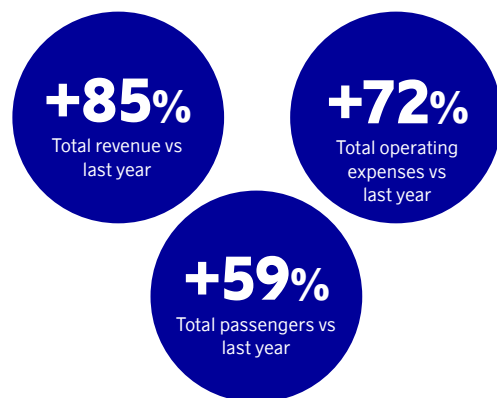


THE TRANSFORMATION PLAN PROGRESSES AND IMPORTANT GOALS ARE REACHED



KEY FIGURES – Q4 2022



AUGUST 2022–OCTOBER 2022

- Revenue: MSEK 10,651 (5,762)
- Income before tax (EBT): MSEK -1,701 (-945)
- Income before tax and items affecting comparability: MSEK -1,626 (-911)
- Net income for the period: MSEK -1,238 (-744)
- Earnings per common share: SEK -0.17 (-0.12)

NOVEMBER 2021–OCTOBER 2022

- Revenue: MSEK 31,824 (13,958)
- Income before tax (EBT): MSEK -7,846 (-6,525)
- Income before tax and items affecting comparability: MSEK -7,941 (-6,382)
- Net income for the period: MSEK -7,048 (-6,523)
- Earnings per common share: SEK -0.97 (-0.94)

SIGNIFICANT EVENTS DURING THE QUARTER

- In the beginning of August, SAS entered into a debtor-in-possession (“DIP”) financing credit agreement for USD 700 million with funds managed by Apollo Global Management. The initial tranche of USD 350 million was drawn in September.
- SAS has signed a letter of support with Heart Aerospace for the option to add their new electric aircraft to the SAS regional aircraft fleet.
- “Journeys That Matter” is the name of a new communication concept launched in September.
- The SAS FORWARD plan is progressing and new agreements were reached on amended terms and conditions for existing aircraft and equipment leases in the quarter with ten lessors for 36 aircraft. SAS has also rejected a number of lease contacts.

SIGNIFICANT EVENTS AFTER THE QUARTER

- Further agreements were reached regarding aircraft and equipment leases after the end of the quarter (in total, agreements have been reached with 13 lessors for 46 aircraft).
- SAS currently targets to complete its court-supervised process in the U.S. during the second half of 2023, the implementation of which is likely to entail additional legal proceedings in other jurisdictions than the U.S. As a result, there is no assurance that there will be any recovery for the shareholders of SAS AB. SAS expects that its operations will be unaffected by such legal proceedings and that it will continue to serve its customers as normal.

OUTLOOK

- The year-end report includes a financial outlook on p. 10

FINANCIAL SUMMARY¹

MSEK, unless noted otherwise	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2022	Aug–Oct 2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021
Revenue	10,651	5,762	31,824	13,958
Operating income (EBIT)	-92	-474	-3,332	-5,494
Operating income (EBIT) margin	-0.9%	-8.2%	-10.5%	-39.4%
Income before tax (EBT)	-1,701	-945	-7,846	-6,525
Income before tax and items affecting comparability	-1,626	-911	-7,941	-6,382
Net income for the period	-1,238	-744	-7,048	-6,523
Cash flow from operating activities	419	1,054	1,772	-4,756

	Oct 31, 2022	Oct 31, 2021
Return on invested capital	-8%	-13%
Financial net debt/adjusted EBITDA	23.3x	n/a
Financial preparedness	60%	60%
Equity/assets ratio	1%	12%
Earnings per common share (SEK)	-0.97	-0.94

¹⁾ The key figures as of October 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 November 30, 2022 at 8:00 a.m. CET.

COMMENTS BY THE CEO

During the fourth quarter, we have noted the highest number of passengers since the pandemic started. Our capacity increased 15% compared with the third quarter and grew 52% year-over-year. We are also proud to see that our Customer Satisfaction Index is increasing, meaning that not only our valued customers are continuing to choose us, but it also indicates that they are appreciating our product offering.

Overall underlying demand for travel was healthy during the summer and the trend continued through the fourth quarter, with an expected minor dip in October. We are now entering the slower winter months but are preparing for another active summer season in 2023 and are both rehiring as well as hiring to be able to meet the expected increased demand going forward.

SAS continues to make progress in our transformation plan SAS FORWARD and we reached important milestones in the Chapter 11 process during the fourth quarter. In August, SAS secured USD 700 million in debtor-in-possession (DIP) financing from Apollo Global Management. This substantial financing commitment gives us a strong financial position to support our operations throughout the Chapter 11 process. Over the past months, we have struck agreements with aircraft lessors regarding concessions and various cost-savings initiatives in line with our objectives.

We look forward to continuing collaboration with all our stakeholders, to succeeding with the SAS FORWARD plan and to becoming a competitive and financially strong airline.



Anko Van der Werff, President and CEO

QUARTERLY RESULTS

The fourth quarter is yet another quarter where we have noted the highest number of passengers since the pandemic started. Compared with the previous quarter, passengers flying with SAS increased 13% and the flown load factor reached approximately 77%. Our capacity increased 15% compared with the third quarter. SAS needs to continue its transformation to adapt to the new market conditions in order to be able to become more flexible, competitive and financially strong for the long term. Earnings before tax ended at negative SEK 1.7 billion, representing a quarter-on-quarter improvement of SEK 0.3 billion, or a year-on-year decrease of SEK 0.8 billion. As with previous quarters in 2022, the currencies and jet-fuel price have brought strong headwinds for our business.

Cost reductions across the business remain in focus to secure our cost competitiveness. Total operating expenses during the quarter ended at SEK 10.7 billion and total operating revenue landed at SEK 10.7 billion for the quarter. Total revenue increased 24% compared with the third quarter, a year-on-year improvement of approximately SEK 4.9 billion, but still 21% below the fourth quarter in 2019, which was unaffected by COVID-19.

The cash balance at the end of the quarter was SEK 8.7 billion. Operational cash flow during the quarter amounted to an inflow of SEK 0.4 billion, compared with an inflow of SEK 1.1 billion for the same period last year.

UPDATE ON PROGRESS WITH OUR TRANSFORMATION PLAN SAS FORWARD

SAS FORWARD is a comprehensive business transformation plan that was launched in conjunction with the publication of the first quarter report for FY 2022 at the end of February. The aim of the plan is to secure

long-term competitiveness for SAS in the global aviation industry. The plan aims to strengthen our financial position and achieve a sustainable cost structure with an annual cost reduction of approximately SEK 7.5 billion. As part of SAS FORWARD, we also plan to raise at least SEK 9.5 billion in new equity and convert more than SEK 20 billion of debt into equity.

SAS has made important progress in implementing the SAS FORWARD plan, having identified the full value of the SEK 7.5 billion target in reduced annual costs and we have continued to invest in our digital capabilities and sustainability efforts. The 5.5-year collective bargaining agreements reached between SAS and the SAS Scandinavia pilots' unions in July are also a key element of SAS FORWARD. These important agreements have resulted in increased flexibility and productivity, but are still subject to approval by the US court. SAS also received support for the plan from the Swedish, Danish and Norwegian governments. All three states have indicated an intention to convert SAS debt and hybrids into equity, subject to certain conditions including regulatory approvals. Denmark has also published that, potentially, it may invest new capital, subject to all stakeholders' participation in SAS FORWARD. However, much remains to be done.

To accelerate the implementation of key elements of the plan, SAS voluntarily filed for Chapter 11 in the U.S. on July 5. Chapter 11 is a legal process for financial restructuring conducted under U.S. federal court supervision. It has previously been used by a number of large international airlines to restructure. Through this process, SAS aims to reach agreements with key stakeholders, restructure our debt obligations, renegotiate our fleet contracts and emerge with a significant capital injection. SAS' operations and flight schedule are unaffected by the Chapter 11 filing and we continue to serve our customers as normal. SAS targets

to complete its court-supervised process in the U.S. during the second half of 2023, the implementation of which is likely to entail additional legal proceedings in other jurisdictions than the U.S. As a result, there is no assurance that there will be any recovery for the shareholders of SAS AB.

During the fourth quarter, SAS took important positive steps in the process by reaching agreements with several lessors to amend the terms of existing aircraft and equipment lease agreements. As of the date of publication of this year-end report, SAS has reached agreements with a total of 13 lessors, representing 46 aircraft. SAS has also rejected a number of lease contacts. For additional information, please refer to Note 1. This constitutes a major step in reconfiguring the fleet and achieving the SEK 7.5 billion in annual cost savings under the SAS FORWARD plan.

SAS SECURES USD 700 MILLION IN DEBTOR-IN-POSSESSION FINANCING

In August, SAS secured USD 700 million, or approximately SEK 7.0 billion, in debtor-in-possession (DIP) financing from Apollo Global Management. DIP financing is a specialized type of bridge financing used by businesses that are restructuring through a Chapter 11 process. The DIP financing, along with cash generated from our ongoing operations, enables SAS to continue meeting its obligations throughout the Chapter 11 process.

A NEW COMMUNICATION CONCEPT IS LAUNCHED

The pandemic brought about changes in demand as well as travel patterns. In order to stay relevant in the overall travel market we launched a new communication concept in September. The campaign highlights the importance of traveling and represents SAS' first brand campaign since 2020 and is called "Journeys that matter." The new communication concept speaks

to this new, wider target group. It emphasizes that traveling gives us new perspectives, experiences and lifelong memories. The revised and updated visual identity adds new warm and personal elements while retaining our characteristic core.

THE COMING WINTER SEASON

We have entered the winter season, and we remain cautious due to the prevailing uncertainties around the world. Traffic to and from Asia remains affected by COVID-19 restrictions as well as by the geopolitical situation in Eastern Europe, and Russian airspace remains closed.

In comparison with last winter, SAS has noted a general increase in demand for travel both to classic ski destinations and to warmer holiday destinations. For the winter program SAS continues to open new routes and schedules more flights to popular destinations. During the coming winter, SAS will operate more than 170 routes to 90 destinations. More capacity will be added and SAS is returning to popular winter destinations such as Miami, Sälen/Trysil, Innsbruck and Salzburg.

LOOKING AHEAD

Looking ahead to the next summer season we are preparing for substantial recruitments and rehiring that have been initiated in order to meet the expected increased future demand.

The SAS FORWARD plan includes positioning SAS as a leader in sustainable aviation. SAS will continue to invest in modern fuel-efficient aircraft, sustainable

aviation fuels, emerging technologies, and sustainable products and services. By 2025 we will reduce our CO₂ emissions by at least 25% compared with 2005. During the quarter, we signed an important letter of support with Heart Aerospace for the option to add their new electric aircraft, ES-30, to the SAS regional aircraft fleet. This has the potential of being a significant step on SAS' sustainability journey, enabling zero-emission flights on routes within Scandinavia.

We appreciate the feedback we receive from our passengers. We are looking to increase personalization and improve our digital tools, as well as develop partnerships to increase our customer offering. We will continue to launch new exciting routes and will increase our frequencies.

We are engaging with other stakeholders as part of the next phase of the Chapter 11 process, which includes launching an equity solicitation process to obtain the capital necessary to implement our SAS FORWARD plan and working to build consensus for a plan of reorganization.

My colleagues at SAS are working really hard and are doing their very best to ensure that every aspect of the customer journey is as good as it possibly can be. I am extremely grateful for all their efforts.

As always, we look forward to welcoming our customers on board our aircraft.

Anko van der Werff
President and CEO
Stockholm, November 30, 2022

COMMENTS ON SAS' FINANCIAL STATEMENTS

INCOME STATEMENT, SUMMARY Q1–Q4 2022

MSEK Income statement	Nov–Oct 21–22	Nov–Oct 20–21	Change vs LY	Cur- rency effects	Change vs LY (Curr. adj)
Revenue	31,824	13,958	+17,866	+579	+17,287
Total operating expenses	-35,156	-19,452	-15,704	-878	-14,826
Operating income (EBIT)	-3,332	-5,494	+2,162	-299	+2,461
Income before tax (EBT)	-7,846	-6,525	-1,321	-3,402	+2,081

Revenue

Revenue totaled MSEK 31,824 (13,958), see Note 2. Currency-adjusted revenue was up MSEK 17,287 year-on-year. The increase in revenue mainly related to increased production and increased demand.

Currency-adjusted passenger revenue rose 165%. 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 7,661. The higher load factor had a positive effect of MSEK 9,085. The lower yield had a negative effect of MSEK 2,286 on passenger revenue due to changed travel patterns.

Currency-adjusted cargo revenue increased MSEK 387 and currency-adjusted charter revenue was up MSEK 1,308. Other traffic revenue (currency-adjusted) was up MSEK 1,310. The increase in revenue was mainly related to higher traffic volumes.

Other operating revenue (currency-adjusted) was MSEK 179 lower year-on-year. In the third quarter of 2022, a negative revenue adjustment was recognized and a SEK 1.1 billion provision was made to cover estimated compensation claims from customers regarding flights cancelled in conjunction with the pilot strike in July. Higher revenue from ground handling operations, sales of EuroBonus points and other volume-related revenues mitigated the impact of the above.

Operating expenses

Personnel expenses amounted to MSEK -7,086 (-5,504). After adjustment for currency and items affecting comparability, personnel expenses increased MSEK 1,457 year-on-year. The increase derived primarily from more employees and that the previous year included support for temporary layoffs.

Jet-fuel costs amounted to MSEK -8,511 (-2,370). Adjusted for currency, jet-fuel costs increased 215%. Volume effects had a negative impact on costs of MSEK 4,301. Increased jet-fuel prices had a negative impact of MSEK 1,865. The effects of emission rights together with hedge effects had a positive impact of MSEK 388 year-on-year.

Air traffic charges amounted to MSEK -2,855 (-1,342). Adjusted for currency, air traffic charges increased 103%. The increase pertained mainly to higher traffic volumes.

Other external expenses amounted to MSEK -12,058 (-5,286), see Note 3. Year-on-year, other external expenses (currency-adjusted) increased MSEK 6,416. The increase pertained primarily to higher costs for handling, sales and distribution, and technical maintenance as well as wet leases. Currency-adjusted handling costs, and sales and distribution costs increased MSEK 944 and MSEK 993 respectively, mainly related to higher volumes. Technical maintenance costs (currency-adjusted) increased MSEK 332 due to increased volumes. Wet-lease expenses increased MSEK 1,239 (currency-adjusted) primarily due to increased demand. Other external expenses for the corresponding period last year included compensation for fixed costs of MSEK 880.

Depreciation, amortization and impairment amounted to MSEK -4,763 (-4,817), a decrease of MSEK 54 year-on-year. See Note 4.

Financial net

Financial income and expenses amounted to net MSEK -4,514 (-1,031), representing an increase in net expenses of MSEK 3,483 year-on-year. The increase mainly related to currency revaluations for lease liabilities of MSEK 3,100, which had a negative impact of MSEK 2,906 this year, compared with a positive impact of MSEK 194 last year. See Note 5.

Net income for the period

Operating income amounted to MSEK -3,332 (-5,494) and EBT amounted to MSEK -7,846 (-6,525).

Net income for the period was MSEK -7,048 (-6,523) and tax for the period amounted to MSEK 798 (2).

Income tax for the period was largely attributable to the effects of currency revaluations of lease liabilities.

Year-on-year, the foreign exchange-rate trend had a positive impact on revenue of MSEK 579 and a negative effect on operating expenses of MSEK 878. Foreign exchange rates thus had a negative impact on operating income of MSEK 299. Net financial items were negatively impacted by currency items amounting to MSEK 3,103. In total, currency effects had a net negative impact of MSEK 3,402 on EBT.

Items affecting comparability

Total items affecting comparability amounted to MSEK 95 (-143) during the period and pertained to capital gains on the sale of three 737-800 aircraft and sale and leaseback transactions for nine A320 aircraft and eight spare engines. In addition to the above, SAS has rejected a number of lease contracts under the Chapter 11 process with a negative earnings impact of MSEK 88. Last year, items affecting comparability mainly comprised a capital gain from the sale of five 737-800 aircraft and sale and leaseback transactions for one A350 aircraft and 20 engines.

**INCOME STATEMENT, SUMMARY
Q4 2022**

MSEK Income statement	Aug–Oct 2022	Aug–Oct 2021	Change vs LY	Cur- rency effects	Change vs LY (Curr. adj)
Revenue	10,651	5,762	+4,889	+316	+4,573
Total operating expenses	-10,743	-6,236	-4,507	-528	-3,979
Operating income (EBIT)	-92	-474	+382	-212	+594
Income before tax (EBT)	-1,701	-945	-756	-1,161	+405

Revenue

Revenue totaled MSEK 10,651 (5,762), see Note 2. Currency-adjusted revenue was up MSEK 4,573 year-on-year. The increase in revenue mainly related to increased production and increased demand.

Currency-adjusted passenger revenue rose 84%. 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 1,965. The higher load factor had a positive effect of MSEK 1,888. The lower yield had a negative effect of MSEK 316 on passenger revenue due to changed travel patterns.

Currency-adjusted cargo revenue increased MSEK 22 and currency-adjusted charter revenue was up MSEK 432 year-on-year. Other traffic revenue (currency-adjusted) was up MSEK 260. The increase in revenue was mainly related to higher traffic volumes.

Other operating revenue (currency-adjusted) was MSEK 322 higher year-on-year.

Operating expenses

Personnel expenses amounted to MSEK -1,879 (-1,438). After adjustment for currency and items affecting comparability, personnel expenses increased MSEK 385 year-on-year. The increase was mainly due to more employees and to the previous year including support for temporary layoffs.

Jet-fuel costs amounted to MSEK -2,841 (-1,033). Adjusted for currency, jet-fuel costs increased 128%. Volume effects had a negative impact on costs of MSEK 1,112. Increased jet-fuel prices had a negative impact of MSEK 787 on these costs. The effects of emission rights together with hedge effects had a positive impact of MSEK 307 year-on-year.

Air traffic charges amounted to MSEK -887 (-549). Adjusted for currency, air traffic charges increased 52%. The increase pertained mainly to higher traffic volumes.

Other external expenses amounted to MSEK -3,813 (-1,972), see Note 3. Year-on-year, other external expenses (currency-adjusted) increased MSEK 1,622. The increase pertained primarily to higher costs for handling, sales and distribution, and technical maintenance as well as wet leases. Currency-adjusted handling costs, and sales and distribution costs increased MSEK 188 and MSEK 249 respectively, mainly related to higher volumes. Technical maintenance costs (currency-adjusted) decreased MSEK 9. Wet-lease expenses increased MSEK 295 (currency-adjusted) primarily due to increased demand.

Depreciation, amortization and impairment amounted to MSEK -1,251 (-1,212), an increase of MSEK 39 year-on-year. See Note 4.

Financial net

Financial income and expenses amounted net to MSEK -1,609 (-471), representing an increase in net expenses of MSEK 1,138 year-on-year. The increase mainly related to currency revaluations for lease liabilities, which had a negative impact of MSEK 1,101 this year, compared with a negative impact of MSEK 161 last year. See Note 5.

Net income for the period

Operating income amounted to MSEK -92 (-474) and EBT was MSEK -1,701 (-945).

Net income for the period was MSEK -1,238 (-744) and tax for the period amounted to MSEK 463 (201). Income tax for the period was largely attributable to the effects of currency revaluations of lease liabilities.

Year-on-year, the foreign exchange-rate trend had a positive impact on revenue of MSEK 316 and a negative effect on operating expenses of MSEK 528. Foreign exchange rates thus had a negative impact on operating income of MSEK 212. Net financial items were negatively impacted by currency items amounting to MSEK 949. In total, currency effects had a net negative impact of MSEK 1,161 on EBT.

Items affecting comparability

Total items affecting comparability amounted to MSEK -75 (-34) during the period and pertained to sale and leaseback transactions for three A320 aircraft and the rejection of a number of lease contracts as a stage of the Chapter 11 process. Last year, items affecting comparability mainly comprised sale and leaseback transactions for two 737-800 aircraft and eight engines.

BALANCE SHEET & FINANCIAL POSITION**Assets**

Intangible and tangible fixed assets increased MSEK 310 since October 31, 2021. Changes for the period included investments of MSEK 5,093, amortization, depreciation and impairment of MSEK -1,508, sales of MSEK -4,896 and other effects of MSEK 1,621. The amount for investments included advance payments of MSEK 1,911 as well as delivery payments for new Airbus A320 aircraft amounting to MSEK 1,746. Other aircraft investments comprised capitalized expenditures for engine maintenance and modifications. Other effects included rejection of a lease contract regarding one A350 under Chapter 11 of MSEK -1,567 and translation differences of slightly more than MSEK 3,000.

Right-of-use assets increased MSEK 881 during the period. New leases amounted to MSEK 4,011, and mainly related to new leases for nine A320 aircraft, one A321LR, five E195s and eight spare engines. Changes in indexation and modification in underlying agreements as well as the rejection of lease contracts under Chapter 11 increased net assets by MSEK 107, and depreciation and impairment totaled MSEK -3,255. The currency effect was MSEK 18.

Financial assets increased MSEK 2,682, mainly due to remeasurements for SAS' defined-benefit pension plans.

Deferred tax assets increased MSEK 502, where the increase was primarily due to the effects of currency revaluations of lease liabilities. No loss carryforwards were capitalized during the year.

Current receivables increased MSEK 1,777. This increase was mainly attributable to increased deposits and higher accounts receivable, which were offset by state aid received for the previous fiscal year.

Cash and cash equivalents were MSEK 8,654 (4,268) as of October 31, 2022. Unutilized contracted credit facilities amounted to MSEK 3,847 (2,969). Financial preparedness amounted to 60% (60) of SAS' fixed costs.

Shareholders' equity and liabilities

Shareholders' equity decreased MSEK 5,654 to MSEK 762. The decrease pertained mainly to net income for the period of MSEK -7,048, changes in cash-flow hedges of MSEK -755 and the positive actuarial effect on defined-benefit pension plans of MSEK 1,937.

Non-current liabilities increased MSEK 8,564 and *current liabilities* increased MSEK 7,535. The total increase in liabilities was MSEK 16,099 and was mainly due to currency revaluations, new leases, new borrowing and increased unearned transportation liabilities.

Interest-bearing liabilities

On October 31, 2022, interest-bearing liabilities amounted to MSEK 45,519 (32,924), an increase of MSEK 12,595 since October 31, 2021. New loans and amortization for the period were MSEK 8,515 and MSEK 3,359 respectively. New loans and amortization of lease liabilities were MSEK 4,226 and MSEK 2,820 respectively. The return of lease contracts under the Chapter 11 process has reduced debt with just over MSEK 1,600. Currency revaluations increased liabilities by about MSEK 8,000, and other items decreased liabilities by about MSEK 400.

Financial net debt

As of October 31, 2022, financial net debt amounted to MSEK 33,657 (26,770), an increase of MSEK 6,887 since October 31, 2021. The increase was primarily attributable to the net negative effect of currency revaluations of about MSEK 7,000 and new lease liabilities of MSEK 4,226 offset by the positive cash flow before

financing activities of MSEK 2,521 as well as the rejection of lease contracts under the Chapter 11 process that reduced debt with just over MSEK 1,600.

Key figures

On October 31, 2022, the return on invested capital (ROIC) was -8%, up 5 percentage points since October 31, 2021. The increase pertained mainly to an improved operating income (EBIT).

Financial preparedness was 60% (60%) at the end of the quarter. Higher fixed costs were the primary reason for the change in the key figure.

The financial net debt/adjusted EBITDA ratio was a multiple of 23.3 as of October 31, 2022. On October 31, 2021, the multiple was negative.

As of October 31, 2022, the equity/assets ratio amounted to 1%, compared with 12% on October 31, 2021. The decline was primarily attributable to lower shareholders' equity as a result of the period's negative earnings.

CASH-FLOW STATEMENT

Cash flow for the period amounted to MSEK 4,375 (-5,964). Cash and cash equivalents amounted to MSEK 8,654, 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 -183 (-2,082) for the period. The increased cash flow mainly pertained to the improvement in currency-adjusted earnings.

The change in working capital was positive for the period and amounted to MSEK 1,955 (-2,674). A major reason for the positive change year-on-year was the substantial rise in the unearned transportation liability during the period and due to last year being affected by lower forward bookings. The period was also positively impacted by lower payments for, inter alia, technical maintenance and accounts payable.

Cash flow from operating activities was positive in the fourth quarter at MSEK 419 and for the year amounted to MSEK 1,772 compared with MSEK -4,756 last year, representing a year-on-year improvement of MSEK 6,528.

Investing activities

Investments amounted to MSEK 5,093 (4,104) and pertained to aircraft. Other investments for the period comprised nine A320 aircraft, capitalized expenditure for aircraft maintenance, modifications and advance payments to Airbus. During the period, three 737-800 aircraft were sold and eight engines and nine A320 aircraft were sold and leased back, generating inflows of MSEK 5,708 (2,500)

Financing activities

New loans amounted to MSEK 8,515 (5,319), while repayments totaled MSEK 3,359 (2,562). Amortization of lease liabilities totaled MSEK 2,820 (2,788).

PARENT COMPANY

The Parent Company SAS AB conducts extremely limited intra-Group services. Revenue totaled MSEK 426 (49) and operating expenses MSEK -560 (-76). Net financial items totaled MSEK 213 (461) and impairment of shares in subsidiaries amounted to MSEK -2,788 (-309). Net income for the period was MSEK -2,709 (92).

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/adjusted 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/adjusted 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

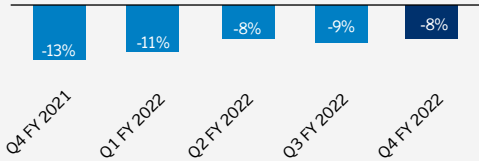
• In the beginning of August, SAS entered into a debtor-in-possession (“DIP”) financing credit agreement for USD 700 million with funds managed by Apollo Global Management. DIP financing is a specialized type of bridge financing used by businesses that are restructuring through a Chapter 11 process and is structured as a delayed draw term loan (DDTL) – a non-amortized, senior secured super-priority credit with several scheduled disbursements under the loan’s tenor – with a nine-month maturity from the closing date. The maturity date can be extended incrementally up to an 18-month term. The first tranche of USD 350 million was utilized in September following the court’s approval of the DIP term loan agreement. The remaining USD 350 million will be available upon the satisfaction of certain other conditions under the DIP term loan agreement and is expected to be available for utilization in the first quarter of fiscal year 2023. The DIP term loan agreement is secured in the form of collateral in

substantially all SAS’ not previously pledged assets, whether real or personal, tangible or intangible, now existing or hereafter acquired (subject to certain customary exclusions), including certain take-off and landing slots at London Heathrow Airport; all shares in certain companies in the SAS Group, including the Consortium and SAS EuroBonus AB (which owns all rights to the EuroBonus loyalty program); material registered intellectual property; certain unencumbered aircraft and engines; intercompany receivables; and the products and proceeds of the foregoing.

- SAS has signed a letter of support with Heart Aerospace for the option to add their new electric aircraft to the SAS regional aircraft fleet.
- “Journeys That Matter” is the name of a new communication concept launched in September.
- The SAS FORWARD plan is progressing and new agreements were reached on amended terms and conditions for existing aircraft and equipment leases in the quarter with ten lessors for 36 aircraft. SAS has also rejected a number of lease contacts.

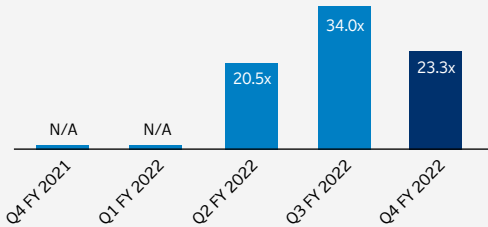
RETURN ON INVESTED CAPITAL (ROIC), 12-MONTH ROLLING, %

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.



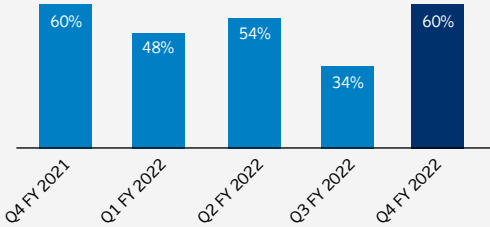
FINANCIAL NET DEBT/ADJUSTED EBITDA

SAS has a target for the financial net debt/adjusted 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.



EVENTS AFTER OCTOBER 31, 2022

- Further agreements were reached regarding aircraft and equipment leases after the end of the quarter (in total, agreements have been reached with 13 lessors for 46 aircraft).
- SAS currently targets to complete its court-supervised process in the U.S. during the second half of 2023, the implementation of which is likely to entail additional legal proceedings in other jurisdictions than the U.S. As a result, there is no assurance that there will be any recovery for the shareholders of SAS AB. SAS expects that its operations will be unaffected by such legal proceedings and that it will continue to serve its customers as normal.

DEMAND RECOVERY AND MARKET COMPETITION

The outbreak of the COVID-19 pandemic has entailed the greatest challenge ever for the aviation industry. Demand for air travel contracted drastically and the recovery following the pandemic's outbreak has progressed slower than expected. Moreover, the recovery has been negatively affected by Russia's invasion of Ukraine in February 2022 and the resultant consequences.

The current assessment is that, in terms of passenger numbers, demand for air travel with SAS will have recovered to approximately 90 percent of pre-Covid levels by the end of the first half of fiscal year 2023.

SAS expects demand for short-haul leisure travel to return to pre-Covid levels in fiscal year 2024, while demand for short-haul business travel is expected to level off at approximately 80 percent of pre-Covid levels. Similarly, demand for long-haul leisure flights is expected to recover faster than demand for long-haul business flights.

The Scandinavian air travel market has three customer segments:

1. customers whose primary focus is the price of the offering;
2. customers who want a high quality offering but who remain price sensitive; and
3. customers who value the quality of the offering highly.

Based on this segmentation, SAS has primarily operated in the third segment historically, namely the premium segment. In the last few years, the premium segment's share of the total market has declined and, in coming years, SAS expects this trend to continue. However, the other two segments, that is the low-cost segments, have posted a more positive trend driven by the expansion of several low-cost carriers in the Scandinavian market. This trend started prior to the COVID-19 pandemic and is expected to continue. This has resulted in increased competition in the Scandinavian market and SAS needing to reduce its cost per available seat kilometer ("CASK"), after adjustment for changes in fuel prices, to remain competitive.

FINANCIAL PROJECTIONS

SAS expects revenue to reach approximately SEK 40 billion in fiscal year 2023 and to return to pre-COVID levels in fiscal year 2025. In fiscal year 2026, revenue is expected to reach approximately SEK 49 billion.

Furthermore, SAS expects earnings before tax, excluding gains or losses related to the completion of the Chapter 11 process amounting to a loss of approximately SEK 4–5 billion for fiscal year 2023. The company expects to reach positive EBT in fiscal year 2024, thereafter increasing to approximately SEK 3–4 billion in fiscal year 2026 and corresponding to an EBT margin of approximately 6–8 percent, at which time, the SAS FORWARD plan is expected to have been fully implemented.

Debt or debt-like items of SEK 20 billion are expected to be converted or reduced through the Chapter 11 process during fiscal year 2023. Assuming successful implementation of the SAS FORWARD plan, SAS expects to attain a strong financial position and the company aims to be nearly net debt free by the end of fiscal year 2026.

SAS also expects to achieve a liquidity level (cash and cash equivalents divided by revenue [rolling 12 months]) exceeding 15 percent by the end of fiscal year 2023, and increasing to 25–30 percent by the end of fiscal year 2025 and beyond.

The financial information set forth above is not a guarantee of future performance. Even though the financial information reflects SAS' current beliefs and expectations, it is subject to material uncertainties and factors, e.g., fuel prices, foreign exchange rates, inflation, demand recovery and supply chain instability, that could cause actual results to differ materially from the financial information above. The financial information is premised upon a successful progression and execution of the SAS FORWARD plan, and a demand recovery in line with expectations as described above. Furthermore, the financial information is based on the following foreign exchange assumptions: an exchange rate of 10.67 SEK/USD through the end of fiscal year 2023, 9.20 SEK/USD for fiscal year 2024, and 8.75 SEK/USD for fiscal year 2025 and beyond; and the following fuel price assumption: 1,140 USD/MT (metric tons) gradually reducing up to the end of fiscal year 2025 in which it is assumed to remain constant at 676 USD/MT for fiscal year 2026 and beyond. All numbers are presented on a consolidated basis for the SAS Group.

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 pandemics, 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.

OPERATING ENVIRONMENT

Over the past two years, the COVID-19 pandemic has significantly affected the whole aviation industry, including SAS. And in some parts of the world, residual effects such as travel restrictions still remain in place. Substantially rising demand for travel is having a significant impact and the industry is struggling to recover quickly enough to meet this positive trend. The current geopolitical situation and turbulence in Eastern Europe is also affecting the airline industry and, inter alia, is impacting the recovery of traffic to and from Asia, albeit with limited impact on 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 and additional during 2022; Claims related to Chapter 11. Currency and jet-fuel hedging is described below and the impact of COVID-19 is described on page 18 in Note 1.

SAS closely monitors the development of risks and uncertainties on an ongoing basis.

CURRENCY AND JET-FUEL HEDGING

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

SENSITIVITY ANALYSIS, JET-FUEL COST JUL 2022–OCT 2023, SEK BILLION

Market price	Exchange rate SEK/USD				
	9.5	10.0	10.5	11.0	11.5
USD 600/MT	6.8	7.2	7.5	7.9	8.2
USD 700/MT	7.7	8.1	8.5	8.9	9.3
USD 800/MT	8.6	9.1	9.5	10.0	10.4
USD 900/MT	9.5	10.0	10.5	11.0	11.5
USD 1,000/MT	10.4	11.0	11.5	12.1	12.6

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.

the hedging ratio for jet fuel. The exception applies for FY 2023 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 2023 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 40% of its anticipated USD cash flow deficit for the next 12 months. SAS normally hedges the USD deficit using forward contracts and currency options. In terms of NOK, which is SAS' largest surplus currency, 40% 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 80, excluding hedge effects. A weakening of the USD against the SEK of 1% would generate a positive earnings impact of MSEK 156, excluding hedge effects, before any potential IFRS 16 effects.

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 1,750 and the USD rate as of October 31, 2022, a weakening of the USD against the SEK of 1% would generate a positive earnings impact of approximately MSEK 148 in profit or loss and a positive effect in OCI of approximately MSEK 44.

CHAPTER 11 PROCESS

SAS is taking steps as part of SAS FORWARD, its comprehensive business transformation plan that was launched to enable the company to continue to be a competitive player in the global airline industry. On July 5, 2022, SAS AB, together with some of its subsidiaries, initiated a court-supervised process in the United States by voluntarily filing for Chapter 11. This process will provide SAS with legal tools to strengthen its financial position and accelerate work with SAS FORWARD, while allowing us to continue operating our airline. The Chapter 11 process is a legal process under the supervision of the U.S. federal court system, which many large international airlines based outside of the U.S. have successfully used over the years to reduce their costs and complete financial restructurings. (Further information on the Chapter 11 process is available at: <https://www.sasgroup.net/investor-relations/accelerating-sas-forward/transformation-plan-en/> Further information on the outlook is available on: <https://www.sasgroup.net/newsroom/press-releases/2022/sas-announces-further-details-on-the-sas-forward-plan-including-a-financial-outlook/>)

SAS' operations are unaffected by the Chapter 11 filing, and SAS will continue to serve its customers as normal. SAS expects to have sufficient liquidity to support its business and meet its obligations going forward. SAS has entered an agreement for USD 700 million in Debtor-in-Possession (DIP) financing with funds managed by Apollo Global Management, which provides SAS with a strong financial position to maintain operations throughout the Chapter 11 process. The DIP financing was approved by the US court in mid-September 2022. (Further information on the DIP financing is available at: <https://www.sasgroup.net/newsroom/press-releases/2022/sas-secures-usd-700-million-in-debtor-in-possession-financing/>)

The Chapter 11 process in the US is expected to be completed during the second half of 2023.

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 EUR 70.2 million. 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 EUR 70.2 million fine. The CJEU's ruling entered into force and the EUR 70.2 million 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 EUR 70.2 million was the same as that imposed under the 2010 decision. SAS appealed the European Commission's decision and a hearing was held in the CJEU in July 2019. Judgement was announced on March 30, 2022. SAS was partly successful with its appeal and the fine paid in under 2017 was slightly reduced. SAS has appealed the judgement.

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	Q4		Q1-Q4	
		Aug-Oct 2022	Aug-Oct 2021	Nov-Oct 2021-2022	Nov-Oct 2020-2021
Revenue	2	10,651	5,762	31,824	13,958
Personnel expenses		-1,879	-1,438	-7,086	-5,504
Jet-fuel costs		-2,841	-1,033	-8,511	-2,370
Air traffic charges		-887	-549	-2,855	-1,342
Other external expenses	3	-3,813	-1,972	-12,058	-5,286
Depreciation, amortization and impairment	4	-1,251	-1,212	-4,763	-4,817
Income from shares in affiliated companies		3	2	22	10
Income from the sale and return of aircraft and other non-current assets		-75	-34	95	-143
Operating income (EBIT)		-92	-474	-3,332	-5,494
Financial income and expenses	5	-1,609	-471	-4,514	-1,031
Income before tax (EBT)		-1,701	-945	-7,846	-6,525
Tax		463	201	798	2
Net income for the period		-1,238	-744	-7,048	-6,523
Other comprehensive income					
<i>Items that may later be reversed to net income:</i>					
Exchange-rate differences in translation of foreign operations		80	20	212	39
Cash-flow hedges, net after tax		-106	94	-755	496
<i>Items that will not be reversed to net income:</i>					
Revaluations of defined-benefit pension plans, net after tax		661	575	1,937	2,655
Total other comprehensive income, net after tax		635	689	1,394	3,190
Comprehensive income for the period		-603	-55	-5,654	-3,333
<i>Attributable to Parent Company shareholders:</i>					
Net income for the period		-1,238	-744	-7,048	-6,523
Comprehensive income for the period		-603	-55	-5,654	-3,333
Earnings per common share before and after dilution (SEK) ¹⁾		-0.17	-0.12	-0.97	-0.94

¹⁾ Earnings per common share are calculated as net income for the period attributable to Parent Company shareholders as well as hybrid bond expenses in relation to 7,266,039,292 (7,266,039,292) shares outstanding during the respective periods.

INCOME BEFORE TAX AND ITEMS AFFECTING COMPARABILITY

MSEK	Q4		Q1-Q4	
	Aug-Oct 2022	Aug-Oct 2021	Nov-Oct 2021-2022	Nov-Oct 2020-2021
Income before tax (EBT)	-1,701	-945	-7,846	-6,525
Restructuring costs	-	-	-	-
Rejection of lease contracts in Chapter 11	88	-	88	-
Capital gains/losses ¹⁾	-13	34	-183	143
Income before tax and items affecting comparability	-1,626	-911	-7,941	-6,382

¹⁾ Capital gains/losses include aircraft and engines sales amounting to MSEK 170 (-139), sales of subsidiaries 13 (0) and facility sales of MSEK 0 (-4) in the November-October period.

CONSOLIDATED BALANCE SHEET

CONDENSED BALANCE SHEET

MSEK	Oct 31, 2022	Oct 31, 2021
ASSETS		
Non-current assets		
Intangible assets	692	709
Tangible assets	18,296	17,969
Right-of-use assets	17,840	16,959
Financial assets	10,847	8,165
Deferred tax assets	1,628	1,126
Total non-current assets	49,303	44,928
Current assets		
Inventories and expendable spare parts	319	412
Current receivables	4,881	3,104
Cash and cash equivalents	8,654	4,268
Total current assets	13,854	7,784
TOTAL ASSETS	63,157	52,712
EQUITY AND LIABILITIES		
Total shareholders' equity	762	6,416
Non-current liabilities		
Interest-bearing liabilities	16,627	12,989
Interest-bearing lease liabilities	17,686	13,231
Other non-current liabilities	4,283	3,812
Total non-current liabilities	38,596	30,032
Current liabilities		
Interest-bearing liabilities	7,379	3,871
Interest-bearing lease liabilities	3,828	2,833
Other current liabilities	12,592	9,560
Total current liabilities	23,799	16,264
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	63,157	52,712
Interest-bearing assets	21,114	12,746
Interest-bearing liabilities	45,519	32,924
Working capital	-11,692	-9,076

SPECIFICATION OF FINANCIAL NET DEBT, OCTOBER 31, 2022

	According to balance sheet	Of which financial net debt
Financial assets	10,847	712
Current receivables	4,881	2,496
Cash and cash equivalents	8,654	8,654
Non-current liabilities	38,596	34,313
Current liabilities	23,799	11,206
Financial net debt		33,657

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
Hybrid bond interest							-274	-274
Net income for the period							-6,523	-6,523
Comprehensive income for the period				496	39		2,655	3,190
Closing balance, October 31, 2021	8,650	0	2,899	511	-192	7,615	-13,067	6,416
Hybrid bond interest ²							-	-
Net income for the period							-7,048	-7,048
Comprehensive income for the period				-755	212		1,937	1,394
Closing balance, October 31, 2022	8,650	0	2,899	-244	20	7,615	-18,178	762

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).

² Due interest payments of MSEK 367 that have been deferred according to press release April 7, 2022 and October 13, 2022.

CONSOLIDATED CASH-FLOW STATEMENT

CONDENSED CASH-FLOW STATEMENT

MSEK	Q4	Q4	Q1-Q4	Q1-Q4
	Aug-Oct 2022	Aug-Oct 2021	Nov-Oct 2021-2022	Nov-Oct 2020-2021
OPERATING ACTIVITIES				
Income before tax (EBT)	-1,701	-945	-7,846	-6,525
Depreciation, amortization and impairment	1,251	1,212	4,763	4,817
Income from sale of aircraft and buildings	88	34	-82	143
Adjustment for other non-cash items, etc.	1,248	115	2,982	-515
Tax paid	0	0	0	-2
Cash flow from operations before change in working capital	886	416	-183	-2,082
Change in working capital	-467	638	1,955	-2,674
Cash flow from operating activities	419	1,054	1,772	-4,756
INVESTING ACTIVITIES				
Investments including advance payments to aircraft manufacturers	-1,356	-363	-5,093	-4,104
Acquisition of subsidiaries and affiliated companies	-	-	0	-1
Sale of subsidiaries and affiliated companies	26	-	26	-
Sale of fixed assets, etc.	1,697	429	5,816	2,568
Cash flow from investing activities	367	66	749	-1,537
FINANCING ACTIVITIES				
Proceeds from borrowings	3,734	719	8,515	5,319
Repayment of borrowings	-789	-964	-3,359	-2,562
Amortization of lease liabilities	-761	-591	-2,820	-2,788
Hybrid bond interest	0	-138	0	-274
Fees DIP financing	-257	-	-257	-
Other financing activities	-216	-302	-225	634
Cash flow from financing activities	1,711	-1,276	1,854	329
Cash flow for the period	2,497	-156	4,375	-5,964
Translation difference in cash and cash equivalents	9	0	11	1
Cash and cash equivalents at beginning of the period	6,148	4,424	4,268	10,231
Cash and cash equivalents at the end of the period	8,654	4,268	8,654	4,268

PARENT COMPANY SAS AB

The number of shareholders in SAS AB amounted to 271,729 (230,619) on October 31, 2022. The average number of employees amounted to two (two).

CONDENSED STATEMENT OF INCOME

MSEK	Q1–Q4	
	Nov–Oct 2021–2022	Nov–Oct 2020–2021
Revenue	426	49
Personnel expenses	-29	-27
Other operating expenses	-531	-49
Operating income (EBIT)	-134	-27
Impairment of shares in subsidiaries	-2,788	-309
Net financial items	213	461
Income before tax (EBT)	-2,709	125
Group contributions received	0	-40
Tax	0	7
Net income for the period	-2,709	92

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

CONDENSED BALANCE SHEET

MSEK	Oct 31, 2022	Oct 31, 2021
Financial non-current assets	21,920	24,939
Other current assets	563	31
Cash and cash equivalents	1	1
TOTAL ASSETS	22,484	24,971
Shareholders' equity	20,643	23,352
Non-current liabilities	1,623	1,559
Current liabilities	218	60
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	22,484	24,971

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Restricted equity		Unrestricted equity			Total sharehold- ers' 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
Hybrid bond interest ²						
Net income for the period					-2,709	-2,709
Closing balance, October 31, 2022	8,650	447	2,729	7,615	1,202	20,643

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

² Due interest payments of MSEK 367 that have been deferred according to press release April 7, 2022 and October 13, 2022..

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 met 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 adjusted.

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 11 of this report. The actual outcome may differ from these estimates and judgments. As a consequence of the pilot strike from July 4 to 19, 2022, a provision of SEK 1.1 billion has been recognized in the third quarter as a negative adjustment of revenue and a provision for estimated customer compensation claims for cancelled flights. 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.

As described on page 12, on July 5, 2022, SAS AB, together with some of its subsidiaries, initiated a court-supervised process in the United States by voluntarily filing for Chapter 11. The Chapter 11 process provides an option to negotiate and reject contracts that were in effect at the beginning of the process. During the period August to October SAS has chosen to reject lease contracts pertaining to one B737-700, one A350-900, three A321-200 aircraft and a number of engines. All of these lease contract rejections have been approved by the US court. In conjunction with this approval, SAS made the related assets available for retrieval by the applicable leaseholders or lenders, with the consequent effect that the assets and liabilities associated with the contracts were removed from the balance sheet. The net cost for derecognizing the assets and liabilities totaled MSEK 88.

As a step in the Chapter 11 process, SAS expects the leaseholders/lenders to seek damages for their economic losses and report this to the US court. Due to the uncertainty in outcome, if any, for claims arising under Chapter 11, since these are dependent on number of claims, the size of the claims, but also dependent of the restructuring plan, that later in the process is required to be approved by the court, SAS has been unable to reliably estimate a corresponding total provision for claims. These claims may be material. SAS has recognized provisions in its financial statements for claims where adequate and reasonable information was available to estimate the liability.

IMPACT OF THE COVID-19 PANDEMIC, THE CHAPTER 11 FILING AND GOING CONCERN ASSUMPTION

Over the past two years, the COVID-19 pandemic has significantly affected the whole aviation industry, including SAS. And in some parts of the world, residual effects such as travel restrictions still remain in place. Substantially rising demand for travel is having a significant impact and the industry is struggling to recover quickly enough to meet this positive trend. Accordingly, total travel volumes remain lower than before the start of the pandemic in March 2020. The current geopolitical situation and turbulence in Eastern Europe is also affecting the airline industry and has led, inter alia, to the closure of Russia's airspace. This also impacts the recovery of traffic to and from Asia among other things. Due to the current market conditions in the aviation industry, estimation remains uncertain.

For the fourth quarter, total capacity (ASK) was up 52.1% and total revenue passenger kilometers (RPK) rose 98.9% year-on-year. The number of passengers increased 58.7% year-on-year. SAS' revenue grew 84.8% for the quarter year-on-year. Despite measures taken by SAS to reduce costs, the significant decrease in revenue compared with prior to the pandemic cannot be fully outweighed by cost reductions. Income before tax for the fourth quarter of fiscal year 2022 amounted to SEK -1.7 billion. During FY 2021 and FY 2022, SAS has worked continuously and intensively with various cost reduction measures, limiting non-business-critical investments and utilizing various financing solutions to protect its liquidity. However, market conditions remain uncertain and the pandemic's aftereffects are persisting at the same time as uncertainty regarding future pandemic outbreaks and the geopolitical situation can continue to adversely affect the entire airline industry. SAS' current assessment is that, in terms of passenger numbers, demand for air travel with SAS will have recovered to approximately 90 percent of pre-Covid levels by the end of the first half of fiscal year 2023. SAS expects demand for short-haul leisure travel to return to pre-Covid levels in fiscal year 2024, while demand for short-haul business travel is expected to level off at approximately 80 percent of pre-Covid levels. Similarly, demand for long-haul leisure flights is expected to recover faster than demand for long-haul business flights.

The prevailing uncertainty means that further cost reductions and efficiency initiatives as well as access to liquidity are critical factors. SAS' cash and cash equivalents increased during the quarter, and as of October 31, the cash position amounted to SEK 8.7 billion.

SAS FORWARD, a plan to strengthen and secure SAS' long-term future position, was launched at the end of February. Key elements of the plan include: 1. Reducing the annual costs by SEK 7.5 billion, including renegotiations of existing financing arrangements and other long-term credit facilities. 2. Redesigned fleet, network and product offerings. 3. Digital transformation. 4. Positioning SAS as the leader in sustainable aviation. 5. Operating platform acceleration. 6. Strengthening SAS' balance sheet by deleveraging and raising new capital. To accelerate important parts of the SAS FORWARD transformation plan, SAS voluntarily filed for Chapter 11 in the US on July 5. SAS is expecting the Chapter 11 process in the US to be completed during the second half of 2023. The court has approved SAS' filing and SAS can thereby continue its operations as normal. In the beginning of August, SAS entered into a debtor-in-possession ("DIP") financing credit agreement for USD 700 million with funds managed by Apollo Global Management. In September, SAS drew the first tranche of the USD 350 million DIP financing and, in conjunction therewith, pledged certain assets such as the EuroBonus program and slots. The remaining part of the DIP financing is expected to be received in the first quarter of FY 2023, conditioned by meeting certain criteria, which are defined in the Chapter 11 process.

SAS wants to highlight that there are no guarantees that SAS FORWARD will successfully be completed through the Chapter 11 process. In the event that the expected burden sharing, debt conversions and new capital raise are not completed as planned, SAS will be unable to support its existing capital structure and current liquidity levels and it cannot be ruled out that SAS could become unable to meet its obligations over the longer term as they fall due.

Despite the situation described above, the Board's assessment is that the Group has adequate liquidity, including the DIP financing, 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 -13 (340). SAS has also applied for support from the Danish, Swedish and Norwegian states and municipalities regarding compensation for fixed costs, MSEK 140 (880) 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 (92).

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 destination-based 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 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

	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2022	Aug–Oct 2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021
Passenger revenue	7,747	3,997	23,225	8,401
Charter revenue	706	267	1,703	384
Cargo revenue	401	350	1,611	1,166
Other traffic revenue	783	497	2,982	1,613
Total traffic revenue	9,637	5,111	29,521	11,564
Other operating revenue ¹⁾	1,014	651	2,303	2,394
Total	10,651	5,762	31,824	13,958

¹⁾As a consequence of the pilot strike from July 4 to 19, 2022, a provision of SEK 1.1 billion has been recognized as a negative adjustment of revenue for the third quarter with respect to estimated customer compensation claims for delays and cancelled flights since these items comprise variable considerations in customer contracts. Actual outcomes may differ from the prepared estimates and assumptions.

GEOGRAPHICAL BREAKDOWN

	Domestic		Intra-Scandinavian		Europe		Intercontinental		Total	
	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021
Passenger revenue	6,516	3,739	2,324	655	9,101	3,110	5,284	897	23,225	8,401
Charter revenue	0	0	0	0	1,703	384	0	0	1,703	384
Cargo revenue	3	3	3	2	34	81	1,571	1,080	1,611	1,166
Other traffic revenue	836	718	298	126	1,168	597	680	172	2,982	1,613
Total traffic revenue	7,355	4,460	2,625	783	12,006	4,172	7,535	2,149	29,521	11,564

	Denmark		Norway		Sweden		Europe		Other countries		Total	
	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021
Other operating revenue	419	150	755	972	485	406	294	615	350	251	2,303	2,394

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–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021
Traffic revenue:										
Passenger revenue	6,005	2,295	6,675	2,950	3,138	1,054	7,407	2,102	23,225	8,401
Charter revenue	541	178	862	64	301	142	0	0	1,704	384
Cargo revenue	242	186	216	122	320	210	833	648	1,611	1,166
Other traffic revenue	790	441	881	566	407	202	903	404	2,981	1,613
Total traffic revenue	7,578	3,100	8,634	3,702	4,166	1,608	9,143	3,154	29,521	11,564
Total other operating revenue	485	406	755	972	419	150	644	866	2,303	2,394
Total	8,063	3,506	9,389	4,674	4,585	1,758	9,787	4,020	31,824	13,958

NOTE 3 OTHER EXTERNAL EXPENSES

	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2022	Aug–Oct 2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021
Sales and distribution costs	-553	-288	-1,785	-768
Catering costs	-266	-143	-819	-373
Handling costs	-573	-359	-1,949	-963
Technical aircraft maintenance	-584	-501	-1,910	-1,459
Computer and telecommunication costs	-309	-296	-1,249	-976
Wet-lease expenses	-561	-248	-1,846	-581
Other	-967	-137	-2,500	-166
Total	-3,813	-1,972	-12,058	-5,286

NOTE 4 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2022	Aug–Oct 2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021
Intangible assets, amortization	-4	-7	-30	-27
Tangible assets, depreciation	-355	-382	-1,414	-1,536
Tangible assets, impairment	-64	–	-64	–
Right-of-use assets, depreciation	-828	-823	-3,255	-3,254
Total	-1,251	-1,212	-4,763	-4,817

NOTE 5 FINANCIAL INCOME AND EXPENSES

	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2022	Aug–Oct 2021	Nov–Oct 2021–2022	Nov–Oct 2020–2021
Financial income	141	4	219	20
Interest expense	-349	-157	-912	-569
Other financial expenses	-85	-5	-136	-39
Exchange-rate differences	8	17	-5	-1
Interest expenses, IFRS 16	-223	-169	-774	-636
Exchange-rate differences, IFRS 16	-1,101	-161	-2,906	194
Total	-1,609	-471	-4,514	-1,031

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

MSEK	Oct 31, 2022		Oct 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at fair value, hedge-accounted	31	31	11	11
Financial assets at FVTPL	27	27	10	10
Financial assets at amortized cost	14,938	14,938	8,491	8,491
Total	14,996	14,996	8,512	8,512
Financial liabilities				
Financial liabilities at fair value, hedge-accounted	44	44	32	32
Financial liabilities at FVTPL	57	57	3	3
Financial liabilities at amortized cost	28,614	27,585	19,948	20,054
Total	28,715	27,686	19,983	20,089

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	Oct 31, 2022			Oct 31, 2021		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial assets at fair value, hedge-accounted	–	31	31	–	11	11
Financial assets at FVTPL	–	27	27	–	10	10
Total	–	58	58	–	21	21
Financial liabilities						
Financial liabilities at fair value, hedge-accounted	–	44	44	–	32	32
Financial liabilities at FVTPL	–	57	57	–	3	3
Total	–	101	101	–	35	35

The Board of Directors and President hereby certify that this year-end 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, November 30, 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 year-end report is unaudited.

TRAFFIC DATA INFORMATION

SCHEDULED PASSENGER TRAFFIC

	Aug–Oct 2022	Aug–Oct 2021	Year-on- year change	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Year-on- year change
Number of passengers (000)	5,398	3,489	54.7%	17,029	7,380	130.7%
RPK, Revenue Passenger Kilometers (mill)	7,290	3,792	92.2%	22,058	7,748	184.7%
ASK, Available Seat Kilometers (mill)	9,602	6,574	46.1%	31,688	16,585	91.1%
Load factor	75.9%	57.7%	18.2 ¹	69.6%	46.7%	22.9 ¹
Passenger yield, currency-adjusted	1.06	1.11	-4.3%	1.05	1.13	-6.9%
Passenger yield, nominal	1.06	1.05	0.8%	1.05	1.08	-2.9%
Unit revenue, PASK, currency-adjusted	0.81	0.64	26.0%	0.73	0.53	38.7%
Unit revenue, PASK, nominal	0.81	0.61	32.7%	0.73	0.51	44.7%
RASK, currency-adjusted	0.90	0.77	17.7%	0.86	0.70	22.9%
RASK, nominal	0.90	0.73	24.0%	0.86	0.67	28.1%

¹Figures given in percentage points

TOTAL TRAFFIC (SCHEDULED AND CHARTER TRAFFIC)

	Aug–Oct 2022	Aug–Oct 2021	Year-on- year change	Nov–Oct 2021–2022	Nov–Oct 2020–2021	Year-on- year change
Number of passengers (000)	5,759	3,629	58.7%	17,868	7,585	135.6%
RPK, Revenue Passenger Kilometers (mill)	8,240	4,143	98.9%	24,317	8,256	194.5%
ASK, Available Seat Kilometers (mill)	10,684	7,026	52.1%	34,371	17,253	99.2%
Load factor	77.1%	59.0%	18.1 ¹	70.7%	47.9%	22.8 ¹
Unit cost, CASK, currency-adjusted	-0.89	-0.86	3.5%	-0.96	-1.00	-7.7%
Unit cost, CASK, nominal incl. items affecting comparability	-0.89	-0.79	12.6%	-0.96	-0.98	-2.7%
Unit cost, CASK, excl. jet fuel, currency-adjusted	-0.63	-0.69	-8.5%	-0.72	-0.86	-19.3%
Unit cost, CASK, excl. jet fuel, nominal incl. items affecting comparability	-0.62	-0.64	-3.1%	-0.71	-0.84	-16.2%

¹Figures given in percentage points

SCHEDULED TRAFFIC TREND FOR SAS BY ROUTE SECTOR

	Aug–Oct 2022 vs. Aug–Oct 2021		Nov–Oct 2021–2022 vs. Nov–Oct 2020–2021	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	423.9%	105.4%	577.8%	120.5%
Europe/ Intra-Scandinavia	45.6%	29.6%	155.9%	113.5%
Domestic	24.5%	20.2%	64.8%	28.1%

PRODUCTIVITY AND ENVIRONMENTAL EFFICIENCY

12-month rolling	Oct 2022	Oct 2021	Year-on-year change
Aircraft, block hours/day	7.5	5.7	31.6%
Cabin crew, block hours/year	699	589	18.7%
Pilots, block hours/year	526	397	32.5%

Environmental efficiency	Oct 2022	Oct 2021	Year-on-year change
Total CO ₂ emissions, million metric tons (R12M)	2,392	1,189	101.2%
CO ₂ emissions per available seat kilometer, grams (R12M)	53.2	52.2	1.9%

AIRCRAFT FLEET

THE SAS AIRCRAFT FLEET ON OCTOBER 31, 2022

SAS Group Aircraft Fleet	Age	Owned	Leased	Wet lease	Total	SAS Scandinavia	SAS Connect	SAS Link	Wet lease	In SAS Group traffic	Firm order purchase	Firm order lease
Airbus A330/350	7.7	7	6		13	13				13	2	
Airbus A320 family	6.6	19	57		76	56	20			76	26	
Boeing 737NG	15.9	10			10	10				10		
Embraer E195-100	14.9		4		4			4		4		6
Bombardier CRJ	8.2			25	25				25	25		
ATR-72	9.1			6	6				6	6		
Total aircraft in operation	8.1	36	67	31	134	79	20	4	31	134	28	6
Aircraft under phase out												
Total		-	-	-	-							

Aircraft on firm order FY23–FY25 on October 31, 2022	FY23	FY24	FY25	Total
Airbus A320neo	15	7	4	26
Embraer E195-100	6			6
Airbus A350		2		2
Total	21	9	4	34



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. The information reported for fiscal year 2020 and fiscal year 2021 has been restated due to the new accounting standard "IFRS IC's – 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.

	Oct 31, 2022	Oct 31, 2021
Return on invested capital (ROIC)	-8%	-13%
Financial net debt/adjusted EBITDA	23.3x	n/a
Financial preparedness	60%	60%
Return on shareholders' equity	-261%	-84%
Equity/assets ratio	1%	12%
Financial net debt, MSEK	33,657	26,770
Shareholders' equity excluding hybrid bonds per common share	-0.94	-0.16
Debt/equity ratio	44.1	4.1
Interest-coverage ratio	-1.7	-4.4

¹⁾ The key figures as of October 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 2022	Feb–Apr 2021	May–Jul 2022	May–Jul 2021	Aug–Oct 2022	Aug–Oct 2021
Revenue	5,545	2,282	7,048	1,932	8,580	3,982	10,651	5,762
Operating income (EBIT)	-1,329	-2,150	-763	-2,018	-1,148	-852	-92	-474
Operating income (EBIT) margin	-24.0%	-94.2%	-10.8%	-104.5%	-13.4%	-21.4%	-0.9%	-8.2%
Income before tax (EBT)	-2,597	-1,915	-1,557	-2,331	-1,991	-1,334	-1,701	-945
Net income for the period	-2,442	-2,033	-1,520	-2,410	-1,848	-1,336	-1,238	-744
Income before tax and items affecting comparability	-2,621	-1,927	-1,613	-2,331	-2,081	-1,213	-1,626	-911
Earnings per common share (SEK)	-0.34	-0.28	-0.21	-0.35	-0.25	-0.18	-0.17	-0.12
Cash flow before financing activities	-392	-5,458	2,599	-2,922	-472	967	786	1,120
Average number of employees (FTEs)	6,326	4,983	6,881	4,476	7,435	5,190	7,492	6,214

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 EBITDA – Operating income (EBIT) before share of income in affiliated companies, income from sale of aircraft and other non-current assets, and amortization, depreciation and impairment.

Adjusted EBITDA margin – Adjusted EBITDA divided by revenue.

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.

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.

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. In this ratio, interest-bearing liabilities are defined as the sum of non-current interest-bearing liabilities, non-current interest-bearing lease liabilities, current interest-bearing liabilities and current interest-bearing lease liabilities. Interest-bearing assets are defined as the sum of pension funds, non-current interest-bearing receivables, other current interest-bearing receivables and cash and cash equivalents.

Financial net debt/Adjusted EBITDA – Average financial net debt in relation to Adjusted EBITDA. Financial net debt in relation to adjusted EBITDA (Operating income (EBIT) before the share of income in affiliated companies, income from sale of aircraft and other non-current assets, amortization, depreciation and impairment).

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

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.

January 24, 2023	SAS Annual and Sustainability Report 2021/2022
February 24, 2023	Q1 Interim report (Nov 2022–Jan 2023)
March 16, 2023	Annual General Meeting
June 1, 2023	Q2 Interim Report (Feb 2023–Apr 2023)
September 1, 2023	Q3 Interim Report (May 2023–Jul 2023)
November 30, 2023	Year-end report (Nov 2022–Oct 2023)

INVESTOR RELATIONS



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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.

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).