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A STAR ALLIANCE MEMBER 

SAS receives court approval of chapter 11 plan

SAS announces that the U.S. Bankruptcy Court for the Southern District of New York (the “Court”) has approved SAS’ Plan of Reorganization (“Chapter 11 Plan”). The effectiveness of the Chapter 11 Plan remains subject to various conditions precedent, including approvals from various regulatory authorities and the completion of a Swedish company reorganization at the SAS AB level. SAS currently expects to emerge from the chapter 11 process around the end of the first half of 2024, and reiterates its expectation that there will be no recovery for subordinated creditors and no value for SAS AB’s existing shareholders. 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. SAS’ operations and flight schedule remain unaffected by the restructuring proceedings and SAS will continue to serve its customers in the ordinary course throughout this process.

SAS initiated voluntary chapter 11 proceedings in the U.S. in order to accelerate the implementation of its comprehensive business transformation plan, SAS FORWARD. The aim of the chapter 11 process was to reach agreements with key stakeholders, restructure the company’s debt obligations, reconfigure its aircraft fleet, and emerge with a significant capital injection.

Over the course of the chapter 11 process, SAS has successfully reconfigured its aircraft fleet and reached amended lease agreements with 15 lessors, representing 59 aircraft. Through the amended lease agreements, SAS expects to achieve the targeted annual cost savings of at least SEK 1.0 billion in reduced aircraft lease expenses and annual cash flow items relating to aircraft financing.

SAS has also successfully concluded a competitive exit financing solicitation process, selecting Castlake, L.P., on behalf of certain funds or affiliates (“Castlake”), Air France-KLM S.A. (“Air France-KLM”) and Lind Invest ApS (“Lind Invest”), together with the Danish state, as the winning bidder consortium. The agreed transaction structure includes a total investment in reorganized SAS corresponding to USD 1,200 million, which includes USD 475 million in new unlisted equity and USD 725 million in secured convertible debt.

The Chapter 11 Plan, which was approved by the Court today, is supported by more than 99 percent of the creditors that voted on the Chapter 11 Plan.

Anko van der Werff, President & Chief Executive Officer of SAS, comments:

“This is a major milestone for SAS in our transformation plan, SAS FORWARD. The approved Chapter 11 Plan is supported by more than 99 percent of our creditors that voted, and it sets a clear path to exiting the restructuring proceedings. We look forward to emerging as a competitive and financially stronger airline with a stable equity structure. I would like to thank our investors and our other stakeholders who have worked constructively with us in reaching this milestone, and our creditors for their confidence in our plan. I would also like to thank our employees for their dedication and determination throughout this process. We still have work to do but this



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marks a powerful step towards realizing SAS' potential to remain at the forefront of the airline industry for years to come."

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Information regarding chapter 11 cases

Additional information regarding SAS' voluntary chapter 11 cases is available on SAS' dedicated restructuring website, <https://sasgroup.net/transformation>. U.S. court filings and other documents related to the chapter 11 cases in the U.S. are available on a separate website administered by SAS' claims agent, Kroll Restructuring Administration LLC, at <https://cases.ra.kroll.com/SAS>. Information is also available by calling (844) 242-7491 (U.S./Canada) or +1 (347) 338-6450 (International), as well as by email at SASInfo@ra.kroll.com.

Advisors

Weil, Gotshal & Manges LLP is serving as global legal counsel and Mannheimer Swartling Advokatbyrå AB is serving as Swedish legal counsel to SAS. Seabury Securities LLC and Skandinaviska Enskilda Banken AB are serving as investment bankers, and Seabury Securities LLC is also serving as restructuring advisor to SAS. Skadden, Arps, Slate, Meagher & Flom LLP is serving as legal counsel, Rothschild & Co is serving as investment banker, and SkyWorks Holdings LLC is serving as aviation consultant to Castletlake. White & Case LLP, Euclid Law and Sheppard, Mullin, Richter & Hampton LLP are serving as co-legal counsel to Air France-KLM. Bech-Bruun Law Firm P/S is serving as legal counsel and Latham & Watkins LLP is serving as US legal counsel to Lind Invest. Wilkie Farr & Gallagher LLP is serving as legal counsel, Jefferies LLC is serving as investment banker, AlixPartners, LLP is serving as financial advisor, Alton Aviation Consultancy LLC is serving as industry advisor, and DLA Piper LLP is serving as Scandinavian counsel to the Official Committee of Unsecured Creditors.

For further information, please contact:

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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 sustainability values, SAS aims to be the driving force in sustainable aviation and in the transition toward net zero emissions. We are continuously reducing our carbon emissions through using more sustainable aviation fuel, investing in new fuel-efficient aircraft and technology innovation together with partners – thereby contributing towards the industry target of net zero CO2 emissions by 2050. In addition to flight operations, SAS offers ground handling services, technical maintenance and air cargo services. Learn more at <https://www.sasgroup.net>