

June 10, 2024



PLAN OF REORGANIZATION

for

SAS AB (publ), Reg. No. 556606-8499

June 10, 2024

Stockholm District Court, Case No. Ä 5580-24

[This is a translation. In case of any discrepancies, the Swedish original shall prevail]

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Plan of Reorganization

Debtor: SAS AB (publ), Reg. No. 556606-8499
AVD code: STOUU-T, SE-195 87 Stockholm

Administrator: Mikael Kubu¹
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1. Background²

The SAS Group's core business is to operate passenger flights within a Scandinavian and international route network. SAS AB (publ), 556606-8499 (hereinafter referred to as the "**Company**")³ is the parent company of the SAS Group. The Company's operations consist of customary functions for a Swedish listed group parent company (i.e. a company whose shares are admitted to trading on a regulated market), including, *inter alia*, the provision of management services, raising external capital and on-lending to other entities in the SAS Group, and the provision of guarantees as security for indebtedness, leasing commitments and certain other commitments for other entities in the SAS Group.

The aviation industry was hit hard financially by the COVID-19 pandemic, which had a negative impact on the Company. In 2020, the Company completed a capital raise and a voluntary debt settlement to stabilize the business, but the Company continued to experience financial pressure thereafter. In February 2022, the SAS FORWARD transformation plan was launched in an effort to secure a solid financial foundation for the Company by, among other things, significantly deleveraging the capital structure of the CH Debtors, reducing external costs and adapting the CH Debtors' fleet and route network. Difficulties in reaching agreements with key stakeholders and a pilot strike in July 2022 led the Company and certain subsidiaries to initiate Chapter 11 proceedings in the United States in the same month to preserve liquidity and continue the implementation of SAS FORWARD.

The Chapter 11 proceedings initiated by the Company and its subsidiaries on July 5, 2022 in the United States have enabled the Company and the other CH Debtors to renegotiate agreements and achieve significant cost savings, which are crucial to the Company's continued operations and to the implementation of SAS FORWARD. An important part of the process has been to secure an investment in the Company, which is crucial to prevent insolvency and secure the viability of the Company and the SAS Group. Such investment has been secured through an extensive and competitive bidding process and has subsequently been documented in the Investment Agreement. The renegotiated agreements and associated cost savings, as well as the Investment, are conditional upon the completion of the Company's company reorganization.

The Company has secured, unsecured and subordinated liabilities. In order to secure the long-term viability of the business, it is necessary to reach agreements with key stakeholders that are,

¹ The administrator's reorganization report is appended to this reorganization plan, see Appendix 1 and related appendices.

² For further information on the Company (as defined below) and the reasons for the Company's financial difficulties, please see the application for company reorganization (in particular section C).

³ Defined terms used in this reorganization plan are set out in Appendix 2 and are substantially the same as in the list of definitions attached to the Company's application for company reorganization (see Appendix 1 to the application). However, certain terms are defined in the body of the reorganization plan or in the relevant appendices where explicitly stated.

directly or indirectly, affected by the Company's company reorganization. Such agreements have to a large extent already been reached insofar as it relates to the part of SAS FORWARD that has been implemented within the framework of the Chapter 11 proceedings (see e.g. sections 7, 8 and 16 of Appendix 6 to the application for company reorganization), with some exceptions.

As described in further detail in Appendix 6 to the application for company reorganization, the implementation of SAS FORWARD has involved extensive work related to cost savings. A significant part of this work relates to the renegotiation of lease agreements and other agreements with suppliers. This is necessary to ensure that the operations of the Company's subsidiaries' are profitable. These measures have been successfully undertaken within the framework of the Chapter 11 proceedings; however, the implementation is dependent on the Chapter 11 Plan becoming effective as well as the completion of the Investment Agreement. The effectiveness of the Chapter 11 Plan is in turn conditional upon this reorganization plan being approved and the approval decision having entered into legal force.

By decision of the Stockholm District Court on March 27, 2024 in case no. Å 5580-24, the Company has initiated company reorganization pursuant to the Swedish Company Reorganization Act (2022:964) ("FRekL"). The order was confirmed by the District Court through a decision announced during the creditors' meeting on April 17, 2024. A plan hearing will be requested shortly after the publication of this reorganization plan (the publication was made on the date on which the Company published a press release to which this reorganization plan was appended).⁴

2. Status of employees and overall impact on employment

At the commencement of the company reorganization, the Company had one (1) employee, the President and CEO of the Company, Anko van der Werff.

The Company is party to two collective bargaining agreements, but no employee of the Company is covered by these agreements.⁵

The employee of the Company has, during the initial phase of the company reorganization, received information about the company reorganization process and the consequences that the company reorganization has for him. The employee has also been informed of his right to compensation under the Swedish Wage Guarantee Act (1992:497).

No employment has been terminated or added during the company reorganization.

⁴ As stated in section 5.3.6 below, payment is proposed to be made fairly soon after the completion of the reorganization. In view of this, no security has been provided for the consideration offered by the Company under the reorganization plan.

⁵ It may also be noted (although it is not directly relevant in this context) that the Consortium is party to collective agreements and employs workers covered by such agreements.

3. Affected parties, their claims or rights and right of priority

3.1 Affected and unaffected parties

3.1.1 Affected parties

The following parties are affected by the reorganization plan. Consequently, these are creditors whose claims arose before the decision to commence company reorganization and who are directly affected by the reorganization plan, as well as shareholders in the Company whose rights are directly affected by the reorganization plan.

The grouping and the rationale for the grouping, as well as the settlement offer to affected parties in the different groups, are described in section 4 and section 5.3 below, respectively.

3.1.1.1 *Creditors whose claims are subject to a right of priority, security right or right to set-off*

- CL-S Holdings, L.P. and CLG Co-investment Opportunities, L.P.

CL-S Holdings, L.P. and CLG Co-investment Opportunities, L.P. (collectively referred to as the “**DIP Lenders**”) are affected by the reorganization plan and have a claim against the Company in the original total principal amount of USD 500,000,000 under the Replacement DIP Facility (CL-S Holdings, L.P. holds 75.98 percent and CLG Co-investment Opportunities, L.P. holds 24.02 percent of the total amount). In addition to the original principal amount, the DIP Lenders are entitled to (i) accrued interest that has been capitalized and added to the original principal amount, (ii) accrued but unpaid interest that has not been capitalized and is due on the date of repayment of the Replacement DIP Facility obligations in accordance with the terms thereof and (iii) other fees payable under the Replacement DIP Facility. The claims relate to the guarantee provided by the Company under the Replacement DIP Facility. The claims (the guarantee undertaking) are secured by a pledge over the majority of the Company’s assets, both tangible and intangible, including (i) all shares in certain SAS Group companies, such as SAS EuroBonus AB (which owns all rights to the EuroBonus loyalty program); (ii) material registered intellectual property rights; and (iii) intercompany receivables.

The creditors are affected by the reorganization plan since the payment terms originally agreed between the parties are modified in accordance with section 5.3.5 (read together with section 5.2.3.3) below.

3.1.1.2 *General unsecured creditors*

- Eksfin (the Norwegian Term Loan)

The total outstanding principal amount under the Norwegian Term Loan is NOK 1,497,500,000, with an interest rate equal to NIBOR plus a margin of 0,55 percent *per annum*. The claims under the Norwegian Term Loan are general unsecured. The Consortium has guaranteed the Norwegian Term Loan.

Eksfin initially issued a guarantee undertaking in favor of the original lenders under the Norwegian Term Loan. Pursuant to this guarantee undertaking, Eksfin guaranteed (as principal obligor) the Company’s payment obligations under the Norwegian Term Loan, including accrued but unpaid interest and costs, up to a maximum of NOK 1,500,000,000. On June 23, 2022, Eksfin

acquired the (principal) claim from the original lenders under the Norwegian Term Loan and also replaced Nordea Bank Abp, filial i Sverige as facility and documentation agent.

- Holders of the Commercial Hybrid Bonds represented by the agent, Intertrust (Sweden) AB

On October 23, 2020, the Company issued the Commercial Hybrid Bonds, with perpetual maturity and, thus, without any specified maturity date. The total outstanding principal amount is SEK 1,615,000,000. The Commercial Hybrid Bonds bear interest at a floating rate, increasing at different intervals over a ten-year period, before reaching an interest rate of STIBOR plus a margin of 15.90 percent *per annum* on October 23, 2030 until redemption. Interest is due twice a year, on April 23 and October 23. The Company has deferred all interest payments since April 2022, which is permitted under the terms of the Commercial Hybrid Bonds.

In accordance with the applicable accounting policies, the Commercial Hybrid Bonds are accounted for as equity. Regardless of how the instruments are categorized in the accounts, they are debt instruments (and therefore debt).

- Lessors' claims for damages in respect of operating aircraft lease obligations, other aircraft lease obligations and aircraft-related obligations

Aircraft lessors are operators that provide aircraft to airlines through leasing agreements. They play a key role in enabling airlines to expand their fleet and adapt to market needs without having to purchase the aircraft outright. Their role includes managing operating lease obligations, where the aircraft are leased for short periods and often returned to the lessor, as well as other lease obligations, which may include finance leases where the airline, in some cases, has an option to purchase the aircraft at the end of the lease term. The Company has guaranteed aircraft operating lease obligations, other aircraft lease obligations and aircraft-related obligations. Certain of these obligations consist of indemnities under leases terminated or renegotiated within the framework of SAS FORWARD and the Chapter 11 proceedings.

The above creditors (listed in this section 3.1.1.2) have general unsecured claims in the event of bankruptcy and would receive no or only marginal dividends in bankruptcy. They are affected by the reorganization plan since their claims are written down in accordance with the debt settlement set out in section 5.3.5 below. As described below, these creditors are divided into main and side groups as set out in section 4.1.2 below.

3.1.1.3 *Creditors with public law-related claims*

- The Swedish Tax Agency

The Company has a debt in the amount of SEK 18,410,531.00 to the Swedish Tax Agency, for which the Company received a tax deferral prior to the decision on company reorganization (so-called *covidanstånd* in accordance with the Swedish Act (2009:99) on Deferred Payments of Taxes in Certain Cases (Sw. *lag (2009:99) om anstånd med inbetalning av skatt i vissa fall*)).

The creditor has a general unsecured claim in the event of bankruptcy and would receive no or only marginal dividends in bankruptcy. The creditor is affected by the reorganization plan since its claim is written down through the debt settlement set out in section 5.3.5 below.

3.1.1.4 *Creditors with subordinated claims*

- Holders of the Swiss Bonds represented by the agent, Citibank

In 1986, the Consortium issued the Swiss Bonds. Since the bonds were issued, the Consortium has repurchased a portion of the Swiss Bonds, resulting in a current total outstanding principal amount of CHF 127,195,000. The Company has issued a general guarantee undertaking covering the Consortium's obligations under the Swiss Bonds.

The Swiss Bonds have a floating interest rate that is adjusted every ten years. The interest rate is the average of the SBC-Foreign Bonds Index and the Pictet-new foreign Bond Issue Index, rounded up to the nearest $\frac{1}{8}$ percent as necessary, determined on the tenth business day before the beginning of each ten-year period. The current interest rate is 0.625 percent *per annum*. It will next be adjusted on January 14, 2026. Interest is paid annually in arrears on January 14 each year. No interest has been paid since January 14, 2022.

The Swiss Bonds have no scheduled maturity date and are subordinated to all other liabilities of the Consortium that are not expressly subordinated. In addition, the Company is, pursuant to a subordinated guarantee, liable for the Consortium's obligations under the Swiss Bonds (the same priority applies to the guarantee as to the principal obligation).

The holders of the Swiss Bonds have a subordinated guarantee claim against the Company in the event of bankruptcy pursuant to Section 18, first paragraph of the Swedish Rights of Priority Act (1970:979). In the event of bankruptcy, these creditors would not have received any dividend. The holders of the Swiss Bonds are affected by the reorganization plan since their claims are written off through the debt settlement set out in section 5.3.5 below.

- The Danish State and the Swedish State as holders of the State Hybrid Notes represented by the agent, Intertrust (Sweden) AB

The State Hybrid Notes 1: On October 26, 2020, the Company issued the State Hybrid Notes 1, with perpetual maturity and no specified maturity date. The total outstanding principal amount is SEK 5 billion. The State Hybrid Notes 1 carry a floating interest rate, which increases at different intervals over a seven-year period, before reaching an interest rate of STIBOR plus a margin of 10.40 percent as of October 26, 2027 until redemption. The interest rate matures twice a year, on April 26 and October 26. The Company has deferred the interest payment since April 2022, which is permitted under the terms of the State Hybrid Notes 1.

The State Hybrid Notes 1 are subordinated to other debt of the Company.

State Hybrid Notes 2: On October 26, 2020, the Company issued the State Hybrid Notes 2, with perpetual maturity and no specified maturity date. The total outstanding principal amount is SEK 1 billion. They bear interest at a floating rate, increasing at different intervals over a seven-year period, before reaching an interest rate of STIBOR plus a margin of 11.40 percent as of October 26, 2027 until redemption. The interest rate matures twice a year, on April 26 and October 26. The Company has deferred the interest payments since April 2022, which is permitted under the terms and conditions of the State Hybrid Notes 2.

The State Hybrid Notes 2 are subordinated to other debt of the Company.

In accordance with the applicable accounting policies, the State Hybrid Notes are accounted for as equity. Regardless of how the instruments are categorized in the accounts, they are debt instruments (and therefore debt).

The above creditors have claims that, according to the terms of the respective instruments, are subordinated in accordance with Section 18, first paragraph of the Swedish Rights of Priority Act. In the event of bankruptcy, the creditors would not have received any dividend. The creditors are

affected by the reorganization plan since their claims are written down through the debt settlement set out in section 5.3.5 below.

3.1.1.5 *Shareholders*

The Company's registered share capital currently amounts to SEK 8,649,529,469 and there are 7,266,039,292 common shares outstanding in the Company. The ten largest shareholders in the Company are presented in the table below.⁶ As of April 30, 2024, there were approximately 190,000 shareholders in the Company.⁷

Name	Num. of Shares	Capital	Votes	Verified
Government Offices of Sweden	1,584,296,144	21.80%	21.80%	2024-05-29
Government of Denmark	1,584,296,144	21.80%	21.80%	2024-05-29
Wallenberg Investments	248,559,600	3.42%	3.42%	2024-05-29
SEB Funds	47,667,002	0.66%	0.66%	2024-05-29
Nordnet Pensionsförsäkring	38,420,993	0.53%	0.53%	2024-05-29
Paul Zeinou	33,362,090	0.46%	0.46%	2024-05-29
Avanza Pension	22,674,928	0.31%	0.31%	2024-05-29
Nordbakk Svein Roger	21,296,521	0.29%	0.29%	2024-05-29
FCG Fonder	19,618,542	0.27%	0.27%	2024-05-31
Holtung Ole-Gabriel	15,063,333	0.21%	0.21%	2024-05-29
Total 10	3,615,255,297	49.76%	49.76%	
Others	3,650,783,995	50.24%	50.24%	
Total number of shares	7,266,039,292			2024-05-31

The shareholders are directly affected by the reorganization plan since they will not receive any recovery under the reorganization plan, but will instead have their common shares redeemed for no consideration. The mechanics for the redemption procedure are described in further detail in section 5.2.4 and section 5.3.5 below.

3.1.2 Parties not affected by the reorganization plan

To the extent that commitments have been entered into by the Company during the company reorganization, they are under all circumstances not covered by the reorganization plan in accordance with Chapter 4, Section 3 of FRekL.

⁶ It should be noted, however, that given that the Company's common shares are admitted to trading on the regulated market operated by Nasdaq Stockholm (and with secondary listings in Copenhagen and Oslo), this is only a snapshot as of May 31, 2024.

⁷ Based on data from Modular Finance AB and its service Holdings.

3.1.2.1 *Certain lease obligations*

Certain companies within the SAS Group have, during the Chapter 11 proceedings and the company reorganization, entered into new aircraft lease agreements for which the Company has provided a guarantee (new lease obligations). These new lease obligations will be honored and are therefore not affected by any debt write-down. Consequently, these guarantee undertakings issued by the Company will also not be affected by any debt write-down. In addition, during the Chapter 11 proceedings, certain companies within the SAS Group have requested that certain existing aircraft leases be fully or partially performed. To the extent that these old lease obligations are to be performed, they will not be affected by any debt write-down and, consequently, neither will the Company's corresponding guarantee undertakings. For these reasons, any guarantee undertakings entered into by the Company in respect of new lease obligations or old lease obligations to be performed are not affected.

3.1.2.2 *Pension-related obligations*

The same considerations that have been made in relation to certain lease obligations (see section 3.1.2.1 above) also applies with respect to obligations arising from pension provisions for which the Company has provided a guarantee undertaking and pension commitments made by the Company itself. There are no remaining ongoing payment obligations for the Company in respect of these pension-related obligations that are currently fully funded. These creditors are, thus, also unaffected by the reorganization plan.

3.1.2.3 *The Swedish Tax Agency*

The Company's company reorganization is part of the larger reorganization of the SAS Group, where the cut-off date on a consolidated basis for old debt was July 5, 2022 (i.e. the date when, *inter alia*, the Company initiated the Chapter 11 proceedings). Within the framework of this company reorganization, the administrator has allowed the Company to fulfill obligations that arose between July 5, 2022 and March 27, 2024, based on exceptional grounds.

For the reasons set out above, the debt to the Swedish Tax Agency for which the Company has been granted tax deferrals after July 5, 2022 shall be unaffected by this reorganization plan and shall be performed in accordance with the granted deferrals.

3.1.2.4 *Interest related to previously received State aid*

In relation to the Danish State and the Swedish State, there is a potential interest obligation due to the State aid received in connection with the 2020 recapitalization was initially provided on a formally incorrect basis. The State aid in question has subsequently been adjusted so that the formal conditions are met. Thus, the potential liability would relate to interest on State aid received from the time of receipt until the Commission re-approved the State aid in November 2023. It is not yet clear how large such an interest claim could be.

It follows from EU law that a claim for State aid interest cannot be written off in the context of a reorganization procedure and thus cannot be covered by the procedure or a reorganization plan

involving debt write-off.⁸ The interest must be paid in full alongside such a procedure. Thus, the Commission Notice on the recovery of unlawful and incompatible State aid states that “such proceedings must be left unapplied insofar as, in absence of timely recovery of the full recovery amount, they prevent the winding up and cessation of activities of the aid beneficiary”.⁹

In this context, please see also section 5.3.3 below on how a portion of the Investment will be set aside in order to finance the potential payment by the Company of the interest claim described above.

3.1.2.5 *Intra-group claims*

To the extent (if at all) that there is any intra-group claim held by a group company against the Company that has not already been set off at/before the plan proceedings, the creditor of such claim shall be deemed unaffected by this reorganization plan since such claim will be set off against a counterclaim held by the Company (if any). Had the creditor of such intra-group claim been considered affected by the reorganization plan, it would have been placed in a secured group considering its right to set-off.

3.1.2.6 *Blocked accounts and retainer*

The Company has pledged the balance on an account in favor of SEB Kort Bank AB. The security amounts to SEK 15 million *plus* accrued interest. The security is pledged for obligations that the Company, the Consortium and SAS Eurobonus AB have towards SEB Kort Bank AB. Neither the underlying obligations nor the security will be affected by the reorganization plan.

Furthermore, in 2022 the US law firm Weil, Gotshal & Manges LLP received a retainer of USD 50,000 for legal services. This retainer will not be affected by the reorganization plan.

⁸ Issues related to State aid interest are addressed both in the Commission Notice on the recovery of unlawful and incompatible State aid and in the Commission Notice on the enforcement of State aid law by national courts. It follows from these notices that the purpose of recovery of State aid interest is always the same, irrespective of whether recovery concerns the principal amount of the aid including interest or interest only (see paragraph 16 of the Commission Notice on recovery of unlawful and incompatible State aid and paragraph 77 of the Commission Notice on the enforcement of State aid law by national courts).

⁹ See paragraph 131 of the Commission Notice on the recovery of unlawful and incompatible State aid.

4. Grouping and rationale for the grouping

4.1 General background and section layout¹⁰

The stakeholders have been divided into nine groups. The grouping and the rationale for assigning stakeholders to each group are described below.

In order to facilitate the presentation of the grouping, the overall group structure is set out in the table below.¹¹

No.	Affected parties
<u>I.</u>	<u>Group of secured / senior creditors</u>
<u>Group 1</u>	DIP lenders
<u>II.</u>	<u>Groups of general unsecured creditors</u>
<u>Group 2</u>	Counterparties to agreements with the Company that will not be performed and other general unsecured creditors
<u>Group 3</u>	Eksfin (for the Norwegian Term Loan)
<u>Group 4</u>	Aircraft lessors, suppliers, etc. who are counterparties to agreements with the Company to be performed
<u>III.</u>	<u>Group of public law-related claims</u>
<u>Group 5</u>	The Swedish Tax Agency
<u>IV.</u>	<u>Groups of subordinated creditors</u>
<u>Group 6</u>	Holders of the Swiss Bonds
<u>Group 7</u>	The States as creditors under the State Hybrid Notes
<u>V.</u>	<u>Groups of shareholders</u>
<u>Group 8</u>	Holders of the common shares, other than the Danish State
<u>Group 9</u>	The Danish State as holder of existing common shares

¹⁰ As outlined in Appendix 14, some claims presented in this section are 4.1 estimates in terms of amounts and others are disputed.

¹¹ The indication of the amount of a particular claim in section 4.1 has, if such claim is denominated in a foreign currency, been calculated using the relevant exchange rate applicable on March 27, 2024 (i.e., the date of the company reorganization decision).

4.1.1 Creditors whose claims are subject to a right of priority, security right or right to set-off

Group 1 The DIP lenders

Total claim: SEK 5,581,585,025.97 (excluding certain fees)

In accordance with Chapter 4, Section 5, first paragraph, subsection 1 of FRekL, creditors whose claims are associated with a right of priority, security right or right to set-off shall be divided into one group. As indicated above in section 3.1.1.1, the DIP Lenders are creditors with priority rights.

4.1.2 General unsecured creditors

Chapter 4, Section 5, first paragraph, subsection 4 of FRekL states that general unsecured creditors (i.e. creditors who do not have claims referred to in Chapter 4, Section 5, first paragraph, subsections 1-3 of FRekL) shall, as a general rule, be divided into the same group. In accordance with Chapter 4, Section 5, second paragraph of FRekL, affected parties may, however, be divided into additional groups if this is justified on the basis that they have equivalent interests. This section 4.1.2 sets out the proposed division of the general unsecured creditors into three groups (one main group and two side groups), where each group section includes a description of the reasons why the affected parties are considered to have interests that justify placing them in separate groups.

Group 2 Creditors who have agreements with the Company that will not be performed and other general unsecured creditors

Total claim: SEK 4,212,650,465.93¹²

The main group of general unsecured creditors comprises general unsecured commercial creditors that are not to be separated from the main group by being placed in group 3 or group 4. The criteria for being placed in group 3 or group 4 are set out below. In addition to the creditors in group 3 and group 4 having different interests than the creditors in this main group, it is also proposed to give them different (but equivalent) terms in the reorganization plan, which is why they are placed in separate groups.¹³

Group 3 Eksfin (creditor under the Norwegian Term Loan)

Total claim: SEK 1,680,690,633.95

Eksfin is a Norwegian government agency under the Norwegian Ministry of Trade, Industry and Fisheries and, thus, part of the Norwegian state. Eksfin's mission is to increase Norwegian exports and value creation by offering competitive government financing; loans, guarantees and risk relief that promote international sales contracts and investments in Norway. However, the Norwegian Term Loan is not a public law-related claim, but a commercial loan originally provided by privately-owned banks secured with a guarantee undertaking by Eksfin's predecessor (see section

¹² See Appendix 14 regarding certain claims being estimates and others being disputed.

¹³ See Ehrenpil, *Rekonstruktionsuppörelsen* p. 266 ff, Renman, *Något om de nya planförhandlingsreglerna* (Ny juridik 4:22) p. 20 ff and Government bill 2021/22:215 p. 215.

3.1.1.2 above).¹⁴ Accordingly, it is a commercial general unsecured claim that has been acquired, and is now held, by a state actor. The reason why Eksfin should be separated from other commercial general unsecured creditors is that a state has other interests than strictly commercial actors (such as for-profit banks or other private law institutions).¹⁵ The fact that state creditors have such – from commercial actors’ – essentially different interests has been recognized by the legislator in the general justification to Chapter 4, Section 5 of FRekL, which states that there may be grounds to distinguish state creditors from other creditors even when it is not a question of public law claims.¹⁶ For the reasons described above, Eksfin should be placed in a – in relation to other general unsecured creditors – separate side group separate from both public law creditors and other general unsecured commercial creditors. Furthermore, and as noted above, it is proposed to give Eksfin different (but equivalent) terms in the reorganization plan than those offered to the main group of general unsecured creditors as part of the initial distribution, i.e. consideration in the form of shares and not cash.

Group 4 Creditors who have agreements with the Company to be performed

Total claim: SEK 4,870,762,672.78¹⁷

This group comprises general unsecured creditors with an established business relationship with the Company and who have agreements with the Company, or another group company for which the Company has provided a guarantee, that will be fully or partially performed. These creditors will therefore continue to have a relationship with the Company even after completion of the reorganization. Accordingly, these creditors have equivalent interests and should therefore be included in the same group (separate from the general unsecured main group 2 and from the side group 3).¹⁸ Furthermore, and as noted above, the parties included in this side group are also proposed to be given different (but equivalent) terms in the reorganization plan than those offered to the main group as part of the initial distribution, i.e. consideration in the form of shares and not cash.

4.1.3 Creditors with public law-related claims

Group 5 The Swedish Tax Agency

Total claim: SEK 18,410,531.00

In accordance with Chapter 4, Section 5, first paragraph, subsection 2 of FRekL, creditors with public law-related claims shall be divided into a separate group.

¹⁴ See Government bill 2021/22:215, p. 216, and in particular the statement that “[p]ublic-law claims refer to claims from the public authorities that are established by a decision of the authorities”. (Please note that all quotes herein are unofficial translations from Swedish).

¹⁵ See Government bill 2021/22:215, p. 216, and in particular the statement that “[a]n agency’s position on whether a debt settlement should be accepted is not characterized solely by economic considerations”.

¹⁶ Government bill 2021/22:215 p. 216 f.

¹⁷ See Appendix 14 regarding certain claims being estimates and others being disputed.

¹⁸ See Government bill 2021/22:215, p. 217, and in particular the statement that “creditors with an established business relationship with the debtor have interests that differ from those of the other creditors, which is why it is justified to place them in a separate group”.

4.1.4 Creditors with subordinated claims

In accordance with Chapter 4, Section 5, first paragraph, subsection 3 of FRekL, creditors with subordinated claims shall be divided into a separate group. However, the Company has deemed it justified to divide the subordinated creditors into two separate groups. In the same way as noted in section 4.1.2 above, each group section includes a description of the rationale for placing the relevant creditors in a separate group.

Group 6 The Swiss Bonds

Total claim: SEK 1,512,235,187.04

The holders of the Swiss Bonds have been placed in the main group of subordinated creditors separate from the State Hybrid Notes since, to the best of the Company's knowledge, these holders are private and commercial entities, unlike the holders of the State Hybrid Notes (see the reasons set out in section 4.1.2 above, including the references therein, as to why Eksfin has been placed in a separate group; these reasons are equally applicable here). In addition to that the holders of the State Hybrid Notes can be assumed to have different interests than those of the holders of the Swiss Bonds on objective grounds (which are further described in the justification to side group 7 below), the guarantee undertaking in respect of the Swiss Bonds also has priority over the State Hybrid Notes pursuant to the applicable priority rules under the terms and conditions.

Group 7 The State Hybrid Notes

Total claim: SEK 7,106,019,177.68

See the justification for main group 6 above, which explains why the States do not have equivalent interests to those of the holders of the Swiss Bonds. In addition, it should be noted that the nature of the State Hybrid Notes justifies their placement in a subordinated side group. The reason for this is that these claims have arisen as a result of the State Hybrid Notes being issued under a temporary State aid framework and, thus, constituted State aid from the States to the Company. The States must therefore comply with the State aid rules with regard to debt write-down and not only the strictly commercial considerations that a private operator would have to take into account. Furthermore, the States may have to take into account other non-commercial considerations. Accordingly, it can be concluded that the States have equivalent interests, which differ from the interests of the parties placed in the main group.

4.1.5 Shareholders

Group 8 The holders of common shares, other than the Danish State

In accordance with Chapter 4, Section 5, first paragraph, subsection 5 of FRekL, a company's shareholders shall be divided into a separate group. These shareholders have the same position in the event of a bankruptcy and are deemed to have equivalent interests in the company reorganization.

Group 9 The Danish State as holder of existing common shares

The Company is a public company whose common shares are admitted to trading on the regulated market operated by Nasdaq Stockholm (and with secondary listings in Copenhagen and Oslo). At the time of commencement of the company reorganization, the Company had approximately 200,000 shareholders. The vast majority of these shareholders are passive minority shareholders. However, there are some larger and more active shareholders in the Company, including the

Swedish State and the Danish State, who are the Company's largest shareholders, each holding 21.8 percent of the voting rights and share capital. As described in section 4.1.2 above (in the justification for group 3), it has been assumed in the preparatory works of FRekL that public actors may have interests that differ from those of strictly commercial parties. This assumption is of course also applicable in this context. Against this background, it is justified to place the Danish State (in its capacity as shareholder) in a separate side group from the other shareholders. However, the objective reasons for this are not only that the Danish State is a public actor, but also that the Danish State (i) by entering into the Investment Agreement has undertaken (on the terms set out therein) to make a new investment in the Company after the implementation of the reorganization (compare this with what has been stated above about creditors with an established and continuing relationship with the debtor, as compared to creditors who will not have such a relationship) and (ii) in the vote on the reorganization plan would have a very large relative voting power within group 8 due to its large shareholding. For these reasons, it can be concluded that the Danish State does not have equivalent interests with the other shareholders and therefore should be placed in a separate group.

4.2 Details on the voting register, etc. regarding listed instruments

4.2.1 The Commercial Hybrid Bonds

The Commercial Hybrid Bonds (ISIN SE0014957999) are admitted to trading on the regulated market operated by Nasdaq Stockholm. For practical reasons, the number of eligible voters in the relevant group will therefore be determined based on the conditions prevailing five (5) business days prior to the plan hearing (the record date). The exact record date will be announced by the Company through a press release and published on the Company's website (www.sasgroup.net/transformation) after the District Court has set the time and date for the plan hearing.

4.2.2 Common shares

As the Company's common shares (ISIN SE0003366871) are admitted to trading on the regulated market operated by Nasdaq Stockholm (with secondary listings in Copenhagen and Oslo), it is complicated to identify the shareholders at a specific point in time, in particular as only a small proportion of shareholders have directly registered holdings. This affects both the procedure for distributing the reorganization plan to shareholders and the preparation of the voting list for the relevant group of stakeholders ahead of the plan hearing.

Against the above background, the Company has chosen to, in relevant respects, follow the procedure that under the Swedish Companies Act (2005:551) applies for a general meeting in companies whose shares are admitted to trading on a regulated market. One part of this entails that the Company, in addition to announcing the reorganization plan through a press release, will announce in the Swedish Official Gazette (*Post- och Inrikes Tidningar*) and Svenska Dagbladet that the reorganization plan has been made public.¹⁹ This also means that the Company will request a presentation of the share register from Euroclear Sweden regarding the shareholdings six (6) banking days prior to the plan hearing (record date). Shareholders with nominee-registered holdings, including holders of common shares registered with the central securities depositories in Denmark or Norway, must therefore request that the nominee temporarily register the common shares in the shareholder's name (so-called voting right registration) so that the shareholder is

¹⁹ These measures will be taken in addition to the publication procedure provided for in Chapter 4, Section 12, subsection 3 of FRekL.

included in the presentation of the share register kept by Euroclear Sweden as of the record date. Voting right registrations made by the nominee no later than four (4) banking days prior to the plan hearing will be taken into account in the preparation of the share register. Information on how holders of common shares should proceed in order to be included in this presentation and thereby be entitled to vote at the plan hearing (including the exact record date and instructions for shareholders with nominee-registered holdings) will be announced by the Company through a press release and published on the Company's website (www.sasgroup.net/transformation) after the District Court has set the time and date for the plan hearing.

5. The reorganization measures

5.1 General background – Investment under the Investment Agreement

As mentioned in the Company's application for commencement of company reorganization (see in particular Appendix 6 to the application for company reorganization), the Company solicited the market within the framework of the Chapter 11 proceedings for an investment in the Company that would make it possible to, *inter alia*, (i) finance the repayment of the loans provided under the Original DIP Credit Agreement and pay related fees to Apollo, (ii) finance payments to general unsecured creditors on account of their claims as part of a debt settlement and (iii) provide the Company and the other CH Debtors with sufficient liquidity to continue the operations and be viable following the completion of the reorganization. The market solicitation process was launched by order of the Bankruptcy Court on May 15, 2023 and, in addition to being approved and supervised by the Bankruptcy Court, established a transparent framework to enable a competitive bidding process. This framework ensured a fair and proper marketing and evaluation process for and by potential financial and strategic investors, with clear guidelines for qualification and selection. More specifically, this involved, *inter alia*, Seabury and SEB contacting over 200 potential investors active in the international capital market, including a significant number of private equity firms, asset managers, competing airlines, hedge funds, institutional investors and family offices.

On October 3, 2023, the Company selected the Investors as the winning bidding consortium in the solicitation process to provide the Investment, as well as entities affiliated with Castlake also provide a USD 500 million refinancing of the Original DIP Credit Agreement.

On November 4, 2023, the Company and the Investors entered into an Investment Agreement, which includes the terms of the Investors' equity investment as well as the principal terms of the Convertible Notes (as defined below) and the Chapter 11 Plan. The agreed investment structure is expected to result in a post-reorganization shareholder structure as follows (based on total equity, but before conversion of the Convertible Notes):

Party	Share of subordinated shares (approx.)	Share of the Convertible Notes
Castlake	32.0%	55.2%
The Danish State	25.8%	30.0%
Air France-KLM	19.9%	4.8%
Lind Invest	8.6%	10.0%
Eligible Subscribing Creditors ²⁰	13.6%	0.0%

The Investment can otherwise be described as the Company (subject to the conditions described in the Investment Agreement) issuing new subordinated shares (ISIN SE0019354788) and new

²⁰ See the definition and description below of how the shares will be distributed among and held by certain creditors who will receive initial consideration in the form of shares in the Company (see also section 5.3.5 below in which the debt settlement is described in further detail).

convertible notes (the “**Convertible Notes**”)²¹ to the Investors. This entails a total investment in the Company of USD 1,200 million, comprising USD 475 million in newly issued subordinated shares (the “**Subscription Commitment**”) and USD 725 million in Convertible Notes. As part of the Investment, the Investors have agreed to pay a contribution fee to the States. From the total Investment, a value corresponding of up to USD 325 million will be allocated to SAS’ general unsecured creditors on a consolidated basis through a combination of cash, CVNs and subordinated shares. From this value (after (i) setting aside the Contributed GUC Cash (as defined below) and (ii) allocating USD 4.01 million to certain of the CH Debtors under the Chapter 11 Plan, but before (iii) taking into account any distributions that the Company may receive on account of intercompany claims that it holds against the Consortium under the Chapter 11 Plan), 59 percent will be distributed to the Company’s general unsecured creditors.

For the reasons described further in section 5.3.3 below, only a portion of the USD 325 million of the Investment earmarked for the general unsecured creditors on a consolidated basis (i.e. including general unsecured creditors of all the CH Debtors) will be initially distributed to such creditors. The initial distribution to the general unsecured creditors will mainly consist of new subordinated shares (see section 5.2 for the issuance structure and section 5.3.5 for the debt settlement offered to the different groups of creditors) corresponding to a total value on a consolidated basis of USD 75 million (the “**Equity Recovery**”; the general unsecured creditors who will be entitled to receive subordinated shares are hereinafter referred to as “**Eligible Subscribing Creditors**”). From the remaining amount (i.e. USD 250 million) earmarked for the general unsecured creditors on a consolidated basis (the “**GUC Cash**”), an amount corresponding to approximately SEK 2.2 billion (depending on the USD/SEK exchange rate at the time of completion of the Investment) will be set aside by the Investors (the “**Contributed GUC Cash**”), while the difference will be paid in cash as part of the initial distribution.²² The portion set aside may later become available to the general unsecured creditors. This is achieved by providing them with a contingent limited recourse claim (through so-called CVNs), which entitle these creditors to receive their *pro rata* share of the Contributed GUC Cash at a later date, depending on whether or not the Company is found liable to pay interest to the Danish State and the Swedish State respectively related to the State aid received in connection with the 2020 recapitalization, as well as the size of such potential payment obligation (see further section 3.1.2.4 above).

The completion of the Investment is subject to a number of conditions, including that this reorganization plan shall have entered into legal force and the receipt by the Investors and the States of certain regulatory and State aid approvals. Accordingly, the Investment will not be completed until all of these conditions are satisfied or waived. These conditions are customary and imposed by the Investors and form part of the commercial agreement between the Investors and the Company. It is primarily the Company that is responsible for the satisfaction of these conditions. Without the regulatory approvals and approval of the concessions of the States, the Investment cannot be completed. As mentioned above and further in section 5.3.3 below, the Investors have also conditioned the completion of the Investment on the setting aside of a portion of the GUC Cash, i.e. the cash amount of USD 250 million earmarked for the general unsecured creditors on a consolidated basis, pending a resolution on whether or not the Company is found liable to pay interest related to the State aid received in connection with the 2020 recapitalization.

²¹ The Convertible Notes are debt instruments with a contractual right to be converted into shares under certain conditions (contractual convertible notes), where the issuance of new shares in connection therewith requires approval by a future general meeting. Accordingly, they may not be equated to convertibles issued under Chapter 15 of the Swedish Companies Act and will not be subject to registration in the companies register maintained by the Swedish Companies Registration Office.

²² The estimated amount has been calculated using the relevant exchange rate as of 3 June 2024. See, *inter alia*, section 5.3.6 on the impact of the exchange rate on the recovery.

This is a condition determined through the market solicitation process, and thus set in line with market conditions, and is therefore not determined under any legal (Swedish or foreign) framework in that respect.²³

The recovery offered to the Company's general unsecured creditors is, thus, financed through the Investment and will be distributed to the creditors shortly after this the reorganization plan has become effective and the Investment has been completed.

As general unsecured creditors will have their claims substantially written down and subordinated creditors will receive no consideration at all, there will be no value left for existing holders of common shares in the Company. This in turn means that all existing common shares will be redeemed for no consideration (and as a result will be delisted from Nasdaq Stockholm, Nasdaq Copenhagen and Oslo Børs, as briefly described in section 5.2.6 below).

The following section 5.2 includes a description of the corporate actions needed to complete the Investment and the overall reorganization structure. This is followed by a more detailed description of the debt settlement in section 5.3 below.

5.2 The corporate action-related measures²⁴

5.2.1 Background and section layout

The Company will implement the corporate actions²⁵ set out in detail in Appendices 3–10D.2 (which include the Board's proposals and related statements required under the Swedish Companies Act (2005:551)). The main features of these measures are described below.

5.2.2 Summary of the measures

The following corporate actions (described in further detail below and in the appendices to which reference is made throughout) are to be implemented as part of the reorganization plan:

1. issuance of subordinated shares to Air France-KLM, Lind Invest and the Danish State (cash issue);
2. issuance of subordinated shares to Castlelake (in-kind issue);
3. issuance of subordinated shares to Eligible Subscribing Creditors with claims against the Company (set-off issue);

²³ See also in this respect what is stated in section 5.3.1 below.

²⁴ If required for reasons related to the issuance of shares, certain amounts of claims may be converted into USD at the relevant exchange rate.

²⁵ It can be noted that as of today, there are 300,000 issued and outstanding warrants in the Company, held by a wholly-owned subsidiary of the Company. These warrants are intended to be canceled after the District Court's approval of the reorganization plan (but prior to the completion of the Investment). The cancellation of such warrants will therefore not be carried out as part of the corporate actions described in this reorganization plan.

4. issuance of subordinated shares to Eligible Subscribing Creditors with claims against relevant Subsidiaries²⁶ (in-kind issue);
5. adoption of new articles of association (amendment to the limits for share capital and number of shares);
6. reduction of the share capital in combination with the redemption of all existing common shares; and
7. bonus issue to restore the share capital.

The resolutions, which will be conditional upon each other, will be submitted for simultaneous registration in the company register maintained by the Swedish Companies Registration Office.

5.2.3 New share issues

5.2.3.1 *General considerations*

As a result of the Subscription Commitments and the Equity Recovery being denominated in USD (while the subscription price is to be paid in SEK), the number of new subordinated shares will be calculated in accordance with the formula set out below (whereby the number of shares shall be rounded down to the nearest integer), based on the European Central Bank's USD/SEK exchange rate on the business day prior to the start of the subscription period (the "**Exchange Rate**"). The Exchange Rate will also determine the proportion of the Equity Recovery to be allocated between the Company and the relevant Subsidiaries and, thereby, the respective Eligible Subscribing Creditor's *pro rata* share of the Equity Recovery.

The new subordinated shares will be subscribed for at a subscription price per share corresponding to the quota value of approximately SEK 1.19040499526657.

Investors:
$$\frac{\text{Subscription Commitment (expressed in USD)} \times \text{Exchange Rate (SEK amount rounded to two decimal places)}}{\text{Quota value}}$$

Eligible Subscribing Creditors:
$$\frac{\text{Pro rata share of the Equity Recovery (expressed in USD)} \times \text{Exchange Rate}}{\text{Quota value}}$$

In total, the Investors will subscribe for subordinated shares corresponding to a total value USD 475 million and the Eligible Subscribing Creditors will be entitled to subscribe for subordinated shares corresponding to a total value of USD 75 million²⁷ (subject to such creditors satisfying the conditions precedent for receipt of such shares set out in section 5.3.2). Due to the variable factors described above, the number of subordinated shares will, however, not be known until the date on which the Exchange Rate is fixed. As a result, the Board of Directors' proposals for the share issue resolutions attached to this reorganization plan have been based on a maximum share capital increase and a maximum number of new subordinated shares. However, the actual number of subordinated shares that will ultimately be issued (as well as the resulting share capital increase) is expected to be less than the maximum amounts set out in the Board of Directors'

²⁶ "**Subsidiaries**" means Gorm Dark Blue Ltd, Gorm Deep Blue Ltd, Gorm Light Blue Ltd, Gorm Ocean Blue Ltd, Gorm Sky Blue Ltd, and the Consortium.

²⁷ Eligible Subscribing Creditors will subscribe for shares either through set-off or in exchange for the contribution of a portion of the relevant claim as consideration in kind.

proposals, but reflect the expected post-reorganization shareholder structure set out in section 5.1 above.

The following sub-sections include a brief description of each new share issue.

5.2.3.2 *Cash issue to Air France-KLM, Lind Invest and the Danish State*

Air France-KLM, Lind Invest and the Danish State will subscribe for new subordinated shares against cash payment in an amount corresponding to their respective share of the Subscription Commitments (whereby the number of subordinated shares and the subscription proceeds in SEK shall be calculated in accordance with section 5.2.3.1 above).

See the following appendices:

- Appendix 3 – Proposal for resolution on cash issue;
- Appendix 10A.1 – Board statement pursuant to Chapter 12, Section 7 and Chapter 13, Section 6 of the Swedish Companies Act; and
- Appendix 10A.2 – Auditor’s statement in accordance with Chapter 12, Section 7 and Chapter 13, Section 6 of the Swedish Companies Act (2005:551) as to the Board of Directors’ report for events of material significance for the period 2024-02-06 – 2024-06-10.

5.2.3.3 *In-kind issue to Castlelake*

Castlelake will subscribe for new subordinated shares against payment-in-kind in an amount corresponding to Castlelake’s share of the Subscription Commitments (whereby the number of subordinated shares and the subscription proceeds in SEK shall be calculated in accordance with section 5.2.3.1 above). The consideration in kind will consist of CL-S Holdings, L.P.’s (principal) claim against the Consortium under the Replacement DIP Facility (for which CL-S Holdings, L.P. shall receive full payment), amounting to the principal amount of USD 405,985,766.13²⁸ plus interest. The contributed DIP claim will, to the extent it exceeds Castlelake’s subscription amount in SEK, be set off against Castlelake’s other payment obligations under the Investment Agreement.

See the following appendices:

- Appendix 4 – Proposal for resolution on in-kind issue (DIP issue)
- Appendix 10A.1 – Board statement pursuant to Chapter 12, Section 7 and Chapter 13, Section 6 of the Swedish Companies Act;
- Appendix 10B.1 – Board statement pursuant to Chapter 13, Section 7 of the Swedish Companies Act; and
- Appendix 10B.2 – Auditor’s statement in accordance with Chapter 13, Section 8 of the Swedish Companies Act (2005:551) on the Board of Director’s report on contribution in kind.

²⁸ Estimated principal amount based on capitalized interest as of August 5, 2024.

5.2.3.4 *Set-off issue to Eligible Subscribing Creditors with claims against the Company*

Each Eligible Subscribing Creditor with claim(s) against the Company (which are affected parties in the company reorganization) will be entitled to subscribe for new subordinated shares by way of set-off against such claims, in an amount corresponding to such creditor's *pro rata* share of the portion of the Equity Recovery attributable to the Company (whereby the number of subordinated shares and the subscription proceeds in SEK shall be calculated in accordance with section 5.2.3.1 above).

See the following appendices:

- Appendix 5 – Proposal for resolution on set-off issue;
- Appendix 10A.1 – Board statement pursuant to Chapter 12, Section 7 and Chapter 13, Section 6 of the Swedish Companies Act;
- Appendix 10C.1 – Board statement pursuant to Chapter 13, Section 7 of the Swedish Companies Act; and
- Appendix 10C.2 – Auditor's statement in accordance with Chapter 13, Section 8 of the Swedish Companies Act (2005:551) on the Board's report on offsetting.

5.2.3.5 *In-kind issue to Eligible Subscribing Creditors with claims against relevant Subsidiaries*

Each Eligible Subscribing Creditor with claim(s) against the Subsidiaries (which creditors are not affected parties in the company reorganization) will be entitled to subscribe for new subordinated shares by way of payment-in-kind in an amount corresponding to such creditor's *pro rata* share of the portion of the Equity Recovery attributable to the relevant Subsidiary (whereby the number of subordinated shares and the subscription proceeds in SEK shall be calculated in accordance with section 5.2.3.1 above). The consideration in kind will consist of the respective Eligible Subscribing Creditor's claim(s) against the relevant Subsidiary. The claims will, to the extent they exceed the respective Eligible Subscribing Creditor's subscription amount in SEK, be remitted by the Eligible Subscribing Creditor in accordance with the debt write-down in the Chapter 11 Plan.

Consequently, the Eligible Subscribing Creditors with claims against the Subsidiaries are, in this company reorganization, to be considered as investors (and not affected parties) since they are contributing assets to the Company.

See the following appendices:

- Appendix 6 – Proposal for resolution on in-kind issue;
- Appendix 10A.1 – Board statement pursuant to Chapter 12, Section 7 and Chapter 13, Section 6 of the Swedish Companies Act;
- Appendix 10D.1 – Board statement pursuant to Chapter 13, Section 7 of the Swedish Companies Act; and
- Appendix 10D.2 – Auditor's statement in accordance with Chapter 13, Section 8 of the Swedish Companies Act (2005:551) on the Board of Director's report on contribution in kind.

5.2.4 Cancellation of all common shares

The cancellation of all existing common shares will be carried out through a reduction of the share capital (corresponding to the entire current registered share capital) in combination with a redemption of all existing common shares without consideration to the shareholders. The reduction of the share capital will be made for the purpose of allocation to non-restricted equity in accordance with Chapter 20, Section 1, subsection 2 of the Swedish Companies Act.

The decision will be conditional on an amendment to the limits of the share capital and number of shares in the articles of association.

See the following appendices:

- Appendix 7 – Proposal to amend the articles of association;
- Appendix 8 – Proposal for resolution on reduction of share capital;
- Appendix 10E.1 – Board statement pursuant to Chapter 20, Section 13 of the Swedish Companies Act; and
- Appendix 10E.2 – Auditor’s statement in accordance with Chapter 20, Section 14 of the Swedish Companies Act (2005:551), as to the Board of Directors’ report in accordance with Chapter 20, Section 13, paragraph 4 of the Swedish Companies Act.

5.2.5 Bonus issue

After the reduction of the share capital described in section 5.2.4 above, a bonus issue will be carried out (without the issue of new shares). After the bonus issue, and taking into account the new share issues described in section 5.2.3 above and the resulting share capital increase, the registered share capital will exceed the current registered share capital. Accordingly, the Company will, in accordance with Chapter 20, Section 23, second sentence of the Swedish Companies Act, take measures to ensure that neither the Company’s restricted equity nor share capital is reduced.

See the following appendices:

- Appendix 9 – Proposal for a resolution on a bonus issue; and
- Appendix 10A.1 – Board statement pursuant to Chapter 12, Section 7 and Chapter 13, Section 6 of the Swedish Companies Act; and
- Appendix 10A.2 – Auditor’s statement in accordance with Chapter 12, Section 7 and Chapter 13, Section 6 of the Swedish Companies Act (2005:551) as to the Board of Directors’ report for events of material significance for the period 2024-02-06 – 2024-06-10.

5.2.6 Delisting

As a consequence of the redemption of all common shares through a reduction of the share capital (see section 5.2.4 above), the common shares will not continue to be traded on Nasdaq Stockholm, Nasdaq Copenhagen and Oslo Børs. The Company will, in connection with the approval of the

reorganization plan, work to procure the delisting of the common shares from all three stock exchanges.

Strictly speaking, the delisting is not a reorganization measure but a consequence of the redemption of all outstanding common shares.

5.3 The debt settlement

5.3.1 General background and section layout

This section 5.3 includes a description of the debt settlement offered to each group of creditors under the reorganization plan.

Most groups of general unsecured creditors (except for creditors in groups 2 and 5) will receive subordinated shares as set out in section 5.1 above as an initial distribution. The creditors in groups 2 and 5 will receive the initial distribution in cash. In addition, the general unsecured creditors will, in the form of CVNs, be provided with a possibility to receive an additional distribution as described in section 5.3.3 below.

5.3.2 Shares as part of the debt settlement

As described in section 5.1 above, up to USD 325 million of the total Investment has been earmarked for distribution to the general unsecured creditors on a consolidated basis, of which USD 75 million is to be distributed in the form of new subordinated shares (see also section 5.2.3.4 and 5.2.3.5 above). The right to receive subordinated shares is, however, conditional upon the Eligible Subscribing Creditors providing the following documentation prior to the start of the subscription period:

1. a signed subscription list;
2. an agreement to contribute a portion of the claim corresponding to the subscription price for the subordinated shares as consideration in kind (applicable to creditors participating in the in-kind issue as described in section 5.2.3.5 above);
3. information about the securities account or nominee account to which the subordinated shares shall be distributed (which must be able to hold the subordinated shares (ISIN SE0019354788), which are affiliated with Euroclear Sweden AB); and
4. a signed signature page to a Recipient Shareholders' Agreement (see Appendix 11), as required by the Investment Agreement.

Eligible Subscribing Creditors who do not provide the documentation in item 1 and (to the extent applicable) item 2 above prior to the start of the subscription period (which is required for the shares to be issued under Swedish law) will forfeit their right to the new subordinated shares (and consequently the right to recovery for such portion of the claim).

If an Eligible Subscribing Creditor has provided the documentation in item 1 and (to the extent applicable) item 2 above, but has not provided the documentation in item 3 or item 4 above prior to the start of the subscription period, the subordinated shares to which the Eligible Subscribing Creditor would otherwise be entitled will instead be immediately transferred to a holding period trust, whereby the trustee (the “**Equity Trustee**”) will hold the shares as trust property on behalf of the Eligible Subscribing Creditor and the other beneficiaries (i.e. creditors who have subscribed for but were unable to receive the subordinated shares upon issuance). Creditors whose

subordinated shares have been transferred to the trust but who subsequently meet the conditions in item 3 and 4 above may within a holding period of twelve (12) months request the Equity Trustee to transfer the shares to the creditor. Upon the expiry of the holding period, the Equity Trustee shall, subject to the limitations imposed by applicable law and the trust agreement to be entered into between the Company and the Equity Trustee, as soon as practicable sell the subordinated shares and distribute the sale proceeds (net of actual and reasonable costs and expenses incurred in connection with any such sale(s)) *pro rata* to the beneficiaries. If any trust property remains after a period of three (3) years from the date of the trust agreement, either due to failure by the Equity Trustee to sell all of the subordinated shares or as a result of failure by the beneficiaries to claim their *pro rata* share of the sale proceeds in a timely manner, the trust property will be transferred to the Company as a gift.

5.3.3 CVNs as part of the debt settlement

As described in section 5.1 above, up to USD 325 million of the total Investment has been earmarked for distribution to the general unsecured creditors on a consolidated basis, of which up to USD 250 million is the GUC Cash. In accordance with the Investment Agreement, the Contributed GUC Cash²⁹ (i.e., approx. SEK 2.2 billion)³⁰ shall be set aside pending a resolution on whether the Company is found liable to pay interest related to the State aid received in connection with the 2020 recapitalization to the Danish State and the Swedish State, as well as the amount of such potential payment obligation. The Contributed GUC Cash will, as of the date on which the Investment is completed (or as soon as practicable thereafter), be deemed contributed to the GUC Entity (as defined below) as a step in the reorganization measures set forth in the Chapter 11 Plan and this reorganization plan.

The general unsecured creditors will indirectly have access to the Contributed GUC Cash by way of such funds being contributed to the SAS GUC Entity (a *société à responsabilité limitée*) incorporated in Luxembourg (the “**GUC Entity**”), which is owned by a foundation. The GUC Entity will in turn issue contingent value notes (CVNs) to the general unsecured creditors based on such creditors’ claims against the Company and certain Subsidiaries. The CVNs are contingent debt instruments that will, in the best case, provide additional (cash) recovery of up to 14.9–16.3 percent of the nominal value of the principal amount of such creditors’ claims.³¹ The CVNs will (subject to applicable restrictions) be freely transferable and listed on a trading venue in the EU. Accordingly, the payment that these creditors can expect under the envisaged debt settlement may (depending on the size and liquidity of the market for such CVNs) be higher than the initial distribution already immediately after the reorganization plan has been approved and implemented. This is a result of the value of the CVNs that a creditor will receive, as well as the interest that will accrue on the instruments, which may become available to the general unsecured creditors.

The more detailed terms and conditions of the CVNs are set out in the attached terms and conditions (see Appendix 12, Section “*Part 4: Terms and Conditions of the CVNs*” of Exhibit A). The terms and conditions together with the so-called GUC Agreement (see Appendix 12, Appendix B (*Material Terms of GUC Agreement*)) provide that the payment to the general

²⁹ In simple terms, the difference between USD 250 million and approximately SEK 2.2 billion will be the cash that accrues to the general unsecured creditors on a consolidated basis already at the time of the initial payment.

³⁰ The exact amount will be determined according to the relevant exchange rate at the time of the completion of the Investment. The indicative amount of SEK 2.2 million set out above has been included for illustrative purposes, and is based on the relevant exchange rate as of 3 June 2024.

³¹ See footnote 32 below.

unsecured creditors follows a priority order, which simplified can be described as that the general unsecured creditors will only receive payment if there is a surplus of funds in the GUC Entity after the resolution of certain litigations regarding interest related to the State aid received in connection with the 2020 recapitalization.

If a creditor belonging to a group entitled to CVNs does not meet the relevant requirements for receiving CVNs (see also Appendix 13, Section 2.1), its CVNs will be allocated to a holding period trust, whereby the trustee (the “**CVN Trustee**”) will hold the CVNs as trust property on behalf of the beneficiaries (i.e., creditors who could not receive the CVNs at the time of issuance). Creditors whose CVNs have been transferred to the trust but who subsequently meet all relevant conditions, may request the CVN Trustee to transfer the CVNs to the creditor within a nine (9) month holding period. Upon the expiry of the holding period, the CVN Trustee shall, subject to the limitations imposed by applicable law and the GUC holding trust agreement to be entered into between the Company and the CVN Trustee, as soon as practicable sell the CVNs and distribute the sale proceeds (net of costs and expenses incurred in connection with any such sale(s)) *pro rata* to the beneficiaries. If any trust property remains after a period of twelve (12) months from the date of the trust agreement (i.e. if the CVN Trustee has failed to sell such CVNs), the CVNs will be transferred back to and cancelled by the GUC Entity. If the CVN Trustee is successful in selling the CVNs but a beneficiary does not claim their *pro rata* share of the sale proceeds in time, the trust property will instead be transferred to the Company as a gift.

If, in connection with, and at the time of, the issuance of the CVNs, there are still claims that are disputed between the Company (or any other relevant CH Debtor) and any relevant creditor, the relevant creditor will receive their *pro rata* share of CVNs on account of (i) the allowed portion of such claim or (ii) if not yet allowed, (a) the undisputed amount of any claim or (b) the CH Debtors’ good faith estimate of the value of the claim, in each case, that the relevant creditor has against the Company and any other relevant CH Debtor. For any disputed portions of such claims (i.e., the difference between the amount recognized by the Company and the amount sought by the relevant creditor) (the “**Disputed Portion**”), CVNs will be issued but will not be distributed to the relevant creditor on the issue date of the CVNs but will be held in a holding period trust. If any Disputed Portion (in whole or in part) is then no longer contested, the relevant creditor will have CVNs representing the Disputed Portion transferred to it in accordance with the terms of the holding period trust deed.

If any Disputed Portion is not deemed to form part of the claim in respect of which the relevant creditor is entitled to receive CVNs, the general unsecured creditors who were entitled to receive CVNs at the time the CVNs were issued will have CVNs issued in respect of such Disputed Portion transferred to them *pro rata* for their initial entitlement of CVNs in accordance with the terms of the holding period trust deed. This is to ensure that all general unsecured creditors are treated equally. Appendix 13 further describes the procedures for processing CVNs issued in relation to these Disputed Portions of claims.

Appendix 12 to this reorganization plan contains the so-called GUC Documents, which include more detailed descriptions of the structure for the issuance and the terms of the CVNs, including certain other relevant information to the creditors who pursuant to this reorganization plan are offered CVNs as part of the initial distribution and which constitute the instrument through which any subsequent additional distribution will be made. Appendix 12 is written in English. A more detailed summary of the terms and conditions has been prepared in Appendix 13, which is written in Swedish and sets out the most important terms and conditions.

5.3.4 Delisting of the Commercial Hybrid Bonds

The Company will work to procure that the Commercial Hybrid Bonds are delisted from Nasdaq Stockholm in connection with the adoption of the reorganization plan. The delisting is strictly speaking not a reorganization measure in accordance with the reorganization plan, but a consequence of the Commercial Hybrid Bonds being deemed extinguished through the approval of the reorganization plan.

5.3.5 The respective groups and relevant debt settlement³²

- Group 1** The DIP Lenders shall receive full payment for their claims under the Replacement DIP Facility, but on different terms than those set forth in the Replacement DIP Facility.³³ In lieu of receiving cash payment, the DIP Lenders will contribute and/or offset their claims in order for the Castlelake Investor to receive subordinated shares and Convertible Notes in connection with the completion of the Investment. Depending on the interest accrued at the time of the completion of the Investment, the claims under the Replacement DIP Facility may, however, exceed the Castlelake Investor's investment commitments under the Investment Agreement, in which case such excess shall be repaid to the Castlelake Lenders in cash.
- Group 2** The creditors in this group are proposed to receive a cash payment corresponding to at least 6.9 percent of their claims including accrued interest until March 27, 2024 (in case interest is due). In addition, the creditors in this group shall receive CVNs with a maximum potential further dividend of up to between 14.9 percent and 16.3 percent of the nominal amount of their claims.
- Group 3** Eksfin, with its general unsecured claim in the form of the Norwegian Term Loan, is proposed to receive a payment corresponding to at least 6.9 percent of the claim amount including accrued interest until 27 March 2024. The consideration shall consist of subordinated shares as set out in section 5.2.3.4 above and any equalization payment under section 5.3.6.5 below. In addition, Eksfin shall receive CVNs with a maximum potential further dividend of up to between 14.9 percent and 16.3 percent of the nominal amount of their claims.
- Group 4** The creditors in this group are proposed to receive a payment corresponding to at least 6.9 percent of the amount of their relevant claims including accrued interest until March 27, 2024 (in the event that interest is due). The consideration shall consist of subordinated shares in the Company as set out in section 5.2.3.4 above and any

³² The recovery levels presented in this section are based on a USD/SEK exchange rate of at least 9.65. In respect of the CVNs, a range has been included below to clarify that the CVN recovery level is dependent on the total amount and size of affected claims against the Company (and any other CH Debtor), as well as Contributed GUC Cash being available for distribution to applicable general unsecured creditors, given what is stated in section 5.3.3 above in respect of the treatment of any Disputed Portion of claims in connection with the issuance of CVNs. The CVN recovery level herein has been based on a USD/SEK exchange rate of 11.00. In case the exchange rate or 9.65 is used, the maximum potential further dividend corresponds to an amount of up to between 16.7 percent and 18.3 percent of the nominal amount of the claims of the general unsecured creditors.

³³ The DIP Lenders have priority claims that as of August 5, 2024, are estimated to amount to a total of USD 550,261,674.30. Interest accruing after August 5, 2024, and fees (for example, exit fee and maturity extension fees payable in accordance with the terms set forth in the Replacement DIP Facility) are added to this amount until the repayment of the Replacement DIP Facility obligations in accordance with the terms thereof.

equalization payment as set out in section 5.3.6.5 below. In addition, the creditors in this group shall receive CVNs with a maximum potential further dividend of up to between 14.9 percent and 16.3 percent of the nominal amount of their claims.

- Group 5** The creditors in this group are proposed to receive a cash payment corresponding to at least 6.9 percent of their relevant claims including accrued interest until March 27, 2024 (in case interest is due). In addition, the creditors in this class shall receive CVNs with a maximum potential further dividend of up to between 14.9 percent and 16.3 percent of the nominal amount of their claims.
- Group 6** Creditors in this group will not receive any recovery on account of their claims and the claims will be considered extinguished after the reorganization plan has entered into force.
- Group 7** Creditors in this group will not receive any recovery on account of their claims and the claims will be considered extinguished after the reorganization plan has entered into force. For the avoidance of doubt, this also applies to subsequent issued commitments by the Company to issue new hybrids notes on substantially the same terms as existing State Hybrid Notes.
- Group 8** The holders of common shares will not retain any rights and the shares will be redeemed for no consideration (see section 5.2.4 above).
- Group 9** The Danish State as holder of common shares will not retain any rights and the shares will be redeemed for no consideration (see section 5.2.4 above).

5.3.6 Factors affecting debt settlement

5.3.6.1 *Interest on claims*

Any interest on the relevant claims included in groups 2–5 for the period from March 28, 2024 until this reorganization plan becomes effective will not be reimbursed under this reorganization plan.

5.3.6.2 *Effectiveness*

The debt settlement under section 5.3.5 shall enter into force on the date on which the Investment is completed under the Investment Agreement or as soon as practicable thereafter Payment shall be made as soon as practicable after this reorganization plan has become effective. However, if the Investment is not completed by 15 February 2025, this reorganization plan will not become effective.

5.3.6.3 *Exchange rate*

As a result of the Subscription Commitments and the Equity Recovery being denominated in USD while, *inter alia*, the Contributed GUC Cash is to be contributed in SEK, exchange rate fluctuations will entail that a larger or smaller portion of the Investment (denominated in USD) will need to be used to set aside the Contributed GUC Cash (denominated in SEK). Accordingly, such final recovery levels offered to the creditors under this reorganization plan will be affected by any exchange rate fluctuations.

5.3.6.4 *Certain claims are estimates and others are disputed*

As described in Appendix 14, certain claim amounts are estimates, while other claims are disputed. The percentages set out in section 5.3.5 are deliberately conservative. However, some of the disputed claims will be heard by the Bankruptcy Court prior to the plan hearing. Depending on the outcome of these court proceedings, the amount of the claims may be adjusted prior to the plan hearing, and thus also the percentages in section 5.3.5. With respect to the disputed claims, the Company's position is that the relevant creditors will not be successful in their demands to the extent that the amounts are disputed.

5.3.6.5 *Equalization*

If the cash available for distribution to the Company's general unsecured creditors³⁴ would result in an initial distribution to group 2 and group 5 that, in terms of percentage recovery, exceeds the initial distribution made to creditors in group 3 and group 4, the creditors belonging to these latter groups will also receive a cash payment such that all creditors in groups 2–5 receive the same percentage recovery in initial distribution.

5.3.6.6 *Listed financial instruments*

As regards the debt settlement described in section 5.3.5 above with respect to the general unsecured creditors holding Commercial Hybrid Bonds, the right to distribution will be based on the circumstances as of a record date that shall not occur earlier than five (5) business days after the reorganization plan has been approved. This record date will be communicated separately by the Company after the approval of this reorganization plan.

6. **Enforceability**

According to Chapter 4, Section 31 of FRekL, the reorganization plan has the same effect as a resolution of the general meeting in relation to the corporate law actions set out in section 5.2 above and which otherwise would have required such a resolution.

The debt settlement in section 5.3 above shall be binding on the Company and all parties concerned. However, the debt write-down and the corporate actions set out in section 5.2 above may occur, and the reorganization plan will only become effective, only after all conditions (including the receipt of the required regulatory approvals) for the completion of the Investment under the Investment Agreement are satisfied. For the period between the date on which the District Court's decision to approve the reorganization plan has entered into legal force and until the aforementioned date, there will be a moratorium in respect of all debts set out in section 3 above.

7. **Financing**

No temporary or new financing has had to be provided to the Company during the ongoing company reorganization. As stated in section 5.1 above, the Investors have undertaken through the Investment Agreement to complete the Investment under certain conditions. The corporate

³⁴ Any equalization described herein can be traced back to the fact that the cash available for initial distribution to the general unsecured creditors, somewhat simplified, constitutes the Company's share of the difference between USD 250 million and approximately SEK 2.2 billion (on a consolidated basis).

actions associated with the implementation of the Investment are described in section 5.2 above. In summary, the Company will be recapitalized in the manner described in the above section in connection with the reorganization plan becoming effective.

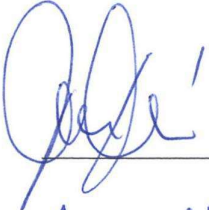
8. Viability

The adoption of the reorganization plan ensures the viability of the Company and prevents insolvency, as further elaborated in the administrator's report.

Stockholm on June 10, 2024

SAS AB (publ)


Anko vander Werff


Anna Almein

List of appendices

No.	Document
1.	Report of the administrator and appendices thereto
2.	Definitions
3.	The Board of Directors of SAS AB (publ)'s proposal for a resolution on a new issue of subordinated shares with deviation from the shareholders' preferential right
4.	The Board of Directors of SAS AB (publ)'s proposal for a resolution on a new issue of subordinated shares with payment in kind
5.	The Board of Directors of SAS AB (publ)'s proposal for a resolution on a new issue of subordinated shares with payment through set-off
6.	The Board of Directors of SAS AB (publ)'s proposal for a resolution on a new issue of subordinated shares with payment in kind
7.	The Board of Directors of SAS AB (publ)'s proposal for a resolution to amend the articles of association
8.	The Board of Directors of SAS AB (publ)'s proposal for resolution on reduction of the share capital by redemption of all outstanding common shares
9.	The Board of Directors of SAS AB (publ)'s proposal for resolution on increase of the share capital by way of a bonus issue without issuing new shares
10A.1	Statement by the Board of Directors in accordance with Chapter 12, Section 7 and Chapter 13, Section 6 of the Swedish Companies Act
10A.2	Auditor's statement in accordance with Chapter 12, Section 7 and Chapter 13, Section 6 of the Swedish Companies Act (2005:551) as to the Board of Directors' report for events of material significance for the period 2024-02-06 – 2024-06-10
10B.1	Statement by the Board of Directors in accordance with Chapter 13, Section 7 of the Swedish Companies Act
10B.2	Auditor's statement in accordance with Chapter 13, Section 8 of the Swedish Companies Act (2005:551) on the Board of Director's report on contribution in kind
10C.1	Statement by the Board of Directors in accordance with Chapter 13, Section 7 of the Swedish Companies Act
10C.2	Auditor's statement in accordance with Chapter 13, Section 8 of the Swedish Companies Act (2005:551) on the Board's report on offsetting.

No.	Document
10D.1	Statement by the Board of Directors in accordance with Chapter 13, Section 7 of the Swedish Companies Act
10D.2	Auditor's statement in accordance with Chapter 13, Section 8 of the Swedish Companies Act (2005:551) on the Board of Director's report on contribution in kind
10E.1	Statement by the Board of Directors in accordance with Chapter 20, Section 13 of the Swedish Companies Act
10E.2	Auditor's statement in accordance with Chapter 20, Section 14 of the Swedish Companies Act (2005:551), as to the Board of Directors' report in accordance with Chapter 20, Section 13, paragraph 4 of the Swedish Companies Act
11.	Minority shareholders' agreement and appendices thereto
12.	Plan supplement in connection with Chapter 11 Plan (CVN-related information)
13.	The CVN structure
14.	Stakeholders and the grouping
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