



Scandinavian Airlines

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## SAS provides update on chapter 11 process, including financial projections

*SAS announces that it will file an amended chapter 11 plan of reorganization (the “Chapter 11 Plan”) and related disclosure statement (the “Disclosure Statement”) with the U.S. Bankruptcy Court for the Southern District of New York (the “Court”) today, which documents will include, among other things, key milestones for the chapter 11 process and financial projections for the reorganized SAS. The Chapter 11 Plan and the Disclosure Statement remain subject to further amendments and Court approval. As previously announced by SAS in the press release on November 4, 2023, the Chapter 11 Plan seeks to implement a transaction including a total investment in the reorganized SAS corresponding to USD 1.2 billion.*

In connection with the filing of the updated Disclosure Statement, SAS is announcing financial projections for the reorganized SAS, including for the fiscal year 2024 (the “Initial Projections Period”). During the Initial Projections Period, SAS expects revenue to exceed SEK 48 billion, with an adjusted EBT<sup>1</sup> of SEK 0.0 to -1.0 billion. SAS further expects that during the Initial Projections Period, its net debt will range from SEK 36 - 39 billion prior to emergence from the chapter 11 process, and from SEK 22 - 24 billion following emergence from the chapter 11 process, with liquidity at or above SEK 4 billion or approximately 8% of LTM<sup>2</sup> revenues in the period prior to emergence from the chapter 11 process, and SEK 11 billion or approximately 25% of LTM revenues in the period following emergence from the chapter 11 process. Assuming successful implementation of the Chapter 11 Plan, SAS expects improved financial performance following the Initial Projections Period in an unlisted environment.

The financial information set forth above is indicative and is not a guarantee of future performance. Even though the financial information reflects SAS’ current beliefs and expectations, it is subject to material uncertainties and factors, including but not limited to market demand levels, foreign exchange rates, fuel prices, and a successful implementation of the Chapter 11 Plan. Furthermore, the financial projections are based on, among other things, the following assumptions: a foreign exchange rate of 10.49 SEK per USD and an average base jet fuel price of USD 830 per metric ton. All numbers are presented on a consolidated basis for the SAS Group.

SAS reiterates its expectation that there will be only a modest recovery for general unsecured creditors, no recovery for subordinated creditors and no value for SAS AB’s existing shareholders, and that all of SAS AB’s common shares and listed commercial hybrid bonds will be cancelled, redeemed and delisted, in connection with emergence from the chapter 11 process. Recoveries for

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

<sup>2</sup> Last twelve months.



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general unsecured creditors, including the amount and timing of distributions, remain to be confirmed (as further described in the Chapter 11 Plan and the Disclosure Statement).

The Chapter 11 Plan and the Disclosure Statement remain subject to further amendments and Court approval. SAS currently aims to receive approval from the Court of the Disclosure Statement in February 2024 and of the Chapter 11 Plan in the first quarter of 2024. The effectiveness of the Chapter 11 Plan remains subject to various conditions precedent, including approvals from various regulatory authorities and the completion of a Swedish company reorganization at the SAS AB level, as further set out in the press release announced by SAS on October 3, 2023. SAS currently expects to emerge from the chapter 11 process around the end of the first half of 2024.

### **Information regarding chapter 11 cases**

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

### **Advisors**

Weil, Gotshal & Manges LLP is serving as global legal counsel and Mannheimer Swartling Advokatbyrå AB is serving as Swedish legal counsel to SAS. Seabury Securities LLC and Skandinaviska Enskilda Banken AB are serving as investment bankers, and Seabury Securities LLC is also serving as restructuring advisor to SAS. Skadden, Arps, Slate, Meagher & Flom LLP is serving as legal counsel, Rothschild & Co is serving as investment banker, and SkyWorks Holdings LLC is serving as aviation consultant to Castlake, L.P. White & Case LLP, Paul McGeown and Sheppard, Mullin, Richter & Hampton LLP are serving as co-legal counsel to Air France-KLM S.A. Bech-Bruun Law Firm P/S is serving as legal counsel and Latham & Watkins LLP is serving as US legal counsel to Lind Invest ApS.

### **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 sustainable 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>*



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## ADDITIONAL INFORMATION

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

This press release contains forward-looking statements that reflect SAS' current view of future events as well as financial and operational development. These statements may include, without limitation, any statements preceded by, followed by or including words such as "intend", "assess", "expect", "may", "plan", "estimate" and other expressions involving indications or predictions regarding future developments or trends and other words and terms of similar meaning or the negative thereof. These forward-looking statements have been prepared for illustrative purposes only, are not based on historical facts, are not guarantees of future performance, reflect SAS' beliefs and expectations, and are subject to known and unknown risks, uncertainties and assumptions and other factors that could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by such forward-looking statements. As a result of these risks, uncertainties, assumptions and other factors, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise. The information contained in this press release is subject to change without notice and, except as required by applicable law, SAS does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it, whether as a result of new information, future events or otherwise.