



# SAS REACHES MILESTONES IN THE CHAPTER 11 PROCESS AND PREPARES FOR A BUSY SUMMER SEASON

## Key figures – Q1 2024



## November 2023 – January 2024

- Revenue: MSEK 8,923 (7,896)
- Income before tax (EBT): MSEK -1,070 (-2,449)
- Income before tax and items affecting comparability: MSEK -1,032 (-2,451)
- Net income for the period: MSEK -1,453 (-2,709)
- Earnings per common share: SEK -0.20 (-0.37)

## Significant events during the quarter

- On Nov. 4, SAS entered into an investment agreement with the winning bidder consortium and a DIP term loan agreement with Castlelake.
- On Nov. 15, SAS repaid its original DIP term loan.
- On Nov. 29, the European Commission announced that the recapitalization of SAS in 2020 complied with state aid rules and was thereby approved.
- On Jan 2, SAS announced over 130 destinations in more than 40 countries for the summer season 2024.
- On Jan. 23, SAS published updated financial projections for the reorganized SAS. SAS currently targets to receive court approval of the Chapter 11 plan in the first quarter of 2024 followed by regulatory approval and a likely Swedish company reorganization at the SAS AB level. SAS currently expects to complete the restructuring proceedings around the end of the first half of 2024.
- SAS expects that there will be only modest recovery for general unsecured creditors, no recovery for subordinated unsecured creditors and that there will be no value for SAS AB's existing shareholders upon emergence from the restructuring process. All of SAS AB's common shares and listed commercial hybrid bonds are expected to be cancelled, redeemed and delisted.

## Significant events after the quarter

- On Feb. 5, SAS filed a second amended Chapter 11 plan and a related disclosure statement with the US court. The Chapter 11 plan obtains support of the Official Committee of Unsecured Creditors.

## Outlook

- The first quarter interim report includes financial projections on page 10.

## Financial summary

MSEK, unless noted otherwise	Q1	
	Nov–Jan 2023–2024	Nov–Jan 2022–2023
Revenue	8,923	7,896
Operating income (EBIT)	-1,169	-2,634
Operating income (EBIT) margin	-13%	-33%
Income before tax (EBT)	-1,070	-2,449
Income before tax and items affecting comparability	-1,032	-2,451
Net income for the period	-1,453	-2,709
Cash flow from operating activities	-38	-1,685

	Jan 31, 2024	Oct 31, 2023	Jan 31, 2023
Return on invested capital	-4%	-7%	-11%
Financial net debt/adjusted EBITDA	10.5x	20.4x	N/A
Financial preparedness	19%	35%	38%
Equity/assets ratio	-15%	-11%	-4%
Earnings per common share (SEK)	-0.20	-0.78	-0.37

*This information is information that SAS AB is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was provided for publication on March 7, 2024 at 8:00 a.m. (CET).*

# COMMENTS BY THE CEO

I am pleased to conclude a busy first quarter and winter season for SAS, marked by increased passenger volumes, and several exciting new projects and destinations. We are pleased to see that more and more people choose to travel with SAS, which clearly confirms that our ramp-up efforts continue to be successful.

We are getting ready for the summer season, during which SAS will fly to over 130 destinations in more than 40 countries. We have added frequencies to popular destinations across Europe, and nine new European destinations. We will also increase flights to North America and Asia in the summer program by adding flights to popular destinations such as New York and Tokyo. Furthermore, we have expanded the summer program to include Atlanta in the North American network, with daily direct flights throughout the summer season. We look forward to flying our passengers to their summer destinations.

SAS aims to be a driving force in sustainable aviation and in January, we announced a new collaboration with Airbus, Swedavia, Vattenfall and Avinor, to jointly investigate the feasibility of infrastructure for hydrogen-fueled aircraft at airports in Norway and Sweden, with the goal to develop a framework for the rollout of hydrogen-powered flights. This partnership is an important step in driving the transition towards achieving net-zero emissions.

We are making steady progress in our Chapter 11 process in the US and in reaching our overall targets in the SAS FORWARD plan. In November, we entered into an investment agreement with the winning bidder consortium in our exit financing solicitation process, consisting of Castlake, Air France-KLM and Lind Invest, together with the Danish state. The agreement entails a total investment in the reorganized SAS corresponding to approximately SEK 13.2 billion. We currently aim to receive approval by the US court for the Chapter 11 plan in the first quarter of 2024, followed by regulatory approval and a likely Swedish company reorganization at the SAS AB level. As a result of that process, we repeat the expectation that there will be only a modest recovery for general unsecured creditors, no recovery for subordinated creditors and no value for SAS AB's existing shareholders, and that all of SAS AB's common shares and listed commercial hybrid bonds will be cancelled, redeemed and delisted, in



connection with emergence from the Chapter 11 process. Any payment of recoveries to creditors will be made only after the completion of the transaction and the fulfillment of any conditions for payment to creditors. We currently expect to emerge from the restructuring proceedings around the end of the first half of 2024.

## Quarterly results

We observed continued healthy passenger demand through the first quarter with the total number of passengers up 6.3 percent compared with the same period last year. Year-on-year, our RPK increased 13.3 percent, while capacity increased 9.3 percent. Our flown load factor for the quarter was 71.8 percent, up 2.6 percentage points compared with the same period last year.

The increase in passenger demand and capacity led to a year-on-year increase of 13 percent in our total operating revenue, which landed at SEK 8.9 billion for the quarter. Earnings before tax ended at a negative SEK 1.1 billion, representing a year-on-year improvement of SEK 1.4 billion.

Cost reductions across the business remain in focus to secure our cost competitiveness, and total operating expenses for the quarter ended at SEK 10.1 billion. Many of the cost efficiencies of the SAS FORWARD plan are ramping up over time, and some have been implemented but cannot be recognized in our financial results until after emergence from Chapter 11, including cost savings from the fleet restructuring.

The cash balance at the end of the quarter was SEK 5.3 billion. Cash flow from operating activities during the quarter amounted to an outflow of SEK 38 million.

### **New routes and destinations**

As part of SAS' strategy to strengthen our offering for Scandinavian travelers, and to adapt to the relative increase in demand for leisure travel, SAS has announced several new routes during the quarter. We are getting ready for the summer season, and in early January we were pleased to announce that SAS will fly to over 130 destinations in more than 40 countries this summer. We have added frequencies to popular destinations across Europe, and we have added nine new European destinations, including direct flights to Ibiza, and Tivat on the coast of Montenegro, among others. We will also increase flights to North America and Asia in the summer program by adding frequencies to popular destinations such as New York and Tokyo.

We have also expanded the summer program to include Atlanta in the North American network, with daily direct flights throughout the summer season. With almost 94 million passengers passing through in 2022, Hartsfield-Jackson Atlanta International Airport is the world's busiest and most efficient airport. Cargo transportation is expected to play an important role for this route, partly because of its proximity to the Port of Savannah, the largest and fastest-growing container terminal in America. This also means an expanded offering for SAS passengers, who can look forward to reaching several new and exciting destinations across the Southern USA, Caribbean and Latin America, all conveniently accessible from Atlanta.

Furthermore, SAS has added frequencies between Stockholm and Skellefteå, due to the increasing growth in the Skellefteå region. From April 8, SAS will offer new frequencies on the busiest business travel days. Expanded air traffic plays a crucial role in the region's ongoing expansion, and we are proud to provide businesses and residents of Skellefteå with opportunities to connect with the world.

In February, after the end of the quarter, we launched the concept Destination Unknown, which entails SAS inviting EuroBonus members to embark on a mysterious journey. On April 5, SAS EuroBonus members will meet at Copenhagen Airport ready to board a mystery trip. The travelers are invited to explore the concept of flying to an unknown destination and join a unique adventure curated by SAS. We were pleased to be met by great interest for this concept, and more than 1,000 members signed up for the chance to embark on the mystery journey within minutes. The allure of the unknown destination will keep travelers on the edge of their seats throughout the flight until the destination

is revealed. All Destination Unknown tickets are biofuel tickets.

SAS was also awarded a three-year contract extension with Equinor in February, for both domestic and international travel. The contract with Equinor represents a significant contribution to SAS' passenger volume in Norway. SAS was chosen on the basis of an extensive network, attractive timetable, commercial terms and one of Europe's most modern fleets. We are delighted that Equinor once again have chosen SAS as their preferred carrier for business travel, demonstrating a continued confidence in us for the next three years.

### **Update on SAS' transformation plan**

We launched our comprehensive business transformation plan SAS FORWARD in conjunction with the publication of the first quarter report for FY 2022, in the end of February 2022. The aim of the plan is to secure long-term competitiveness for SAS in the global aviation industry. On July 5, 2022, to accelerate the implementation of SAS FORWARD, we announced that we had voluntarily filed for Chapter 11 in the US, a well-established and flexible legal framework for restructuring businesses with operations in multiple jurisdictions. Through this process, we aim to reach agreements with key stakeholders, restructure the company's debt obligations, reconfigure our aircraft fleet and emerge with a significant capital injection.

During the quarter, in November, we entered into an investment agreement with the winning bidder consortium in our exit financing solicitation process, consisting of Castl lake, Air France-KLM and Lind Invest, together with the Danish state. The agreement entails a total investment in the reorganized SAS corresponding to approximately SEK 13.2 billion, including

approximately SEK 5.2 billion in new unlisted equity and approximately SEK 8 billion in secured convertible debt. As part of the transaction, we have also secured new Debtor-in-Possession (“DIP”) financing of SEK 5.5 billion from Castl lake. The funds from the new DIP financing agreement are being used for, among other things, refinancing SAS’ original DIP term loan, increasing liquidity, and supporting SAS’ path to exit from its voluntary restructuring proceedings. The refinancing of SAS’ original term loan was completed in November.

As part of the transaction, SAS also intends to eventually exit the Star Alliance and join the SkyTeam Alliance, of which Air France-KLM is a founding member. Through the completion of this process and the opportunities presented by being part of SkyTeam, we will be able to further enhance SAS’ offerings for the benefit of our colleagues, customers and communities. This is a truly exciting step for SAS. However, it is important to note that nothing is changing as of now. SAS is still part of Star Alliance and our EuroBonus members will continue to enjoy their usual benefits when flying on our partner airlines. Members can continue to accrue and redeem points – just like today, and their benefits when they fly with SAS will not be impacted. The agreed exit transaction remains subject to approval in connection with the confirmation of our Chapter 11 plan of reorganization.

On February 5, 2024, SAS filed a second amended Chapter 11 plan and related disclosure statement with the US court. SAS also announced expected recoveries for creditors in the Chapter 11 process and that the Official Committee of Unsecured Creditors supports the Chapter 11 plan. The Chapter 11 plan and the disclosure statement remain subject to further amendments and court approval.

We currently aim to receive approval from the US court for the Chapter 11 plan in the first quarter of 2024, followed by regulatory approval and a likely Swedish company reorganization at the SAS AB level. As a result of that process, we repeat the expectation that there will be only a modest recovery for general unsecured creditors, no recovery for subordinated creditors and no value for SAS AB’s existing shareholders, and that all of SAS AB’s common shares and listed commercial hybrid bonds will be cancelled, redeemed and delisted, in connection with emergence from the Chapter 11 process. Any payment of recoveries to creditors will be made only after the completion of the transaction and the fulfilment of any conditions for payment to creditors. We currently expect to emerge from the restructuring proceedings around the end of the first half of 2024.

#### **Steps towards fossil-free aviation**

SAS aims to decarbonize aviation and progress on this ambitious plan can only be achieved through collaboration. By involving our customers and teaming up with them, we can reduce CO<sub>2</sub> emissions and enable increased large-scale production of sustainable aviation fuels.

Several organizations joined SAS Corporate Sustainability Program (CSP) during the quarter. We were pleased to announce that Skellefteå City Airport becomes the first individual airport to join the CSP, and that SKEBO Skelleftebostäder AB becomes the first real estate company to join the CSP. The partnerships entail that the organizations will purchase environmentally friendly aviation fuel for all its business trips with SAS throughout FY 2024. We hope these partnerships will inspire other companies to join our CSP and be part of the journey to transform aviation for generations to come.

SAS has announced a new collaboration with Airbus, Swedavia, Vattenfall and Avinor, to jointly investigate the feasibility of infrastructure for hydrogen-fueled aircraft at airports in Norway and Sweden. Hydrogen is expected to become a significant fuel source for aviation in the future, and the goal of the collaboration is to develop a framework for the rollout of hydrogen-powered flights. By partnering with some of the strongest and most innovative players in the industry, we are assuming our responsibility to drive the transition towards achieving net-zero emissions. This is a journey that matters not just for SAS, but for the entire aviation industry.

On January 23, we also launched the EuroBonus Conscious Traveler program. The new program enables EuroBonus members to make conscious choices when traveling with SAS – while getting rewarded for it. At the heart of Conscious Traveler lies a single goal; the involvement of our customers in the journey toward net zero emissions. The launch of EuroBonus Conscious Traveler is a contribution toward the industry target of net zero CO<sub>2</sub> emissions by 2050 – perhaps our most important journey yet. We look forward to following the impact of the program throughout the year.

#### **Looking forward**

I am pleased to conclude a busy winter season for SAS, marked by increased passenger volumes, and several exciting new projects and destinations.

We continue our work toward completing our Chapter 11 process in the US, and toward reaching the objectives in the SAS FORWARD plan. The aim is currently to receive approval from the US court of the Chapter 11 plan in the first quarter of 2024, to be followed by obtaining regulatory approvals and the implementation

of a Swedish company reorganization at the SAS AB level. While work still remains, I am pleased to see the substantial progress we are making to become a competitive and financially strong company.

I am grateful for the hard work my colleagues at SAS are doing to ensure that we take the best possible care of our customers, and to ensure that they get the quality service they expect from us. Thank you for all your efforts!

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

Anko van der Werff  
President & CEO  
Stockholm, March 7, 2024

# COMMENTS ON SAS' FINANCIAL STATEMENTS

## INCOME STATEMENT, SUMMARY Q1 2024

MSEK Income statement	Nov-Jan 23-24	Nov-Jan 22-23	Change vs LY	Currency effects	Change vs LY (Curr. adj)
Revenue	8,923	7,896	1,027	-72	1,099
Total operating expenses	-10,092	-10,530	438	307	131
Operating income (EBIT)	-1,169	-2,634	1,465	235	1,230
Income before tax (EBT)	-1,070	-2,449	1,379	414	965

### Revenue

Revenue totaled MSEK 8,923 (7,896), see Note 2 on page 20. Currency-adjusted revenue was up MSEK 1,099 year-on-year. The increase in revenue mainly related to increased production and increased demand.

Currency-adjusted passenger revenue rose 13%. 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 524. The higher load factor had a positive effect of MSEK 256. The lower yield had a negative effect of MSEK 54 on passenger revenue.

Currency-adjusted cargo revenue decreased MSEK 74 and currency-adjusted charter revenue was up MSEK 61 year-on-year. Other traffic revenue (currency-adjusted) was up MSEK 229.

Other operating revenue (currency-adjusted) was up MSEK 157 year-on-year, mainly as a consequence of

the increase in volume-related revenues from items including leased out aircraft and increased sales of biofuel tickets.

### Operating expenses

Personnel expenses amounted to MSEK -2,102 (-1,934). After adjustment for currency, personnel expenses increased MSEK 187 year-on-year. The increase was mainly due to more employees.

Jet-fuel costs amounted to MSEK -2,222 (-2,481). Adjusted for currency, jet-fuel costs decreased 9.2%. Volume effects had a negative impact on costs of MSEK 242. Lower jet-fuel prices had a positive impact on costs of MSEK 260. The cost of emission rights declined MSEK 310 year-on-year.

Air traffic charges amounted to MSEK -831 (-725). Adjusted for currency, air traffic charges increased 15%. The increase pertained mainly to higher traffic volumes.

Other external expenses amounted to MSEK -3,812 (-4,248), see Note 3 on page 21. Year-on-year, other external expenses (currency-adjusted) decreased MSEK 179. The decrease was mainly attributable to lower costs for administrative services, catering and other operating costs.

Depreciation, amortization and impairment amounted to MSEK -1,090 (-1,148), a decrease of MSEK 58 year-on-year. See Note 4 on page 21.

### Financial net

Financial income and expenses amounted net to MSEK 99 (185), representing a year-on-year increase in net expenses of MSEK 86. The increase was primarily attributable to a higher interest expense of MSEK 457 in connection with the DIP financing. Interest income increased MSEK 164 year-on-year. Currency revaluations for lease liabilities had a positive impact of MSEK 1,029, compared with MSEK 885 last year. Other changes of MSEK 63 mainly comprised other currency revaluations. See Note 5 on page 21.

### Net income for the period

Operating income amounted to MSEK -1,169 (-2,634) and EBT amounted to MSEK -1,070 (-2,449).

Net income for the period was MSEK -1,453 (-2,709) and tax for the period amounted to MSEK -383 (-260). Income tax for the period was largely attributable to temporary differences.

Year-on-year, the foreign exchange-rate trend had a negative impact on revenue of MSEK 72 and a positive effect on operating expenses of MSEK 307. The exchange rates had a positive impact on operating income of MSEK 235. Net financial items were positively impacted by currency items amounting to MSEK 179, which mainly pertained to currency revaluations for lease liabilities. In total, currency effects had a net positive impact of MSEK 414 on EBT.

**Items affecting comparability**

Total items affecting comparability amounted to MSEK -38 (2) for the period and pertained to the sale and leaseback of five A320 aircraft. Last year, items affecting comparability comprised sale and leaseback transactions for two A320 aircraft and the rejection of lease contracts as part of the Chapter 11 process.

**BALANCE SHEET & FINANCIAL POSITION****Assets**

*Intangible and tangible fixed assets* have decreased MSEK 1,588 since October 31, 2023. Changes for the period included investments of MSEK 1,913, amortization and depreciation of MSEK 258, sales of MSEK -2,779 and other effects of MSEK -464. The amount for investments included advance payments of MSEK 159 as well as delivery payments for five A320 aircraft of MSEK 1,705, which have been sold and leased back. Other investments totaled MSEK 49 and mainly comprised capitalized expenditure for engine maintenance and modifications. Other effects included translation differences of about MSEK -500.

*Right-of-use assets* increased MSEK 1,346 during the period. New leases amounted to MSEK 1,979, and mainly pertained to new leases for five A320 aircraft, two E195 and one A330 aircraft. Changes in indexation and modification increased net assets by MSEK 201, and depreciation was MSEK -831. The currency revaluations had an impact of MSEK -3.

*Financial assets* decreased MSEK 710, mainly due to remeasurements of SAS' defined-benefit pension plans.

*Deferred tax assets* decreased MSEK 271. The decline was primarily due to the change in temporary differences. No loss carryforwards were capitalized during the period.

*Current receivables* increased MSEK 324. This increase was mainly attributable to blocked bank funds.

*Cash and cash equivalents* amounted to MSEK 5,290 (6,160) as of January 31, 2024. Unutilized contracted credit facilities amounted to MSEK 0 (3,892). Financial preparedness amounted to 19% (35) of SAS' fixed costs.

**Shareholders' equity and liabilities**

*Shareholders' equity* decreased MSEK 2,217 to MSEK -8,327. The decrease pertained mainly to net income for the period of MSEK -1,453 and the negative actuarial effect on defined-benefit pension plans of MSEK -596. Changes in cash-flow hedging negatively impacted equity by MSEK -41.

*Non-current liabilities* decreased MSEK 613 and *current liabilities* increased MSEK 1,118. The total increase in liabilities was MSEK 505 and was mainly attributable to new loans, repayments and currency revaluations.

**Interest-bearing liabilities**

On January 31, 2024, interest-bearing liabilities amounted to MSEK 42,306 (42,492), a decrease of MSEK 186 since October 31, 2023. New loans and repayments for the period were MSEK 5,560 and MSEK 4,080, respectively. New leases and amortization of lease liabilities amounted to MSEK 2,164 and MSEK 816 respectively. Currency revaluations have reduced debt by about MSEK 2,200. Other items

related to the DIP refinancing resulted in a net decrease in liabilities of about MSEK 800.

**Financial net debt**

As of January 31, 2024, financial net debt amounted to MSEK 33,133 (32,634), an increase of MSEK 499 since October 31, 2023. The increase was primarily attributable to new lease liabilities of MSEK 2,164, but was offset by positive cash flow before financing activities of MSEK 555, positive changes in accrued interest of about MSEK 500 and a positive currency revaluation effect of about MSEK 1,650.

**Key figures**

On January 31, 2024, the return on invested capital (ROIC) was -4%, up 3 percentage points since October 31, 2023. The increase pertained mainly to an improved operating income (EBIT).

Financial preparedness was 19% (35%) at the end of the period. After SAS received a new DIP loan from Castlake and secured exit financing in November 2023, the contracted credit facility that was part of the financial preparedness on October 31, 2023 (MUSD 350 in DIP loan with Apollo) was returned. A lower cash position was also the reason for the change in the key figure.

The financial net debt/adjusted EBITDA ratio as of January 31, 2024, was a multiple of 10.5. On October 31, 2023, the multiple was 20.4.

On January 31, 2024, the equity/assets ratio amounted to -15%, compared with -11% on October 31, 2023. 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 -874 (-3,385). Cash and cash equivalents amounted to MSEK 5,290, compared with MSEK 6,160 on October 31, 2023.

#### Cash flow from operating activities

Cash flow from operating activities before changes in working capital amounted to MSEK -415 (-2,173) for the period.

The change in working capital was positive for the period and amounted to MSEK 377 (488). The positive outcome for the period was mainly the result of an increased unearned transportation liability as the result of increased ticket sales.

Cash flow from operating activities for the period amounted to MSEK -38 (-1,685).

#### Investing activities

Investments totaled MSEK 1,913 (1,201), of which the majority of MSEK 1,913 (1,144) pertained to aircraft and MSEK 0 (57) pertained to acquired subsidiaries that own three properties with smaller carrying amounts by Kastrup, which were previously leased by SAS.

Aircraft investments for the period comprised five A320 aircraft, capitalized expenditure for aircraft maintenance, modifications, and advance payments to Airbus.

During the period, five A320 aircraft were sold and leased back, generating inflows of MSEK 2,506 (1,198).

#### Financing activities

New loans amounted to MSEK 5,560 (825), while repayments totaled MSEK 4,080 (1,377). Amortization of lease liabilities totaled MSEK 816 (789).

#### PARENT COMPANY

The Parent Company SAS AB conducts limited intra-Group services. Revenue totaled MSEK 14 (14) and operating expenses MSEK -341 (-552). Net financial items totaled MSEK 145 (97) and impairment of shares in subsidiaries amounted to MSEK 0 (-1,840). Net income for the period was MSEK -182 (-2,281).

#### 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 must 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 CO<sub>2</sub> emissions 25% compared with 2005.



### Events during the quarter

- On November 4, SAS entered into an investment agreement with the winning bidder consortium and a DIP term loan agreement with Castlake.
- On November 15, SAS repaid its original DIP term loan.
- On November 21, the investment agreement and DIP term loan agreement was approved by the US court.
- On November 29, the European Commission announced that the recapitalization of SAS in 2020 complied with state aid rules and was thereby approved.
- On January 2, 2024, SAS announced that the company will fly to over 130 destinations in more than 40 countries in the summer season 2024, including nine new European destinations.
- On January 23, 2024, SAS filed an amended Chapter 11 plan of reorganization and a related disclosure statement with the US court, which includes, inter alia, financial projections for the reorganized SAS. SAS currently targets to receive court approval of the Chapter 11 plan in the first quarter of 2024, to be followed by obtaining regulatory approvals and the likely implementation of a Swedish company reorganization at the SAS AB level. SAS expects that there will be only a modest recovery for general unsecured creditors, no recovery for subordinated unsecured creditors and no value for SAS AB's existing shareholders upon emergence from the Chapter 11 process. Moreover, all of SAS AB's common shares and listed commercial hybrid bonds are expected to be cancelled, redeemed and delisted in connection with emergence from the restructuring proceedings, which is expected to take place around the end of the first half of 2024.

### Events after January 31, 2024

- On February 5, 2024, SAS filed a second amended Chapter 11 Plan of reorganization and a related disclosure statement with the US Court. In connection with the above, SAS announced the expected recoveries for creditors in the Chapter 11 process and that the Official Committee of Unsecured Creditors supports the Chapter 11 Plan. SAS also announced that a portion of the recoveries for creditors will be reserved pending clarity in terms of certain potential State non-tax claims, including potential interest owed arising from State aid received in 2020.

### Demand recovery and market competition

The outbreak of the COVID-19 pandemic has entailed the greatest challenge ever for the aviation industry. Following the pandemic, the airline industry has struggled to recover and increase capacity sufficiently quickly to meet the rapidly increasing demand from passengers. Geopolitical tensions in combination with Russia's ongoing war in Ukraine have continued to negatively impact the recovery of air traffic to and from Asia.

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 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. SAS also needs to reduce its unit cost per available seat kilometer ("CASK"), after adjustment for changes in fuel prices, to remain competitive.

### Financial projections

On January 23, 2024, SAS announced that it was filing an amended Chapter 11 plan of reorganization and related disclosure statement with the US court. In connection with the filing of the updated disclosure statement, SAS published financial projections for the reorganized SAS, including for the fiscal year 2024. Under fiscal year 2024, SAS expects revenue to exceed SEK 48 billion, with an adjusted EBT<sup>1</sup> of about SEK 0.0 to SEK -1.0 billion. Net debt in fiscal year 2024 will range from SEK 36–39 billion prior to emergence from the Chapter 11 process, and from SEK 22–24 billion

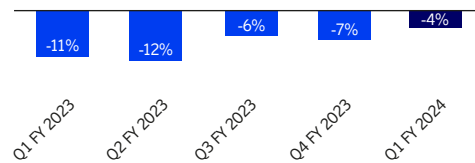
following emergence from the Chapter 11 process. Expected liquidity is at or above SEK 4 billion or approximately 8% of LTM revenue in the period prior to emergence from the Chapter 11 process, and SEK 11 billion or approximately 25% of LTM revenue in the period following emergence from the Chapter 11 process. Assuming successful implementation of the Chapter 11 plan, SAS expects an improved financial performance following fiscal year 2024 in an unlisted environment.

<sup>1</sup>Earnings before tax, excluding capital gains or losses, or other gains or losses related to the completion of the Chapter 11 process.

*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, including but not limited to market demand levels, foreign exchange rates, fuel prices, and a successful implementation of the Chapter 11 plan. Furthermore, the financial projections are based on, inter alia, the following assumptions: a foreign exchange rate of SEK 10.49 per USD and an average base jet fuel price of USD 830 per metric ton. All numbers are presented on a consolidated basis for the SAS Group.*

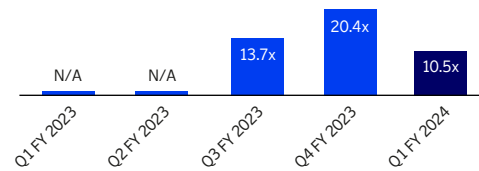
### RETURN ON INVESTED CAPITAL (ROIC), 12-MONTH ROLLING, %

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.



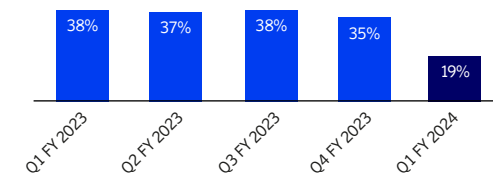
### FINANCIAL NET DEBT/ADJUSTED EBITDA

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.



# 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 four years, the COVID-19 pandemic has significantly affected the whole aviation industry, including SAS. 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 Russia's invasion of Ukraine are also affecting the airline industry and, inter alia, are 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 2023, page 104, critical accounting estimates and key sources of estimation uncertainty include: Impairment of assets; Pensions; Deferred taxes; Assumptions regarding right-of-use assets – aircraft; Hybrid bonds; Litigations; Claims in connection with Chapter 11.

Currency and jet-fuel hedging is described below and the impact of the COVID-19 pandemic is described on page 19 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

## Sensitivity analysis, jet-fuel cost NOV 2023–OCT 2024, SEK billion

Market price	Exchange rate SEK/USD				
	10.0	10.5	11.0	11.5	12.0
USD 700/MT	9.2	9.6	9.9	10.3	10.6
USD 800/MT	10.0	10.4	10.8	11.2	11.6
USD 900/MT	10.8	11.2	11.7	12.1	12.5
USD 1,000/MT	11.6	12.1	12.5	13.0	13.5
USD 1,100/MT	12.4	12.9	13.4	13.9	14.4

*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.*

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 2024 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 2024 is expected to be in line with the table in the middle, taking into account different fuel prices, USD rates and jet-fuel hedging.

For foreign currency, the policy is to hedge 40–80%. At the end of the quarter, SAS had hedged 41% of its anticipated USD cash flow deficit for the next 12 months. SAS 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 125, 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 correspond 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 1,866 and the USD rate as of January 31, 2024, a weakening of the USD against the SEK of 1% would generate a positive earnings impact of approximately MSEK 169 in profit or loss and a positive effect in OCI of approximately MSEK 25.

### 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 the airline is able to continue airline operations as normal.

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. 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 also secured Debtor-in-Possession (DIP) financing, which provides SAS with a strong financial position to maintain operations throughout the Chapter 11 process. DIP financing is a specialized type of bridge financing used by businesses that are restructuring through a Chapter 11 process. In October 2023, SAS announced an agreement with Castlake for new DIP financing of USD 500 million (approx. SEK 5.5 billion) to, inter alia, refinance SAS' existing DIP loan, increase liquidity and support SAS' path to exit from its voluntary restructuring proceedings. Consequently, after the end of the quarter, SAS and Castlake contracted a new DIP term loan agreement, which received final US court approval on November 21, and repaid its original DIP loan.

On October 3, SAS announced that the investors Castlake, Air France-KLM and Lind Invest, together with the Danish state had been selected as the winning bidder consortium in SAS' exit financing solicitation process. During the quarter, on November 4, SAS announced that it had entered an investment

agreement with the winning bidder consortium. The investment agreement entails a total investment in the reorganized SAS corresponding to USD 1,200 million (approximately SEK 13.2 billion), comprised of USD 475 million (approximately SEK 5.225 billion) in new unlisted equity and USD 725 million (approximately SEK 7.975 billion) in secured convertible debt. The agreed investment structure will result in a shareholder structure post-reorganization (based on total equity, but pre-conversion of the convertible debt) where:

- (i) Castlake holds approximately 32.0% of the equity and 55.2% of the convertible debt;
- (ii) the Danish State holds approximately 25.8% of the equity and 30.0% of the convertible debt;
- (iii) Air France-KLM holds approximately 19.9% of the equity and 4.8% of the convertible debt;
- (iv) Lind Invest holds approximately 8.6% of the equity and 10.0% of the convertible debt; and
- (v) the remaining approximately 13.6% of the equity will be distributed among and held by certain creditors who may receive recovery in equity.

The investment agreement includes the final terms of the investors' equity investment, as well as the key terms for the secured convertible debt and SAS' Chapter 11 reorganization plan. On November 21, the investment agreement was approved by the US court. The agreed exit transaction remains subject to approval in connection with the confirmation of SAS' Chapter 11 plan.

On February 5, 2024, SAS filed a second amended Chapter 11 Plan of reorganization and related disclosure statement with the US court. SAS also announced the expected recoveries for creditors in the Chapter 11 process and that the Official Committee of Unsecured Creditors supports the Chapter 11 Plan. SAS also announced that a portion of the recoveries for creditors will be reserved pending clarity in terms of certain potential State non-tax claims, including potential interest owed arising from State aid received in 2020. The Chapter 11 Plan and the disclosure statement remain subject to further amendments and court approval.

SAS currently targets to receive approval of the Chapter 11 plan from the US court in the first quarter of 2024, to be followed by obtaining regulatory approvals and the likely implementation of a Swedish company reorganization at the SAS AB level. As a result of this process, SAS expects that there will be only a modest recovery for general unsecured creditors, no recovery for subordinated unsecured creditors and no value for SAS AB's existing shareholders upon emergence from the Chapter 11 process.

Moreover, all of SAS AB's common shares and listed commercial hybrid bonds are expected to be cancelled, redeemed and delisted in connection with emergence from the Chapter 11 process. Any payment of recoveries to creditors will be made only after the completion of the transaction and the fulfilment of any conditions for payment to creditors. SAS currently expects to complete the restructuring proceedings around the end of the first half of 2024.

### Legal issues

The European Commission's decision in November 2010 found SAS and many other airlines guilty of alleged participation in a global air cargo cartel in the 1999–2006 period and ordered SAS to pay a fine of MEUR 70.2. SAS appealed the decision in January 2011 and in December 2015, the Court of Justice of the European Union (CJEU) annulled the European Commission's decision including the MEUR 70.2 fine. The CJEU's ruling entered into force and the MEUR 70.2 fine was repaid to SAS at the beginning of March 2016. The European Commission took a new decision on the same issue in March 2017 and again imposed fines on SAS and many other airlines for alleged participation in a global air cargo cartel in the 1999–2006 period. The fine of MEUR 70.2 was the same as that imposed under the 2010 decision. SAS 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	Q1	
		Nov–Jan 2023–2024	Nov–Jan 2022–2023
Revenue	2	8,923	7,896
Personnel expenses		-2,102	-1,934
Jet-fuel costs		-2,222	-2,481
Air traffic charges		-831	-725
Other external expenses	3	-3,812	-4,248
Depreciation, amortization and impairment	4	-1,090	-1,148
Income from shares in affiliated companies		3	4
Income from the sale and return of aircraft, and other non-current assets		-38	2
<b>Operating income (EBIT)</b>		<b>-1,169</b>	<b>-2,634</b>
Financial income and expenses	5	99	185
<b>Income before tax (EBT)</b>		<b>-1,070</b>	<b>-2,449</b>
Tax		-383	-260
<b>Net income for the period</b>		<b>-1,453</b>	<b>-2,709</b>
<b>Other comprehensive income</b>			
<i>Items that may later be reversed to net income:</i>			
Exchange-rate differences in translation of foreign operations		-127	-12
Cash-flow hedges, net after tax		-41	-51
<i>Items that will not be reversed to net income:</i>			
Revaluations of defined-benefit pension plans, net after tax		-596	-523
<b>Total other comprehensive income, net after tax</b>		<b>-764</b>	<b>-586</b>
<b>Comprehensive income for the period</b>		<b>-2,217</b>	<b>-3,295</b>
<i>Attributable to Parent Company shareholders:</i>			
Net income for the period		-1,453	-2,709
Comprehensive income for the period		-2,217	-3,295
Earnings per common share before and after dilution (SEK) <sup>1)</sup>		-0.20	-0.37

<sup>1)</sup> 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	Q1	
	Nov–Jan 2023–2024	Nov–Jan 2022–2023
Income before tax (EBT)	-1,070	-2,449
Rejection of lease contracts in Chapter 11	–	-4
Capital gains/losses <sup>1)</sup>	38	2
<b>Income before tax and items affecting comparability</b>	<b>-1,032</b>	<b>-2,451</b>

<sup>1)</sup> Capital gains/losses include aircraft and engine sales amounting to MSEK -38 (-2), of which sale and leaseback amounted to MSEK -38 (-2) in the November–January period.

# CONSOLIDATED BALANCE SHEET

## Condensed balance sheet

MSEK	Jan 31, 2024	Oct 31, 2023	Jan 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	662	663	681
Tangible assets	12,615	14,202	15,841
Right-of-use assets	18,510	17,164	18,073
Financial assets	8,716	9,426	10,186
Deferred tax assets	1,582	1,853	1,506
<b>Total non-current assets</b>	<b>42,085</b>	<b>43,308</b>	<b>46,287</b>
<b>Current assets</b>			
Inventories and expendable spare parts	499	443	273
Current receivables	6,258	5,933	5,095
Cash and cash equivalents	5,290	6,160	5,273
<b>Total current assets</b>	<b>12,047</b>	<b>12,536</b>	<b>10,641</b>
<b>TOTAL ASSETS</b>	<b>54,132</b>	<b>55,844</b>	<b>56,928</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total shareholders' equity</b>	<b>-8,327</b>	<b>-6,110</b>	<b>-2,533</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	10,477	11,091	15,034
Interest-bearing lease liabilities	17,004	17,034	16,981
Other non-current liabilities	5,494	5,463	4,293
<b>Total non-current liabilities</b>	<b>32,975</b>	<b>33,588</b>	<b>36,308</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	10,285	9,974	6,389
Interest-bearing lease liabilities	4,540	4,393	3,847
Other current liabilities	14,659	13,999	12,917
<b>Total current liabilities</b>	<b>29,484</b>	<b>28,366</b>	<b>23,153</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>54,132</b>	<b>55,844</b>	<b>56,928</b>
Interest-bearing assets	15,518	17,859	17,159
Interest-bearing liabilities	42,306	42,492	42,251
Working capital	-14,352	-13,529	-12,071

## Specification of financial net debt, January 31, 2024

	According to balance sheet	Of which financial net debt
Financial assets	8,716	559
Current receivables	6,258	3,324
Cash and cash equivalents	5,290	5,290
Non-current liabilities	32,975	27,481
Current liabilities	29,484	14,826
<b>Financial net debt</b>		<b>33,133</b>

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](http://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 <sup>1</sup>	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, 2022	8,650	2,899	-244	20	7,615	-18,178	762
Hybrid bond interest <sup>2)</sup>						-	-
Net income for the period						-2,709	-2,709
Comprehensive income for the period			-51	-12		-523	-586
Closing balance, January 31, 2023	8,650	2,899	-295	8	7,615	-21,410	-2,533
Hybrid bond interest <sup>3)</sup>						-	-
Net income for the period						-2,992	-2,992
Comprehensive income for the period			186	65		-836	-585
Closing balance, October 31, 2023	8,650	2,899	-109	73	7,615	-25,238	-6,110
Net income for the period						-1,453	-1,453
Comprehensive income for the period			-41	-127		-596	-764
Closing balance, January 31, 2024	8,650	2,899	-150	-54	7,615	-27,287	-8,327

<sup>1)</sup> 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).

<sup>2)</sup> Due interest payments of MSEK 366 that have been deferred according to press releases on April 7, 2022 and October 13, 2022.

<sup>3)</sup> Due interest payments of MSEK 599 that have been deferred according to press releases on April 13, 2023 and October 11, 2023.



# CONSOLIDATED CASH-FLOW STATEMENT

## Condensed cash-flow statement

MSEK	Q1	Q1
	Nov-Jan 2023-2024	Nov-Jan 2022-2023
<b>OPERATING ACTIVITIES</b>		
Income before tax (EBT)	-1,070	-2,449
Depreciation, amortization and impairment	1,089	1,148
Income from sale of aircraft and buildings	38	-2
Adjustment for other non-cash items, etc.	-472	-870
Tax paid	0	0
<b>Cash flow from operations before change in working capital</b>	<b>-415</b>	<b>-2,173</b>
Change in working capital	377	488
<b>Cash flow from operating activities</b>	<b>-38</b>	<b>-1,685</b>
<b>INVESTING ACTIVITIES</b>		
Investments including advance payments to aircraft manufacturers	-1,913	-1,144
Acquisition of subsidiaries and affiliated companies	0	-57
Sale of fixed assets, etc.	2,506	1,198
<b>Cash flow from investing activities</b>	<b>593</b>	<b>-3</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	5,560	825
Repayment of borrowings	-4,080	-1,377
Amortization of lease liabilities	-816	-789
Paid fees and interest DIP financing	-1,467	-12
Other financing activities	-626	-344
<b>Cash flow from financing activities</b>	<b>-1,429</b>	<b>-1,697</b>
<b>Cash flow for the period</b>	<b>-874</b>	<b>-3,385</b>
Translation difference in cash and cash equivalents	4	4
Cash and cash equivalents at beginning of the period	6,160	8,654
<b>Cash and cash equivalents at the end of the period</b>	<b>5,290</b>	<b>5,273</b>

# PARENT COMPANY SAS AB

The number of shareholders in SAS AB amounted to 204,621 (266,361) on January 31, 2024. The average number of employees amounted to one (two).

## Condensed statement of income

MSEK	Q1	
	Nov-Jan 2023-2024	Nov-Jan 2022-2023
Revenue	14	14
Personnel expenses	-9	-8
Other operating expenses	-332	-544
<b>Operating income (EBIT)</b>	<b>-327</b>	<b>-538</b>
Impairment of shares in subsidiaries	-	-1,840
Financial net	145	97
<b>Income before tax (EBT)</b>	<b>-182</b>	<b>-2,281</b>
Tax	-	-
<b>Net income for the period</b>	<b>-182</b>	<b>-2,281</b>

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

## Condensed balance sheet

MSEK	Jan 31, 2024	Oct 31, 2023	Jan 31, 2023
Financial non-current assets	20,592	20,623	20,081
Other current assets	266	399	193
Cash and bank balances	1	1	1
<b>TOTAL ASSETS</b>	<b>20,859</b>	<b>21,023</b>	<b>20,275</b>
Shareholders' equity	18,904	19,086	18,362
Non-current liabilities	12	14	1,568
Current liabilities	1,943	1,923	345
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>20,859</b>	<b>21,023</b>	<b>20,275</b>

## Changes in shareholders' equity

MSEK	Restricted equity		Unrestricted equity			Total sharehold- ers' equity
	Share capital <sup>1</sup>	Statutory reserve	Share premium reserve	Hybrid bonds	Retained earnings <sup>2</sup>	
Opening shareholders' equity in accordance with approved balance sheet, October 31, 2023	8,650	447	2,729	7,615	-355	19,086
Net income for the period					-182	-182
<b>Closing balance, January 31, 2024</b>	<b>8,650</b>	<b>447</b>	<b>2,729</b>	<b>7,615</b>	<b>-537</b>	<b>18,904</b>

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 366 pertaining to the 2022 fiscal year that have been deferred according to press releases on April 7, 2022 and October 13, 2022.

Additional due interest payments of MSEK 599 pertaining to the 2023 fiscal year that have been deferred according to press releases on April 13, 2023 and October 11, 2023.

## 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

New and amended IFRSs that entered force in November 2023 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.

### 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, which is also described on pages 10–11 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.

As described on page 11, 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 2022 to January 2024, SAS has chosen to reject lease contracts pertaining to one B737-700, three A350-900, three A321-200, one A320-200neo and one A330-300 aircraft as well as a number of engines. All of these 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. As a step in the Chapter 11 process, SAS expects the lenders/leaseholders and other counterparties to seek damages for their economic losses and report this to the US court. Due to the uncertainty in outcome for claims arising under Chapter 11 since these are dependent on the number of claims and the size of the claims, but are also dependent on 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

The COVID-19 pandemic and its subsequent effects have significantly affected the whole aviation industry, including SAS. The current geopolitical situation and Russia's invasion of Ukraine 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.

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. On January 23, 2024, SAS announced that it was filing an amended Chapter 11 plan of reorganization and related disclosure statement with the US Court. In connection with the filing of the updated disclosure statement, SAS published financial projections for the reorganized SAS, including for the fiscal year 2024, refer to page 10.

SAS FORWARD, a plan to strengthen and secure SAS' long-term future position, was launched at the end of February 2022. 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, 2022. The court has approved SAS' filing and SAS can thereby continue its operations as normal. As described on page 12, SAS reached an important milestone in the Chapter 11 process during the quarter. On November 4, SAS announced that it had entered an investment agreement with the winning bidder consortium. The investment agreement entails a total investment in the reorganized SAS corresponding to USD 1,200 million (~ SEK 13.2 billion), comprised of USD 475 million (~ SEK 5.225 billion) in new unlisted equity and USD 725 million (~ SEK 7.975 billion) in secured convertible debt. As detailed on page 12, SAS has also entered a DIP term loan agreement with Castlelake. On November 15, SAS repaid its original DIP term loan.

During fiscal year 2024, debt or debt-like items of SEK 20 billion are expected to be converted or reduced through the Chapter 11 process (of which a majority is on-balance sheet debt), which is why the current negative equity position in the Group is deemed to be transient. Assuming successful implementation of the SAS FORWARD plan, SAS expects to attain a strong financial position. SAS currently expects to complete the restructuring proceedings around the end of the first half of 2024.

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, reduction or conversion of debt, and the 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.

### 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**

	Q1	Q1
	Nov-Jan 2023-2024	Nov-Jan 2022-2023
Passenger revenue	6,468	5,786
Charter revenue	291	238
Cargo revenue	297	369
Other traffic revenue	778	553
<b>Total traffic revenue</b>	<b>7,834</b>	<b>6,946</b>
Other operating revenue	1,089	950
<b>Total</b>	<b>8,923</b>	<b>7,896</b>

**Geographical breakdown**

	Domestic		Intra-Scandinavian		Europe		Intercontinental		Total	
	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023
Passenger revenue	1,809	1,696	695	641	2,201	1,942	1,763	1,507	6,468	5,786
Charter revenue	–	–	–	–	291	238	–	–	291	238
Cargo revenue	1	1	1	1	12	11	283	356	297	369
Other traffic revenue	299	162	115	61	73	185	291	145	778	553
<b>Total traffic revenue</b>	<b>2,109</b>	<b>1,859</b>	<b>811</b>	<b>703</b>	<b>2,577</b>	<b>2,376</b>	<b>2,337</b>	<b>2,008</b>	<b>7,834</b>	<b>6,946</b>

	Denmark		Norway		Sweden		Europe		Other countries		Total	
	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023
<b>Other operating revenue</b>	126	117	291	276	187	161	218	170	267	226	1,089	950

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 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Nov-Jan 2023-2024	Nov-Jan 2022-2023
<b>Traffic revenue:</b>										
Passenger revenue	1,655	1,459	1,745	1,670	866	715	2,202	1,942	6,468	5,786
Charter revenue	104	57	142	140	45	41	-	-	291	238
Cargo revenue	52	72	44	65	62	72	139	160	297	369
Other traffic revenue	199	139	210	159	104	68	265	187	778	553
<b>Total traffic revenue</b>	<b>2,010</b>	<b>1,727</b>	<b>2,141</b>	<b>2,034</b>	<b>1,077</b>	<b>896</b>	<b>2,606</b>	<b>2,289</b>	<b>7,834</b>	<b>6,946</b>
<b>Total other operating revenue</b>	<b>187</b>	<b>161</b>	<b>291</b>	<b>276</b>	<b>126</b>	<b>117</b>	<b>485</b>	<b>396</b>	<b>1,089</b>	<b>950</b>
<b>Total</b>	<b>2,197</b>	<b>1,888</b>	<b>2,432</b>	<b>2,310</b>	<b>1,203</b>	<b>1,013</b>	<b>3,091</b>	<b>2,685</b>	<b>8,923</b>	<b>7,896</b>

### NOTE 3 OTHER EXTERNAL EXPENSES

	Q1	Q1
	Nov-Jan 2023-2024	Nov-Jan 2022-2023
Sales and distribution costs	-629	-556
Catering costs	-280	-302
Handling costs	-649	-624
Technical aircraft maintenance	-809	-696
Computer and telecommunication costs	-378	-339
Administrative services	-406	-652
Wet-lease expenses	-356	-353
Other	-305	-726
<b>Total</b>	<b>-3,812</b>	<b>-4,248</b>

### NOTE 4 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Q1	Q1
	Nov-Jan 2023-2024	Nov-Jan 2022-2023
Intangible assets, amortization	-1	-1
Tangible assets, depreciation	-257	-296
Right-of-use assets, depreciation	-832	-851
<b>Total</b>	<b>-1,090</b>	<b>-1,148</b>

### NOTE 5 FINANCIAL INCOME AND EXPENSES

	Q1	Q1
	Nov-Jan 2023-2024	Nov-Jan 2022-2023
Interest income	351	187
Interest expense	-1,090	-633
Other financial expenses	-7	-28
Exchange-rate differences	40	5
Interest expenses, IFRS 16	-224	-231
Exchange-rate differences, IFRS 16	1,029	885
<b>Total</b>	<b>99</b>	<b>185</b>

**NOTE 6 FINANCIAL ASSETS AND LIABILITIES****Fair values and carrying amounts of financial assets and liabilities**

	Jan 31, 2024		Oct 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>MSEK</b>				
<b>Financial assets</b>				
Financial assets at fair value, hedge-accounted	21	21	50	50
Financial assets at FVTPL	17	17	17	17
Financial assets at amortized cost	12,275	12,275	12,918	12,918
<b>Total</b>	<b>12,313</b>	<b>12,313</b>	<b>12,985</b>	<b>12,985</b>
<b>Financial liabilities</b>				
Financial liabilities at fair value, hedge-accounted	16	16	10	10
Financial liabilities at FVTPL	22	22	24	24
Financial liabilities at amortized cost	25,990	24,597	26,765	25,092
<b>Total</b>	<b>26,028</b>	<b>24,635</b>	<b>26,799</b>	<b>25,126</b>

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**

	Jan 31, 2024			Oct 31, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>MSEK</b>						
<b>Financial assets</b>						
Financial assets at fair value, hedge-accounted	–	21	21	–	50	50
Financial assets at FVTPL	–	17	17	–	17	17
<b>Total</b>	<b>–</b>	<b>38</b>	<b>38</b>	<b>–</b>	<b>67</b>	<b>67</b>
<b>Financial liabilities</b>						
Financial liabilities at fair value, hedge-accounted	–	16	16	–	10	10
Financial liabilities at FVTPL	–	22	22	–	24	24
<b>Total</b>	<b>–</b>	<b>38</b>	<b>38</b>	<b>–</b>	<b>34</b>	<b>34</b>

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, March 7, 2024

**Carsten Dilling**  
Board Chairman

**Lars-Johan Jarnheimer**  
Vice Chairman

**Oscar Stege Unger**  
Board member

**Nina Bjornstad**  
Board member

**Henriette Hallberg Thygesen**  
Board member

**Kay Kratky**  
Board member

**Michael Friisdahl**  
Board member

**Kim John Christiansen**  
Board member

**Jens Lippestad**  
Board member

**Tommy Nilsson**  
Board member

**Anko van der Werff**  
President and CEO

This interim report is unaudited.

# TRAFFIC DATA INFORMATION

## Scheduled passenger traffic

	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Year-on- year change
Number of passengers (000)	4,746	4,465	6.3%
RPK, Revenue Passenger Kilometers (mill)	6,192	5,450	13.6%
ASK, Available Seat Kilometers (mill)	8,709	7,982	9.1%
Load factor	71.1%	68.3%	2.8 <sup>1</sup>
Passenger yield, currency-adjusted	1.04	1.05	-0.8%
Passenger yield, nominal	1.04	1.06	-1.6%
Unit revenue, PASK, currency-adjusted	0.74	0.72	3.2%
Unit revenue, PASK, nominal	0.74	0.72	2.5%
RASK, currency-adjusted	0.86	0.83	4.0%
RASK, nominal	0.86	0.83	3.2%

<sup>1</sup>Figures given in percentage points

## Total traffic (scheduled and charter traffic)

	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Year-on- year change
Number of passengers (000)	4,853	4,566	6.3%
RPK, Revenue Passenger Kilometers (mill)	6,552	5,784	13.3%
ASK, Available Seat Kilometers (mill)	9,124	8,351	9.3%
Load factor	71.8%	69.3%	2.6 <sup>1</sup>
Unit cost, CASK, currency-adjusted	-1.00	-1.13	-11.7%
Unit cost, CASK, nominal incl. items affecting comparability	-0.98	-1.15	-14.4%
Unit cost, CASK, excl. jet fuel, currency-adjusted	-0.76	-0.84	-9.8%
Unit cost, CASK, excl. jet fuel, nominal incl. items affecting comparability	-0.74	-0.85	-13.1%

<sup>1</sup>Figures given in percentage points

## Scheduled traffic trend for SAS by route sector

	Nov-Jan 2023-2024 vs. Nov-Jan 2022-2023	
	Traffic (RPK)	Capacity (ASK)
Intercontinental	17.3%	13.7%
Europe/Intra-Scandinavia	16.8%	11.9%
Domestic	-0.2%	-5.4%

## Productivity and environmental efficiency

Productivity	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Year-on-year change
Cabin crew, block hours/year <sup>1</sup>	647	668	-3.1%
Pilots, block hours/year <sup>1</sup>	523	524	-0.2%
	January 2024	January 2023	Year-on-year change
Aircraft, block hours/day (R12)	8,68	7,63	13.9%

Environmental efficiency, 12-month rolling	January, 2024	January, 2023	Year-on-year change
Total CO <sub>2</sub> emissions, million metric tons	2,907	2,512	15.7%
CO <sub>2</sub> emissions per available seat kilometer, grams	51.1	53.8	-5.0%

<sup>1</sup>Includes SK, Connect and Link



# AIRCRAFT FLEET

## The SAS aircraft fleet as of January 31, 2024

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	9.9	5	6		11	11				11	2	
Airbus A320 family	6.1	15	69		84	54	30			84	13	
Boeing 737NG	23.9	1			1	1				1		
Embraer E195-100	14.8		10		10			10		10		
Bombardier CRJ	9.6			17	17				17	17		
ATR-72	10.4			6	6				6	6		
<b>Total aircraft in operation</b>	<b>7.9</b>	<b>21</b>	<b>85</b>	<b>23</b>	<b>129</b>	<b>66</b>	<b>30</b>	<b>10</b>	<b>23</b>	<b>129</b>	<b>15</b>	<b>-</b>
<b>Aircraft undergoing phase-out</b>												
Airbus A321-200	21.8	4			4							
Boeing 737NG <sup>1)</sup>	15.4	9			9							
<b>Total</b>	<b>20.7</b>	<b>13</b>			<b>13</b>							

<sup>1)</sup>Of which eight are under lease as of January 31, 2024

Aircraft on firm order FY23–FY25 per January 31, 2024	FY24	FY25	FY26	Total
Airbus A320neo	7	2	4	13
Airbus A350		1	1	2
<b>Total</b>	<b>7</b>	<b>3</b>	<b>5</b>	<b>15</b>



The new fleet lowers fuel consumption and thereby CO<sub>2</sub> 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. 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](http://www.sasgroup.net) under Investor Relations.

	Jan 31, 2024	Oct 31, 2023	Jan 31, 2023
Return on invested capital (ROIC)	-4%	-7%	-11%
Financial net debt/adjusted EBITDA	10.5x	20.4x	n/a
Financial preparedness	19%	35%	38%
Return on shareholders' equity	n/a	n/a	-632%
Equity/assets ratio	-15%	-11%	-4%
Financial net debt, MSEK	33,132	32,634	33,809
Shareholders' equity excluding hybrid bonds per common share	-2.19	-1.89	-1.4
Debt/equity ratio	-4.0	-5.3	-13.3
Interest-coverage ratio	-0.01	-0.46	-1.8

## Earnings-related key ratios and average number of employees

MSEK	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4
	Nov-Jan 2023-2024	Nov-Jan 2022-2023	Feb-Apr 2023	Feb-Apr 2022	May-Jul 2023	May-Jul 2022	Aug-Oct 2023	Aug-Oct 2022
Revenue	8,923	7,896	8,955	7,048	13,173	8,580	12,019	10,651
Operating income (EBIT)	-1,169	-2,634	-986	-763	1,577	-1,148	-662	-92
Operating income (EBIT) margin	-13.1%	-33.4%	-11.0%	-10.8%	12.0%	-13.4%	-5.5%	-0.9%
Income before tax (EBT)	-1,070	-2,449	-1,414	-1,557	457	-1,991	-2,110	-1,701
Net income for the period	-1,453	-2,709	-1,525	-1,520	461	-1,848	-1,928	-1,238
Income before tax and items affecting comparability	-1,032	-2,451	-1,561	-1,613	464	-2,081	-2,113	-1,626
Earnings per common share (SEK)	-0.20	-0.37	-0.21	-0.21	0.06	-0.25	-0.27	-0.17
Cash flow before financing activities	555	-1,688	2,763	2,599	1,383	-472	73	786
Average number of employees (FTEs)	8,099	7,497	7,928	6,881	8,287	7,435	8,124	7,492

# 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 before tax, net financial items, income from the sale and return of aircraft and other fixed assets, income from shares in affiliated companies, and depreciation and amortization.

**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.

**Carbon dioxide (CO<sub>2</sub>)** – A colorless gas that is formed in the combustion of all fossil fuels. The airline industry's CO<sub>2</sub> 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.

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

**Financial net debt/Adjusted EBITDA** – Average financial net debt in relation to Adjusted 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 (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 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 IFRS 16 – 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.

**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 and equity. The sources of funds are calculated and weighted in accordance with the current market value of equity and liabilities.

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](http://www.sasgroup.net) under Investor Relations.

March 18, 2024	Annual General Shareholders' Meeting
May 30, 2024	Q2 Interim report (Nov 2023–Apr 2024)
September 12, 2024	Q3 Interim report (Nov 2023–Jul 2024)
December 12, 2024	Year-end report (Nov 2023–Oct 2024)

### Investor relations

#### IR contact

Tel. +46 70 997 70 70

E-post: [investor.relations@sas.se](mailto:investor.relations@sas.se)

**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).