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Update on SAS' debtor-in-possession term loan

SAS AB ("SAS" or the "Company") announces that it will not be utilizing the second tranche of its debtor-in-possession ("DIP") term loan during the second quarter of fiscal year 2023, as previously communicated. Following a stronger than expected development of SAS' liquidity position during the winter, SAS has no near-term need for additional liquidity through the second tranche of the DIP term loan. SAS may, depending on the continued development of SAS' liquidity position, continue discussions with Apollo Global Management regarding access to the second tranche of the DIP term loan at a later stage during the chapter 11 process. In the meantime, the Company will continue to pursue other normal course financing initiatives that if closed, will supplement the Company's liquidity at a lower all-in cost than a near-term utilization of the second tranche of the DIP term loan.

On August 14, 2022, SAS entered into a DIP term loan agreement for USD 700 million (the equivalent of approximately SEK 7.0 billion), with funds managed by Apollo Global Management ("Apollo"). DIP financing is a specialized type of bridge financing used by businesses that are restructuring through a chapter 11 process. The DIP term loan agreement is divided in two tranches of equal size, of which SAS utilized the first tranche in September 2022.

Following a stronger than expected development of SAS' liquidity position during the winter, SAS has no near-term need for additional liquidity through the second tranche of the DIP term loan. The Company sees opportunities to supplement its liquidity position at a lower all-in cost than a near-term utilization of the second tranche of the DIP term loan. As previously disclosed on April 6, 2023, SAS also started a competitive and broad equity solicitation process that is expected to determine additional potential sources of capitalization for the business. Launching the equity solicitation process is a critical component to creating a path for the Company to exit chapter 11. SAS has therefore decided to pause the on-going discussions with Apollo to access the second tranche of the DIP term loan, in which certain conditions in the DIP term loan agreement remain to be met for the second tranche to be available. The fee structure of the DIP term loan agreement remains unchanged, and SAS will not incur any additional fees as a result of its decision not to utilize the second tranche of the DIP term loan during the second quarter of fiscal year 2023.

SAS currently expects to emerge from its chapter 11 process during the latter part of the second half of 2023 and may, depending on the development of SAS' liquidity position, continue discussions with Apollo regarding access to the second tranche of the DIP term loan at a later stage during the chapter 11 process.

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

On July 5, 2022, to accelerate the implementation of its comprehensive business transformation plan SAS FORWARD, SAS announced that it had voluntarily filed for chapter 11 in the U.S., a well-established and flexible legal framework for restructuring businesses with operations in multiple jurisdictions. Through this process, SAS aims to reach agreements with key stakeholders,




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restructure the Company's debt obligations, reconfigure its aircraft fleet, and emerge with a significant capital injection.

At the outset of its restructuring process, the Company's SAS FORWARD plan envisioned raising at least SEK 9.5 billion in new equity capital as well as reducing or converting SEK 20 billion of debt (of which a majority is on-balance sheet debt), including state hybrid notes, commercial hybrid notes, Swiss bonds, term loans from states, aircraft lease liabilities and maintenance contract obligations and other executory contract obligations. The Company's actual capital raise is dependent upon the factors previously listed.

SAS targets to complete its court-supervised process in the U.S. in the latter part of the second half of 2023.

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

Advisors

Weil, Gotshal & Manges LLP is serving as global legal counsel, and Mannheimer Swartling Advokatbyrå AB is serving as Swedish legal counsel to SAS. Seabury Securities LLC and Skandinaviska Enskilda Banken AB are serving as investment bankers, Seabury is also serving as restructuring advisor. FTI Consulting serves as financial advisor.

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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.



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