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SAS Reaches Agreements to Amend the Terms of Existing Aircraft and Equipment Lease Agreements

SAS AB (“SAS” or the “Company”) announces that it has reached agreements with 10 lessors, representing in aggregate 36 aircraft, to amend the terms of existing aircraft and equipment lease agreements. The agreements constitute an important step in reconfiguring the fleet and achieving the SEK 7.5 billion in annual cost savings under the SAS FORWARD plan. The amended lease agreements are subject to approval by the U.S. Bankruptcy Court for the Southern District of New York (the “Court”), and to the plan of reorganization in the chapter 11 process becoming effective.

The amended lease agreements have been entered into with 10 lessors – AerCap Holdings N.V., Aergo Capital Limited, Aircastle Limited, ALAFCO Aviation Lease and Finance Company, Avolon Aerospace Leasing Limited, CDB Aviation, Dubai Aerospace Enterprise (DAE) Ltd., ICBC Aviation Leasing Co., Ltd., ORIX Aviation Systems Limited and SDH Wings International Leasing Limited – representing in aggregate 36 aircraft, including 3 wide bodies and 33 narrow bodies, as well as certain equipment related thereto.

Through the amended lease agreements, SAS is well on track in achieving the targeted annual cost savings of at least SEK 850 million to 1.0 billion in reduced aircraft lease and capital costs, which constitutes an important step in achieving the SEK 7.5 billion in annual cost savings by fiscal year 2026 under the SAS FORWARD plan. The Company intends to continue negotiations with certain other of its lessors to achieve further amendments in existing lease agreements.

Anko van der Werff, President and Chief Executive Officer of SAS, says:

“We continue to make progress in our chapter 11 process. The amended lease agreements allow us to reconfigure our fleet and improve our cost structure, which is a key element of our SAS FORWARD plan. We are grateful to our lessors for working constructively with us, as we continue taking necessary actions to become a more competitive airline and a stronger business partner to them. We are continuing to pursue additional lease amendments so we can achieve our targets.”

Additional Information About the Chapter 11 Process and Implementation of SAS FORWARD

On July 5, 2022, to accelerate the implementation of its comprehensive business transformation plan SAS FORWARD, SAS announced that it had voluntarily filed for chapter 11 in the U.S., a well-established and flexible legal framework for restructuring businesses with operations in multiple jurisdictions. Through this process, SAS aims to reach agreements with key stakeholders, restructure the Company’s debt obligations, reconfigure its aircraft fleet, and emerge with a significant capital injection. The SAS FORWARD plan encompasses raising at least SEK 9.5 billion in new equity capital as well as reducing or converting SEK 20 billion of debt into common equity (of which a majority is on-balance sheet debt), including state hybrid notes, commercial hybrid notes, Swiss bonds, term loans from states, aircraft lease liabilities and maintenance contract obligations



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and other executory contract obligations. The new equity raise and debt-to-equity conversions contemplated as part of SAS FORWARD will entail very substantial dilution to existing shareholders. SAS targets to complete its court-supervised process in the U.S. within 12 months from the commencement of the chapter 11 process in July 2022.

Additional information about the Company's voluntary chapter 11 process is available on the Company's dedicated restructuring website, <https://sasgroup.net/transformation>. Court filings and other documents related to the chapter 11 process 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, Norton Rose Fulbright is serving as special aircraft finance 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, Seabury is also serving as restructuring advisor. FTI Consulting is serving as financial advisor.

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This is information that SAS AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication by Louise Bergström at 08:10 a.m. CEST on October 5, 2022.

SAS, Scandinavia's leading airline, with main hubs in Copenhagen, Oslo and Stockholm, is flying 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 by 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 founder member of the Star Alliance™, and together with its partner airlines offers a wide network worldwide. Learn more at <https://www.sasgroup.net>

ADDITIONAL INFORMATION

The press release does not constitute an offer to sell or issue, or the solicitation of an offer to buy or acquire, or subscribe for, shares or any other financial instruments in SAS.

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