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SAS AB's plan of reorganization in Sweden approved – applies for a conditional delisting of all common shares and commercial hybrid bonds

SAS AB (publ) (the "Company") announces that the Stockholm District Court has approved the Company's plan of reorganization (the "Reorganization Plan") in its company reorganization proceeding in Sweden (Sw. företagsrekonstruktion). As a result of the Reorganization Plan, and in line with what has been previously communicated, all of the Company's existing common shares and listed commercial hybrid bonds will be redeemed and cancelled in connection with SAS' emergence from its restructuring proceedings. Against this background, the Company has today applied for the delisting of its existing common shares from Nasdaq Stockholm, Nasdaq Copenhagen and Oslo Børs (the "Exchanges") and for the delisting of the Company's listed commercial hybrid bonds from Nasdaq Stockholm, conditional upon the decision to approve the Reorganization Plan entering into legal force.

The Reorganization Plan includes resolutions to change the Company's capital structure through (i) the issuance of new unlisted shares to Castlake, L.P., on behalf of certain funds or affiliates, Air France-KLM S.A., and Lind Invest ApS, together with the Danish State (collectively, the "Investors"), as well as certain general unsecured creditors that will receive new shares as recovery on account of their claims (entailing a total share capital increase corresponding to up to USD 550 million)¹, (ii) the redemption and cancellation of all of the Company's existing common shares, without consideration to the shareholders (entailing a reduction of the share capital equal to the entire current registered share capital of approximately SEK 8.6 billion), and (iii) a bonus issue without the issuance of shares (entailing a share capital increase of SEK 4.5 billion). In addition to the aforementioned changes to the Company's share capital, the Investors will also invest a total of USD 725 million in exchange for new secured convertible debt.

The last day of trading of the Company's existing common shares and commercial hybrid bonds on the Exchanges and Nasdaq Stockholm, respectively, is expected to occur two trading days following the date on which the decision to approve the Reorganization Plan enters into legal force. Furthermore, when such decision has entered into legal force, it will no longer be possible to carry out conversions of the common shares between the securities depository systems in Denmark, Norway and Sweden.

The registration of the changes to the Company's capital structure with the Swedish Companies Registration Office (Sw. *Bolagsverket*), and consequently the cancellation of the existing common shares from the shareholders' registers maintained by Euroclear Sweden, Euronext Securities Copenhagen and Euroclear Securities Oslo, as well as the redemption and cancellation of the commercial hybrid bonds, will be effected following emergence from the restructuring proceedings.

The recovery to general unsecured creditors will be distributed in cash and/or new unlisted shares in the Company, as well as through contingent value notes ("CVNs") that may, under certain conditions,

¹ For illustrative purposes, this amount equals approximately SEK 5.8 billion based on a foreign exchange rate of USD/SEK 10.55 as of July 18, 2024. The actual capital increase in SEK will depend on the prevailing foreign exchange rate in connection with emergence from the restructuring proceedings.



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entitle such general unsecured creditors to an additional cash distribution in the future. As to the Company's listed commercial hybrid bonds, holders of such commercial hybrid bonds as of Friday, July 26, 2024 will be entitled to receive a distribution under the Reorganization Plan. In order to receive CVNs in connection with SAS' emergence from its restructuring proceedings, general unsecured creditors entitled to such CVNs must complete and submit a registration form by the emergence date. The registration form and further instructions, including information related to the holding period trust (for general unsecured creditors that have not submitted the registration form by the relevant deadline or are otherwise not eligible to receive CVNs), are available on the Company's website, www.sasgroup.net/transformation.

Application for company reorganization in Sweden was specifically contemplated by the plan of reorganization approved as part of SAS' chapter 11 process in the U.S. (the "Chapter 11 Plan"), and a successful completion of the company reorganization proceeding is a condition precedent for the Chapter 11 Plan to become effective. Provided that all other conditions precedent for the effectiveness of the transaction (including approvals from various regulatory authorities) are satisfied and the Stockholm District Court's decision to approve the Reorganization Plan enters into legal force upon expiry of the initial three-week appeal period, SAS currently expects to emerge from its restructuring proceedings during August 2024, but this timetable may change.

Information regarding SAS' U.S. chapter 11 cases and SAS AB's company reorganization in Sweden

Additional information regarding SAS' voluntary chapter 11 cases in the U.S. and SAS AB's company reorganization in Sweden 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. Swedish court filings related to SAS AB's company reorganization in Sweden can be requested from the Stockholm District Court, and certain documentation is also provided by the administrator on a separate website administered by Ackordcentralen (AC-Gruppen AB), <https://ackordscentralen.se/en/reorganisations/sas-ab/>.

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.

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>