

A QUARTER DOMINATED BY THE ONGOING PANDEMIC



FEBRUARY 2021–APRIL 2021

- Revenue: MSEK 1,932 (5,264)
- Income before tax (EBT): MSEK -2,361 (-3,722)
- Income before tax and items affecting comparability: MSEK -2,361 (-3,714)
- Net income for the period: MSEK -2,433 (-3,470)
- Earnings per common share: SEK -0.35 (-9.15)

SIGNIFICANT EVENTS DURING THE QUARTER

- The Board of SAS appointed Anko van der Werff as President and CEO. The Board concurrently appointed Karl Sandlund, Chief Commercial Officer at SAS, as acting President and CEO.
- SAS secured financing for the majority of its aircraft deliveries until the second quarter of 2022.

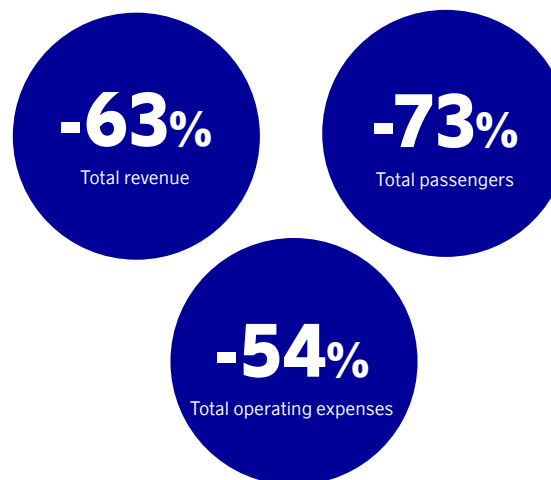
SIGNIFICANT EVENTS AFTER THE QUARTER

- SAS has ensured that there is support from the main owners, the Governments of Denmark and Sweden, to gain access to a credit facility amounting to SEK 3.0 billion.

NOVEMBER 2020–APRIL 2021

- Revenue: MSEK 4,214 (14,971)
- Income before tax (EBT): MSEK -4,297 (-4,809)
- Income before tax and items affecting comparability: MSEK -4,309 (-4,792)
- Net income for the period: MSEK -4,483 (-4,331)
- Earnings per common share: SEK -0.64 (-11.49)

KEY FIGURES – Q2 2021 VS LAST YEAR



“The increase in vaccination rates provides some hope for the relaxation of restrictions, and an increase in demand ahead of the important summer season”

Karl Sandlund, Acting President and CEO

FINANCIAL SUMMARY

MSEK, unless noted otherwise	Q2	Q2	Q1–Q2	Q1–Q2
	Feb–Apr 2021	Feb–Apr 2020	Nov–Apr 2020–2021	Nov–Apr 2019–2020
Revenue	1,932	5,264	4,214	14,971
Operating income (EBIT)	-2,048	-3,315	-4,219	-4,082
Operating income (EBIT) margin	-106.0%	-63.0%	-100.1%	-27.3%
Income before tax (EBT)	-2,361	-3,722	-4,297	-4,809
Income before tax and items affecting comparability	-2,361	-3,714	-4,309	-4,792
Net income for the period	-2,433	-3,470	-4,483	-4,331
Cash flow from operating activities	-1,403	-1,757	-6,340	-1,202

	Apr 30, 2021	Oct 31, 2020	Apr 30, 2020
Return on invested capital ¹	-25%	-27%	-1% ²
Financial net debt/EBITDA ¹	n/a	n/a	6.9x ²
Financial preparedness ¹	38%	67%	26% ²
Equity/assets ratio	16%	18%	-0.1%
Earnings per common share (SEK)	-0.64	-21.55	-11.49
Shareholders' equity per common share (SEK)	0.10	0.40	-4.09

¹ Key figure as per April 30, 2021 and as per October 31, 2020 including IFRS 16. The key figure as per April 30, 2020 is based on financial statements according to IAS 17 (excluding IFRS 16).

² The key figure has been calculated according to another definition and has not been restated. The previous definition is found in APM Q2 2020.

This information is information that SAS AB is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted by Michel Fischler for publication on 27 May 2021 at 8:00 a.m. CEST.

COMMENTS BY THE CEO

New coronavirus cases remained high during the quarter, resulting in strict travel restrictions and low demand for flights. Focus for the quarter has been on lowering SAS' costs, preserving liquidity and further strengthening SAS' future competitiveness. The increase in vaccination rates provides some hope for the relaxation of restrictions, and an increase in demand ahead of the important summer season.

CONTINUED NEGATIVE IMPACT FROM THE PANDEMIC

Even if the number of people vaccinated is growing globally, high numbers of new cases and strict travel restrictions continue to impact society and slow recovery for the airline industry. Demand remained low during the second quarter and the number of passengers fell 2.4 million year-on-year, and was down 140,000 on the previous quarter.

SAS is continuing to successfully adapt production to the prevailing circumstances, which is reflected with an unchanged load factor compared with the previous quarter. As a direct consequence of fewer passengers, revenue fell SEK 3.3 billion (-63%) year-on-year and SEK 350 million (-15%) compared with our first quarter.

Weak demand makes it necessary to continue to adapt operations and reduce costs to offset the substantial loss of revenue. This has resulted in costs being SEK 4.6 billion (down: -54%) lower year-on-year and almost SEK 0.5 billion (down: -11%) lower than in the previous quarter. Despite the loss for the quarter amounting to SEK 2.4 billion, SAS posted an improved EBIT for the first time since the pandemic's outbreak, both year-on-year and compared with the previous quarter.

Another prioritized area is to secure liquidity for when demand once again normalizes. Through active efforts to improve operational cash flow in parallel with SAS securing a number of major financing transactions, cash at the end of the quarter amounted to SEK 4.4 billion. Down only SEK 300 million compared with the end of the first quarter. Moreover, SAS has secured financing for the majority of its aircraft deliveries until the second quarter of 2022.

PENT-UP DEMAND AHEAD OF THE IMPORTANT SUMMER SEASON

Infection, delayed vaccinations and continued stringent travel restrictions have led to a slower than hoped for recovery. However, SAS is ready to welcome our customers back on board as travel restrictions ease ahead of the important summer season. For the summer, SAS is opening 180 direct routes and also increasing capacity on domestic routes within the Scandinavian countries. After the quarter ended, we also announced an extended partnership with Airtours over the next four years, starting in the summer of 2021 and corresponding to a value of approximately SEK 800 million.



Karl Sandlund, acting President and CEO

To reduce uncertainty when booking flights, SAS is offering more flexible ticket rules and generous rebooking alternatives. We are also now launching SAS Travel Ready Center, a digital tool, to make it easier for passengers to access information about current travel restrictions concerning their destinations and to upload necessary travel documents.

Together with an increased belief in relaxed restrictions and a number of positively received campaigns, these activities have increased forward bookings for the summer and autumn, albeit from lower levels compared with what is typical for this time of the year.

Customers' booking patterns have also changed during the pandemic. Many customers are now increasingly choosing to book their tickets much closer to their travel dates, which makes it difficult to predict demand during the summer. The most crucial factor for an airline industry recovery is the relaxation of travel restrictions. Since the rates of infection and vaccinations are decisive in this regard, SAS is carefully following vaccination trends across the world.

The prevailing uncertainty means that access to liquidity is essential for all airlines. SAS has therefore ensured that there is support from the major shareholders, the Governments of Denmark and Sweden, to gain access to a credit line facility amounting to SEK 3.0 billion. The aim of credit line facility is to create a liquidity buffer as a complement to other ongoing activities at SAS to reduce costs and strengthen liquidity.

ADAPTATION TO CHANGED MARKET CONDITIONS

SAS expects significantly changed market conditions following the pandemic, with a greater number of leisure travelers and even more intense competition.

Retaining our position as market leader in Scandinavia following the pandemic will require SAS to continue to adapt operations to future market conditions. During the pandemic, SAS has streamlined all aspects of its operations, reduced the number of employees, entered into new collective agreements to increase productivity and reached agreements concerning frozen salary levels. These necessary measures have had a substantial impact and reduced personnel expenses almost 35% year-on-year. Moreover, we have negotiated agreements with suppliers, which has resulted in deferred payments, lower costs and a higher variable component in relation to fixed costs.

However, there will be even greater requirements for efficiency and seasonally adapting operations moving forward. Access to flexible and suitable production is required to be able to offer a complete network and a timetable adapted to Scandinavian requirements for business, leisure and regional destinations. Accordingly, SAS is continuing to develop its operational model that has proved successful in the past few years.

SAS has signed a new collective bargaining agreement for pilots and cabin crew with the Danish union FPU which is a part of FH (The Danish Confederation of Trade Unions). The new agreement means that SAS can establish a complementary base in Copenhagen. With the agreement, SAS improves the flexibility and seasonal adaptations required to maintain its leading position in Scandinavia. As a first step, SAS intends to create new workplaces in Denmark instead of reopening the base in Malaga that closed earlier as a direct result of the pandemic. The new Danish operation will be established using our European operating license, which guarantees a quick and cost-efficient start of operations.

SAS remains committed to its ambitious sustainability target of reducing carbon emissions 25% already by 2025 compared with the base year 2005. In the short term, an accelerated phase-out of older aircrafts means that the share of new, fuel-efficient aircraft in the fleet is rapidly increasing. This is also having a direct impact on our emissions reporting, where carbon emissions per available seat kilometer decreased more than 10% year-on-year. During the quarter, we also secured a minimum of 20% of our planned need of sustainable aviation fuel until 2025.

To conclude, on behalf of the Board of Directors and all the employees at SAS, myself included, I would like to thank Rickard Gustafson, who held the position as President and CEO of SAS with a great level of commitment for a decade. Rickard applied a good leadership culture in his leadership of the company through the necessary change process applicable for SAS and the airline industry as a whole. We wish him every success with his new assignment. At the same time, I would like to wish Anko van der Werff a warm welcome as SAS' new CEO in July.

I would also like to thank all of my colleagues at SAS for their commitment and endeavors as well as our customers for all their support. As Scandinavia's leading airline, we look forward to being able to welcome our passengers back on board.

Karl Sandlund
Acting President and CEO
Stockholm, May 27, 2021

COMMENTS ON SAS' FINANCIAL STATEMENTS

INCOME STATEMENT, SUMMARY Q1–Q2 2021

MSEK Income statement	Nov– Apr 20–21	Nov– Apr 19–20	Change vs LY	Curren- cyef- fects	Change vs LY (Curr. adj)
Revenue	4,214	14,971	-10,757	-694	-10,063
Total operating expenses	-8,433	-19,053	10,620	697	9,923
Operating income (EBIT)	-4,219	-4,082	-137	3	-140
Income before tax (EBT)	-4,297	-4,809	512	622	-111

Revenue

Revenue totaled MSEK 4,214 (14,971), see Note 2. Currency-adjusted revenue was down MSEK 10,063 year-on-year. The decrease in revenue mainly related to low volumes as a result of the COVID-19 pandemic.

Currency-adjusted passenger revenue decreased 80%. The decrease was a result of lower scheduled capacity (ASK) which, based on the preceding year's circumstances, had a negative impact on revenue of MSEK 6,403. The lower load factor had a negative effect of MSEK 2,385. The higher yield had a positive impact of MSEK 572 on passenger revenue.

Currency-adjusted cargo revenue increased MSEK 16 and currency-adjusted charter revenue was MSEK 416 lower. Other traffic revenue (currency-adjusted) was MSEK 542 lower. The decrease in revenue was mainly attributable to the COVID-19 pandemic.

Other operating revenue (currency-adjusted) was MSEK 908 lower year-on-year, mainly as a consequence of the COVID-19 pandemic.

Operating expenses

Personnel expenses amounted to MSEK -2,716 (-4,570). After adjustment for currency and items affecting comparability, personnel expenses decreased MSEK 1,683 year-on-year. The decrease was mainly attributable to a lower number of employees and the effects of temporary lay-offs.

Fuel expenses amounted to MSEK -719 (-4,524). Adjusted for currency, jet-fuel costs decreased 82%. Volume effects had a positive impact on costs of MSEK 1,783. Lower jet-fuel prices had a positive impact of MSEK 108. Hedge effects had a positive impact of MSEK 1,330 year-on-year, of which MSEK 1,240 related to hedge relationships that were discontinued in the second quarter of the preceding year.

Air traffic charges amounted to MSEK -425 (-1,440). Adjusted for currency, air traffic charges decreased 68.8%. The decrease pertained mainly to lower traffic volumes and reduced air traffic charges as a result of the COVID-19 pandemic.

Other external expenses amounted to MSEK -2,093 (-5,745), see Note 3. Year-on-year, other external expenses (currency-adjusted) decreased MSEK

3,731. The decrease primarily related to the COVID-19 pandemic. Currency-adjusted handling costs, and sales and distribution costs decreased MSEK 626 and MSEK 782, respectively. Technical maintenance costs (currency-adjusted) decreased MSEK 422, relating to the COVID-19 pandemic, returns of leased aircraft and deliveries of new aircraft which require less maintenance. Wet-lease costs decreased MSEK 430 (currency-adjusted) primarily due to lower production as a result of COVID-19.

Depreciation, amortization and impairment amounted to MSEK -2,497 (-2,777), a decrease of MSEK 280 year-on-year.

Financial net

Financial income and expenses amounted net to MSEK -78 (-727), representing a decrease in net expenses of MSEK 649 year-on-year. The decrease pertained mainly to IFRS 16, where currency revaluations on lease liabilities had a positive impact of MSEK 501 (-114).

Net income for the period

Operating income amounted to MSEK -4,219 (-4,082) and EBT amounted to MSEK -4,297 (-4,809). The year-on-year decrease in EBT pertained mainly to the impact from the COVID-19 pandemic.

Net income for the period was MSEK -4,483 (-4,331) and the tax expense amounted to MSEK -186 (478). No deferred tax was recognized for tax loss carryforwards that arose in the period. The tax expense for the period was largely attributable to deferred tax related to temporary differences.

Year-on-year, the foreign exchange-rate trend had a negative impact on revenue of MSEK 694 and a positive effect on operating expenses of MSEK 697. Foreign exchange rates thus had a positive impact on operating income of MSEK 3. Net financial items were positively impacted by currency items amounting to MSEK 619. In total, currency effects had a net positive impact of MSEK 622 on EBT.

Items affecting comparability

Total items affecting comparability amounted to MSEK 12 (-17) during the period and pertained to capital gains on the sale of three 737-800 aircraft and one building. Last year, the item comprised a restructuring cost.

INCOME STATEMENT, SUMMARY Q2 2021

MSEK Income statement	Feb–Apr 20–21	Feb–Apr 19–20	Change vs LY	Curren- cyef- fects	Change vs LY (Curr. adj)
Revenue	1,932	5,264	-3,332	-228	-3,104
Total operating expenses	-3,980	-8,579	4,600	162	4,438
Operating income (EBIT)	-2,048	-3,315	1,267	-66	1,334
Income before tax (EBT)	-2,361	-3,722	1,361	3	1,358

Revenue

Revenue totaled MSEK 1,932 (5,264), see Note 2. Currency-adjusted revenue was down MSEK 3,104 year-on-year. The decrease in revenue mainly related to

lower overall demand as a result of the COVID-19 pandemic, which only partially impacted the corresponding quarter last year.

Currency-adjusted passenger revenue decreased 71%. The decrease was a result of lower scheduled capacity (ASK) which, based on the preceding year's circumstances, had a negative impact on revenue of MSEK 1,663.

The lower load factor had a negative effect of MSEK 916. The higher yield had a positive impact of MSEK 235 on passenger revenue.

Currency-adjusted cargo revenue increased MSEK 132 and currency-adjusted charter revenue was MSEK 192 lower. Other traffic revenue (currency-adjusted) was MSEK 304 lower. The decrease in revenue was mainly related to lower traffic volumes.

Other operating revenue (currency-adjusted) was MSEK 396 lower year-on-year, mainly as a consequence of lower revenue from ground handling operations, sales of EuroBonus points, ticket fees and other volume-related revenues.

Operating expenses

Personnel expenses amounted to MSEK -1,288 (-1,995). After adjustment for currency and items affecting comparability, personnel expenses decreased MSEK 638 year-on-year. The decrease was mainly attributable to a lower number of employees and the effects of temporary lay-offs.

Fuel expenses amounted to MSEK -291 (-2,504). Adjusted for currency, jet-fuel costs decreased 86.5%. Volume effects had a positive impact on costs of MSEK 504. Increased jet-fuel prices had a negative

impact of MSEK 89 on these costs. Hedge effects had a positive impact of MSEK 1,430 year-on-year, of which MSEK 1,240 related to hedge relationships that were discontinued in the second quarter of the preceding year.

Air traffic charges amounted to MSEK -203 (-523). Adjusted for currency, air traffic charges decreased 58.8%. The decrease pertained mainly to lower traffic volumes and reduced air traffic charges during the COVID-19 pandemic.

Other external expenses amounted to MSEK -999 (-2,150), see Note 3. Year-on-year, other external expenses (currency-adjusted) decreased MSEK 1,435. The decrease pertained primarily to lower costs for handling, sales and distribution, and technical maintenance as well as lower wet-lease expenses. Currency-adjusted handling costs, and sales and distribution costs decreased MSEK 200 and MSEK 216 respectively, mainly related to lower volumes. Technical maintenance costs (currency-adjusted) decreased MSEK 173, relating to the COVID-19 pandemic, returns of leased aircraft and deliveries of new aircraft which require less maintenance. Wet-lease expenses decreased MSEK 182 (currency-adjusted) primarily due to lower demand as a result of COVID-19.

Depreciation, amortization and impairment amounted to MSEK -1,202 (-1,408), a decrease of MSEK 206 year-on-year. See Note 4.

Financial net

Financial income and expenses amounted net to MSEK -313 (-407), representing a decrease in net expenses of MSEK 94 year-on-year. The decrease mainly related to currency revaluations for lease liabilities, which had a negative impact of MSEK -18 (-84), see Note 5.

Net income for the period

Operating income amounted to MSEK -2,048 (-3,315) and EBT amounted to MSEK -2,361 (-3,722). The year-on-year improvement in EBT pertained mainly to cost savings.

Net income for the period was MSEK -2,433 (-3,470) and tax for the year amounted to MSEK -72 (252). Tax for the period was largely attributable to deferred tax related to temporary differences.

Year-on-year, the foreign exchange-rate trend had a negative impact on revenue of MSEK 228 and a positive effect on operating expenses of MSEK 162. Foreign exchange rates thus had a negative impact on operating income of MSEK 66. Net financial items were positively impacted by currency items amounting to MSEK 70. In total, currency effects had a net positive impact of MSEK 3 on EBT.

Items affecting comparability

Total items affecting comparability amounted to MSEK 0 (-8) during the period and in the preceding year pertained to a restructuring cost.

BALANCE SHEET & FINANCIAL POSITION**Assets**

Intangible and tangible fixed assets increased MSEK 468 since October 31, 2020. Changes for the period included investments of MSEK 2,368, amortization and depreciation of MSEK -852 and other effects of MSEK -1,048.

The amount for investments included advance payments of MSEK 1,030 to Airbus and one new A350. Other aircraft investments comprised capitalized expenditures for engine maintenance and modifications. Other effects included translation differences and the sale of three 737-800 aircraft.

Right-of-use assets decreased MSEK 731 during the period. New leases amounted to MSEK 998, and mainly related to new leases for four A320neo aircraft. Changes in indexation and modification in underlying agreements together with other decreased the assets value by MSEK 93, and depreciation was MSEK -1,645. The currency effect was about MSEK 10.

Financial assets increased MSEK 1,270, mainly due to the repayment of blocked bank funds and a change in SAS' defined-benefit pension plans.

Deferred tax assets decreased MSEK 664, mainly related to temporary differences and the change in SAS' defined-benefit pension plans. No loss carryforwards were capitalized in the quarter.

Current receivables increased MSEK 259. This increase was mainly attributable to recognized state aid from the Swedish government.

Cash and cash equivalents were MSEK 4,420 (10,231) at April 30, 2021. Unutilized contracted credit facilities amounted to MSEK 0 (1,190). Financial preparedness amounted to 38% (67) of SAS' fixed costs.

Shareholders' equity and liabilities

Shareholders' equity decreased MSEK 2,130 to MSEK 8,360. The decrease pertained mainly to net income for the period of MSEK -4,483, changes in cash-flow hedges of MSEK 508 and the positive actuarial effect on defined-benefit pension plans of MSEK 1,922. A disbursement of hybrid bond interest resulted in a decrease of MSEK 136 in shareholders' equity.

Non-current liabilities increased MSEK 1,003 and *current liabilities* decreased MSEK 3,996. The total decrease in liabilities was MSEK 2,993 and was mainly due to a lower unearned transportation liability.

Interest-bearing liabilities

On April 30, 2021, interest-bearing liabilities amounted to MSEK 32,322 (31,596), up MSEK 726 since October 31, 2020.

New loans and amortization for the period were MSEK 4,383 and MSEK 987, respectively. New loans and amortization of lease liabilities totaled MSEK 845 and MSEK 1,603, respectively.

The change in gross debt since October 31, 2020 included a positive trend in the fair value of derivatives, which decreased liabilities MSEK 824. Currency revaluations decreased liabilities MSEK 1,404, while the deferral of personnel-related tax liabilities increased liabilities MSEK 329. Accrued interest and other items decreased liabilities MSEK 13.

Financial net debt

At April 30, 2021, financial net debt amounted to MSEK 26,407 (18,899), an increase of MSEK 7,508 since October 31, 2020. The increase was primarily attributable to the negative cash flow before financing activities of MSEK 8,380, new lease liabilities of MSEK 988, the positive trend in the fair value of derivatives of MSEK 727 and a positive currency revaluation effect of MSEK 1,307.

Key figures

At April 30, 2021, the return on invested capital (ROIC) was -25%, up 2 percentage points since October 31, 2020. The increase pertained mainly to higher average shareholders' equity.

Financial preparedness was 38% (67%) at the end of the quarter. A lower cash position was the main reason for the change in the key figure.

The financial net debt/EBITDA ratio was a multiple of -8.3 at April 30, 2021. On October 31, 2020, the multiple was -9.2.

At April 30, 2021, the equity/assets ratio amounted to 16%, compared with 18% at October 31, 2020. The decrease was primarily attributable to lower shareholders' equity.

CASH-FLOW STATEMENT

Cash flow for the period amounted to MSEK -5,811 (-4,542). Cash and cash equivalents amounted to MSEK 4,420, compared with MSEK 10,231 at October 31, 2020.

Cash flow from operating activities

Cash flow from operating activities before changes in working capital amounted to MSEK -2,490 (-981) in the period.

The decline in cash flow was largely due to the year-on-year decrease in income before tax after adjustment for non-cash items as a result of the COVID-19 pandemic.

Changes in working capital tend to be positive but were negative during the first and second quarters and amounted to MSEK -3,850 (-221). A major reason for the negative change was the decline in the unearned transportation liability driven by lower forward bookings and a very high level of repayments to customers for cancelled flights, which amounted to over SEK 2 billion, primarily in the first quarter.

Investing activities

Investments totaled MSEK 2,369 (5,871) of which MSEK 2,368 (5,755) pertained to aircraft. Other investments for the period comprised one new A350, capitalized expenditure for aircraft maintenance, modifications and advance payments to Airbus. Three 737-800 aircraft and one building were divested during the first two quarters.

Financing activities

New loans amounted to MSEK 4,383 (5,949), while repayments totaled MSEK 987 (453). Amortization of lease liabilities totaled MSEK 1,603 (1,501).

PARENT COMPANY

The Parent Company SAS AB provides highly limited intra-Group services. Revenue totaled MSEK 22 (22) and operating expenses MSEK -36 (-29). Net financial items totaled MSEK 235 (4) and impairment of shares in subsidiaries amounted to MSEK -223 (-487). Net income for the period was MSEK -2 (-496).

FINANCIAL TARGETS

SAS' overall long-term goal is to create value for our shareholders and to deliver sustainable and profitable growth throughout the business cycle.

SAS' three financial targets are:

- Return on invested capital (ROIC) to exceed the post-tax Weighted Average Cost of Capital (WACC) over a business cycle.
- Financial net debt/EBITDA to be multiple of less than three and a half (3.5x).
- Financial preparedness: cash and cash equivalents and available credit facilities to exceed 25% of SAS' annual fixed costs.

The ROIC target corresponds with the capital markets' and SAS' internal assessment of SAS' weighted average cost of capital (WACC). This is also linked to SAS' dividend policy for holders of common shares, which stipulates that dividends can be paid when value is created through SAS' ROIC exceeding its WACC.

Leverage target – financial net debt/EBITDA is a key ratio used by credit rating agencies and banks for assessing creditworthiness and includes the value of leased aircraft. The aim of maintaining a ratio with a multiple of less than three and a half (3.5x) is aligned with SAS' ambition of improving the financial position and credit rating, and thereby lowering financing costs.

The target for financial preparedness is for cash and cash equivalents, and available credit facilities to exceed 25% of annual fixed costs. The target is set to ensure a sound level of cash and cash equivalents to mitigate risks related to internal and external events and to fulfill regulatory requirements.

ENVIRONMENTAL GOALS

Society and our customers are increasingly demanding more sustainable solutions. This trend is expected to continue in the airline industry, with a focus on reducing emissions and more efficient use of resources.

Accordingly, we have set comprehensive and ambitious, short and long-term environmental goals to drive our environmental work. During 2020, our target for decreased CO₂ emissions was accelerated to 2025, from 2030. This is in line with SAS' strive for global leadership in sustainable aviation.

Our 2025 target

- Reduce total CO₂ emissions 25% compared with 2005.

EVENTS DURING THE QUARTER

- The Board of SAS appointed Anko Van der Werff as President and CEO. The Board concurrently appointed Karl Sandlund, Chief Commercial Officer at SAS, as acting President and CEO.
- SAS secured financing for the majority of its aircraft deliveries until the second quarter of 2022.

EVENTS AFTER THE QUARTER

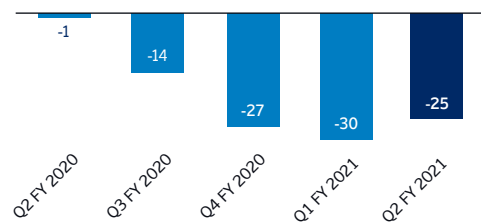
- SAS has ensured that there is support from the main owners, the Governments of Denmark and Sweden, to gain access to a credit facility amounting to SEK 3.0 billion.

OUTLOOK

The ongoing COVID-19 pandemic, with its accompanying uncertainties, makes it impossible to provide any guidance on the financial performance for the remainder of the fiscal year.

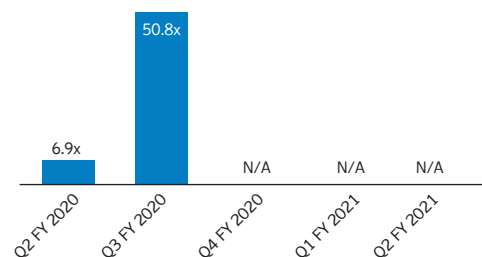
**RETURN ON INVESTED CAPITAL (ROIC),
12-MONTH ROLLING, %**

SAS has a target for the return on invested capital (ROIC) to exceed the post-tax Weighted Average Cost of Capital (WACC) over a business cycle.



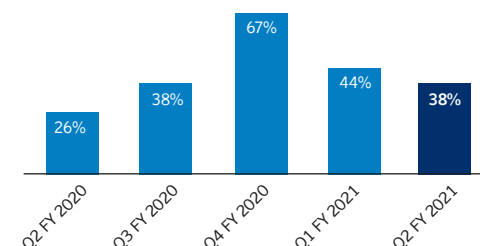
FINANCIAL NET DEBT/EBITDA

SAS has a target for the financial net debt/EBITDA ratio to be a multiple of less than three and a half.



FINANCIAL PREPAREDNESS, %

SAS has a target for financial preparedness, which is to exceed 25% of annual fixed costs.



RISKS AND UNCERTAINTIES

SAS works strategically to refine and improve its risk management. Risk management includes identifying new risks and known risks, such as COVID-19, changes in jet-fuel prices or exchange rates. SAS monitors general risks centrally, while portions of risk management are conducted in the operations and include identification, action plans and policies. For further information about risk management at SAS, refer to the most recently published annual report.

COVID-19

The ongoing COVID-19 pandemic has significantly affected the whole aviation industry, including SAS. The primary areas where estimation of uncertainty has increased due to the current market conditions in the aviation industry include forecasts and scenario analyses related to estimates of future demand, primarily in the short term. As described in the Annual Report for Fiscal Year 2020, pages 77–78, critical accounting estimates and key sources of estimation uncertainty include: Estimated useful lives of tangible fixed assets; Impairment of assets; Pensions; Deferred taxes; Undertakings pertaining to right-of-use assets – aircraft; and Litigations. Currency and jet-fuel hedging is described below and the impact of COVID-19 is described on page 16. SAS closely monitors on an ongoing basis the development of risks and uncertainties.

CURRENCY AND JET-FUEL HEDGING

Due to flight cancellations and the expected reduction in business operations as a result of the impact of COVID-19, SAS' forecasted financial exposures are more uncertain than under normal circumstances. Further changes to assumptions regarding future consumption and capacity could have an effect on the hedge levels.

Financial risks pertaining to changes in exchange rates and fuel prices are hedged with derivatives, which aim to counter short-term negative fluctuations and provide scope for adapting operations to long-term changes in levels.

The policy for jet-fuel hedging states that jet fuel should be hedged at an interval of 40–80% of anticipated volumes for the coming 12 months. The policy also allows hedging of up to 50% of the anticipated volumes for the period, 13–18 months. Under the current uncertain and volatile market conditions SAS has adjusted the financial policy with regard to the hedging ratio for jet fuel. The exception applies for fiscal year

2021 and permits hedging between 0 and 80% of the anticipated volumes for the next 12 months.

For the forthcoming 12 months, SAS has 5% of the fuel consumption hedged at an average maximum price of USD 573/Mt. Hedging of SAS' future jet-fuel consumption is conducted through swaps and options.

Under current plans for flight capacity, the cost of jet fuel during fiscal year 2021 is expected to be in line with the table in the middle, taking into account different fuel prices, USD rates and jet-fuel hedging. For foreign currency, the policy is to hedge 40–80%. At the end of the quarter, SAS had hedged 41% of its anticipated USD cash flow deficit for the next 12 months. SAS has hedged the USD deficit using forward contracts and currency options.

In terms of NOK, which is SAS' largest surplus currency, 64% was hedged for the next 12 months. Based on the currency exposure a weakening of the NOK against the SEK of 1% would generate a negative earnings impact of MSEK 40, excluding hedge effects. A weakening of the USD against the SEK of 1% would generate a positive earnings impact of MSEK 72, excluding hedge effects, before any potential IFRS 16 effects.

SENSITIVITY ANALYSIS, JET-FUEL COST NOV 2020–OCT 2021, SEK BILLION¹

Market price	Exchange rate SEK/USD				
	8.0	8.5	9.0	9.5	10.0
USD 400/MT	1.0	1.1	1.1	1.2	1.3
USD 500/MT	1.2	1.3	1.4	1.5	1.6
USD 600/MT	1.4	1.5	1.6	1.8	1.9
USD 700/MT	1.7	1.8	1.9	2.0	2.1

¹ SAS' current hedging contracts for jet fuel at end of the quarter have been taken into account.

The jet-fuel cost in the statement of income does not include USD currency hedging effects. These effects are recognized under "Other operating expenses," since currency hedging is performed separately and is not linked specifically to its jet-fuel purchases.

With the introduction of IFRS 16, future lease payments are recognized as an asset (right-of-use asset) and a financial lease liability. Most of the right-of-use assets are denominated in SEK but the corresponding lease liabilities are denominated in foreign currencies, mainly USD. The currency exposure from recalculating USD liabilities into SEK is significant. Over the lease term, the expenses following the adoption of IFRS 16 are equal to the expenses reported under IAS 17. The currency exposure from recalculating USD liabilities into SEK creates higher volatility in profit or loss. To mitigate the risk of having a volatile profit or loss, SAS applies hedge accounting.

Certain projected future USD revenue is hedged using the external USD denominated lease liabilities as hedging instruments. Changes in the USD/SEK spot rate for the designated part of the USD denominated lease liability is recognized in other comprehensive income as a separate component (cash-flow hedge reserve) in equity. When the hedged expected cash flows impact profit or loss as revenue, the corresponding part of the cash-flow hedge reserve is reclassified from other comprehensive income to profit or loss. In cases where hedge accounting is not possible, revaluation of USD denominated lease liabilities will impact the financial net in profit or loss.

Based on lease liabilities of approximately MUSD 1,508 and the USD rate as of April 30, a weakening of the USD against the SEK of 1% would generate a positive earnings impact of approximately MSEK 79 in profit and loss and a positive effect in OCI of approximately MSEK 47.

LEGAL ISSUES

The European Commission's decision in November 2010 found SAS and many other airlines guilty of alleged participation in a global air cargo cartel in the 1999–2006 period and ordered SAS to pay a fine of

MEUR 70.2. SAS appealed the decision in January 2011 and in December 2015, the Court of Justice of the European Union (CJEU) annulled the European Commission's decision including the MEUR 70.2 fine. The CJEU's ruling entered into force and the MEUR 70.2 fine was repaid to SAS at the beginning of March 2016. The European Commission took a new decision on the same issue in March 2017 and again imposed fines on SAS and many other airlines for alleged participation in a global air cargo cartel in the 1999–2006 period. The fine of MEUR 70.2 was the same as that imposed under the 2010 decision. SAS has appealed the European Commission's decision and a hearing was held in CJEU in July 2019. Judgement is expected in 2021.

As a consequence of the European Commission's decision in the cargo investigation in November 2010 and the renewal of that decision in March 2017, SAS and other airlines fined by the Commission are involved in various civil lawsuits initiated by cargo customers in countries including the Netherlands and Norway. SAS contests its responsibility in all these legal processes. Unfavorable outcomes in these disputes could have a significantly negative financial impact on SAS. Further lawsuits by cargo customers cannot be ruled out. No provisions have been made.

A large number of former cabin crew of SAS in Denmark are pursuing a class action against SAS at a Danish court, demanding additional payments from SAS to the Pension Improvements Fund for Cabin Crew (the CAU fund) asserting that the CAU fund is a defined benefit supplementary plan. The City Court of Copenhagen, in a judgment in December 2016, rejected the cabin crew's demand for additional payments into the CAU fund by SAS. The cabin crew appealed the judgment in January 2017 and after court proceedings in November 2020 the court of appeal, Østre Landsret, in a judgment on February 9, 2021, rejected the cabin crew's request for additional

payments from SAS to the CAU fund. The cabin crew have requested that the supreme court considers the matter and a decision on that issue is expected in 2021.

Following the SAS pilot strike in April-May 2019, affected passengers turned to SAS for standardized compensation under the Flight Compensation Regulation (EU 261/2004). SAS disputed its liability to compensate the passengers with reference to the strike being an extraordinary circumstance. In August 2019, the Swedish National Board for Consumer Disputes (Allmänna reklamationsnämnden) ruled in favor of SAS. The same assessment was made by the Norwegian Travel Complaint Handling Body (Transportklagenemnda) in October 2019. This notwithstanding, a number of passengers and claim firms have brought claims against SAS in national courts in several EU member states. In August 2019, a claim firm, representing a large number of affected passengers, initiated court proceedings in Denmark and Sweden against SAS, asking the courts to request a preliminary ruling from the CJEU on whether the strike was an extraordinary circumstance. The district court in Sweden referred the question to the CJEU in January 2020. Hearing in the CJEU took place in December 2020. On March 23, 2021, the CJEU ruled that the pilot strike in SAS 2019 should not be considered an extraordinary circumstance as conflicts with employees should be considered to be within the company's control. The CJEU's decision was completely contradictory to the Advocate General's opinion a week earlier, which called for a strike organized by the pilots' unions to be an extraordinary circumstance that could release airlines from their obligation under EU Regulation 261/2004 canceled or delayed flights. The implication of the CJEU's ruling is that SAS will be forced to pay compensation to the passengers who were affected by canceled and delayed flights due to the pilot strike in SAS 2019. SAS' assessment is that passenger claims will not exceed MSEK 150.

CONSOLIDATED STATEMENT OF INCOME

CONDENSED STATEMENT OF INCOME INCLUDING STATEMENT OF OTHER COMPREHENSIVE INCOME

MSEK	Note	Q2		Q1-Q2	
		Feb-Apr 2021	Feb-Apr 2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020
Revenue	2	1,932	5,264	4,214	14,971
Personnel expenses		-1,288	-1,995	-2,716	-4,570
Fuel expenses		-291	-2,504	-719	-4,524
Air traffic charges		-203	-523	-425	-1,440
Other external expenses	3	-999	-2,150	-2,093	-5,745
Depreciation, amortization and impairment	4	-1,202	-1,408	-2,497	-2,777
Income from shares in affiliated companies		3	1	5	3
Income from the sale of aircraft and other non-current assets		0	0	12	0
Operating income (EBIT)		-2,048	-3,315	-4,219	-4,082
Net financial items	5	-313	-407	-78	-727
Income before tax (EBT)		-2,361	-3,722	-4,297	-4,809
Tax		-72	252	-186	478
Net income for the period		-2,433	-3,470	-4,483	-4,331
Other comprehensive income					
<i>Items that may later be reversed to net income:</i>					
Exchange-rate differences in translation of foreign operations		54	-117	59	-120
Cash-flow hedges, net after tax		-71	-927	508	-1,314
<i>Items that will not be reversed to net income:</i>					
Revaluations of defined-benefit pension plans, net after tax		1,436	47	1,922	391
Total other comprehensive income, net after tax		1,419	-997	2,489	-1,043
Total comprehensive income for the period		-1,014	-4,467	-1,994	-5,374
<i>Attributable to Parent Company shareholders:</i>					
Net income for the period		-2,433	-3,470	-4,483	-4,331
Comprehensive income for the period		-1,014	-4,467	-1,994	-5,374
Earnings per common share before and after dilution (SEK) ¹		-0.35	-9.15	-0.64	-11.49

¹ Earnings per common share are calculated as net income for the period attributable to Parent Company shareholders less hybrid bond expenses in relation to 7,266,039,292 (382,582,551) shares outstanding during the November-April period.

INCOME BEFORE TAX AND ITEMS AFFECTING COMPARABILITY

MSEK	Q2		Q1-Q2	
	Feb-Apr 2021	Feb-Apr 2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020
Income before tax (EBT)	-2,361	-3,722	-4,297	-4,809
Restructuring costs ¹	0	8	0	17
Capital gains/losses ²	0	0	-12	0
Income before tax and items affecting comparability	-2,361	-3,714	-4,309	-4,792

¹ Restructuring costs were charged to earnings as personnel expenses of MSEK 0 (-17) in the November-April period.

² Capital gains/losses include aircraft sales amounting to MSEK 14 (0) and facility sales of MSEK -2 (0) in the November-April period.

CONSOLIDATED BALANCE SHEET

CONDENSED BALANCE SHEET

MSEK	April 30, 2021	Oct 31, 2020	Apr 30, 2020
ASSETS			
Non-current assets			
Intangible assets	1,266	1,273	1,340
Tangible assets	19,336	18,861	20,644
Right-of-use assets	16,533	17,264	17,634
Financial assets	7,333	6,063	5,729
Deferred tax assets	976	1,640	1,308
Total non-current assets	45,444	45,101	46,655
Current assets			
Inventories and expendable spare parts	596	510	510
Current receivables	1,850	1,591	2,041
Cash and cash equivalents ¹	4,420	10,231	4,221
Total current assets	6,866	12,332	6,772
TOTAL ASSETS	52,310	57,433	53,427
EQUITY AND LIABILITIES			
Equity	8,360	10,490	-65
Non-current liabilities			
Interest-bearing liabilities	13,309	11,219	14,910
Interest-bearing lease liabilities	12,590	13,499	14,491
Other liabilities	3,425	3,603	3,614
Total non-current liabilities	29,324	28,321	33,015
Current liabilities			
Interest-bearing liabilities	3,879	3,773	4,114
Interest-bearing lease liabilities	2,544	3,105	3,490
Other liabilities	8,203	11,744	12,873
Total current liabilities	14,626	18,622	20,477
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	52,310	57,433	53,427
Shareholders' equity per common share, SEK ¹	0.10	0.40	-4.09
Interest-bearing assets	11,548	15,869	9,794
Interest-bearing liabilities	32,322	31,596	37,005
Working capital	-8,029	-11,208	-12,493

¹ Shareholders' equity attributable to Parent Company shareholders excluding hybrid bonds, in relation to the 7,266,039,292 common shares outstanding.

At April 30, 2020, the number of shares totaled 382,582,551 with a quotient value of SEK 20.10.

SPECIFICATION OF FINANCIAL NET DEBT, APRIL 30, 2021

	According to balance sheet	Of which financial net debt
Financial assets	7,333	1,067
Current receivables	1,850	428
Cash and cash equivalents	4,420	4,420
Non-current liabilities	29,324	25,899
Current liabilities	14,626	6,423
Financial net debt		26,407

Information relating to financial net debt in the comparative periods is available in the Financial key figures section. For a specification of financial net debt for the respective periods, please refer to www.sasgroup.net where each interim report is published.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONDENSED CHANGES IN SHAREHOLDERS' EQUITY

Total shareholders' equity attributable to Parent Company shareholders

MSEK	Share capital ¹	Not registered share capital	Other contributed capital	Hedging reserves	Translation reserve	Hybrid bonds	Retained earnings	Total shareholders' equity
Opening shareholders' equity in accordance with approved balance sheet, October 31, 2019	7,690	–	170	183	-71	1,500	-4,100	5,372
Hybrid bond interest							-63	-63
Net income for the period							-4,331	-4,331
Comprehensive income for the period				-1,314	-120		391	-1,043
Closing balance, April 30, 2020	7,690	–	170	-1,131	-191	1,500	-8,103	-65
Hybrid bond interest							-63	-63
Reduction of share capital as resolved at EGM	-7,403						7,403	–
New share issue	3,875	5	2,120					6,000
New hybrid bond issue						6,000		6,000
Conversion of existing hybrid bond to shares	873		477			-1,500	150	–
Conversion of existing bond to shares and new hybrid bonds	410		225			1,615		2,250
Transaction costs			-93				-62	-155
Bond issue as resolved at EGM	3,200						-3,200	–
Net income for the period							-4,944	-4,944
Comprehensive income for the period				1,146	-40		361	1,467
Closing balance, October 31, 2020	8,645	5	2,899	15	-231	7,615	-8,458	10,490
Share registration	5	-5						–
Hybrid bond interest							-136	-136
Net income for the period							-4,483	-4,483
Comprehensive income for the period				508	59		1,922	2,489
Closing balance, April 30, 2021	8,650	–	2,899	523	-172	7,615	-11,155	8,360

¹Number of shares in SAS AB: 7,266,039,292 shares with a quotient value of SEK 1.19.

At April 30, 2020, the number of shares totaled 382,582,551 with a quotient value of SEK 20.10.

CONSOLIDATED CASH-FLOW STATEMENT

CONDENSED CASH-FLOW STATEMENT

MSEK	Q2	Q2	Q1-Q2	Q1-Q2
	Feb-Apr 2021	Feb-Apr 2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020
OPERATING ACTIVITIES				
Income before tax (EBT)	-2,361	-3,722	-4,297	-4,809
Depreciation, amortization and impairment	1,202	1,408	2,497	2,777
Income from sale of aircraft, buildings and shares	0	0	-12	0
Adjustment for other non-cash items, etc.	-74	1,063	-676	1,068
Tax paid	0	0	-2	-17
Cash flow from operations before change in working capital	-1,233	-1,251	-2,490	-981
Change in working capital	-170	-506	-3,850	-221
Cash flow from operating activities	-1,403	-1,757	-6,340	-1,202
INVESTING ACTIVITIES				
Investments including advance payments to aircraft manufacturers	-1,584	-3,333	-2,368	-5,871
Acquisition of subsidiaries and affiliated companies	-1	0	-1	0
Sale of fixed assets, etc.	66	31	329	-46
Cash flow from investing activities	-1,519	-3,302	-2,040	-5,917
FINANCING ACTIVITIES				
Proceeds from borrowings	2,954	4,534	4,383	5,949
Repayment of borrowings	-328	-203	-987	-453
Amortization of lease liabilities	-728	-665	-1,603	-1,501
Other financing activities	711	-982	775	-1,415
Cash flow from financing activities	2,609	2,684	2,568	2,580
Cash flow for the period	-313	-2,375	-5,812	-4,539
Translation difference in cash and cash equivalents	1	-3	1	-3
Cash and cash equivalents at beginning of the period	4,732	6,599	10,231	8,763
Cash and cash equivalents at the end of the period	4,420	4,221	4,420	4,421
Cash flow from operating activities per share (SEK)	-0.19	-4.59	-0.87	-3.14

PARENT COMPANY SAS AB

The number of shareholders in SAS AB amounted to 228,047 (89,734) at April 30, 2021. The average number of employees amounted to two (two).

CONDENSED STATEMENT OF INCOME

MSEK	Q1-Q2	
	Nov-Apr 2020-2021	Nov-Apr 2019-2020
Revenue	22	22
Personnel expenses	-15	-14
Other operating expenses	-21	-15
Operating income (EBIT)	-14	-7
Impairment of shares in subsidiaries	-223	-487
Net financial items	235	4
Income before tax (EBT)	-2	-490
Tax	0	-6
Net income for the period	-2	-496

Net income for the period also corresponds with total comprehensive income.

CONDENSED BALANCE SHEET

MSEK	Apr 30, 2021	Oct 31, 2020	Apr 30, 2020
Financial assets	24,787	23,502	14,838
Other current assets	201	151	25
Cash and cash equivalents	0	1	1
Total assets	24,988	23,654	14,864
Shareholders' equity	23,396	23,534	10,105
Non-current liabilities	1,548	7	2,249
Current liabilities	44	113	2,510
Total shareholders' equity and liabilities	24,988	23,654	14,864

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Restricted equity			Unrestricted equity			Total shareholders' equity
	Share capital ¹	Not regis- tered share capital	Statutory reserve	Share premium reserve	Hybrid bonds	Retained earnings	
Opening shareholders' equity in accordance with approved balance sheet, October 31, 2020	8,645	5	447	2,729	7,615	4,093	23,534
Share registration	5	-5					-
Hybrid bond interest						-136	-136
Net income for the period						-2	-2
Closing balance, April 30, 2021	8,650	-	447	2,729	7,615	3,955	23,396

¹⁾ Number of shares: 7,266,039,292 shares with a quotient value of SEK 1.19.

NOTE 1 ACCOUNTING POLICIES AND FINANCIAL STATEMENTS

This condensed interim report for the SAS Group was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act, Chapter 9, Interim Report. The same accounting policies and calculation criteria have been applied for the Group and the Parent Company as in the latest annual report, with the exception of the following amended accounting policies. Disclosures in accordance with IAS 34.16A are presented in the financial statements and their accompanying notes as well as in other parts of this interim report.

NEW AND AMENDED ACCOUNTING POLICIES, ETC.

New and amended IFRSs that entered force in November 2020 or later have not had any material effect on the consolidated financial statements. New or amended IFRSs that enter into force in the coming fiscal years have not been applied in advance in the preparation of these financial statements and are not expected to have a significant effect on the Group's or Parent Company's forthcoming financial reports.

SAS continues to apply the IASB amendments to IFRS 16 in regards to rent concessions that simplify how a lessee accounts for rent concessions that are a direct consequence of COVID-19. In applying the practical expedient, changes in lease payments in rent concessions ending on or before 30 June 2022 are not treated as a modification. The practical expedient has not had any effect on SAS' profit or loss in the period.

ESTIMATES AND ASSUMPTIONS

The preparation of the interim report requires SAS to make assessments and estimates, and make assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, and income and expenses, this is also described on page 9 of this report. The actual outcome may differ from these estimates and judgments. In addition to what is described below, the critical assessments and sources of uncertainty in estimates are the same as those in the most recent annual report.

IMPACT OF THE COVID-19 PANDEMIC AND GOING CONCERN ASSUMPTION

The COVID-19 pandemic and the actions taken in response to its spread, including various government measures and travel restrictions, have resulted in significant disruption for the entire airline industry, including SAS' operations, from the start in March 2020 and continuing into fiscal year 2021. In the first six months of FY 2021, capacity (ASK) was down 69.7% and revenue passenger kilometers (RPK) were 86.5% lower compared with year-earlier period. The reduction of the network and number of passengers resulted in a significant revenue decrease for SAS of 71.8% compared with FY 2020. Despite measures taken by SAS to reduce costs, the significant decrease in revenue cannot be fully outweighed by cost reductions, and EBT for the first six months of FY 2021 amounted to SEK -4.3 billion.

During the first six months of FY 2021, SAS continued to work intensively with various cost reduction measures, limiting non-business-critical investments and various financing solutions to protect its liquidity. This included securing the financing with lenders for the majority of aircraft deliveries until spring 2022. The short-time layoff schemes available from the Scandinavian governments have helped SAS retain as many of its employees as possible. The short-time layoffs also enable SAS to scale traffic up and down to meet fluctuations in demand. However, market conditions remain uncertain and are directly dependent on the speed at which vaccination is implemented in SAS' key markets thereby

enabling travel restrictions to be relaxed. SAS' view remains that the ramp-up phase for the airline industry will continue until 2022 before demand reaches more normalized levels, with a return to pre COVID-19 levels a few years thereafter. The expected gradual upturn in 2021 has been delayed and uncertainty has increased due to the prevailing market conditions. Increasingly, passengers are choosing to book trips close to their departure dates, which adds further uncertainty to any assessment of future demand, primarily in the short term. These uncertainties make it difficult to estimate ticket sales and therefore revenues, primarily during the important summer period but also for autumn 2021, and may result in continued negative cash flows to an extent and for a duration that SAS considers temporary, but the timing of the recovery is currently uncertain. The prevailing uncertainty means that access to liquidity is essential for all airlines. SAS has therefore ensured that there is support from the major shareholders, the Governments of Denmark and Sweden, to gain access to a credit line facility amounting to SEK 3.0 billion. The aim of credit line facility is to create a liquidity buffer as a complement to other ongoing activities at SAS to reduce costs and strengthen liquidity.

As a result of the above, SAS is working on several different scenario analyses where the main scenario is that, compared with 2019, demand gradually increases from the beginning of June to reach around 50% toward the end of the summer and just above that in the last months of the fiscal year. Based on these assumptions, SAS' assessment is that the liquidity position is sufficient for the next twelve-month period.

GOVERNMENT GRANTS AND CONTRACTS

Some of the legal entities in the SAS Group received support for temporary reductions in the workforce during the period as a result of COVID-19. In accordance with IAS 20, state grants are reported in the statement of income when there is reasonable assurance that the company will fulfill the conditions associated with the grants and that the grants will be received. Government grants have been reported as a reduction to personnel expenses in the periods for which the grant is intended to compensate for a total of MSEK 253 (242). SAS has also applied for support from the Danish, Swedish and Norwegian states regarding compensation for fixed costs, MSEK 382 (92) has been reported as a reduction of other external expenses.

Aside from this, the Norwegian state has purchased capacity from SAS and other carriers in Norway on a commercial basis in order to maintain air services within Norway, which amounts to MSEK 92 (177).

OPERATING SEGMENTS AND DISAGGREGATION OF REVENUE

The Group's operations are reported as one operating segment, which is consistent with the internal reporting to the Chief Operating Decision Maker (CODM), which is defined as SAS Group Management.

Note 2 sets out the disaggregation of revenue broken down by revenue category and geographical area. Traffic revenue from domestic services in Denmark, Norway and Sweden is allocated to Domestic. Traffic between the three countries is allocated to Intra-Scandinavian. Other traffic revenues are allocated to the geographical area where the destination is located. Other revenues are allocated to a geographical area based on the customer's geographical location relating, for example, to goods exported to a customer in another country or, alternatively, the geographical location where the service is performed.

NOTE 2 REVENUE

SAS recognizes passenger and charter revenue when the transportation has been performed, cargo revenue when the transportation has been completed and other revenue when the goods have been delivered or the service performed. The performance obligations identified are fulfilled at one point in time.

REVENUE BY CATEGORY

	Q2	Q2	Q1-Q2	Q1-Q2
	Feb-Apr 2021	Feb-Apr 2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020
Passenger revenue	950	3,462	2,047	10,777
Charter revenue	3	201	12	446
Cargo revenue	282	160	513	526
Other traffic revenue	229	553	629	1,224
Total traffic revenue	1,464	4,376	3,201	12,973
Other operating revenue	468	888	1,013	1,998
Total revenue	1,932	5,264	4,214	14,971

TRAFFIC REVENUE BY GEOGRAPHICAL AREA

	Domestic		Intra-Scandinavian		Europe		Intercontinental		Total	
	Nov-Apr 2020-2021	Nov-Apr 2019-2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020
Passenger revenue	1,310	3,426	122	1,249	431	3,624	184	2,478	2,047	10,777
Charter revenue	0	0	0	0	12	446	0	0	12	446
Cargo revenue	2	3	1	2	123	25	387	496	513	526
Other traffic revenue	402	389	37	142	133	412	57	282	629	1,224
Total traffic revenue	1,714	3,818	160	1,393	699	4,507	628	3,256	3,201	12,973

OTHER OPERATING REVENUE BY REGION

	Denmark		Norway		Sweden		Europe		Other countries		Total	
	Nov-Apr 2020-2021	Nov-Apr 2019-2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020
Other operating revenue	111	240	550	681	196	434	105	423	51	220	1,013	1,998

NOTE 3 OTHER EXTERNAL EXPENSES

	Q2	Q2	Q1-Q2	Q1-Q2
	Feb-Apr 2021	Feb-Apr 2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020
Sales and distribution costs	-145	-377	-263	-1,088
Catering costs	-68	-169	-132	-438
Handling costs	-165	-387	-381	-1,067
Technical aircraft maintenance	-359	-590	-622	-1,150
Computer and telecommunication costs	-214	-344	-432	-732
Wet-lease costs	-98	-307	-207	-684
Other	50	24	-56	-586
Total	-999	-2,150	-2,093	-5,745

NOTE 4 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Q2	Q2	Q1-Q2	Q1-Q2
	Feb-Apr 2021	Feb-Apr 2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020
Intangible assets, amortization	-37	-37	-74	-73
Tangible assets, depreciation	-368	-458	-778	-922
Right-of-use assets, depreciation	-797	-913	-1,645	-1,782
Total	-1,202	-1,408	-2,497	-2,777

NOTE 5 FINANCIAL NET

	Q2	Q2	Q1-Q2	Q1-Q2
	Feb-Apr 2021	Feb-Apr 2020	Nov-Apr 2020-2021	Nov-Apr 2019-2020
Financial income	7	24	13	56
Interest expense	-137	-147	-254	-277
Other financial expenses	-11	-15	-16	-28
Exchange-rate differences	-3	-7	-13	-17
Interest expenses, IFRS 16	-151	-179	-309	-347
Exchange-rate differences, IFRS 16	-18	-83	501	-114
Total	-313	-407	-78	-727

NOTE 6 FINANCIAL ASSETS AND LIABILITIES**FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES**

	Apr 30, 2021		Oct 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
MSEK				
Financial assets				
Financial assets at fair value, hedge-accounted	48	48	132	132
Financial assets at FVTPL	9	9	22	22
Financial assets at amortized cost	7,415	7,415	14,236	14,235
Total	7,472	7,472	14,390	14,389
Financial liabilities				
Financial liabilities at fair value, hedge-accounted	109	109	928	928
Financial liabilities at FVTPL	7	7	12	12
Financial liabilities at amortized cost	19,841	20,341	16,867	16,889
Total	19,957	20,457	17,807	17,829

Fair value is generally determined by using official market quotes. When market quotes are not available, the fair value is determined using generally accepted valuation methods such as discounted future cash flows based on observable market inputs.

The Group's financial assets and liabilities are measured at fair value as stated below:

Level 1: Financial instruments for which fair value is based on observable (unadjusted) quoted prices in active markets for identical assets and liabilities. This category includes mainly treasury bills and standardized derivatives, where the quoted price is used in the valuation.

Level 2: Financial instruments for which fair value is based on valuation models that utilize other observable data for the asset or liability other than the quoted prices included within level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Financial instruments for which fair value is based on valuation models, whereby significant input is based on unobservable data. At present, SAS has no financial assets or liabilities where the valuation is essentially based on unobservable data.

FAIR VALUE HIERARCHY

	Apr 30, 2021			Oct 31, 2020		
	Level 1	Level 2	Total	Level 1	Level 2	Total
MSEK						
Financial assets						
Financial assets at fair value, hedge-accounted	–	48	48	–	132	132
Financial assets at FVTPL	–	9	9	–	22	22
Total	–	57	57	–	155	155
Financial liabilities						
Financial liabilities at fair value, hedge-accounted	–	109	109	–	928	928
Financial liabilities at FVTPL	–	7	7	–	12	12
Total	–	116	116	–	940	940

The Board of Directors and President hereby assure that this interim report provides a true and fair overview of the Parent Company's and the Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the Parent Company and the companies included in the Group are exposed.

Stockholm, May 27, 2021

Carsten Dilling
Board Chairman

Oscar Stege Unger
Board member

Monica Caneman
Board member

Lars-Johan Jarnheimer
Board member

Henriette Hallberg Thygesen
Board member

Nina Bjornstad
Board member

Michael Friisdahl
Board member

Kay Kratky
Board member

Jens Lippestad
Board member

Tommy Nilsson
Board member

Christa Cerè
Board member

Karl Sandlund
President and CEO

AUDITORS' REVIEW REPORT

SAS AB
CORP. ID. 556606-8499

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of SAS AB as of April 30, 2021 and the six-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of

making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, no circumstances have come to our attention that cause us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, May 27, 2021

KPMG AB

Tomas Gerhardsson

Authorized Public
Accountant

TRAFFIC DATA INFORMATION

SCHEDULED PASSENGER TRAFFIC

	Feb–Apr 2021	Feb–Apr 2020	Year-on-year change	Nov–Apr 2020–2021	Nov–Apr 2019–2020	Year-on-year change
Number of passengers (000)	857	3,124	-72.6%	1,855	9,243	-79.9%
RPK, Revenue Passenger Kilometers (mill)	739	3,398	-78.3%	1,543	10,763	-85.7%
ASK, Available Seat Kilometers (mill)	2521	5,906	-57.3%	5,269	16,665	-68.4%
Load factor	29.3%	57.5%	-28.2 ¹	29.3%	64.6%	-35.3 ¹
Passenger yield, currency-adjusted	1.29	0.97	+32.8%	1.33	0.95	+39.2%
Passenger yield, nominal	1.29	1.02	+26.3%	1.33	1.00	+32.5%
Unit revenue, PASK, currency-adjusted	0.38	0.56	-32.4%	0.39	0.62	-36.9%
Unit revenue, PASK, nominal	0.38	0.59	-35.6%	0.39	0.65	-39.9%
RASK, currency-adjusted	0.58	0.67	-13.4%	0.60	0.71	-14.4%
RASK, nominal	0.58	0.70	-17.4%	0.60	0.74	-18.5%

¹Figures given in percentage points

TOTAL TRAFFIC (SCHEDULED AND CHARTER TRAFFIC)

	Feb–Apr 2021	Feb–Apr 2020	Year-on-year change	Nov–Apr 2020–2021	Nov–Apr 2019–2020	Year-on-year change
Number of passengers (000)	858	3,225	-73.4%	1,859	9,485	-80.4%
RPK, Revenue Passenger Kilometers (mill)	744	3,677	-79.8%	1,556	11,503	-86.5%
ASK, Available Seat Kilometers (mill)	2,534	6,256	-59.5%	5,303	17,513	-69.7%
Load factor	29.4%	58.8%	-29.4 ¹	29.3%	65.7%	-36.3 ¹
Unit cost, CASK, currency-adjusted	-1.39	-1.21	+15.2%	-1.43	-0.95	+51.0%
Unit cost, CASK, nominal incl. items affecting comparability	-1.39	-1.23	+12.7%	-1.40	-0.97	+44.0%
Unit cost, CASK, excl. jet fuel, currency-adjusted	-1.28	-0.87	+47.6%	-1.29	-0.72	+80.0%
Unit cost, CASK, excl. jet fuel, nominal incl. items affecting comparability	-1.27	-0.83	+53.3%	-1.27	-0.72	+77.0%

¹Figures given in percentage points

SCHEDULED TRAFFIC TREND FOR SAS BY ROUTE SECTOR

	Feb–Apr 2020–2021 vs. Feb–Apr 2019–2020		Nov–Apr 2020–2021 vs. Nov–Apr 2019–2020	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	-92.6%	-46.0%	-95.4%	-69.9%
Europe/Intra-Scandinavia	-83.5%	-76.7%	-88.3%	-80.9%
Domestic	-48.9%	-34.2%	-61.6%	-38.5%

PRODUCTIVITY AND ENVIRONMENTAL EFFICIENCY

12-month rolling	April 2021	April 2020	Year-on-year change
Aircraft, block hours/day	4.9	9.1	-46.4%
Cabin crew, block hours/year	432	701	-38.4%
Pilots, block hours/year	260	578	-55.1%

Environmental efficiency	Nov–Apr 2020–2021	Nov–Apr 2019–2020	Year-on-year change
Total CO2 emissions, million metric tons	801	3,707	-78.4%
CO2 emissions per available seat kilometer, grams	54.7	61.1	-10.5%

AIRCRAFT FLEET

THE SAS AIRCRAFT FLEET AT APRIL 30, 2021

SAS Group Aircraft Fleet	Age	Owned	Leased	Wet lease	Total	SAS Scandinavia	SAS Ireland	Wet lease	In SAS Group traffic	Firm order purchase	Firm order lease
Airbus A330/A350	5.8	8	5		13	13			13	3	
Airbus A320 family	6.8	19	50		69	63	6		69	35	2
Boeing 737NG	15.9	15	8		23	23			23		
Bombardier CRJ	6.1			20	20			20	20		
ATR-72	7.6			6	6			6	6		
Total aircraft in operation	8.3	42	63	26	131	99	6	26	131	38	2
Aircraft under phase out											
Airbus A330	18.6		1		1						
Boeing 737NG	16.5	4	5		9						
Total	16.7	46	69	26	141						

Aircraft on firm order 2021–2025 at April 30, 2021	FY21	FY22	FY23	FY24	FY25	Total
Airbus A320neo		13	12	6	4	35
Airbus A321neo LR	2					2
Airbus A350	1		2			3
Total	3	13	14	6	4	40



The new fleet lowers fuel consumption and thereby CO2 emissions.

KEY FIGURES AND ALTERNATIVE PERFORMANCE MEASURES

	Apr 30, 2021	Oct 31, 2020	Apr 30, 2020
Return on invested capital (ROIC) ¹	-25%	-27%	-1% ²
Financial net debt/EBITDA ¹	-8.3x	-9.2x	6.9x ²
Financial preparedness ¹	38%	67%	26% ²
Return on shareholders' equity ¹	-213%	-427%	-59%
Equity/assets ratio	16%	18%	-0.1%
Financial net debt, MSEK	26,407	18,899	29,861
Debt/equity ratio	3.2	1.8	-459.4
Interest-coverage ratio ¹	-7.2	-6.7	-2.3

¹ Key figure as per April 30, 2021 and as per October 31, 2020 including IFRS 16. The key figure as per April 30, 2020 is based on financial statements according to IAS 17 (excluding IFRS 16).

² The key figure has been calculated according to another definition and has not been restated. The previous definition is found in APM Q2 2020.

SAS calculates various Alternative Performance Measures (APMs) that complement the metrics defined in the applicable rules for financial reporting. The APMs facilitate comparison between different periods and are used for internal analysis of the business's performance, development and financial position, and are therefore deemed to provide valuable information to external stakeholders, such as investors, analysts, rating agencies and others. For definitions, refer to the Definitions section and shareholder information. A list of the APMs deemed of sufficient material importance to specify is available at www.sasgroup.net under Investor Relations.

EARNINGS-RELATED KEY FIGURES AND AVERAGE NUMBER OF EMPLOYEES

MSEK	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4
	Nov–Jan 2020–2021	Nov–Jan 2019–2020	Feb–Apr 2021	Feb–Apr 2020	May–Jul 2020	May–Jul 2019	Aug–Oct 2020	Aug–Oct 2019
Revenue	2,282	9,707	1,932	5,264	2,507	13,401	3,035	13,435
EBITDAR	-918	662	-848	-1,890	-281	2,998	-1,162	2,631
EBITDAR margin	-40.2%	6.8%	-43.9%	-35.9%	-11.2%	22.4%	-38.3%	19.6%
Operating income (EBIT)	-2,171	-767	-2,048	-3,315	-2,729	1,570	-2,738	1,187
Operating income (EBIT) margin	-95.1%	-7.9%	-106.0%	-63.0%	-108.9%	11.7%	-90.2%	8.8%
Income before tax (EBT)	-1,936	-1,087	-2,361	-3,722	-2,071	1,490	-3,271	1,096
Net income for the period	-2,050	-861	-2,433	-3,470	-2,365	1,162	-2,579	861
Income before tax and items affecting comparability	-1,948	-1,078	-2,361	-3,714	-784	1,495	-3,043	1,226
Earnings per common share (SEK)	-0.28	-2.33	-0.35	-9.15	-6.18	3.04	-4.46	2.19
Cash flow before financing activities	-5,458	-2,060	-2,922	-5,059	-2,016	140	-3,228	-309
Average number of employees (FTEs)	4,983	10,364	4,476	7,988	4,937	10,639	6,981	10,587

DEFINITIONS AND SHAREHOLDER INFORMATION

SAS uses various key figures, including alternative performance measures (APMs), for internal analysis purposes and for external communication of the operations' results, performance and financial position. The aim of these APMs is to illustrate the performance measures tailored to operations that, in addition to the other key figures, enable various stakeholders to more accurately assess and value SAS' historical, current and future performance and position.

Adjusted financial net debt/EBITDA – The sum of average net financial debt in relation to EBITDA.

AEA – The Association of European Airlines. An association of the major European airlines.

Affiliated company – Company where the SAS Group's holding amounts to at least 20% and at the most 50%.

AOC (Air Operator Certificate) – Permits for flight operations.

ASK, Available Seat Kilometers – The total number of seats available for passengers multiplied by the number of kilometers which they are flown.

ATK, Available tonne kilometers – The total number of tonnes of capacity available for the transportation of passengers, freight and mail multiplied by the number of kilometers which this capacity is flown.

Available seat kilometers – See ASK.

Available tonne kilometers – See ATK.

Block hours – Refers to the time from when the aircraft leaves the departure gate until it arrives at the destination gate.

CAGR – Compound annual growth rate.

Capital employed – Total capital according to the balance sheet less non-interest-bearing liabilities.

Capitalized lease expenses (x7) – The net annual operating lease costs for aircraft multiplied by seven.

Carbon dioxide (CO₂) – A colorless gas that is formed in the combustion of all fossil fuels. The airline industry's CO₂ emissions are being reduced based on a changeover to more fuel-efficient aircraft.

Cash flow from operating activities per common share – Cash flow from operating activities in relation to the average number of common shares outstanding.

CASK – See unit cost.

Code share – When one or more airlines' flight number is stated in the timetable for a flight, while only one of the airlines operates the flight.

Debt/equity ratio – Financial net debt in relation to equity.

Earnings per common share (EPS) – Net income for the period attributable to Parent Company shareholders less preference-share dividends and hybrid bond expenses in relation to the average number of common shares outstanding.

EBIT – Operating income.

EBIT margin – EBIT divided by revenue.

EBITDA – Operating income before tax, net financial items, income from the sale of fixed assets, share of income in affiliated companies, and depreciation and amortization.

EBITDA margin – EBITDA divided by revenue.

EBITDAR – Operating income before tax, net financial items, income from the sale of fixed assets, income from shares in affiliated companies, depreciation and amortization, and lease expenses for aircraft.

EBITDAR margin – EBITDAR divided by revenue.

EBT – Income before tax.

EEA – European Economic Area.

Equity method – Shares in affiliated companies are taken up at the SAS Group's share of equity, taking acquired surplus and deficit values into account.

Equity/assets ratio – Equity in relation to total assets.

Finance leases – Based on a lease where the risks and rewards of ownership of the asset essentially remain with the lessee. The asset is reported as a fixed asset in the balance sheet because the lessee has an obligation to purchase the asset at the end of the lease. The commitment to pay future leasing charges is entered as a liability. As of 1 November 2019, SAS Group applies the new standard IFRS 16 - Leases. See Right-of-use assets.

Financial net debt – Interest-bearing liabilities less interest-bearing assets excluding net pension funds.

Financial preparedness – Cash and cash equivalents, plus unutilized credit facilities with a maturity longer than three months, in relation to fixed costs and financial net excluding exchange-rate differences on lease liabilities. In this ratio, fixed costs are defined as personnel and other external expenses over the last 12 months.

FTE – Average number of employees, full-time equivalents.

IATA – International Air Transport Association. A global association of almost 300 airlines.

ICAO – International Civil Aviation Organization. The United Nations' specialized agency for international civil aviation.

Interest-coverage ratio – Operating income plus financial income in relation to financial expenses.

Interline revenue – Ticket settlement between airlines.

Items affecting comparability – Items affecting comparability are identified to facilitate comparison of SAS' underlying results in different periods. These items consist of impairment, restructuring costs, capital gains/losses, and other items affecting comparability. They arise as a consequence of specific events, and are items

that both management and external assessors take note of when analyzing SAS. By reporting earnings excluding nonrecurring items, the underlying results are shown, which facilitates comparability between different periods.

LCC – Low cost carrier.

Load factor – RPK divided by ASK. Describes the capacity utilization of available seats.

Market capitalization – Share price multiplied by the number of shares outstanding.

NPV – Net present value. Used to calculate capitalized future operating lease costs for aircraft, for example.

Operating leases – Based on a leasing contract in which the risks and rewards of ownership remain with the lessor and is equivalent to renting. The leasing charges are expensed on a current basis in the statement of income. As of 1 November 2019, SAS Group applies the new standard IFRS 16 - Leases. See Right-of-use assets.

PASK (unit revenue) – Passenger revenue divided by ASK (scheduled).

RASK – Total traffic revenue divided by Total ASK (scheduled + charter).

Regularity – The percentage of flights completed in relation to flights scheduled.

Return on Invested Capital (ROIC) – EBIT adjusted with theoretical taxes in relation to average shareholders' equity and financial net debt.

Return on shareholders' equity – Net income for the period attributable to shareholders in the Parent Company in relation to average equity excluding non-controlling interests.

Revenue passenger kilometers (RPK) – See RPK.

Revenue tonne kilometers (RTK) – See RTK.

Right-of-use assets (RoU) – As of November 1, 2019, SAS Group applies the new standard IFRS 16 - Leases. IFRS 16 replaced former standard IAS 17 Leases. The previous classification of each lease as either an operating lease or a finance lease is replaced by a model whereby the lessee recognizes an asset (a right-of-use asset) and a financial liability in the balance sheet.

RPK, Revenue passenger kilometers – Number of paying passengers multiplied by flown distance (km).

RTK, Revenue tonne kilometers – The number of tonnes of paid traffic (passengers, freight and mail) multiplied by the distance this traffic is flown in kilometers.

SAS, Scandinavia's leading airline, with main hubs in Copenhagen, Oslo and Stockholm, flies to destinations in Europe, USA and Asia. Spurred by a Scandinavian heritage and sustainable values, SAS aims to be the global leader in sustainable aviation. We will reduce total carbon emissions with 25 percent by 2025, by using more sustainable aviation fuel and our modern fleet with fuel-efficient aircraft. In addition to flight operations, SAS offers ground handling services, technical maintenance and air cargo services. SAS is a founding member of the Star Alliance™, and together with its partner airlines offers a wide network worldwide.

SAS AB is the Parent Company of SAS and is listed on the stock exchanges in Stockholm (primary listing), Copenhagen and Oslo. The majority of the operations and assets are included in the SAS Consortium, with the exception of SAS Cargo, SAS Ground Handling and SAS EuroBonus, which are directly owned by SAS AB.

FINANCIAL CALENDAR

Monthly traffic data is generally issued on the fifth working day of every month. The detailed financial calendar is available at www.sasgroup.net under Investor Relations.

September 1, 2021	Q3 Interim Report (May 2021–Jul 2021)
November 30, 2021	Year-end report (Nov 2020–Oct 2021)
January/February 2022	SAS Annual and Sustainability Report, fiscal year 2021

INVESTOR RELATIONS



IR contact

Michel Fischier, Vice President Investor Relations
Tel: +46 70 997 0673
E-post: investor.relations@sas.se

Sale and leaseback – Sale of an asset (aircraft, building, etc.) that is then leased back.

Shareholders' equity per common share – Shareholders' equity attributable to Parent Company shareholders excluding hybrid bonds in relation to the total number of common shares outstanding.

Total load factor – RTK divided by ATK.

Unit cost, CASK – Total payroll expenses, other operating expenses, lease expenses for aircraft and depreciation adjusted for currency and items affecting comparability, less other operating revenue per ASK (scheduled and charter).

Unit revenue – See PASK.

WACC – Weighted average cost of capital includes the average cost of liabilities, equity and operating leases for aircraft. The sources of funds are calculated and weighted in accordance with the current market value of equity and liabilities and the capitalized present value of operating lease costs for aircraft.

Wet lease agreement – Leasing in of aircraft including crew.

Working capital – The total of non-interest-bearing current assets and non-interest-bearing financial fixed assets excluding equity in affiliated companies and other securities holdings less non-interest-bearing liabilities.

Yield – Passenger revenue divided by RPK (scheduled).