

Q1 2022

QUARTER NEGATIVELY IMPACTED BY OMICRON



NOVEMBER 2021–JANUARY 2022

- Revenue: MSEK 5,545 (2,282)
- Income before tax (EBT): MSEK -2,597 (-1,915)
- Income before tax and items affecting comparability: MSEK -2,621 (-1,927)
- Net income for the period: MSEK -2,442 (-2,033)
- Earnings per common share: SEK -0.34 (-0.28)

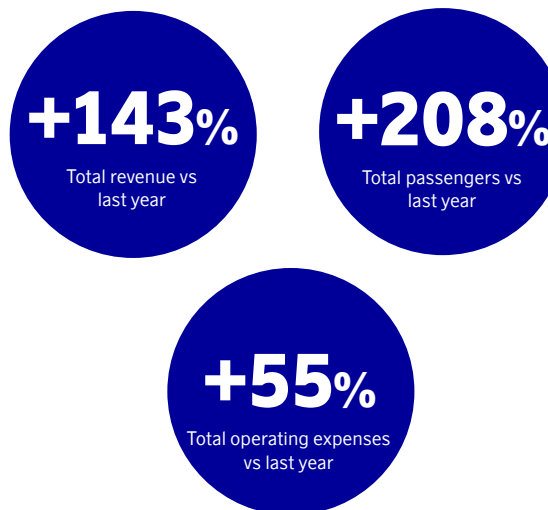
SIGNIFICANT EVENTS DURING THE QUARTER

- SAS established a partnership with Vattenfall, Shell and LanzaTech to investigate large-scale production of synthetic aviation fuel
- SAS Connect and SAS Link established operations in Copenhagen and recruitment has started

SIGNIFICANT EVENTS AFTER THE QUARTER

- The SEK 3,000 million credit facility secured with the main owners in 2021, was drawn
- SAS FORWARD is launched – a comprehensive plan to strengthen SAS' future position

KEY FIGURES – Q1 2022



FINANCIAL SUMMARY¹

MSEK, unless noted otherwise	Q1	
	Nov–Jan 2021–2022	Nov–Jan 2020–2021
Revenue	5,545	2,282
Operating income (EBIT)	-1,329	-2,150
Operating income (EBIT) margin	-24%	-94%
Income before tax (EBT)	-2,597	-1,915
Income before tax and items affecting comparability	-2,621	-1,927
Net income for the period	-2,442	-2,033
Cash flow from operating activities	-114	-4,946

	Jan 31, 2022	Oct 31, 2021	Jan 31, 2021
Return on invested capital	-11%	-13%	-30%
Financial net debt/EBITDA	148x	n/a	n/a
Financial preparedness	48%	60%	44%
Equity/assets ratio	7%	12%	19%
Earnings per common share (SEK)	-0.34	-0.94	-0.28

¹⁾ The key figures as of January 31, 2021 have been restated due to the new accounting standard "IFRS IC's – Cloud computing arrangement costs." See Note 1.

This information is information that SAS AB is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted by Louise Bergström for publication on February 22, 2022 at 8:00 a.m. CET.

"Along with the already ongoing work of developing an efficient and profitable business, the company is presenting its transformation plan: SAS FORWARD"

Anko van der Werff, President and CEO

COMMENTS BY THE CEO

For many years, SAS has been burdened by an uncompetitive cost structure that prevents the company from reaching its full potential. Furthermore, the last two years have been the most challenging in the history of the aviation industry. Travel patterns and market conditions are changing and will have an additional impact on the company. SAS is now, more than ever, in need of a new start.

SAS will implement measures aimed at securing long-term competitiveness. Along with the already ongoing work of developing an efficient and profitable business, the company is therefore presenting its transformation plan: “SAS FORWARD,” as the first quarter results for fiscal year 2022 are presented.

QUARTERLY RESULTS STILL AFFECTED BY THE ONGOING PANDEMIC

Looking back at the first quarter, we can see a decline in demand. This is a normal seasonality as winter tends to be slower than summer and fall. Passengers flying with SAS decreased 15% compared to the previous quarter and the flown load factor reached approximately 56%, down 4 percentage points compared with the earlier quarter. Nevertheless, our capacity was similar to the fourth quarter. Uncertainties still remain regarding the development of the COVID-19 pandemic and the transformation of SAS has to continue to adapt to the new market. Earnings before tax ended at negative SEK 2.6 billion, down SEK 1.7 billion compared with last quarter, or a SEK 0.7 billion decrease year-on-year. Lately, on a more positive note, we have seen ticket sales increase which is promising for the summer period and SAS is targeting 80% capacity deployment compared to summer 2019.

Cost reductions across all of SAS remain in focus to optimize our competitive capability. Total operating expenses during the quarter ended at SEK 6.9 billion and total operating revenue landed at SEK 5.5 billion for the quarter. Total revenue decreased 4% compared with the fourth quarter, an improvement of approximately SEK 3.3 billion compared with last year, but still 42% below the first quarter in 2019, which was unaffected by COVID-19.

The cash balance at the end of the quarter was SEK 3.4 billion. At end of the fourth quarter of FY2021 the cash balance was SEK 4.3 billion. Operational cash flow during the quarter amounted to SEK -114 million, compared with SEK -4.9 billion for the same period last year.



Anko van der Werff, President and CEO

SAS FORWARD PLAN IS LAUNCHED

The pandemic has had a fundamental impact on SAS – ranging from lockdowns, travel restrictions to structural changes in travel patterns. Absent fundamental change, this will quickly exhaust SAS' cash resources. Therefore, SAS will proactively adopt a full transformation of its business, including its network, fleet, labor agreements and other cost structures via a broad and comprehensive transformation plan. The plan includes leveraging the SAS brand, achieving unit cost competitiveness, rightsizing the fleet including refocusing long-haul, and building a sustainable future. SAS FORWARD is a comprehensive business and financial transformation plan designed to place SAS on a solid financial footing.

Key elements of the plan include:

- *Reducing the annual costs by SEK 7.5 billion* – SAS will aggressively pursue reducing costs with a far more comprehensive burden sharing across all major stakeholder and creditor groups
- *Redesigned fleet, network and product offerings* – SAS is adopting new network principle and adjusting its fleet and product offerings to position SAS for the future and to enhance customer experience.
- *Digital transformation* – SAS will undergo a major digital transformation, delivering major improvement in customers' experiences driving financial benefits
- *Positioning SAS as the leader in sustainable aviation* – SAS will invest in modern fuel-efficient aircraft, sustainable aviation fuels, emerging technologies and sustainable products and services with incentivized customer behavior change.
- *Operating platform acceleration* – SAS will improve flexibility and efficiency, and facilitate adapting to changed market demand and competition.
- *Strengthening SAS' balance sheet by deleveraging and raising new capital* – SAS FORWARD SEK 7.5 billion annual cost reduction plan paves the way for

undertaking a complete revitalization of SAS' balance sheet and to substantially strengthen SAS' liquidity position, which will allow SAS to further invest in its network, people and continued investments in fuel-efficient aircraft

The success of the plan and the ability to attract potential new capital relies on SAS fully achieving the SEK 7.5 billion annual cost take out plan which in turn depends upon SAS stakeholders' full participation.

DEVELOPING OUR CUSTOMER OFFERING AND INVESTING INTO THE FUTURE

SAS FORWARD will have a positive impact on our customers. By adding additional routes, higher frequencies and opening new bases, we will improve our Scandinavian connectivity. The changes we are implementing internally to make us competitive for the future will allow us to attract new customers. Strengths such as our EuroBonus program, SAS Plus and other premium features will continue to be important parts of the SAS FORWARD plan. The flexibility gained from the new platforms will make your travel smoother. It improves network capabilities and enhances SAS' flexibility over the different seasons during the year.

During the winter we have increased our traffic program to the US as restrictions and demand have allowed. Our new and fuel-efficient A321LR aircraft will soon start operating to our US destinations as well as to Canada. We are opening routes to Toronto both from Copenhagen and from Arlanda in the summer.

SAS aims to be a global leader in sustainable aviation. Reducing climate-impacting carbon emissions and striving to increase the supply and use of sustainable aviation fuel (SAF) are important components of that ambition. At the beginning of the first quarter, we announced that we are part of a collaboration with Vattenfall, Shell and

Lanzatech, to investigate the production of the world's first synthetic sustainable aviation fuel. When full production is up and running, it could provide SAS with up to 25% of its requirement for sustainable aviation fuel in the 2030s. We have also introduced the possibility for passengers to purchase biofuel and those who do are rewarded with additional EuroBonus points.

LOOKING AHEAD

We remain cautious due to the prevailing uncertainties. Underlying demand is healthy once restrictions are lifted, both for business and for leisure travel, and there is a pent-up demand for traveling. Financially, we have been severely affected by the pandemic, and it is not yet over. Time is of the essence and we are therefore implementing all aspects of our plan imminently. Moreover, we will implement it together with all stakeholders to ensure that we will succeed in a continued competitive environment.

The efforts my colleagues at SAS are delivering are impressive and I am truly grateful for their professionalism, hospitality and hard work, to ensure that we take care of our customers in the best possible way. Together we are working our way through these challenging times.

SAS is embarking on a new journey. SAS FORWARD will secure our long-term competitiveness and financial strength, and together we welcome you on board our aircraft!

Anko van der Werff,
President and CEO
Stockholm, February 22, 2022

COMMENTS ON SAS' FINANCIAL STATEMENTS

INCOME STATEMENT, SUMMARY Q1 2022

MSEK Income statement	Nov–Jan 21-22	Nov–Jan 20-21	Change vs LY	Currency effects	Change vs LY (Curr. adj)
Revenue	5,545	2,282	3,263	10	3,253
Total operating expenses	-6,874	-4,432	-2,442	-73	-2,369
Operating income (EBIT)	-1,329	-2,150	821	-63	884
Income before tax (EBT)	-2,597	-1,915	-682	-1,496	814

Revenue

Revenue totaled MSEK 5,545 (2,282), see Note 2. Currency-adjusted revenue was up MSEK 3,253 year-on-year. The increase in revenue mainly related to increased demand.

Currency-adjusted passenger revenue rose 217%. The increase was a result of higher scheduled capacity (ASK) which, based on the preceding year's circumstances, had a positive impact on revenue of MSEK 1,859. The higher load factor had a positive effect of MSEK 1,892. The lower yield had a negative effect of MSEK 1,349 on passenger revenue, mainly due to changed travel patterns.

Currency-adjusted cargo revenue increased MSEK 238 and currency-adjusted charter revenue was up MSEK 159. Other traffic revenue (currency-adjusted) was MSEK 284 higher. The increase in revenue was mainly related to higher traffic volumes.

Other operating revenue (currency-adjusted) was up MSEK 171 year-on-year, mainly as a consequence of higher revenue from ground handling operations, sales of EuroBonus points and other volume-related revenues.

Operating expenses

Personnel expenses amounted to MSEK -1,652 (-1,428). After adjustment for currency and items affecting comparability, personnel expenses increased MSEK 235 year-on-year. The increase was mainly due to the effects of COVID-19 since the previous year included support for temporary lay-offs.

Fuel expenses amounted to MSEK -1,136 (-428). Adjusted for currency, jet-fuel costs increased 174%. Volume effects had a negative impact on costs of MSEK 687. Increased jet-fuel prices had a negative impact of MSEK 165 on these costs. Hedge effects had a positive impact of MSEK 131 year-on-year.

Air traffic charges amounted to MSEK -569 (-222). Adjusted for currency, air traffic charges increased 159%. The increase pertained mainly to higher traffic volumes.

Other external expenses amounted to MSEK -2,362 (-1,103), see Note 3. Year-on-year, other external expenses (currency-adjusted) increased MSEK 1,158. The increase pertained primarily to higher costs for handling, sales and distribution, and technical maintenance as well as higher wet-lease expenses.

Currency-adjusted handling costs, and sales and distribution costs increased MSEK 227 and MSEK 210 respectively, mainly related to higher volumes. Technical maintenance costs (currency-adjusted) increased MSEK 127 due to increased volumes. Wet-lease expenses increased MSEK 219 (currency-adjusted) primarily due to increased demand.

Depreciation, amortization and impairment amounted to MSEK -1,183 (-1,265), a decrease of MSEK 82 year-on-year. See Note 4.

Financial net

Financial income and expenses amounted to net MSEK -1,268 (235), representing an increase in net expenses of MSEK 1,503 year-on-year. The increase mainly related to currency revaluations for lease liabilities, which had a negative impact of MSEK 929, compared with a positive impact of MSEK 519 last year. See Note 5.

Net income for the period

Operating income amounted to MSEK -1,329 (-2,150) and EBT amounted to MSEK -2,597 (-1,915). The year-on-year improvement in operating income pertained mainly to the increased demand.

Net income for the period was MSEK -2,442 (-2,033) and tax amounted to MSEK 155 (-118). Income tax for the period was largely attributable to effects of currency revaluations of lease liabilities.

Year-on-year, the foreign exchange-rate trend had a positive impact on revenue of MSEK 10 and a negative effect on operating expenses of MSEK 73. Foreign exchange rates thus had a negative impact on operating income of MSEK 63. Net financial items were negatively impacted by currency items amounting to MSEK 1,433. In total, currency effects had a net negative impact of MSEK 1,496 on EBT.

Items affecting comparability

Total items affecting comparability amounted to MSEK 24 (12) during the period and pertained to capital gains on the sale of two 737-800 aircraft and sale and leaseback transactions for two spare engines. Last year, items affecting comparability mainly comprised a capital gain from the sale of three 737-800 aircraft.

BALANCE SHEET & FINANCIAL POSITION

Assets

Intangible and tangible fixed assets increased MSEK 1,196 since October 31, 2021. Changes for the period included investments of MSEK 857, amortization and depreciation of MSEK -383 and other effects of MSEK 722. The amount for investments included advance payments of MSEK 764. Other aircraft investments comprised capitalized expenditures for engine maintenance and modifications. Other effects included translation differences of MSEK +1,300 and the sale of two 737-800 aircraft and two spare engines.

Right-of-use assets decreased MSEK 499 during the period. New leases amounted to MSEK 240, and mainly related to new leases for two spare engines. Changes in indexation and modification in underlying agreements decreased the assets value by MSEK 51, and depreciation was MSEK -801. The currency effect was MSEK 11.

Financial assets increased MSEK 210, mainly due to revaluations for SAS' defined-benefit pension plans.

Deferred tax assets increased MSEK 171, where the increase was primarily due to the effects of currency revaluations of lease liabilities. No loss carryforwards were capitalized in the quarter.

Current receivables decreased MSEK 332. This decrease was mainly attributable to lower accounts receivable and the decrease in state aid received from the government of Sweden for the previous financial year.

Cash and cash equivalents were MSEK 3,438 (4,268) as of January 31, 2022. Unutilized contracted credit facilities amounted to MSEK 3,049 (2,969). Financial preparedness amounted to 48% (60) of SAS' fixed costs.

Shareholders' equity and liabilities

Shareholders' equity decreased MSEK 2,613 to MSEK 3,803. The decrease pertained mainly to net income for the period of MSEK -2,442, changes in cash-flow hedges of MSEK -338 and the positive actuarial effect on defined-benefit pension plans of MSEK 69.

Non-current liabilities increased MSEK 1,199 and *current liabilities* increased MSEK 1,354.

The total increase in liabilities was MSEK 2,553 and was mainly due to currency revaluations.

Interest-bearing liabilities

On January 31, 2022, interest-bearing liabilities amounted to MSEK 35,395 (32,924), an increase of MSEK 2,471 since October 31, 2021.

New loans and amortization for the period were MSEK 89 and MSEK 138 respectively. New loans and amortization of lease liabilities were MSEK 272 and MSEK 639 respectively. Currency revaluations increased liabilities by MSEK 2,802, and accrued interest and other items increased liabilities by MSEK 85.

Financial net debt

At January 31, 2022, financial net debt amounted to MSEK 29,812 (26,770), an increase of MSEK 3,042 since October 31, 2021. The increase was primarily attributable to the negative effect of currency revaluations of MSEK 2,746, negative cash flow before financing activities of MSEK 392, new lease liabilities of MSEK 272 and the positive value of financial derivatives of MSEK 146.

Key figures

On January 31, 2022, the return on invested capital (ROIC) was -11%, up 2 percentage points since October 31, 2021. The increase pertained mainly to an improved operating profit (EBIT).

Financial preparedness was 48% (60) at the end of the quarter. A lower cash position together with higher fixed costs were the reasons for the change in the key figure.

The financial net debt/EBITDA ratio was a multiple of 148 on January 31, 2022. On October 31, 2021, the multiple was negative.

On January 31, 2022, the equity/assets ratio amounted to 7%, compared with 12% on October 31, 2021. The decrease was primarily attributable to lower shareholders' equity due to negative income for the period.

CASH-FLOW STATEMENT

Cash flow for the quarter amounted to MSEK -831 (-5,499). Cash and cash equivalents amounted to MSEK 3,438, compared with MSEK 4,268 on October 31, 2021.

Cash flow from operating activities

Cash flow from operating activities before changes in working capital amounted to MSEK -676 (-1,266) in the fiscal year. The increased cash flow mainly pertained to the improvement in currency-adjusted earnings.

The change in working capital was positive in the quarter and amounted to MSEK 562 (-3,680). A major reason for the positive change year-on-year was the marginal change in the unearned transportation liability this quarter and due to last year being affected by lower forward bookings and a very high level of repayments to customers for canceled flights, which amounted to about SEK 2.1 billion. The quarter was also positively impacted by lower payments for, inter alia, technical maintenance and other provisions.

Investing activities

Investments totaled MSEK 857 (775), of which MSEK 0 (0) pertained to acquired aircraft. Other investments for the year comprised capitalized expenditure for aircraft maintenance, modifications and advance payments to Airbus.

Two 737-800 aircraft and two engines were divested in the quarter and generated inflows of MSEK 600 (257).

Financing activities

New loans amounted to MSEK 89 (1,429), while repayments totaled MSEK 138 (659). Amortization of lease liabilities totaled MSEK 639 (875).

PARENT COMPANY

The Parent Company SAS AB conducts extremely limited intra-Group services. Revenue totaled MSEK 12 (10) and operating expenses MSEK -44 (-21). Net financial items totaled MSEK 86 (94) and impairment of shares in subsidiaries amounted to MSEK 0 (-69). Net income for the period was MSEK 54 (14).

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 a 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, which 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

- SAS established a partnership with Vattenfall, Shell and LanzaTech to investigate large-scale production of synthetic aviation fuel.
- SAS Connect and SAS Link established operations in Copenhagen and recruitment has started

EVENTS AFTER JANUARY 31, 2022

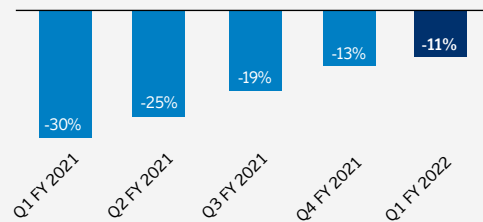
- The SEK 3,000 million credit facility secured with the main owners in 2021, was drawn
- SAS FORWARD is launched – a comprehensive plan to strengthen SAS' future position

OUTLOOK

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

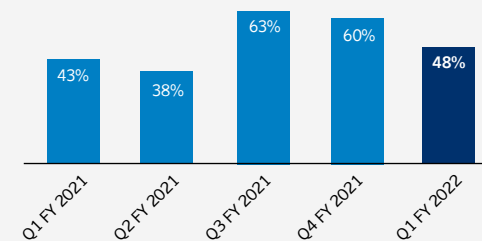


FINANCIAL NET DEBT/EBITDA

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, follow up 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 COVID-19 pandemic has significantly affected the whole aviation industry, including SAS. Estimation uncertainty has increased due to the current market conditions in the aviation industry for forecasts and scenario analyses related to future demand, primarily in the short term. As described in the Annual Report for Fiscal Year 2021, page 70, 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 15 in Note 1. 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 unpredictable than under normal circumstances. Further changes to assumptions regarding future consumption and capacity could have a significant 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 temporarily adjusted the financial policy with regard to the hedging ratio for jet fuel. The exception applies for FY 2022 and permits hedging between 0 and 80% of the anticipated volumes for the next 12 months.

For the forthcoming 12 months, SAS has 0% of the fuel consumption hedged. Hedging of SAS' future jet-fuel consumption is normally conducted through a mix of swaps and options. Under current plans for flight capacity, the cost of jet fuel during FY 2022 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 43% 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, 54% 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 44, excluding hedge effects. A weakening of the USD against the SEK of 1% would generate a positive earnings impact of MSEK 102, excluding hedge effects, before any potential IFRS 16 effects.

SENSITIVITY ANALYSIS, JET-FUEL COST FEB 2022–OCT 2022, SEK BILLION¹

Market price	Exchange rate SEK/USD				
	8.0	8.5	9.0	9.5	10.0
USD 500/MT	4.2	4.4	4.6	4.8	5.0
USD 600/MT	4.7	5.0	5.2	5.4	5.7
USD 700/MT	5.3	5.5	5.8	6.0	6.3
USD 800/MT	5.8	6.1	6.4	6.7	7.0
USD 900/MT	6.3	6.6	7.0	7.3	7.6

¹⁾ SAS' current hedging contracts for jet fuel at the 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 1,554 and a USD rate as of January 31, 2022, a weakening of the USD against the SEK of 1% would generate a positive earnings impact of approximately MSEK 99 in profit or 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 General Court of the European Court of Justice 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 the CJEU in July 2019. Judgment is expected to be announced on March 30, 2022.

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.

CONSOLIDATED STATEMENT OF INCOME

CONDENSED STATEMENT OF INCOME INCLUDING STATEMENT OF OTHER COMPREHENSIVE INCOME

MSEK	Note	Q1	
		Nov–Jan 2021–2022	Nov–Jan 2020–2021
Revenue	2	5,545	2,282
Personnel expenses		-1,652	-1,428
Fuel expenses		-1,136	-428
Air traffic charges		-569	-222
Other external expenses	3	-2,362	-1,103
Depreciation, amortization and impairment	4	-1,183	-1,265
Income from shares in affiliated companies		4	2
Income from the sale of aircraft and other non-current assets		24	12
Operating income (EBIT)		-1,329	-2,150
Net financial items	5	-1,268	235
Income before tax (EBT)		-2,597	-1,915
Tax		155	-118
Net income for the period		-2,442	-2,033
Other comprehensive income			
<i>Items that may later be reversed to net income:</i>			
Exchange-rate differences in translation of foreign operations		98	5
Cash-flow hedges, net after tax		-338	579
<i>Items that will not be reversed to net income:</i>			
Revaluations of defined-benefit pension plans, net after tax		69	486
Total other comprehensive income, net after tax		-171	1,070
Comprehensive income for the period		-2,613	-963
<i>Attributable to Parent Company shareholders:</i>			
Net income for the period		-2,442	-2,033
Comprehensive income for the period		-2,613	-963
Earnings per common share before and after dilution (SEK) ¹		-0.34	-0.28

¹⁾ Earnings per 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 (7,266,039,292) shares outstanding during the November–January period.

INCOME BEFORE TAX AND ITEMS AFFECTING COMPARABILITY

MSEK	Q1	
	Nov–Jan 2021–2022	Nov–Jan 2020–2021
Income before tax (EBT)	-2,597	-1,915
Restructuring costs	–	–
Capital gains/losses ¹	-24	-12
Income before tax and items affecting comparability	-2,621	-1,927

¹⁾ Capital gains/losses include aircraft sales amounting to MSEK 24 (14) and premises sales of MSEK 0 (-2) in the first quarter.

CONSOLIDATED BALANCE SHEET

CONDENSED BALANCE SHEET

MSEK	Jan 31, 2022	Oct 31, 2021	Jan 31, 2021
ASSETS			
Non-current assets			
Intangible assets	717	709	696
Tangible fixed assets	19,157	17,969	18,215
Right-of-use assets	16,460	16,959	17,002
Financial assets	8,375	8,165	6,308
Deferred tax assets	1,297	1,126	1,429
Total non-current assets	46,006	44,928	43,650
Current assets			
Inventories and expendable spare parts	436	412	581
Current receivables	2,772	3,104	1,398
Cash and cash equivalents	3,438	4,268	4,732
Total current assets	6,646	7,784	6,711
TOTAL ASSETS	52,652	52,712	50,361
EQUITY AND LIABILITIES			
Equity	3,803	6,416	9,060
Non-current liabilities			
Interest-bearing liabilities	13,507	12,989	11,829
Interest-bearing lease liabilities	13,973	13,231	12,832
Other liabilities	3,751	3,812	3,322
Total non-current liabilities	31,231	30,032	27,983
Current liabilities			
Interest-bearing liabilities	4,838	3,871	2,451
Interest-bearing lease liabilities	3,077	2,833	2,670
Other liabilities	9,703	9,560	8,197
Total current liabilities	17,618	16,264	13,318
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	52,652	52,712	50,361
Interest-bearing assets	12,324	12,746	10,518
Interest-bearing liabilities	35,395	32,924	29,782
Working capital	-9,487	-9,181	-7,742

SPECIFICATION OF FINANCIAL NET DEBT, JANUARY 31, 2022

	According to balance sheet	Of which financial net debt
Financial assets	8,375	918
Current receivables	2,772	1,227
Cash and cash equivalents	3,438	3,438
Non-current liabilities	31,231	27,480
Current liabilities	17,618	7,915
Financial net debt		29,812

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, 2020	8,645	5	2,899	15	-231	7,615	-8,925	10,023
Share registration	5	-5						0
Net income for the period							-2,033	-2,033
Other comprehensive income for the period				579	5		486	1,070
Closing balance, January 31, 2021	8,650	-	2,899	594	-226	7,615	-10,472	9,060
Hybrid bond interest							-274	-274
Net income for the period							-4,490	-4,490
Other comprehensive income for the period				-83	34		2,169	2,120
Closing balance, October 31, 2021	8,650	-	2,899	511	-192	7,615	-13,067	6,416
Net income for the period							-2,442	-2,442
Other comprehensive income for the period				-338	98		69	-171
Closing balance, January 31, 2022	8,650	-	2,899	173	-94	7,615	-15,440	3,803

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

CONSOLIDATED CASH-FLOW STATEMENT

CONDENSED CASH-FLOW STATEMENT

MSEK	Q1	
	Nov-Jan 2021-2022	Nov-Jan 2020-2021
OPERATING ACTIVITIES		
Income before tax (EBT)	-2,597	-1,915
Depreciation, amortization and impairment	1,183	1,265
Income from sale of aircraft, buildings and shares	-24	-12
Adjustment for other non-cash items, etc.	762	-602
Tax paid	0	-2
Cash flow from operations before change in working capital	-676	-1,266
Change in working capital	562	-3,680
Cash flow from operating activities	-114	-4,946
INVESTING ACTIVITIES		
Investments including advance payments to aircraft manufacturers	-857	-775
Sale of fixed assets, etc.	579	263
Cash flow from investing activities	-278	-512
FINANCING ACTIVITIES		
Proceeds from borrowings	89	1,429
Repayment of borrowings	-138	-659
Amortization of lease liabilities	-639	-875
Other financing activities	249	64
Cash flow from financing activities	-439	-41
Cash flow for the period	-831	-5,499
Translation difference in cash and cash equivalents	1	0
Cash and cash equivalents at beginning of the period	4,268	10,231
Cash and cash equivalents at the end of the period	3,438	4,732

PARENT COMPANY SAS AB

The number of shareholders in SAS AB amounted to 230,117 (197,952) at January 31, 2022. The average number of employees amounted to two (two).

CONDENSED STATEMENT OF INCOME

MSEK	Q1	
	Nov–Jan 2021–2022	Nov–Jan 2020–2021
Revenue	12	10
Personnel expenses	-7	-8
Other operating expenses	-37	-13
Operating income (EBIT)	-32	-11
Impairment of shares in subsidiaries	0	-69
Net financial items	86	94
Income before tax (EBT)	54	14
Tax	0	0
Net income for the period	54	14

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

CONDENSED BALANCE SHEET

MSEK	Jan 31, 2022	Oct 31, 2021	Jan 31, 2021
Financial assets	25,009	24,939	25,430
Other current assets	61	31	146
Cash and cash equivalents	0	1	1
Total assets	25,070	24,971	25,577
Shareholders' equity	23,406	23,352	23,548
Non-current liabilities	1,598	1,559	1,443
Current liabilities	66	60	586
Total shareholders' equity and liabilities	25,070	24,971	25,577

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Restricted equity		Unrestricted equity			Total shareholders' equity
	Share capital ¹	Statutory reserve	Share premium reserve	Hybrid bonds	Retained earnings	
Opening shareholders' equity in accordance with approved balance sheet, October 31, 2021	8,650	447	2,729	7,615	3,911	23,352
Net income for the period					54	54
Closing balance, January 31, 2022	8,650	447	2,729	7,615	3,965	23,406

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

NOTE 1 ACCOUNTING POLICIES AND OTHER INFORMATION

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 2021 or later have not had any material effect on the consolidated financial statements. New or amended IFRSs that enter 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 regard 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 June 30, 2022 are not treated as a modification. The practical expedient has not had any effect on SAS' profit or loss in the period.

The IFRS Interpretations Committee (IFRS IC) published an agenda decision in April 2021 on configuration or customization costs in cloud computing arrangements. In the fourth quarter of 2021, SAS completed the review of the effects on the consolidated financial statements based on the IFRS IC's decisions and found that some previously reported intangible assets no longer meet the requirements to be reported as intangible assets. Adjustment was made retroactively in accordance with the rules for changing accounting policies in IAS 8 and previous periods have been recalculated.

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 carrying amounts of assets and liabilities, and revenue and expenses, this is also described on page 8 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 years 2021 and 2022.

For the first quarter, total capacity (ASK) was up 155.4% and total revenue passenger kilometers (RPK) rose 386.8% year-on-year. The number of passengers increased 208.0% year-on-year. Year-on-year, SAS revenue grew 143.0% for the quarter, but compared with the first quarter of fiscal year 2020, total revenue was down 42.9%. Despite measures taken by SAS to reduce costs, the significant decrease in revenue cannot be fully outweighed by cost reductions, and EBT for first quarter of fiscal year 2022 amounted to SEK -2.6 billion.

Throughout FY 2021 and even through the first quarter of FY 2022, SAS has worked continuously and 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 summer 2022.

However, market conditions remain uncertain and are directly dependent on pandemic developments and the speed at which vaccination is implemented in SAS' key markets thereby enabling travel restrictions to be relaxed further. SAS' view remains that the ramp-up phase for the airline industry will continue in 2022, with a return to pre-COVID-19 levels a few years thereafter. The expected gradual upturn has been delayed and uncertainty remains in 2022 due to the prevailing market conditions. The most recent developments of new COVID-19 variants are impacting demand and staff capacity. Moreover, passengers are increasingly choosing to book trips close to their departure dates, which adds further uncertainty to any assessment of future demand for the entire industry, primarily in the short term.

The prevailing uncertainty means that further cost reductions and efficiency initiatives as well as access to liquidity are critical factors. The SEK 3.0 billion credit facility secured by SAS in the third quarter of FY 2021 was utilized after the end of the first quarter.

As a result of the above, SAS is working on several different scenario analyses subject to regular updates and where the main scenario is that, compared with 2019, demand gradually increases in 2022, albeit further delayed due to recent developments of new COVID-19 variants, with a return to pre-pandemic levels a few years thereafter.

After the end of the quarter, SAS launched the FORWARD plan to strengthen SAS' future position. The plan contains further cost savings and includes renegotiations of existing financing arrangements and other long-term credit facilities. The Board's assessment is that the Group has adequate liquidity to continue operations for at least the next 12 months, and therefore continues to apply the going concern principle to the preparation of the financial statements.

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 3 (134). SAS has also applied for support from the Danish, Swedish and Norwegian states and municipalities regarding compensation for fixed costs, MSEK 10 (58) 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 0 (67).

REPLACEMENT OF PREVIOUSLY ISSUED WARRANTS

To replace previously issued warrants which have been issued for aviation policy reasons, the Board of SAS has on 29 November 2021, by virtue of the 2021 AGM's authorization, resolved on an issue of warrants with a subscription period until the end of 2041. The warrants were subscribed for by the wholly owned subsidiary Scandinavian Airlines System Aktiebolag and carry the right to subscribe for a total of 3,633,019,647 subordinated shares (equivalent to approximately 50 percent of the shares outstanding and votes in SAS).

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 based on destination. 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 breaks down revenue by material source country based on the country of sale.

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 a defined point in time.

REVENUE BY CATEGORY

	Q1	Q1
	Nov-Jan 2021-2022	Nov-Jan 2020-2021
Passenger revenue	3,506	1,097
Charter revenue	168	9
Cargo revenue	464	231
Other traffic revenue	686	400
Total traffic revenue	4,824	1,737
Other operating revenue	721	545
Total revenue	5,545	2,282

TRAFFIC REVENUE BY GEOGRAPHICAL AREA

	Domestic		Intra-Scandinavian		Europe		Intercontinental		Total	
	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021
Passenger revenue	1,215	676	368	80	1,177	239	746	102	3,506	1,097
Charter revenue	0	0	0	0	168	9	0	0	168	9
Cargo revenue	0	1	1	1	8	55	455	174	464	231
Other traffic revenue	237	246	72	29	230	87	147	38	686	400
Total traffic revenue	1,452	923	441	110	1,583	390	1,348	314	4,824	1,737

OTHER OPERATING REVENUE BY REGION

	Denmark		Norway		Sweden		Europe		Other countries		Total	
	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021
Other operating revenue	104	56	253	313	134	93	136	55	94	28	721	545

Refer to the above table for the Group's revenue broken down by category and to the table below for revenue broken down on a country basis for material sources of sales revenue.

REVENUE BY COUNTRY

	Sweden		Norway		Denmark		Other		Total	
	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Nov-Jan 2021-2022	Nov-Jan 2020-2021
Traffic revenue:										
Passenger revenue	1,055	242	1,096	446	460	77	895	332	3,506	1,097
Charter revenue	47	9	91	0	30	0	0	0	168	9
Cargo revenue	62	33	65	24	99	39	238	135	464	231
Other traffic revenue	206	88	215	163	90	28	175	121	686	400
Total traffic revenue	1,370	372	1,467	633	679	144	1,308	588	4,824	1,737
Total other operating revenue	134	93	253	313	104	56	230	83	721	545
Total revenue	1,504	465	1,720	946	783	200	1,538	671	5,545	2,282

NOTE 3 OTHER EXTERNAL EXPENSES

	Q1	Q1
	Nov-Jan 2021-2022	Nov-Jan 2020-2021
Sales and distribution costs	-325	-118
Catering costs	-153	-64
Handling costs	-443	-216
Technical aircraft maintenance	-383	-263
Computer and telecommunication costs	-271	-227
Wet-lease expenses	-322	-109
Other	-465	-106
Total	-2,362	-1,103

NOTE 4 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Q1	Q1
	Nov-Jan 2021-2022	Nov-Jan 2020-2021
Intangible assets, amortization	-10	-7
Tangible assets, depreciation	-372	-410
Right-of-use assets, depreciation	-801	-848
Total	-1,183	-1,265

NOTE 5 FINANCIAL NET

	Q1	Q1
	Nov-Jan 2021-2022	Nov-Jan 2020-2021
Financial income	9	6
Interest expense	-167	-117
Other financial expenses	-16	-5
Exchange-rate differences	5	-10
Interest expenses, IFRS 16	-170	-158
Exchange-rate differences, IFRS 16	-929	519
Total	-1,268	235

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

MSEK	Jan 31, 2022		Oct 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at fair value, hedge-accounted	148	148	11	11
Financial assets at FVTPL	19	19	10	10
Financial assets at amortized cost	7,132	7,132	8,283	8,283
Total	7,299	7,299	8,304	8,304
Financial liabilities				
Financial liabilities at fair value, hedge-accounted	29	29	32	32
Financial liabilities at FVTPL	6	6	3	3
Financial liabilities at amortized cost	21,453	21,212	19,978	20,511
Total	21,488	21,247	20,013	20,546

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

MSEK	Jan 31, 2022			Oct 31, 2021		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial assets at fair value, hedge-accounted	–	148	148	–	11	11
Financial assets at FVTPL	–	19	19	–	10	10
Total	–	167	167	–	21	21
Financial liabilities						
Financial liabilities at fair value, hedge-accounted	–	29	29	–	32	32
Financial liabilities at FVTPL	–	6	6	–	3	3
Total	–	35	35	–	35	35

The Board of Directors and President hereby certify 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, February 22, 2022

Carsten Dilling
Board Chairman

Lars-Johan Jarnheimer
Vice Chairman

Monica Caneman
Board member

Oscar Stege Unger
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

Kim John Christiansen
Board member

Anko van der Werff
President and CEO

This interim report is unaudited.

TRAFFIC DATA INFORMATION

SCHEDULED PASSENGER TRAFFIC

	Nov–Jan 2021–2022	Nov–Jan 2020–2021	Year-on-year change
Number of passengers (000)	3,010	998	201.5%
RPK, Revenue Passenger Kilometers (mill)	3,712	804	361.5%
ASK, Available Seat Kilometers (mill)	6,745	2,748	145.4%
Load factor	55.0%	29.3%	25.7 pp ¹
Passenger yield, currency-adjusted	0.945	1.374	-31.3%
Passenger yield, nominal	0.945	1.364	-30.7%
Unit revenue, PASK, currency-adjusted	0.520	0.402	29.3%
Unit revenue, PASK, nominal	0.520	0.399	30.3%
RASK, currency-adjusted	0.682	0.629	8.4%
RASK, nominal	0.682	0.627	8.7%

¹ Figures given in percentage points

TOTAL TRAFFIC (SCHEDULED AND CHARTER TRAFFIC)

	Nov–Jan 2021–2022	Nov–Jan 2020–2021	Year-on-year change
Number of passengers (000)	3,082	1,001	208.0%
RPK, Revenue Passenger Kilometers (mill)	3,953	812	386.8%
ASK, Available Seat Kilometers (mill)	7,072	2,769	155.4%
Load factor	55.9%	29.3%	26.6 pp ¹
Unit cost, CASK, currency-adjusted	-0.874	-1.433	-39.0%
Unit cost, CASK, nominal incl. items affecting comparability	-0.874	-1.409	-38.0%
Unit cost, CASK, excl. jet fuel, currency-adjusted	-0.713	-1.283	-44.4%
Unit cost, CASK, excl. jet fuel, nominal incl. items affecting comparability	-0.713	-1.255	-43.1%

¹ Figures given in percentage points

SCHEDULED TRAFFIC TREND FOR SAS BY ROUTE SECTOR

	Nov–Jan 2021–2022 vs. Nov–Jan 2020–2021	
	Traffic (RPK)	Capacity (ASK)
Intercontinental	989.0%	179.2%
Europe/Intra-Scandinavia	497.2%	292.5%
Domestic	102.4%	23.4%

PRODUCTIVITY AND ENVIRONMENTAL EFFICIENCY

12-month rolling	January, 2022	January, 2021	Year-on-year change
Aircraft, block hours/day	6.4	5.7	12.3%
Cabin crew, block hours/year	655	446	46.9%
Pilots, block hours/year	473	296	59.8%

Environmental efficiency	Nov–Jan 2021–2022	Nov–Jan 2020–2021	Year-on-year change
Total CO ₂ emissions, million metric tons	1,483	1,097	35.2%
CO ₂ emissions per available seat kilometer, grams	52.1	57.1	-8.8%

AIRCRAFT FLEET

THE SAS AIRCRAFT FLEET AT JANUARY 31, 2022

SAS Group Aircraft Fleet	Age	Owned	Leased	Wet lease	Total	SAS Scandinavia	SAS Connect	Wet lease	In SAS Group traffic	Firm order purchase	Firm order lease
Airbus A330/A350	6.6	8	6		14	14			14	2	
Airbus A320 family	7.0	19	48		67	58	9		67	35	1
Boeing 737NG	16.5	11	3		14	14			14		
Embraer E195-100					–				–		6
Bombardier CRJ	7.1			21	21			21	21		
ATR-72	8.4			6	6			6	6		
Total aircraft in operation	8.1	38	57	27	122	86	9	27	122	37	7
Aircraft under phase out											
Airbus A330	19.3		1		1						
Airbus A321	19.3		3		3						
Boeing 737NG	11.4	1	2		3						
Total		39	63	27	129						

Aircraft on firm order 2022–2025 at January 31, 2022	FY22	FY23	FY24	FY25	Total
Airbus A320neo	13	12	6	4	35
Airbus A321neo LR	1				1
Embraer E195-100	6				6
Airbus A350			2		2
Total	20	12	8	4	44



The new fleet lowers fuel consumption and thereby CO₂ emissions.

KEY FIGURES AND ALTERNATIVE PERFORMANCE MEASURES

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. Previously reported financial information for the financial years 2020 and 2021 has been restated due to new accounting principle "IFRS ICs - Cloud computing arrangement costs." See note 1. 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.

	Jan 31, 2022	Oct 31, 2021	Jan 31, 2021 ¹⁾
Return on invested capital (ROIC)	-11%	-13%	-30%
Financial net debt/EBITDA	148x	n/a	-6.1x
Financial preparedness	48%	60%	44%
Return on shareholders' equity	-105%	-84%	-327%
Equity/assets ratio	7%	12%	19%
Financial net debt, MSEK	29,812	26,770	23,069
Shareholders' equity excluding hybrid bonds per common share	-0.52	-0.16	0.20
Debt/equity ratio	7.8	4.1	2.43
Interest-coverage ratio	-3.6	-4.4	-7.9

¹⁾ The key figures as of January 31, 2021 have been restated due to the new accounting standard "IFRS IC's - Cloud computing arrangement costs." See Note 1.

EARNINGS-RELATED KEY FIGURES AND AVERAGE NUMBER OF EMPLOYEES

MSEK	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4
	Nov-Jan 2021-2022	Nov-Jan 2020-2021	Feb-Apr 2021	Feb-Apr 2020	May-Jul 2021	May-Jul 2020	Aug-Oct 2021	Aug-Oct 2020
Revenue	5,545	2,282	1,932	5,264	3,982	2,507	5,762	3,035
EBITDAR	-172	-927	-848	-1,915	432	-285	773	-1,175
EBITDAR margin	-3.1%	-40.6%	-43.9%	-36.4%	10.8%	-11.4%	13.4%	-38.7%
Operating income (EBIT)	-1,329	-2,150	-2,018	-3,311	-852	-2,704	-474	-2,719
Operating income (EBIT) margin	-24.0%	-94.2%	-104.5%	-62.9%	-21.4%	-107.9%	-8.2%	-89.6%
Income before tax (EBT)	-2,597	-1,915	-2,331	-3,718	-1,334	-2,046	-945	-3,252
Net income for the period	-2,442	-2,033	-2,410	-3,466	-1,336	-2,344	-744	-2,566
Income before tax and items affecting comparability	-2,621	-1,927	-2,331	-3,710	-1,213	-758	-911	-3,024
Earnings per common share (SEK)	-0.34	-0.28	-0.35	-9.14	-0.18	-6.12	-0.12	-4.44
Cash flow before financing activities	-392	-5,458	-2,922	-5,059	967	-2,016	1,120	-3,228
Average number of employees (FTEs)	6,326	4,983	4,476	7,988	5,190	4,937	6,214	6,981

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.

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 (× 7) – 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.

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 November 1, 2019, SAS Group applies the new accounting standard IFRS 16 – Leases. See Right-of-use assets.

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

Financial net debt/EBITDA – Average financial net debt in relation to EBITDA.

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 expenses 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. 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 costs of operating leases 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 November 1, 2019, SAS Group applies the new accounting 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 accounting standard IFRS 16 – Leases. IFRS 16 replaces 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.

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

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

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.

March 17, 2022	Annual General Shareholders' Meeting
May 31, 2022	Q2 Interim Report (Feb 2022–Apr 2022)
August 26, 2022	Q3 Interim Report (May 2022–Jul 2022)
November 30, 2022	Year-end report (Nov 2021–Oct 2022)

INVESTOR RELATIONS



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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.

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).