind dividend. Rather, Jungfraubahn Holding AG also considers its shareholders as its ambassadors and encourages them to also get to know their company from the customer angle.

All shareholders who hold at least 250 shares are part of the shareholders’ club. Everybody who is listed in the share register of Jungfraubahn Holding AG with at least 250 shares as of the cut-off date (next date: 1 October 2021) automatically joins the club. The great trust that the shareholders place in the company is to be rewarded with special conditions that are announced on the internet .

Shareholder structure (quantity)



Shareholder structure (share of capital)



● Registration (from 175,050 Shares) ● >= 3,000 Shares ● 250-2,999 Shares ● 0-249 Shares per shareholder ● Dispo

V-CABLEWAY

Following the partial opening of the terminal and the go-live of the new 10-seat Grindelwald-Männlichen gondola in December 2019, the entire Jungfrau Railways team looked forward to the completion of the entire project in 2020. Unfortunately, the winter sports season 2019/2020 ended abruptly due to the pandemic (on 14 March 2020), which also resulted in the closure of the terminal. Moreover, the public was no longer permitted to access the information pavilion in Grindelwald Grund. Since the construction management implemented all officially imposed hygiene and distancing rules on all construction sites of the V-Cableway, construction work did not have to be stopped.

In late April 2020, one of the most important milestones in the intergenerational V-Cableway project commenced: the cable hoist for the Eiger Express tricable cableway. The preparation had taken several months, and the four suspension cables, with the traction cable having been transported to Grindelwald in several heavy transporters. The Eiger Express is the world's heaviest tricable cableway ever, as evident from the suspension cables, which have a diameter of 58mm and consist of 152 wires.



As the work on the construction sites continued in the reporting year 2020 despite the pandemic, the backlog was more than compensated. It was thus even possible to go live one week ahead of schedule. After the official restrictions were eased, the terminal and the information pavilion re-opened on 6 June, and the 10-seat Grindelwald-Männlichen gondola assumed its summer operations.

In mid-August 2020, the work on the cable hoist was completed. On the 25th of the month, the new ATRIA tricable cabin from CWA Constructions SA/Corp. in Olten was presented in the Zurich railway station, where passengers were given the opportunity to take a seat in the gondola and see how comfortable it is.

From the globally unique windows, passengers will be able to enjoy a matchless view of the famous Eiger North Wall from the gondola during the 15-minute ride

Urs Kessler, Chief Executive Officer



In September, the temporary supports were removed, and the first test runs were conducted with the Eiger Express. In October and November, the work in and around the buildings was completed on all construction sites. When the last construction site information was published in November 2020, it became clear that the big day that had been eagerly anticipated for more than two years was imminent.

On Saturday, 5 December 2020, after 908 days of construction, the time had come to officially launch the entire terminal. On the previous evening, a small inauguration ceremony was held with speeches by Federal Chancellor Walter Thurnherr, National Councillor Christoph Ammann, Prof. Dr. Thomas Bieger, Chairman of the Board of Directors and Urs Kessler, CEO of Jungfrau Railways. From the announcement on 19 December 2012 to the inauguration ceremony, the rollout of the intergenerational project had taken 2,908 days. Thus, the long and not always easy journey to a modern terminal with two cableway stations, shopping and food facilities, a sports shop, ski depots and a car park with more than 1,000 spaces had successfully been completed.

Here in Grindelwald, no mountain has been moved – the Eiger is still in its place. Nevertheless, this project involved a good measure of faith. This wonderful railway is the result of passion and enormous commitment, a focus on sustainability and attention to detail

Walter Thurnherr, Federal Chancellor



With a view to the future and the generations to come, a lot of emphasis was placed on state-of-the-art technology when designing and constructing the cableways and the new stations, but without losing sight of the unique landscape and sustainability. This was achieved thanks to tricable technology, which allows large distances to be traversed with just a few supports, backed by two support cables. This system also ensures wind stability, which meant no paths had to be cut through forests. Within the context of the environmental construction supervision, an agronomist monitored the success of the various replacement measures taken. This included the range of plant species used for re-planting, the consideration of the breeding season of ptarmigans when planning the construction phases and the creation of new breeding ponds for midwife toads in Grindelwald. From 2021 on, the sustainability fund will be used for projects that are accepted by society, sustainable, eco-friendly and economically beneficial. Moreover, most the projects are to serve the public welfare in Grindelwald and/or Lauterbrunnen and shall be rolled out in one of these two municipalities.



Despite the corona pandemic, the Jungfrau Railway Group looks to the future with confidence and is eager to see how tourism will continue to develop in the Jungfrau region – with the new terminal in Grindelwald, the Eiger Express tricable cableway and the 10-seat Grindelwald-Männlichen gondola.

ACKNOWLEDGEMENT

Christoph Schläppi

For 9,117 days or, in other words, for 25 years, Christoph Schläppi played a key role in shaping the development of Jungfrau Railways. When he joined the business in 1996, the digitisation trend had not yet begun, and the yearly number of visitors to Jungfrauoch was still far below half a million. Back then, the main objective was to gradually establish the legal structure of the company as we know it today. Among other things, this process resulted in the integration of the various small independent ski lifts and in the successful IPO. Other important work included the renewal of contracts and the settlement of compensation claims.

In his work, Christoph Schläppi made good use of his extensive legal expertise, his people skills, and his ability handle conflicts. His legal support in the many legally demanding projects including the recent V-Cableway project was always sound and results-oriented. Christoph Schläppi was increasingly entrusted with additional duties in the company, and at the end of 1998, he was appointed to the Executive Board as Head of Corporate Services. In collaboration with the Information and Communication department and the IT department, he carefully developed the legal unit into a strategically important pillar.

The tourism business is exposed to various risks. From the real estate crisis in the 1990s to SARS 2003 and the financial and Euro crisis up to the current corona crisis, Christoph Schläppi securely headed Corporate Services. The range of changes introduced by him includes the strengthening of compliance and the establishment of a basis for creating a compliance unit. For many years, he served as an effective link between the Executive Board and the Board of Directors, whose secretariat he managed in addition to his various executive duties. In this function, he always assisted the Chairman of the Board of Directors with advice.

We would like to thank Christoph Schläppi for his loyalty, his proactive approach, his support, his deep and broad range of professional skills and the time and emotions he invested in Jungfrau Railways, and we wish him all the best for the future.

Prof. Dr. Thomas Bieger, Chairman of the Board of Directors

Ueli Winzenried

Ueli Winzenried was first elected to the Board of Directors of Jungfraubahn Holding AG at the General Meeting on 16 June 2003. At this year's General Meeting, he will step down after 18 years of office and will not stand for re-election. This resignation takes place as part of the step-by-step reintroduction of the limit of 12 years on the term of office, which had been suspended during the planning and rollout of the V-Cableway.

In the context of the important Board of Director functions he had been entrusted with, Ueli Winzenried played a key role in this executive body over the past years. For example, he served as a member of the Remuneration Committee and as a member of the Audit Committee before he was appointed as its Chairman in 2017. From 2009 until the end of 2020, he also represented the employer in the Foundation Board of the staff pension fund of our railways, i.e. during the key autonomisation phase. Moreover, from 2017, he served as Vice-Chairman of the Board of Directors.

Thanks to work as CEO of Gebäudeversicherung Bern and other important mandates, Ueli Winzenried was able to leverage his valuable networks, e.g. for restructuring the anchor shareholders. His previous work in an international pharmaceuticals group enabled him to introduce international market competence in the target markets of Jungfrau Railways and other areas. His extensive business and finance skills were especially useful when evaluating the financial feasibility of the V-Cableway project from the investor perspective. In the field of risk management, he ensure vital impetus, e.g. with respect to the fire safety of the Jungfrau Railway tunnel.

We would like to thank Ueli Winzenried for his great commitment, his critical perspective, his constructive contributions and his cooperative spirit, and we wish him all the best for his social and professional future.

Prof. Dr. Thomas Bieger, Chairman of the Board of Directors

2

SEGMENTS

2.1	JUNGFRAUJOCH - TOP OF EUROPE	45
2.2	WINTER SPORTS	47
2.3	EXPERIENCE MOUNTAINS	50
2.4	AUXILIARY OPERATIONS	53

SEGMENTS

JUNGFRAUJOCH - TOP OF EUROPE

BUSINESS MODEL AND ENVIRONMENT

The Jungfraujoch – Top of Europe business segment is the company’s strategic core. The main attraction is the highest railway station in Europe, located 3,454 metres above sea level within the Swiss Alpine Jungfrau-Aletsch UNESCO World Heritage site. Visitors can experience a high-Alpine world amidst imposing mountain peaks, glaciers and snow. The cogwheel railway, which goes from Lauterbrunnen and Grindelwald to the high-Alpine meeting point at Kleine Scheidegg and continues through the massifs of Eiger up to the Jungfraujoch – Top of Europe, takes visitors from the world over to Switzerland’s main tourist attractions. Since 5 December 2020, the tricable cableway Eiger Express takes the guests in only 15 minutes from Grindelwald Terminal to the Eiger Glacier station, where they can transfer directly to the Jungfrau Railway. With its presence and research results, the International High Alpine Jungfraujoch and Gornergrat Research Station Foundation contributes to the attractiveness of the Jungfraujoch. Due to the corona crisis, the segment revenue of the financial year 2020 merely amounted to CHF 69.2 million, almost 54% less than in the previous year (CHF 149.8 million).

Jungfraujoch – Top of Europe is a comprehensive nature experience that is marketed as an integrated one-stop offering. Only a few supplementary and ancillary services are added as partner services (e.g. mountaineering, snow fun and Mönchslochhütte tours). Following the full integration of the catering facilities on Kleine Scheidegg at the end of 2017, the restaurants on Jungfraujoch and Eiger Glacier were also integrated at the end of 2019. Under normal circumstances, Jungfraujoch – Top of Europe is open 365 days a year. To ensure the quality of the offering, the number of visitors is limited, and a seat reservation system as well as modern rolling stock of the Jungfrau Railway and the Wengernalp Railway provide maximum travel comfort.



MARKET ASSESSMENT BASED ON RESULTS

The financial year 2020 was overshadowed by the corona pandemic. Following a very good start with plenty of visitors in January, the Jungfrau railway stood still for an extended period from mid-March, a situation that had not been witnessed since World War I. On 6 June 2020, after almost three months, Jungfrauoch – Top of Europe re-opened its gates to its visitors. The good weather during the summer months attracted many Swiss visitors to the Jungfrau region. For the first time, the deployment of the rolling stock and of the personnel was planned on a short-term basis according to the weather conditions. To meet visitor needs in the best way possible, the Jungfrau Corona Pass was launched in summer. With this pass, visitors were able to enjoy unlimited tours on the Jungfrau Railways routes and to Jungfrauoch – Top of Europe until the end of November 2020.

Due to the impact of the coronavirus pandemic and the closure for 83 days, only some 362,800 visitors came to visit Jungfrauoch – Top of Europe in the year under review. This corresponds to the average number of visitors back in the 1980s. The resulting transport revenue amounted to CHF 41.5 million, a year-on-year slump of almost 66%.

Thanks to the go-live of the tricable cableway Eiger Express, the trip to Jungfrauoch has become much faster, providing visitors with a more suitable, flexible travel experience. The new railway underlines the long-term strategic orientation of the Jungfrau Railway Group and strengthens the company's position in the international arena, even in times of great uncertainty.

The integration of the catering businesses along our main axis to Jungfrauoch represents the next step of the rollout of our strategy to become an integrated tourism enterprise with the goal to offer guests a one-stop tour programme including catering services. Two years ago, the first business, Bergrestaurant Kleine Scheidegg, was transferred to Jungfrau Gastronomie AG. On 1 November 2019, the group assumed operation of the restaurants on Jungfrauoch and Eiger Glacier. The catering business was also severely affected by the measures to curb the corona pandemic. Some of the facilities were closed, guest restrictions were introduced or the services were limited to take-away offerings. The official measures and the lower demand resulted in a loss of CHF 2.6 million in this field.

The Jungfrau Railway Group is constantly expanding its souvenir business. On 5 December 2020, a new Top of Europe shop opened in the Grindelwald terminal. The new shop joins the line-up of shops on Jungfrauoch, on First as well as the flagship store in Interlaken, which had been established in 2019. The shops were greatly affected by the measures to curb the pandemic. Apart from the partial closure, the sharp decline in the number of visitors and the focus of the product range on foreign tourists, which hardly appeals to Swiss visitors, resulted in a revenue slump of 70%. In 2020, Top of Europe shops generated revenue of CHF 2.6 million.

WINTER SPORTS

BUSINESS MODEL AND ENVIRONMENT

The Jungfrau Ski Region is a joint venture in which the Jungfrau Railway Group holds more than 60%. The Jungfrau Ski Region fare network, which covers the sub-areas of Grindelwald-First, Kleine Scheidegg-Männlichen and Mürren-Schilthorn, comprises 12 companies. With their tickets, sports enthusiasts can use the facilities throughout the destination. In terms of the number of visitors and skiing mileage, the ski area is one of the largest in Switzerland.

The Jungfrau Ski Region earns approximately half of its winter sports income from visitors who spend their winter holidays in the area. The region's breath-taking nature and diversified range of slopes with a variety of long valley runs are renowned around the globe. The ski areas are directly accessible from the historic holiday resorts of Grindelwald, Wengen and Mürren. The region also features superb winter hiking and sledging offering. In view of the high demand, this offering has been continually expanded.

Day-trippers, who account for the other half of the winter sports customers, are more focused on the sporting activities. This results in a need to ensure the quality of the slopes and the capacity of the access and transport routes (e.g. parking). The focus on children remains strong. In the winter of 2019/2020, the "Kids Ride Free on Saturdays" promotion was used 11,883 times. The Jungfrau Ski Region has also taken part in the "Kids4free" campaign of Switzerland Tourism, which aims at making skiing more attractive for families and children.

Jungfrau Railways is the specialist for access and service facilities, slopes and fun parks in the ski area. The others parts of the value chain are covered only partially or in cooperation with other providers. We offer rental equipment within the scope of a joint venture with local sports retailers, the Intersport Rent Network. Thus, we cooperate closely with regional businesses, hotels, retailers and local tourism organisations.

MARKET ASSESSMENT BASED ON RESULTS

Despite the abrupt end of the winter sports season on 14 March 2020, the entire Jungfrau ski region merely recorded a year-on-year decline of 16% in the number of guest visits. The Jungfrau Railway Group generated transport revenue of CHF 22.2 million (previous year: CHF 23.5 million) from the winter sports business.

In the highly competitive and saturated winter sports market, destinations with guaranteed snow, good quality, a variety of pistes and high standards enjoy a solid position. New offerings and price models can accommodate the trend towards short-termism and spontaneity. At the same time, however, offerings that bind customers at an early stage or for a longer time period are becoming increasingly important. In this context, the fact that the Jungfrau Ski Region cooperates with the major ski areas of the Bernese Oberland and has launched a season pass that is very inexpensive when purchased in advance (Top4 for CHF 777) plays an important role. Due to the ongoing uncertainty as to whether the ski regions would be permitted to assume or continue operations during the coronavirus pandemic, advance season pass sales (including Top4) were weaker than in past years, though a money-back guarantee was introduced in view of the extraordinary situation. Thus, a pro-rata refund was guaranteed in the event of a lockdown and resulting closure of all Top4 ski areas from 1 December 2020 to 5 April 2021. Up to 24 December 2020, some 28,400 Top4 passes were sold (previous year: 42,200).

The winter sports business with guests is affected by the coronavirus pandemic and the resulting drop in hotel occupancy. The Jungfrau Railway Group continues to promote this business by continually improving the integration of touristic services. In particular, efforts are made to supplement the value chain. In this connection, the Jungfrau Railway Group – as an integrated tourism company – continues to expand its activity spectrum in the value chain with the new V-Cableway terminal, namely by improving the services in the field of ski storage rental, ski school and catering services for winter sports enthusiasts. On 5 December 2020, the Eiger Express went live, enabling an early start of the winter sports season – a positive sign in this time that is so difficult for the tourism sector.

START INTO 2021

The number of guest visits to the Jungfrau Ski Region from 1 January to 28 February 2021 underwent a decline of 30% (previous year: leap year with 29 days in February). The Jungfrau Railway Group is committed to continuous quality improvement. Thanks to the go-live of the entire Grindelwald terminal and of the new tricable cableway Eiger Express railway on 5 December 2020 and the resulting direct connection to public transport, travel times have become much shorter. For winter sports guests, this means more comfort and more time on the slopes of the Jungfrau Ski Region. However, due to the closure of the catering facilities in late 2020 by official order, this potential could not be utilised. Especially on cold days, the average time that the guests spent in the ski area dropped significantly due to the closure of the restaurants.



EXPERIENCE MOUNTAINS

BUSINESS MODEL AND ENVIRONMENT

The Experience Mountains are a strategic ancillary offering. The mountain railways and the adventure worlds, some of which have been specially created and maintained by these railways, form a solid basis for the local tourism industry and the agriculture networked with it. They thus create added value for the entire region by providing a reason to stay longer in the area, to stay overnight or to spend a traditional sports and hiking holiday. In the effectively strengthened, intact and vibrant environment, our primary offering Jungfrauoch – Top of Europe, too, can be positioned more successfully.

The Experience Mountains segment includes the following attractions:

- Grindelwald-First, Top of Adventure
- Harder Kulm, Top of Interlaken
- Winteregg-Mürren, Top of Family

The Jungfrau Railway Group supplements its offering with the following partnerships: Kleine Scheidegg-Eiger Glacier (from the Jungfrauoch – Top of Europe segment), Schynige Platte Railway (a railway of the alliance partner Berner Oberland-Bahnen AG), Grindelwald-Männlichen gondola (shareholding of 35.5%), the Wengen-Männlichen cable car and Grindelwald bus. The multi-day Jungfrau Travel Pass is available as a connecting element. This opens up the wide range of excursion destinations for guests and is valid for up to six consecutive days.

MARKET ASSESSMENT BASED ON RESULTS

All Experience Mountains, which include excursion transport to Harder Kulm, First and Winteregg-Mürren, the Jungfrau Railway Group, suffered a painful earnings decline. The total transport income slumped by 50%. Year on year, Harder Railway recorded a decline of 56.8% in transport income, First Railway lost 47.2%, and the Lauterbrunnen-Mürren Mountain Railway incurred a loss of 46.5%. In total, the Experience Mountains generated transport income of CHF 12.6 million.

To keep the Experience Mountains attractive even during the corona crisis, the Jungfrau Corona Pass was launched in summer, as already mentioned above in the information on the JungfrauJoch – Top of Europe segment. With this pass, visitors were able to enjoy unlimited tours on the railway routes until the end of November 2020. Short-term visitors were offered the Top of Europe Pass, which enabled an unlimited number of rides on three consecutive days in the realm of the Jungfrau Railways (including one return trip to JungfrauJoch). From November 2020, this offering was followed by the Jungfrau Corona Winter Pass, which offers all visitors who do not engage in skiing or snowboarding an alternative to the season pass.

OUTLOOK

Weather plays an important role in determining the demand in this segment. However, in terms of the meteorological conditions, the segment's products are positioned very favourably, and combinations with the other segments can also be offered. The deployment of the personnel is planned on a short-term basis in order to enable a flexible, quick response to weather conditions. This good constellation provides a basis to hope for a more positive performance in the financial year 2021.



AUXILIARY OPERATIONS

POWER STATION

The power station supports the independence of the Jungfrau Railway Group with regard to energy, one of the most important resources, and provides services in the field of energy supply. With an annual output of 60 GWh, the balance for 2020 is positive, especially in view of the fact that the two machines stood still for six weeks in winter for a major overhaul.

PARKING LAUTERBRUNNEN

Thanks to its excellent location at the railway junction, the Lauterbrunnen multi-storey car park is the central hub for transfers between individual transport and the car-free resorts of Mürren and Wengen. In the reporting year, the car park utilisation averaged 68.1%, a year-on-year increase of 0.6%. Rental income in 2020 amounted to CHF 2.3 million. The Lauterbrunnen multi-storey car park was the only operation of the Jungfrau Railway Group that did not suffer from the corona crisis, as many visitors preferred to come by car rather than by public transport.

JUNGFRAUBAHNEN MANAGEMENT AG

Jungfraubahn Holding AG holds Jungfraubahnen Management AG for the provision of the management infrastructure as well as services of specialist and support units. The most important asset of this company is the central IT infrastructure of Jungfrau Railways. The compensation of CHF 4.8 million that Jungfraubahnen Management AG receives from third parties for its services results from cost allocation, especially from the collaboration with Berner Oberland-Bahnen AG and direct billing of services. This company increasingly also generates commission income from online sales, especially of tickets.

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