

SAS SECURES FINANCING FOR THE FUTURE – KEY MILESTONE IN SAS’ CHAPTER 11 PROCESS

KEY FIGURES – Q4 2023



AUGUST 2023–OCTOBER 2023

- Revenue: MSEK 12,019 (10,651)
- Income before tax (EBT): MSEK -2,110 (-1,701)
- Income before tax and items affecting comparability: MSEK -2,113 (-1,626)
- Net income for the period: MSEK -1,928 (-1,238)
- Earnings per common share: SEK -0.27 (-0.17)

NOVEMBER 2022–OCTOBER 2023

- Revenue: MSEK 42,043 (31,824)
- Income before tax (EBT): MSEK -5,516 (-7,846)
- Income before tax and items affecting comparability: MSEK -5,661 (-7,941)
- Net income for the period: MSEK -5,701 (-7,048)
- Earnings per common share: SEK -0.78 (-0.97)

SIGNIFICANT EVENTS DURING THE QUARTER

- Higher costs from adverse trends in currencies and fuel price cloaked improved operational and commercial performance.
- The CJEU upheld the General Court’s ruling that the loan guarantees granted by Sweden and Denmark in 2020 were compatible with the applicable EU rules.
- Castlelake, Air France-KLM, Lind Invest and the Danish state were appointed the winning bidder consortium in SAS’ equity solicitation process, including an agreement with Castlelake for new DIP loan to refinance SAS’ original DIP loan. SAS currently aims to receive approval from the US Court of the Chapter 11 plan in early 2024, to be followed by obtaining regulatory approvals and a likely Swedish company reorganization at the SAS AB level. SAS expects that there will be only modest recovery for general unsecured creditors, no recovery for subordinated unsecured creditors and that there will be no value for existing shareholders in SAS AB following the completion of the restructuring proceedings. All of SAS AB’s common shares and listed commercial hybrid bonds are expected to be cancelled, redeemed and delisted.

SIGNIFICANT EVENTS AFTER THE QUARTER

- SAS entered into an investment agreement with the winning bidder consortium and a DIP term loan agreement with Castlelake. The agreements have been approved by the US court.
- On Nov 15, SAS repaid its original DIP term loan that was provided by Apollo Global Management.
- On Nov 29, the EU Commission announced that the recapitalization of SAS in 2020 complies with state aid rules and is approved.

OUTLOOK

- The year-end report includes a financial outlook on page 10.

FINANCIAL SUMMARY

MSEK, unless noted otherwise	Q4		Q1–Q4	
	Aug–Oct 2023	Aug–Oct 2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022
Revenue	12,019	10,651	42,043	31,824
Operating income (EBIT)	-662	-92	-2,705	-3,332
Operating income (EBIT) margin	-5.5%	-0.9%	-6.4%	-10.5%
Income before tax (EBT)	-2,110	-1,701	-5,516	-7,846
Income before tax and items affecting comparability	-2,113	-1,626	-5,661	-7,941
Net income for the period	-1,928	-1,238	-5,701	-7,048
Cash flow from operating activities	81	419	2,427	1,772
			Oct 31, 2023	Oct 31, 2022
Return on invested capital			-7%	-8%
Financial net debt/adjusted EBITDA			20.4x	23.3x
Financial preparedness			35%	60%
Equity/assets ratio			-11%	1%
Earnings per common share (SEK)			-0.78	-0.97

This information is information that SAS AB is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was provided for publication on November 30, 2023, at 8:00 a.m. CET.

COMMENTS BY THE CEO

I am pleased to conclude a busy year for SAS. Some 6.8 million passengers traveled with SAS in the fourth quarter, which means that, in total, some 23.7 million passengers traveled with SAS during the full fiscal year 2022/2023. This represents a passenger volume increase of 18 percent for the fourth quarter, and a 33 percent year-on-year increase for the full fiscal year. This is a clear confirmation of passengers continuing to return to SAS, and that our ramp-up efforts throughout the year have been successful. We are also proud to have achieved a five-star rating from our customers in the 2023 APEX Awards.

We are making steady progress in our Chapter 11 process in the US and in reaching our overall targets in the SAS FORWARD plan with one major milestone reached during the quarter. On October 3, SAS announced that Castlelake, Air France-KLM and Lind Invest, together with the Danish state, had been selected as the winning bidder consortium in SAS' exit financing solicitation process. We entered an investment agreement with the bidding consortium shortly after the end of the quarter. The agreement includes a total investment in the reorganized SAS corresponding to approximately SEK 13.2 billion, including approximately SEK 5.2 billion in new unlisted equity and approximately SEK 8 billion in secured convertible debt. The investment comprises a key step in our SAS FORWARD plan, and confirms that our new investors believe in SAS and our potential to remain at the forefront of the airline industry for years to come.

We currently target receiving approval of the Chapter 11 plan from the US court in early 2024, to be followed by obtaining regulatory approvals and the implementation of a Swedish company reorganization at the SAS AB level (likely to be filed by SAS AB in 2024). As a result of that process, all of SAS AB's common shares and listed



Anko van der Werff, President & CEO

commercial hybrid bonds are expected to be cancelled, redeemed and delisted (currently expected to take place during the second quarter of 2024). Consequently, there is no expected value for existing shareholders in SAS AB and only a modest recovery is expected for the holders of commercial hybrid bonds. SAS expects that its operations will be unaffected by such legal proceedings and that it will continue to serve its customers as normal.

QUARTERLY RESULTS

We noted continued healthy passenger demand through the fourth quarter with the total number of passengers up 17.9 percent compared with the same period last year. Year-on-year, our RPK increased 17.2 percent, while capacity increased 16.2 percent. Our flown load factor for the quarter was 77.8 percent, up 0.7 percentage points compared with the same period last year.

The increase in passenger demand and production led to a year-on-year increase of 13 percent in our total operating revenue, which landed at SEK 12,019 million for the quarter. After the significant depreciation of the Swedish Krona towards the end of the quarter and the increase in jet fuel prices in the same period, earnings before tax ended at a negative SEK 2,110 million, representing a year-on-year decrease of SEK 409 million. However, for the full year, EBT increased SEK 2,330 million to a negative SEK 5,516 million. The higher costs from adverse trends in currencies and fuel prices are cloaking a significant part of the achievements from stronger operational and commercial performance.

Cost reductions across the business remain in focus to secure our cost competitiveness, and total operating expenses for the quarter ended at SEK 12,681 million. Many of the cost efficiencies of the SAS FORWARD plan are ramping up over time, and some have been implemented but cannot be recognized in our financial results until after emergence from Chapter 11, including cost savings from the fleet restructuring.

The cash balance at the end of the quarter was SEK 6,160 million. Cash flow from operating activities during the quarter amounted to an inflow of SEK 81 million.

UPDATE ON SAS' TRANSFORMATION PLAN

We launched our comprehensive business transformation plan SAS FORWARD in conjunction with the publication of the first quarter report for FY2022, in the end of February 2022. The aim of the plan is to secure long-term competitiveness for SAS in the global aviation industry. On July 5, 2022, to accelerate the implementation of SAS FORWARD, we announced that we had voluntarily filed in the US for Chapter 11, a well-established and flexible legal framework for restructuring businesses with operations in multiple jurisdictions. Through this process, we aim to reach agreements with key stakeholders, restructure the company's debt obligations, reconfigure our aircraft fleet and emerge with a significant capital injection.

On October 3, SAS announced that we had selected Castlelake, Air France-KLM and Lind Invest, together with the Danish state, as the winning bidder consortium in our exit financing solicitation process. We entered into an investment agreement with the bidding consortium shortly after the quarter ended. The agreement entails a total investment in the reorganized SAS corresponding to approximately SEK 13.2 billion, including approximately SEK 5.2 billion in new unlisted equity and approximately SEK 8 billion in secured convertible debt. As part of the transaction, we have also secured new Debtor-in-Possession ("DIP") financing of SEK 5.5 billion from Castlelake. The funds from the new DIP financing agreement are being used for, inter alia, refinancing SAS' original DIP term loan, increasing liquidity, and supporting SAS' path to exit from its voluntary restructuring proceedings. The refinancing of SAS' original term loan was completed in November 2023.

As part of the transaction, SAS also intends to eventually exit the Star Alliance and join the SkyTeam Alliance, of which Air France-KLM is a founding member. This move towards a partnership with SkyTeam determines a clear path forward for the company. Through the completion of this process and the opportunities presented by being part of SkyTeam, we will be able to further enhance SAS' offerings for the benefit of our colleagues, customers and communities. This is a truly exciting step for SAS. However, it is important to note that nothing is changing immediately. SAS is still part of Star Alliance and our EuroBonus members will continue to enjoy their usual benefits when flying on our partner airlines. Members can continue to accrue and redeem points – just like today, and their benefits when they fly with SAS will not be impacted.

The agreed exit transaction remains subject to approval in connection with the confirmation of SAS' Chapter 11 reorganization plan. We currently target to receive approval of the Chapter 11 plan from the US court in early 2024, to be followed by obtaining regulatory approvals and the implementation of a Swedish company reorganization at the SAS AB level (likely to be filed by SAS AB in 2024). As a result of that process, all of SAS AB's common shares and listed commercial hybrid bonds are expected to be cancelled, redeemed, and delisted (currently expected to occur during the second quarter of 2024). Consequently, there is no expected value for existing shareholders in SAS AB and only a modest recovery is expected for the holders of commercial hybrid bonds. SAS expects that its operations will be unaffected by such legal proceedings and that it will continue to serve its customers as normal.

FIVE-STAR RATING IN GLOBAL CUSTOMER RANKING

In September, SAS earned a five-star rating in the prestigious global APEX customer ranking at the 2023 APEX Awards. The ranking is based on neutral, third-party passenger feedback and insights gathered through APEX's partnership with the world's highest-rated travel-organizing app. We are thrilled to achieve the highest rating from our customers, and this recognition is a testament to the tireless dedication of the SAS team in ensuring safe journeys, championing sustainability initiatives and offering the highest service standards.

RED DOT AWARD FOR THE SAS APP

In September, SAS also won a Red Dot Award for its redesigned mobile app. The Red Dot Award is one of the most prestigious and internationally recognized design competitions, and celebrates outstanding achievements in the field of design, creativity, and innovation. The SAS app received an award in the Brands & Communication Design 2023 category. This achievement is a result of the hard work and dedication of our talented team, and all supporting teams, who continuously strive to create innovative solutions that deliver exceptional experiences for our customers.

STEPS TOWARDS FOSSIL-FREE AVIATION

SAS aims to decarbonize aviation and progress on this ambitious plan can only be achieved through collaboration. By involving our customers and teaming up with them, we can reduce CO₂ emissions and enable increased large-scale production of sustainable aviation fuels.

SAS strives to be a driving force in sustainable aviation and is proud to participate in a large-scale international study using a SAS aircraft at Copenhagen Airport to investigate sustainable aviation fuel (SAF) flights' impact on local air quality. The project began during Q1 FY2023, and one of the conclusions drawn is that bio-based aviation fuel reduces the number of ultra-fine particles that are emitted from the aircraft engines by approximately 30 percent, thereby improving air quality. SAS is very proud to participate in this project as it is a great example of how our collective efforts can enable further discoveries of sustainable solutions for the aviation industry. The findings of this unique experiment at Copenhagen Airport showcase that using SAF not only reduces CO₂ emissions but also enhances local air quality.

THE COMING WINTER SEASON

We have entered the winter season and we look forward to flying our passengers to their destinations. We have added several new routes and destinations for the winter season. In October, SAS inaugurated the new winter season route to Bangkok from Copenhagen. Thailand is a favorite destination among many passengers during the winter season and the Bangkok route will offer a perfect entry point for wider Thailand and Asia, and be a great option both for business and for leisure travelers. SAS operates the Bangkok route with Airbus A350 aircraft, which have much lower fuel consumption and up to 30 percent lower CO₂ emissions than previous comparable aircraft.

We continue our work towards completing our Chapter 11 process in the US, and towards reaching the objectives in the SAS FORWARD plan. The aim is currently to receive approval from the US court of the Chapter 11 plan in early 2024, to be followed by obtaining regulatory approvals and the implementation of a Swedish company reorganization at the SAS AB level. While work still remains, I am pleased to see the substantial progress we are making to becoming a competitive and financially strong company.

I am grateful for the really hard work of my colleagues at SAS for the progress of SAS FORWARD to date, and for everything they do to ensure that we take the best possible care of our customers on a daily basis. Thank you for all your efforts!

As always, we look forward to welcoming our customers on board our aircraft.

Anko van der Werff
President & CEO
Stockholm, November 30, 2023

COMMENTS ON SAS' FINANCIAL STATEMENTS

INCOME STATEMENT, SUMMARY Q1–Q4 2023

MSEK Income statement	Nov–Oct 22–23	Nov–Oct 21–22	Change vs LY	Cur- rency effects	Change vs LY (Curr. adj)
Revenue	42,043	31,824	10,219	802	9,417
Total operating expenses	-44,748	-35,156	-9,592	-1,912	-7,680
Operating income (EBIT)	-2,705	-3,332	627	-1,110	1,737
Income before tax (EBT)	-5,516	-7,846	2,330	1,699	631

Revenue

Revenue totaled MSEK 42,043 (31,824), see Note 2 on page 20. Currency-adjusted revenue was up MSEK 9,417 year-on-year. The increase in revenue mainly related to increased production and increased demand.

Currency-adjusted passenger revenue rose 36%. The increase was a result of higher scheduled capacity (ASK) which, based on the preceding year's circumstances, had a positive impact on revenue of MSEK 6,194. The higher load factor had a positive effect of MSEK 2,327. The lower yield had a negative impact of MSEK -69 on passenger revenue.

Currency-adjusted cargo revenue decreased MSEK 518 and currency-adjusted charter revenue was up MSEK 391 year-on-year. Other traffic revenue (currency-adjusted) was MSEK 68 lower.

Year-on-year, other operating revenue (currency-adjusted) was up MSEK 1,160, primarily due to a negative revenue adjustment and a SEK 1.1 billion provision made in the preceding year's fiscal year to cover estimated compensation claims from customers regarding flights canceled in conjunction with the pilot strike in July 2022. Revenue also increased as a consequence of higher revenue from sales of EuroBonus points and other volume-related revenue.

Operating expenses

Personnel expenses amounted to MSEK -8,072 (-7,086). After adjustment for currency, personnel expenses increased MSEK 809 year-on-year. The increase was mainly due to more employees.

Jet-fuel costs amounted to MSEK -10,940 (-8,511). Adjusted for currency, jet-fuel costs increased 21%. Volume effects had a negative impact on costs of MSEK 2,471. Lower jet-fuel prices had a positive impact on costs of MSEK 1,602. The cost of emission rights increased MSEK 720 year-on-year.

Air traffic charges amounted to MSEK -3,800 (-2,855). Adjusted for currency, air traffic charges increased 28%. The increase pertained mainly to higher traffic volumes.

Other external expenses amounted to MSEK -17,659 (-12,058), see Note 3 on page 21. Year-on-year, other external expenses (currency-adjusted) increased MSEK 4,521. The increase pertained primarily to higher costs for sales and distribution, wet-lease expenses and technical maintenance. Currency-adjusted sales

and distribution costs increased MSEK 640, primarily due to higher volumes. Wet-lease expenses increased MSEK 629 (currency-adjusted). Technical maintenance costs (currency-adjusted) increased MSEK 1,088 due to higher volumes and increased prices.

Depreciation, amortization and impairment amounted to MSEK -4,440 (-4,763), a decrease of MSEK 323 year-on-year. See Note 4 on page 21.

Financial net

Financial income and expenses amounted net to MSEK -2,811 (-4,514), representing a year-on-year decrease in net expenses of MSEK 1,703. The decline mainly related to currency revaluations for lease liabilities, which had a cost of MSEK 154 this year, compared with a cost of MSEK 2,906 last year. Interest income amounted to MSEK 1,016, compared with MSEK 219 last year. Interest expense amounted to MSEK 3,641, compared with MSEK 1,686 last year. The increase is mainly the result of increased costs as the result of DIP financing. Other changes of MSEK 109 mainly comprised other currency revaluations. See Note 5 on page 21.

Net income for the period

Operating income amounted to MSEK -2,705 (-3,332) and EBT amounted to MSEK -5,516 (-7,846).

Net income for the period was MSEK -5,701 (-7,048) and tax for the period amounted to MSEK -185 (798). Income tax for the period was largely attributable to the effects of currency revaluations of lease liabilities and the change of temporary differences.

Year-on-year, the foreign exchange-rate trend had a positive impact on revenue of MSEK 802 and a negative effect on operating expenses of MSEK 1,912. Foreign exchange rates thus had a negative impact on operating income of MSEK 1,110. Net financial items were positively impacted by currency items amounting to MSEK 2,809 which mainly related to currency revaluations for lease liabilities, which had a cost of MSEK 154 this year, compared with a cost of MSEK 2,906 last year. In total, currency effects had a net positive impact of MSEK 1,699 on EBT.

Items affecting comparability

Total items affecting comparability amounted to MSEK 145 (95) during the period and pertained to sale and leaseback transactions for eight A320 aircraft and one engine as well as the rejection of lease contracts under the Chapter 11 process. Last year, the item primarily comprised capital gains on the sale of three 737-800 aircraft and sale and leaseback transactions for nine A320 aircraft and eight spare engines and the rejection of lease contracts as part of the Chapter 11 process.

INCOME STATEMENT, SUMMARY Q4 2023

MSEK Income statement	Aug-Oct 2023	Aug-Oct 2022	Change vs LY	Cur- rency effects (Curr. adj)	Change vs LY
Revenue	12,019	10,651	1,368	210	1,158
Total operating expenses	-12,681	-10,743	-1,938	-456	-1,482
Operating income (EBIT)	-662	-92	-570	-246	-324
Income before tax (EBT)	-2,110	-1,701	-409	27	-436

Revenue

Revenue totaled MSEK 12,019 (10,651), see Note 2 on page 20. Currency-adjusted revenue was up MSEK 1,158 year-on-year. The increase in revenue mainly related to increased production and increased demand.

Currency-adjusted passenger revenue rose 19%. The increase was a result of higher scheduled capacity (ASK) which, based on the preceding year's circumstances, had a positive impact on revenue of MSEK 1,484. The higher load factor had a positive effect of MSEK 95. The lower yield had a negative effect of MSEK 85 on passenger revenue.

Currency-adjusted cargo revenue decreased MSEK 153 and currency-adjusted charter revenue was up MSEK 84 year-on-year. Other traffic revenue (currency-adjusted) was up MSEK 123.

Other operating revenue (currency-adjusted) was MSEK 391 lower year-on-year.

Operating expenses

Personnel expenses amounted to MSEK -2,128 (-1,879). After adjustment for currency, personnel expenses increased MSEK 204 year-on-year. The increase was mainly due to more employees.

Jet-fuel costs amounted to MSEK -3,296 (-2,841). Adjusted for currency, jet-fuel costs increased 15%. Volume effects had a negative impact on costs of MSEK 531. Lower jet-fuel prices had a positive cost impact of MSEK 403. The cost of emission rights increased MSEK 292 year-on-year.

Air traffic charges amounted to MSEK -1,128 (-887). Adjusted for currency, air traffic charges increased 23%. The increase pertained mainly to higher traffic volumes.

Other external expenses amounted to MSEK -5,035 (-3,813), see Note 3 on page 21. Year-on-year, other external expenses (currency-adjusted) increased MSEK 865. The increase pertained primarily to higher costs for technical maintenance, handling costs and wet-lease expenses. Technical maintenance costs (currency-adjusted) increased MSEK 284. Currency-adjusted handling costs increased MSEK 133 and currency-adjusted wet-lease expenses increased MSEK 364, primarily due to higher volumes.

Depreciation, amortization and impairment amounted to MSEK -1,100 (-1,251), a decrease of MSEK 151 year-on-year. See Note 4 on page 21.

Financial net

Financial income and expenses amounted net to MSEK -1,448 (-1,609), representing a decrease in net expenses of MSEK 161 year-on-year. The decline mainly related to currency revaluations for lease liabilities, which had a cost of MSEK 817 this year, compared with a cost of MSEK 1,101 last year. Other changes of MSEK -122 mainly comprised increased interest expense related to DIP financing, but also increased interest income. See Note 5 on page 21.

Net income for the period

Operating income amounted to MSEK -662 (-92) and EBT amounted to MSEK -2,110 (-1,701).

Net income for the period was MSEK -1,928 (-1,238) and tax for the period amounted to MSEK 182 (463). Income tax for the period was largely attributable to the effects of currency revaluations of lease liabilities and the change of temporary differences.

Year-on-year, the foreign exchange-rate trend had a positive impact on revenue of MSEK 210 and a negative effect on operating expenses of MSEK 456. Foreign exchange rates thus had a negative impact on operating income of MSEK 246. Net financial items were positively impacted by currency items amounting to MSEK 273 which mainly related to currency revaluations for lease liabilities, which had a cost of MSEK 817 this quarter, compared with a cost of MSEK 1,101 during Q4 2022. In total, currency effects had a net positive impact of MSEK 27 on EBT.

Items affecting comparability

Total items affecting comparability amounted to MSEK 3 (-75) during the period and pertained to the sale and leaseback of one A320 aircraft. Last year, items affecting comparability mainly comprised sale and leaseback transactions for three A320 aircraft and rejection of lease contracts as part of the Chapter 11 process.

BALANCE SHEET & FINANCIAL POSITION

Assets

Intangible and tangible fixed assets have decreased MSEK 4,123 since October 31, 2022. Changes for the period included investments of MSEK 4,012, amortization and depreciation of MSEK -1,118, sales of MSEK -4,341 and other effects of MSEK -2,676. The amount for investments included advance payments of MSEK 1,023 as well as delivery payments for eight A320 aircraft of MSEK 2,701, which have been sold and leased back. Other investments totaled MSEK 288 and mainly comprised capitalized expenditure for engine maintenance and modifications. Other effects included rejection of lease contracts regarding two A350 aircraft under Chapter 11 of about MSEK -3,000 and translation differences of slightly more than MSEK 270.

Right-of-use assets decreased MSEK 676 during the period. New leases amounted to MSEK 3,024, and mainly pertained to new leases for eight A320 aircraft, three E195 aircraft and one spare engine. Changes in indexation and modification as well as the rejection of lease contracts decreased net assets by MSEK 372, and depreciation totaled MSEK -3,322. The currency revaluations had an impact of MSEK -6.

Financial assets decreased MSEK 1,421, mainly due to remeasurements of SAS' defined-benefit pension plans.

Deferred tax assets increased by MSEK 225. The increase was primarily due to the effects of currency revaluations of lease liabilities and the change of temporary differences. No loss carryforwards were capitalized during the year.

Current receivables increased MSEK 1,052. This increase was mainly attributable to blocked bank funds.

Cash and cash equivalents were MSEK 6,160 (8,654) as of October 31, 2023. Unutilized contracted credit facilities amounted to MSEK 3,892 (3,847). Financial preparedness amounted to 35% (60) of SAS' fixed costs.

Shareholders' equity and liabilities

Shareholders' equity decreased MSEK 6,872 to MSEK -6,110. The decrease pertained mainly to net income for the period of MSEK -5,701 and the negative actuarial effect on defined-benefit pension plans of MSEK 1,359. Changes in cash-flow hedging positively impacted equity by MSEK 135.

Non-current liabilities decreased MSEK 5,008 and *current liabilities* increased MSEK 4,567. The total decrease in liabilities was MSEK 441 and was mainly due to amortization, currency revaluation and the rejection of two A350 aircraft under Chapter 11. The decrease in liabilities was offset by new borrowing, accrued interest and an increase in the unearned transportation liability.

Interest-bearing liabilities

On October 31, 2023, interest-bearing liabilities amounted to MSEK 42,492 (45,519), a decrease of MSEK 3,027 since October 31, 2022. New loans and amortization for the period were MSEK 1,585 and MSEK 3,179, respectively. New leases and amortization of lease liabilities amounted to MSEK 3,289 and MSEK 2,796 respectively. The rejection of lease contracts as part of the Chapter 11 process has reduced debt with just over MSEK 3,600. Currency revaluations increased liabilities by about MSEK 500, and other items, primarily accrued interest, resulted in a net increase in liabilities of about MSEK 1,300.

Financial net debt

On October 31, 2023, financial net debt amounted to MSEK 32,634 (33,657), a decrease of MSEK 1,023 since October 31, 2022. The decrease was primarily attributable to the positive cash flow before financing activities of MSEK 2,531 and the rejection of lease contracts as part of the Chapter 11 process that reduced debt with just over MSEK 3,600. The decrease was offset by a negative effect from new lease liabilities of MSEK 3,289, accrued interest of about MSEK 1,500 and negative currency revaluations of about MSEK 400.

Key figures

On October 31, 2023, the return on invested capital (ROIC) was -7%, up 1 percentage point since October 31, 2022. The increase pertained mainly to an improved operating income (EBIT).

Financial preparedness was 35% (60) at the end of the period. Since SAS received a new DIP loan from Castlake in November 2023 and secured exit financing, the unutilized contracted credit facility that was part of the financial preparedness on October 31, 2023 (MUSD 350 in DIP loan with Apollo) has been returned. A lower cash position together with higher fixed costs were the reasons for the change in the key figure.

The financial net debt/adjusted EBITDA ratio was a multiple of 20.4 as of October 31, 2023. On October 31, 2022, the multiple was 23.3.

As of October 31, 2023, the equity/assets ratio amounted to -11%, compared with 1% on October 31, 2022. The decline was primarily attributable to lower shareholders' equity as a result of the period's negative earnings.

CASH-FLOW STATEMENT

Cash flow for the period amounted to MSEK -2,504 (4,375). Cash and cash equivalents amounted to MSEK 6,160, compared with MSEK 8,654 on October 31, 2022.

Cash flow from operating activities

Cash flow from operating activities before changes in working capital amounted to MSEK 242 (-183) for the period.

The change in working capital was positive for the period and amounted to MSEK 2,185 (1,955). The positive outcome for the period was mainly the result of an increased unearned transportation liability as the result of increased ticket sales.

Cash flow from operating activities for the period amounted to MSEK 2,427 (1,772).

Investing activities

Investments totaled MSEK 4,069 (5,093), of which the majority of MSEK 4,012 (5,093) pertained to aircraft and MSEK 57 (0) pertained to acquired subsidiaries that own three properties with smaller carrying amounts by Kastrup, which were previously leased by SAS.

Aircraft investments for the period comprised eight A320 aircraft, capitalized expenditure for aircraft maintenance and modifications, and advance payments to Airbus.

During the period, one engine and eight A320 aircraft were sold and leased back, generating inflows of MSEK 4,173 (5,842).

Financing activities

New loans amounted to MSEK 1,585 (8,515), while repayments totaled MSEK 3,179 (3,359). Amortization of lease liabilities totaled MSEK 2,796 (2,820).

PARENT COMPANY

The Parent Company SAS AB conducts limited intra-Group services. Revenue totaled MSEK 872 (426) and operating expenses MSEK -1,068 (-560). Net financial items totaled MSEK 479 (213) and impairment of shares in subsidiaries amounted to MSEK -1,840 (-2,788). Net income for the period was MSEK -1,557 (-2,709).

FINANCIAL TARGETS

SAS' overall long-term goal is to create value for our shareholders and to deliver sustainable and profitable growth throughout the business cycle.

SAS' three financial targets are:

- Return on invested capital (ROIC) to exceed the post-tax Weighted Average Cost of Capital (WACC) over a business cycle.
- Financial net debt/adjusted EBITDA to be a multiple of less than three and a half (3.5x).
- Financial preparedness: cash and cash equivalents and available credit facilities must exceed 25% of SAS annual fixed costs.

The ROIC target corresponds with the capital markets' and SAS' internal assessment of SAS' weighted average cost of capital (WACC). This is also linked to SAS' dividend policy for holders of common shares, which stipulates that dividends can be paid when value is created through SAS' ROIC exceeding its WACC.

Leverage target – financial net debt/adjusted EBITDA – is a key ratio used by credit rating agencies and banks for assessing creditworthiness and includes the value of leased aircraft. The aim of maintaining a ratio with a multiple of less than three and a half (3.5x) is aligned with SAS' ambition of improving the financial position and credit rating, and thereby lowering financing costs.

The target for financial preparedness is for cash and cash equivalents, and available credit facilities to exceed 25% of annual fixed costs. The target is set to ensure a sound level of cash and cash equivalents to mitigate risks related to internal and external events and to fulfill regulatory requirements.

ENVIRONMENTAL GOALS

Society and our customers are increasingly demanding more sustainable solutions. This trend is expected to continue in the airline industry, with a focus on reducing emissions and more efficient use of resources.

Accordingly, we have set comprehensive and ambitious, short and long-term environmental goals to drive our environmental work, which is in line with SAS' strive for global leadership in sustainable aviation.

Our 2025 target

- Reduce total CO₂ emissions 25% compared with 2005.

EVENTS DURING THE QUARTER

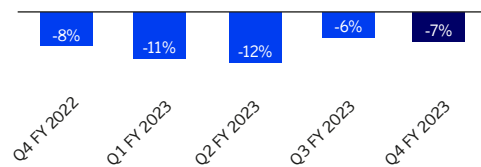
- Higher costs from adverse trends in currencies and fuel price cloaked improved operational and commercial performance.
- The Court of Justice of the European Union upheld the General Court's ruling that the loan guarantees granted by Sweden and Denmark in 2020 were compatible with the applicable EU rules.
- Castlelake, Air France-KLM, Lind Invest and the Danish state were appointed the winning bidder consortium in SAS' equity solicitation process, including an agreement with Castlelake for new DIP loan to refinance SAS' original DIP loan. SAS currently aims to receive approval from the US Court of the Chapter 11 plan in early 2024, to be followed by obtaining regulatory approvals and a likely Swedish company reorganization at the SAS AB level. SAS expects that there will be only modest recovery for general unsecured creditors, no recovery for subordinated unsecured creditors and that there will be no value for existing shareholders in SAS AB following the completion of the restructuring proceedings. All of SAS AB's common shares and listed commercial hybrid bonds are expected to be cancelled, redeemed and delisted (currently expected to occur during the second quarter of 2024).

EVENTS AFTER OCTOBER 31, 2023

- On November 4, SAS entered into an investment agreement with the winning bidder consortium and a DIP term loan agreement with Castlelake.
- On November 15, SAS repaid its original DIP term loan that was provided by Apollo Global Management.
- On November 21, the investment agreement and DIP term loan agreement was approved by the US court.
- On November 29, the EU Commission announced that the recapitalization of SAS in 2020 complies with state aid rules and is approved.

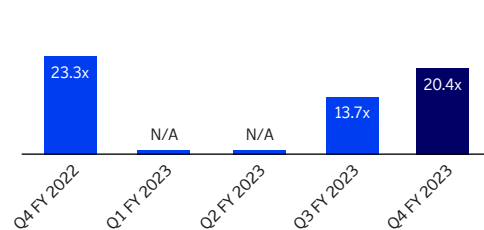
RETURN ON INVESTED CAPITAL (ROIC), 12-MONTH ROLLING, %

SAS has a target for the return on invested capital (ROIC) to exceed the post-tax Weighted Average Cost of Capital (WACC) over a business cycle.



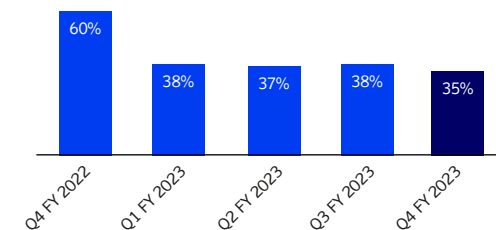
FINANCIAL NET DEBT/ADJUSTED EBITDA

SAS has a target for the financial net debt/adjusted EBITDA ratio to be a multiple of less than three and a half.



FINANCIAL PREPAREDNESS, %

SAS has a target for financial preparedness, which is to exceed 25% of annual fixed costs.



DEMAND RECOVERY AND MARKET COMPETITION

The outbreak of the COVID-19 pandemic has entailed the greatest challenge ever for the aviation industry. Demand for air travel contracted drastically and the recovery following the pandemic's outbreak has progressed slower than expected. Moreover, the recovery has been negatively affected by Russia's invasion of Ukraine in February 2022 and the resultant consequences.

SAS' assessment in September 2022 was that demand for short-haul leisure travel, in terms of passenger numbers, would return to pre-Covid levels in fiscal year 2024, that demand for short-haul business travel was expected to level off at approximately 80% of pre-Covid levels, and that demand for long-haul leisure travel would recover faster than for long-haul business travel. SAS has since raised its long-term expectations for passenger demand, and also expects a faster capacity rebound, which underpins the financial projections published on April 6, 2023.

The Scandinavian air travel market has three customer segments:

1. customers whose primary focus is the price of the offering;
2. customers who want a high quality offering but who remain price sensitive; and
3. customers who value the quality of the offering highly.

Based on this segmentation, SAS has primarily operated in the third segment historically, namely the premium segment. In the last few years, the premium segment's share of the total market has declined and, in coming years, SAS expects this trend to continue. However, the other two segments have posted a more positive trend driven by the expansion of several low-cost carriers in the Scandinavian market. This trend started prior to the COVID-19 pandemic and is expected to continue. This has resulted in increased competition in the Scandinavian market and SAS needing to reduce its unit cost per available seat kilometer ("CASK"), after adjustment for changes in fuel prices, to remain competitive.

FINANCIAL PROJECTIONS

SAS announced financial projections on April 6, 2023, where SAS expected revenue to return to pre-Covid levels in fiscal year 2024 and income before tax (EBT)¹ to be positive. SAS is currently reviewing the financial projections, as part of the preparations for completing the Chapter 11 process.

SAS has previously published financial projections regarding revenue, EBT, net debt and liquidity for the period up to and including fiscal year 2026. Within the framework for SAS' Chapter 11 process, the company entered into an investment agreement regarding exit financing during the quarter, which means, inter alia, that the Parent Company SAS AB (but none of the subsidiaries) will likely initiate a Swedish company reorganization in 2024 with the aim of implementing elements of the Chapter 11 plan in Sweden. As a result of the company reorganization, SAS' existing shareholders are not expected to have any remaining value and the share is expected to be delisted. In light of the

above, SAS has decided to stop providing forward-looking forecasts regarding the company's financial development for the period following the expected completion of the reorganization process in 2024.

The financial information set forth above 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, e.g., fuel prices, foreign exchange rates, inflation, demand recovery and supply chain instability, that could cause actual results to differ materially from the financial information above. The financial information is premised upon a successful progression and execution of the SAS FORWARD plan, and a demand recovery in line with expectations as described above. Furthermore, the financial projections are based on the following foreign exchange rate assumptions: An exchange rate of 9.48 SEK/USD through fiscal year 2024; and the following fuel price assumption: a gradually falling price from USD 914/MT by the end of fiscal year 2023 and until the end of fiscal year 2025, before expected to remain at a constant USD 676/MT for fiscal year 2026 and beyond. All numbers are presented on a consolidated basis for the SAS Group.

¹Earnings before tax, excluding capital gains or losses, or other gains or losses related to the completion of the Chapter 11 process.

RISKS AND UNCERTAINTIES

SAS works strategically to refine, follow up and improve its risk management. Risk management includes identifying new risks and known risks, such as pandemics, changes in jet-fuel prices or exchange rates. SAS monitors general risks centrally, while portions of risk management are conducted in the operations and include identification, action plans and policies. For further information about risk management at SAS, refer to the most recently published annual report.

OPERATING ENVIRONMENT

Over the past three years, the COVID-19 pandemic has significantly affected the whole aviation industry, including SAS. Substantially rising demand for travel is having a significant impact and the industry is struggling to recover quickly enough to meet this positive trend. The current geopolitical situation and Russia's invasion of Ukraine are also affecting the airline industry and, inter alia, are impacting the recovery of traffic to and from Asia, albeit with limited impact on SAS. Estimation uncertainty has increased due to the current market conditions in the aviation industry for forecasts and scenario analyses related to future demand, primarily in the short term. As described in the Annual Report for Fiscal Year 2022, page 102, critical accounting estimates and key sources of estimation uncertainty include: Impairment of assets; Pensions; Deferred taxes; Assumptions regarding right-of-use assets – aircraft; Hybrid bonds; Litigations; Claims in connection with Chapter 11 and the pilot strike.

Currency and jet-fuel hedging is described below and the impact of the COVID-19 pandemic is described on page 19 in Note 1. SAS closely monitors the development of risks and uncertainties on an ongoing basis.

CURRENCY AND JET-FUEL HEDGING

Financial risks pertaining to changes in exchange rates and fuel prices are hedged with derivatives, which aim to counter short-term negative fluctuations and provide scope for adapting operations to long-term changes in levels.

The policy for jet-fuel hedging states that jet fuel should be hedged at an interval of 40–80% of anticipated volumes for the coming 12 months. The policy also allows hedging of up to 50% of the anticipated volumes for the period, 13–18 months. Under the current uncertain

SENSITIVITY ANALYSIS, JET-FUEL COST NOV 2023–OCT 2024, SEK BILLION

Market price	Exchange rate SEK/USD				
	10.0	10.5	11.0	11.5	12.0
USD 700/MT	8.9	9.4	9.8	10.2	10.7
USD 800/MT	9.9	10.4	10.9	11.4	11.9
USD 900/MT	10.9	11.4	12.0	12.5	13.1
USD 1,000/MT	11.9	12.5	13.1	13.7	14.3
USD 1,100/MT	12.9	13.5	14.2	14.8	15.5

The jet-fuel cost in the statement of income does not include USD currency hedging effects. These effects are recognized under "Other operating expenses," since currency hedging is performed separately and is not linked specifically to its jet-fuel purchases.

and volatile market conditions SAS has temporarily adjusted the financial policy with regard to the hedging ratio for jet fuel. The exception applies for FY 2024 and permits hedging between 0 and 80% of the anticipated volumes for the next 12 months.

For the forthcoming 12 months, SAS has 0% of the fuel consumption hedged. Hedging of SAS' future jet-fuel consumption is normally conducted through a mix of swaps and options. Under current plans for flight capacity, the cost of jet fuel during FY 2024 is expected to be in line with the table in the middle, taking into account different fuel prices, USD rates and jet-fuel hedging.

For foreign currency, the policy is to hedge 40–80%. At the end of the quarter, SAS had hedged 41% of its anticipated USD cash flow deficit for the next 12 months. SAS normally hedges the USD deficit using forward contracts and currency options. In terms of NOK, which is SAS' largest surplus currency, 42% was hedged for the next 12 months. Based on the currency exposure a weakening of the NOK against the SEK of 1% would generate a negative earnings impact of MSEK 78, excluding hedge effects. A weakening of the USD against the SEK of 1% would generate a positive earnings impact of MSEK 130, excluding hedge effects, before any potential IFRS 16 effects.

With the introduction of IFRS 16, future lease payments are recognized as an asset (right-of-use asset) and a financial lease liability. Most of the right-of-use assets are denominated in SEK but the corresponding lease liabilities are denominated in foreign currencies, mainly USD. The currency exposure from recalculating USD

liabilities into SEK is significant. Over the lease term, the expenses following the adoption of IFRS 16 are equal to the expenses reported under IAS 17. The currency exposure from recalculating USD liabilities into SEK creates higher volatility in profit or loss. To mitigate the risk of having a volatile profit or loss, SAS applies hedge accounting.

Certain projected future USD revenue is hedged using the external USD denominated lease liabilities as hedging instruments. Changes in the USD/SEK spot rate for the designated part of the USD denominated lease liability is recognized in other comprehensive income as a separate component (cash-flow hedge reserve) in equity. When the hedged expected cash flows impact profit or loss as revenue, the corresponding part of the cash-flow hedge reserve is reclassified from other comprehensive income to profit or loss. In cases where hedge accounting is not possible, revaluation of USD denominated lease liabilities will impact the financial net in profit or loss.

Based on lease liabilities of approximately MUSD 1,736 and the USD rate as of October 31, 2023, a weakening of the USD against the SEK of 1% would generate a positive earnings impact of approximately MSEK 166 in profit or loss and a positive effect in OCI of approximately MSEK 27.

CHAPTER 11 PROCESS

SAS is taking steps as part of SAS FORWARD, its comprehensive business transformation plan that was launched to enable the company to continue to be a competitive player in the global airline industry. On July 5, 2022, SAS AB, together with some of its subsidiaries, initiated a court-supervised process in the United States by voluntarily filing for Chapter 11. This process will provide SAS with legal tools to strengthen its financial position and accelerate work with SAS FORWARD, while the airline is able to continue airline operations as normal.

The Chapter 11 process is a legal process under the supervision of the U.S. federal court system, which many large international airlines based outside of the U.S. have successfully used over the years to reduce their costs and complete financial restructurings. SAS' operations are unaffected by the Chapter 11 filing, and SAS will continue to serve its customers as normal.

SAS expects to have sufficient liquidity to support its business and meet its obligations going forward. SAS has also secured Debtor-in-Possession (DIP) financing, which provides SAS with a strong financial position to maintain operations throughout the Chapter 11 process. DIP financing is a specialized type of bridge financing used by businesses that are restructuring through a Chapter 11 process. During the quarter, SAS announced an agreement with Castlake for a new DIP loan of USD 500 million (approx. SEK 5.5 billion) to, inter alia, refinance SAS' existing DIP loan from Apollo Global Management, increase liquidity and support SAS' path to exit from its voluntary restructuring proceedings. Consequently, after the end of the quarter, SAS and Castlake contracted a new DIP term loan agreement, which received final US Court approval on November 21, and repaid its original DIP loan that had been provided by Apollo Global Management.

SAS reached an important milestone in the Chapter 11 process during the quarter. On October 3, SAS announced that the investors Castlake, Air France-KLM and Lind Invest, together with the Danish state had been designated as the winning bidder consortium in SAS' exit financing solicitation process. After the end of the quarter, on November 4, SAS announced that it had entered an investment agreement with the winning bidder consortium. The investment agreement entails a total investment in the reorganized SAS corresponding to USD 1,200 million (SEK 13.2 billion), comprised of USD 475 million (SEK 5.225 billion) in new unlisted equity and USD 725 million (SEK 7.975 billion) in secured convertible debt. The agreed investment structure will result in a shareholder structure post-reorganization (based on total equity, but pre-conversion of the convertible debt) where:

- (i) Castlake holds approximately 32.0% of the equity and 55.2% of the convertible debt;
- (ii) the Danish State holds approximately 25.8% of the equity and 30.0% of the convertible debt;
- (iii) Air France-KLM holds approximately 19.9% of the equity and 4.8% of the convertible debt;
- (iv) Lind Invest holds approximately 8.6% of the equity and 10.0% of the convertible debt; and
- (v) the remaining approximately 13.6% of the equity will be distributed among and held by certain creditors who may receive recovery in equity.

The investment agreement includes the final terms of the investors' equity investment, as well as the key terms for the secured convertible debt and SAS' Chapter 11 reorganization plan. On November 21, the investment agreement was approved by the US court.

The agreed exit transaction remains subject to approval in connection with the confirmation of SAS' Chapter 11 plan. SAS currently has the target of having the Chapter 11 plan approved by the US Court in the beginning of 2024 followed by regulatory approval and a likely Swedish company reorganization at the SAS AB level (likely to be filed by SAS AB in 2024). SAS expects that there will be only a modest recovery for general unsecured creditors, no recovery for subordinated unsecured creditors and no value for SAS AB's existing shareholders upon emergence from the restructuring process. Any payment of recoveries to creditors will be made only after the completion of the transaction and the fulfilment of any conditions for payment to creditors. All of SAS AB's common shares and listed commercial hybrid bonds are expected to be cancelled, redeemed and delisted (currently expected to take place in the second quarter of 2024).

LEGAL ISSUES

The European Commission's decision in November 2010 found SAS and many other airlines guilty of alleged participation in a global air cargo cartel in the 1999–2006 period and ordered SAS to pay a fine of MEUR 70.2. SAS appealed the decision in January 2011 and in December 2015, the Court of Justice of the European Union (CJEU) annulled the European Commission's decision including the MEUR 70.2 fine. The CJEU's ruling entered into force and the MEUR 70.2 fine was repaid to SAS at the beginning of March 2016. The European Commission took a new decision on the same issue in March 2017 and again imposed fines on SAS and many other airlines for alleged participation in a global air cargo cartel in the 1999–2006 period. The fine of MEUR 70.2 was the same as that imposed under the 2010 decision. SAS appealed the European Commission's decision and a hearing was held in the CJEU in July 2019. Judgement was announced on March 30, 2022. SAS was partly successful with its appeal and the fine paid in under 2017 was slightly reduced. SAS has appealed the judgement.

As a consequence of the European Commission's decision in the cargo investigation in November 2010 and the renewal of that decision in March 2017, SAS and other airlines fined by the Commission are involved in various civil lawsuits initiated by cargo customers in countries including the Netherlands and Norway. SAS contests its responsibility in all these legal processes. Unfavorable outcomes in these disputes could have a significantly negative financial impact on SAS. Further lawsuits by cargo customers cannot be ruled out. No provisions have been made.

CONSOLIDATED STATEMENT OF INCOME

CONDENSED STATEMENT OF INCOME INCLUDING STATEMENT OF OTHER COMPREHENSIVE INCOME

MSEK	Note	Q4		Q1-Q4	
		Aug-Oct 2023	Aug-Oct 2022	Nov-Oct 2022-2023	Nov-Oct 2021-2022
Revenue	2	12,019	10,651	42,043	31,824
Personnel expenses		-2,128	-1,879	-8,072	-7,086
Jet-fuel costs		-3,296	-2,841	-10,940	-8,511
Air traffic charges		-1,128	-887	-3,800	-2,855
Other external expenses	3	-5,035	-3,813	-17,659	-12,058
Depreciation, amortization and impairment	4	-1,100	-1,251	-4,440	-4,763
Income from shares in affiliated companies		3	3	18	22
Income from sale and return of aircraft, and other non-current assets		3	-75	145	95
Operating income (EBIT)		-662	-92	-2,705	-3,332
Financial income and expenses	5	-1,448	-1,609	-2,811	-4,514
Income before tax (EBT)		-2,110	-1,701	-5,516	-7,846
Tax		182	463	-185	798
Net income for the period		-1,928	-1,238	-5,701	-7,048
Other comprehensive income					
<i>Items that may later be reversed to net income:</i>					
Exchange-rate differences in translation of foreign operations		38	80	53	212
Cash-flow hedges, net after tax		159	-106	135	-755
<i>Items that will not be reversed to net income:</i>					
Revaluations of defined-benefit pension plans, net after tax		-37	661	-1,359	1,937
Total other comprehensive income, net after tax		160	635	-1,171	1,394
Comprehensive income for the period		-1,768	-603	-6,872	-5,654
<i>Attributable to Parent Company shareholders:</i>					
Net income for the period		-1,928	-1,238	-5,701	-7,048
Comprehensive income for the period		-1,768	-603	-6,872	-5,654
Earnings per common share before and after dilution (SEK) ¹		-0.27	-0.17	-0.78	-0.97

¹ Earnings per common share are calculated as net income for the period attributable to Parent Company shareholders as well as hybrid bond expenses in relation to 7,266,039,292 (7,266,039,292) shares outstanding during the respective periods.

INCOME BEFORE TAX AND ITEMS AFFECTING COMPARABILITY

MSEK	Q4		Q1-Q4	
	Aug-Oct 2023	Aug-Oct 2022	Nov-Oct 2022-2023	Nov-Oct 2021-2022
Income before tax (EBT)	-2,110	-1,701	-5,516	-7,846
Rejection of lease contracts in Chapter 11	-	88	-160	88
Capital gains/losses ¹	-3	-13	15	-183
Income before tax and items affecting comparability	-2,113	-1,626	-5,661	-7,941

¹ Capital gains/losses include aircraft and engine sales amounting to MSEK -15 (170), of which sale and leaseback amounted to MSEK -14 (97). Capital gains/losses also included sales of subsidiaries 0 (13) in the November-October period.

CONSOLIDATED BALANCE SHEET

CONDENSED BALANCE SHEET

MSEK	Oct 31, 2023	Oct 31, 2022
ASSETS		
Non-current assets		
Intangible assets	663	692
Tangible assets	14,202	18,296
Right-of-use assets	17,164	17,840
Financial assets	9,426	10,847
Deferred tax assets	1,853	1,628
Total non-current assets	43,308	49,303
Current assets		
Inventories and expendable spare parts	443	319
Current receivables	5,933	4,881
Cash and cash equivalents	6,160	8,654
Total current assets	12,536	13,854
TOTAL ASSETS	55,844	63,157
EQUITY AND LIABILITIES		
Total shareholders' equity	-6,110	762
Non-current liabilities		
Interest-bearing liabilities	11,091	16,627
Interest-bearing lease liabilities	17,034	17,686
Other non-current liabilities	5,463	4,283
Total non-current liabilities	33,588	38,596
Current liabilities		
Interest-bearing liabilities	9,974	7,379
Interest-bearing lease liabilities	4,393	3,828
Other current liabilities	13,999	12,592
Total current liabilities	28,366	23,799
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	55,844	63,157
Interest-bearing assets	17,859	21,114
Interest-bearing liabilities	42,492	45,519
Working capital	-13,529	-11,692

SPECIFICATION OF FINANCIAL NET DEBT, OCTOBER 31, 2023

	According to balance sheet	Of which financial net debt
Financial assets	9,426	572
Current receivables	5,933	3,126
Cash and cash equivalents	6,160	6,160
Non-current liabilities	33,588	28,125
Current liabilities	28,366	14,367
Financial net debt		32,634

Information relating to financial net debt in the comparative periods is available in the Financial key figures section. For a specification of financial net debt for the respective periods, please refer to www.sasgroup.net where each interim report is published.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONDENSED CHANGES IN SHAREHOLDERS' EQUITY

Total shareholders' equity attributable to Parent Company shareholders

MSEK	Share capital ¹	Other contributed capital	Hedging reserves	Translation reserve	Hybrid bonds	Retained earnings	Total shareholders' equity
Opening shareholders' equity in accordance with approved balance sheet, October 31, 2021	8,650	2,899	511	-192	7,615	-13,067	6,416
Hybrid bond interest ²						-	-
Net income for the period						-7,048	-7,048
Comprehensive income for the period			-755	212		1,937	1,394
Closing balance, October 31, 2022	8,650	2,899	-244	20	7,615	-18,178	762
Hybrid bond interest ³						-	-
Net income for the period						-5,701	-5,701
Comprehensive income for the period			135	53		-1,359	-1,171
Closing balance, October 31, 2023	8,650	2,899	-109	73	7,615	-25,238	-6,110

¹ Number of shares in SAS AB: 7,266,039,292 (7,266,039,292) shares with a quotient value of SEK 1.19 (1.19).

² Due interest payments of MSEK 366 that have been deferred according to press releases on April 7, 2022 and October 13, 2022.

³ Due interest payments of MSEK 599 that have been deferred according to press releases on April 13, 2023 and October 11, 2023.

CONSOLIDATED CASH-FLOW STATEMENT

CONDENSED CASH-FLOW STATEMENT

MSEK	Q4	Q4	Q1-Q4	Q1-Q4
	Aug-Oct 2023	Aug-Oct 2022	Nov-Oct 2022-2023	Nov-Oct 2021-2022
OPERATING ACTIVITIES				
Income before tax (EBT)	-2,110	-1,701	-5,516	-7,846
Depreciation, amortization and impairment	1,100	1,251	4,440	4,763
Income from sale of aircraft and buildings	-3	88	-145	-82
Adjustment for other non-cash items, etc.	1,545	1,248	1,463	2,982
Tax paid	-	-	-	-
Cash flow from operations before change in working capital	532	886	242	-183
Change in working capital	-451	-467	2,185	1,955
Cash flow from operating activities	81	419	2,427	1,772
INVESTING ACTIVITIES				
Investments including advance payments to aircraft manufacturers	-514	-1,356	-4,012	-5,093
Acquisition of subsidiaries and affiliated companies	-	-	-57	-
Sale of fixed assets, etc.	506	1,723	4,173	5,842
Cash flow from investing activities	-8	367	104	749
FINANCING ACTIVITIES				
Proceeds from borrowings	-	3,734	1,585	8,515
Repayment of borrowings	-221	-789	-3,179	-3,359
Amortization of lease liabilities	-654	-761	-2,796	-2,820
Fees DIP financing	-233	-257	-381	-257
Other financing activities	731	-216	-264	-225
Cash flow from financing activities	-377	1,711	-5,035	1,854
Cash flow for the period	-304	2,497	-2,504	4,375
Translation difference in cash and cash equivalents	1	9	10	11
Cash and cash equivalents at beginning of the period	6,463	6,148	8,654	4,268
Cash and cash equivalents at the end of the period	6,160	8,654	6,160	8,654

PARENT COMPANY SAS AB

The number of shareholders in SAS AB amounted to 218,817 (271,729) on October 31, 2023. The average number of employees amounted to two (two).

CONDENSED STATEMENT OF INCOME

MSEK	Q1-Q4	
	Nov-Oct 2022-2023	Nov-Oct 2021-2022
Revenue	872	426
Personnel expenses	-33	-29
Other operating expenses	-1,035	-531
Operating income (EBIT)	-196	-134
Impairment of shares in subsidiaries	-1,840	-2,788
Financial net	479	213
Income before tax (EBT)	-1,557	-2,709
Tax	0	0
Net income for the period	-1,557	-2,709

Net income for the period also corresponds with total comprehensive income.

CONDENSED BALANCE SHEET

MSEK	Oct 31, 2023	Oct 31, 2022
Financial non-current assets	20,623	21,920
Other current assets	399	563
Cash and bank balances	1	1
TOTAL ASSETS	21,023	22,484
Shareholders' equity	19,086	20,643
Non-current liabilities	14	1,623
Current liabilities	1,923	218
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	21,023	22,484

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Restricted equity		Unrestricted equity			Total sharehold- ers' equity
	Share capital ¹	Statutory reserve	Share premium reserve	Hybrid bonds	Retained earnings ²	
Opening shareholders' equity in accordance with approved balance sheet, October 31, 2022	8,650	447	2,729	7,615	1,202	20,643
Net income for the period					-1,557	-1,557
Closing balance, October 31, 2023	8,650	447	2,729	7,615	-355	19,086

1) Number of shares in SAS AB: 7,266,039,292 (7,266,039,292) shares with a quotient value of SEK 1.19 (1.19).

2) Due interest payments of MSEK 366 pertaining to the 2022 fiscal year that have been deferred according to press releases on April 7, 2022 and October 13, 2022. Additional due interest payments of MSEK 599 that have been deferred according to press releases on April 13, 2023 and October 11, 2023.

NOTE 1 ACCOUNTING POLICIES AND OTHER INFORMATION

This condensed interim report for the SAS Group was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act, Chapter 9, Interim Report. The same accounting policies and calculation criteria have been applied for the Group and the Parent Company as in the latest annual report, with the exception of the following amended accounting policies. Disclosures in accordance with IAS 34.16A are presented in the financial statements and their accompanying notes as well as in other parts of this interim report.

NEW AND AMENDED ACCOUNTING POLICIES

New and amended IFRSs that entered force in November 2022 or later have not had any material effect on the consolidated financial statements. New or amended IFRSs that enter force in the coming fiscal years have not been applied in advance in the preparation of these financial statements and are not expected to have a significant effect on the Group's or Parent Company's forthcoming financial reports.

ESTIMATES AND ASSUMPTIONS

The preparation of the interim report requires SAS to make assessments and estimates, and make assumptions that affect the application of the accounting policies and the carrying amounts of assets and liabilities, and revenue and expenses, this is also described on pages 10–11 of this report. The actual outcome may differ from these estimates and judgments. In addition to what is described below, the critical assessments and sources of uncertainty in estimates are the same as those in the most recent annual report.

As described on page 12, on July 5, 2022, SAS AB, together with some of its subsidiaries, initiated a court-supervised process in the United States by voluntarily filing for Chapter 11. The Chapter 11 process provides an option to negotiate and reject contracts that were in effect at the beginning of the process. During the period August 2022 to October 2023, SAS has chosen to reject lease contracts pertaining to one B737-700, three A350-900, three A321-200, one A320-200neo and one A330-300 aircraft as well as a number of engines. All of these contract rejections have been approved by the US court. In conjunction with this approval, SAS made the related assets available for retrieval by the applicable leaseholders or lenders, with the consequent effect that the assets and liabilities associated with the contracts were removed from the balance sheet. As a step in the Chapter 11 process, SAS expects the lenders/leaseholders and other counterparties to seek damages for their economic losses and report this to the US court. Due to the uncertainty in outcome for claims arising under Chapter 11 since these are dependent on the number of claims and the size of the claims, but are also dependent on the restructuring plan that later in the process is required to be approved by the court, SAS has been unable to reliably estimate a corresponding total provision for claims. These claims may be material. SAS has recognized provisions in its financial statements for claims where adequate and reasonable information was available to estimate the liability.

IMPACT OF THE COVID-19 PANDEMIC, THE CHAPTER 11 FILING AND GOING CONCERN ASSUMPTION

Over the past three years, the COVID-19 pandemic has significantly affected the whole aviation industry, including SAS. Substantially rising demand for travel is having a significant impact and the industry is struggling to recover quickly enough to meet this positive trend. The current geopolitical situation and Russia's invasion of Ukraine is also affecting the airline industry and has led, inter alia, to the closure of Russia's airspace. This also impacts the recovery of traffic to and from Asia among other things. Due to the current market conditions in the aviation industry, estimation remains uncertain.

SAS has worked continuously and intensively with various cost reduction measures, limiting non-business-critical investments and utilizing various financing solutions to protect its liquidity. SAS' assessment in September 2022 was that demand for short-haul leisure travel, in terms of passenger numbers, would return to pre-Covid levels in fiscal year 2024, that demand for short-haul business travel was expected to level off at approximately 80% of pre-Covid levels, and that demand for long-haul leisure travel would recover faster than for long-haul business travel. SAS has since raised its long-term expectations for passenger demand, and also expects a faster capacity rebound, which underpins the updated financial projections published on April 6, 2023. In accordance with the financial projections announced, SAS expected revenue to return to preCovid levels in fiscal year 2024 and income before tax is to be positive. SAS is currently reviewing the financial projections, as part of the preparations for completing the chapter 11 process, see more on page 10.

SAS FORWARD, a plan to strengthen and secure SAS' long-term future position, was launched at the end of February 2022. Key elements of the plan include: 1. Reducing the annual costs by SEK 7.5 billion, including renegotiations of existing financing arrangements and other long-term credit facilities. 2. Redesigning fleet, network and product offerings. 3. Digital transformation. 4. Positioning SAS as the leader in sustainable aviation. 5. Operating platform acceleration. 6. Strengthening SAS' balance sheet by deleveraging and raising new capital.

To accelerate important parts of the SAS FORWARD transformation plan, SAS voluntarily filed for Chapter 11 in the US on July 5, 2022. The court has approved SAS' filing and SAS can thereby continue its operations as normal. As described on page 12, SAS reached an important milestone in the Chapter 11 process during the quarter. On October 3, SAS announced that the investors Castllake, Air France-KLM and Lind Invest, together with the Danish state had been designated as the winning bidder consortium in SAS' exit financing solicitation process. After the end of the quarter, on November 4, SAS announced that it had entered an investment agreement with the winning bidder consortium. The investment agreement entails a total investment in the reorganized SAS corresponding to USD 1,200 million (SEK 13.2 billion), comprised of USD 475 million (SEK 5.225 billion) in new unlisted equity and USD 725 million (SEK 7.975 billion) in secured convertible debt. As detailed on page 12, SAS has also entered a DIP term loan agreement with Castllake. On November 15, SAS repaid its original DIP term loan that was provided by Apollo Global Management.

Debt or debt-like items of SEK 20 billion are expected to be converted or reduced through the Chapter 11 process during fiscal year 2024, which is why the current negative equity position in the Group is deemed to be transient. Assuming successful implementation of the SAS FORWARD plan, SAS expects to attain a strong financial position.

SAS wants to highlight that there are no guarantees that SAS FORWARD will successfully be completed through the Chapter 11 process. In the event that the expected burden sharing, reduction or conversion of debt, and the new capital raise are not completed as planned, SAS will be unable to support its existing capital structure and current liquidity levels and it cannot be ruled out that SAS could become unable to meet its obligations over the longer term as they fall due.

Despite the situation described above, the Board's assessment is that the Group has adequate liquidity, including the DIP financing, to continue operations for at least the next 12 months, and therefore continues to apply the going concern principle to the preparation of the financial statements.

OPERATING SEGMENTS AND DISAGGREGATION OF REVENUE

The Group's operations are reported as one operating segment, which is consistent with the internal reporting to the Chief Operating Decision Maker (CODM), which is defined as SAS Group Management. Note 2 sets out the destination-based disaggregation of revenue broken down by revenue category and geographical area. Traffic revenue from domestic services in Denmark, Norway and Sweden is allocated to Domestic. Traffic between the three countries is allocated to Intra-Scandinavian. Other traffic revenues are allocated to the geographical area where the destination is located. Other revenues are allocated to a geographical area based on the customer's geographical location relating, for example, to goods exported to a customer in another country or, alternatively, the geographical location where the service is performed. Note 2 breaks down revenue by material source country based on the country of sale.

NOTE 2 REVENUE

SAS recognizes passenger and charter revenue when the transportation has been performed, cargo revenue when the transportation has been completed and other revenue when the goods have been delivered or the service performed. The performance obligations identified are fulfilled at a defined point in time.

REVENUE BY CATEGORY

	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2023	Aug–Oct 2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022
Passenger revenue	9,409	7,747	32,236	23,225
Charter revenue	791	706	2,096	1,703
Cargo revenue	262	401	1,183	1,611
Other traffic revenue	924	783	2,992	2,982
Total traffic revenue	11,386	9,637	38,507	29,521
Other operating revenue ¹⁾	633	1,014	3,536	2,303
Total	12,019	10,651	42,043	31,824

¹⁾As a consequence of the pilot strike from July 4 to 19, 2022, a provision of SEK 1.1 billion has been recognized as a negative adjustment of revenue for the third quarter of FY 2022 with respect to estimated customer compensation claims for delays and cancelled flights since these items comprise variable considerations in customer contracts.

GEOGRAPHICAL BREAKDOWN

	Domestic		Intra-Scandinavian		Europe		Intercontinental		Total	
	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022
Passenger revenue	7,901	6,516	3,085	2,324	12,853	9,101	8,397	5,283	32,236	23,225
Charter revenue	–	–	–	–	2,096	1,703	–	–	2,096	1,703
Cargo revenue	3	3	4	3	43	34	1,133	1,571	1,183	1,611
Other traffic revenue	737	836	286	298	1,190	1,168	779	681	2,992	2,982
Total traffic revenue	8,641	7,355	3,375	2,625	16,182	12,006	10,309	7,535	38,507	29,521

	Denmark		Norway		Sweden		Europe		Other countries		Total	
	Nov–Oct 2022–2023	Nov–Oct 2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022
Other operating revenue	527	419	875	755	467	485	667	294	1,000	350	3,536	2,303

Refer to the above table for the Group's revenue broken down by category and to the table below for revenue broken down on a country basis for material sources of sales revenue.

REVENUE BY COUNTRY

	Sweden		Norway		Denmark		Other		Total	
	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022
Traffic revenue:										
Passenger revenue	7,709	6,005	8,545	6,675	4,125	3,138	11,857	7,407	32,236	23,225
Charter revenue	618	541	1,052	862	426	301	–	–	2,096	1,703
Cargo revenue	238	242	171	216	281	320	493	833	1,183	1,611
Other traffic revenue	717	790	795	881	383	407	1,097	903	2,992	2,982
Total traffic revenue	9,282	7,578	10,563	8,634	5,215	4,166	13,447	9,143	38,507	29,521
Total other operating revenue	467	485	875	755	527	419	1,667	644	3,536	2,303
Total	9,749	8,063	11,438	9,389	5,742	4,585	15,114	9,787	42,043	31,824

NOTE 3 OTHER EXTERNAL EXPENSES

	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2023	Aug–Oct 2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022
Sales and distribution costs	-672	-553	-2,492	-1,785
Catering costs	-392	-266	-1,399	-819
Handling costs	-719	-573	-2,641	-1,949
Technical aircraft maintenance	-878	-584	-3,118	-1,910
Computer and telecommunication costs	-409	-309	-1,494	-1,249
Administrative services	-315	-378	-1,544	-985
Wet-lease expenses	-953	-561	-2,617	-1,846
Other	-697	-589	-2,354	-1,515
Total	-5,035	-3,813	-17,659	-12,058

NOTE 4 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2023	Aug–Oct 2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022
Intangible assets, amortization	0	-4	0	-30
Tangible assets, depreciation	-284	-355	-1,118	-1,414
Tangible assets, impairment	–	-64	–	-64
Right-of-use assets, depreciation	-816	-828	-3,322	-3,255
Total	-1,100	-1,251	-4,440	-4,763

NOTE 5 FINANCIAL INCOME AND EXPENSES

	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2023	Aug–Oct 2022	Nov–Oct 2022–2023	Nov–Oct 2021–2022
Interest income	319	141	1,016	219
Interest expense	-698	-349	-2,747	-912
Other financial expenses	-26	-85	-84	-136
Exchange-rate differences	-2	8	52	-5
Interest expenses, IFRS 16	-223	-223	-894	-774
Exchange-rate differences, IFRS 16	-818	-1,101	-154	-2,906
Total	-1,448	-1,609	-2,811	-4,514

NOTE 6 FINANCIAL ASSETS AND LIABILITIES**FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES**

	Oct 31, 2023		Oct 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
MSEK				
Financial assets				
Financial assets at fair value, hedge-accounted	50	50	31	31
Financial assets at FVTPL	17	17	27	27
Financial assets at amortized cost	12,918	12,918	14,938	14,938
Total	12,985	12,985	14,996	14,996
Financial liabilities				
Financial liabilities at fair value, hedge-accounted	10	10	44	44
Financial liabilities at FVTPL	24	24	57	57
Financial liabilities at amortized cost	26,765	25,092	28,614	27,585
Total	26,799	25,126	28,715	27,686

Fair value is generally determined by using official market quotes. When market quotes are not available, the fair value is determined using generally accepted valuation methods such as discounted future cash flows based on observable market inputs.

The Group's financial assets and liabilities are measured at fair value as stated below:

Level 1: Financial instruments for which fair value is based on observable (unadjusted) quoted prices in active markets for identical assets and liabilities. This category includes mainly treasury bills and standardized derivatives, where the quoted price is used in the valuation.

Level 2: Financial instruments for which fair value is based on valuation models that utilize other observable data for the asset or liability other than the quoted prices included within level 1, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Financial instruments for which fair value is based on valuation models, whereby significant input is based on unobservable data. At present, SAS has no financial assets or liabilities where the valuation is essentially based on unobservable data.

FAIR VALUE HIERARCHY

	Oct 31, 2023			Oct 31, 2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
MSEK						
Financial assets						
Financial assets at fair value, hedge-accounted	–	50	50	–	31	31
Financial assets at FVTPL	–	17	17	–	27	27
Total		67	67	–	58	58
Financial liabilities						
Financial liabilities at fair value, hedge-accounted	–	10	10	–	44	44
Financial liabilities at FVTPL	–	24	24	–	57	57
Total		34	34	–	101	101

The Board of Directors and President hereby certify that this year-end report provides a true and fair overview of the Parent Company's and the Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the Parent Company and the companies included in the Group are exposed.

Stockholm, November 30, 2023

Carsten Dilling
Board Chairman

Lars-Johan Jarnheimer
Vice Chairman

Nina Bjornstad
Board member

Michael Friisdahl
Board member

Henriette Hallberg Thygesen
Board member

Kay Kratky
Board member

Oscar Stege Unger
Board member

Kim John Christiansen
Board member

Jens Lippestad
Board member

Tommy Nilsson
Board member

Anko van der Werff
President & CEO

This year-end report is unaudited.

TRAFFIC DATA INFORMATION

SCHEDULED PASSENGER TRAFFIC

	Aug–Oct 2023	Aug–Oct 2022	Year-on- year change	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Year-on- year change
Number of passengers (000)	6,442	5,398	19.3%	22,726	17,029	33.5%
RPK, Revenue Passenger Kilometers (mill)	8,745	7,290	20.0%	29,964	22,058	35.8%
ASK, Available Seat Kilometers (mill)	11,402	9,602	18.7%	39,736	31,688	25.4%
Load factor	76.7%	75.9%	0.8 ¹⁾	75.4%	69.6%	5.8 ¹⁾
Passenger yield, currency-adjusted	1.08	1.09	-0.9%	1.08	1.08	-0.2%
Passenger yield, nominal	1.08	1.06	1.2%	1.08	1.05	2.2%
Unit revenue, PASK, currency-adjusted	0.83	0.82	0.1%	0.81	0.75	8.1%
Unit revenue, PASK, nominal	0.83	0.81	2.3%	0.81	0.73	10.7%
RASK, currency-adjusted	0.92	0.92	-0.4%	0.90	0.88	2.8%
RASK, nominal	0.92	0.90	1.7%	0.90	0.86	5.3%

¹⁾Figures given in percentage points

TOTAL TRAFFIC (SCHEDULED AND CHARTER TRAFFIC)

	Aug–Oct 2023	Aug–Oct 2022	Year-on- year change	Nov–Oct 2022–2023	Nov–Oct 2021–2022	Year-on- year change
Number of passengers (000)	6,787	5,759	17.9%	23,681	17,868	32.5%
RPK, Revenue Passenger Kilometers (mill)	9,661	8,240	17.2%	32,553	24,317	33.9%
ASK, Available Seat Kilometers (mill)	12,417	10,684	16.2%	42,566	34,371	23.8%
Load factor	77.8%	77.1%	0.7 ¹⁾	76.5%	70.7%	5.7 ¹⁾
Unit cost, CASK, currency-adjusted	-0.95	-0.92	3.2%	-0.97	-1.01	-3.9%
Unit cost, CASK, nominal incl. items affecting comparability	-0.97	-0.90	7.4%	-0.97	-0.96	1.3%
Unit cost, CASK, excl. jet fuel, currency-adjusted	-0.69	-0.65	5.0%	-0.71	-0.74	-4.5%
Unit cost, CASK, excl. jet fuel, nominal incl. items affecting comparability	-0.71	-0.64	10.5%	-0.71	-0.71	0.5%

¹⁾Figures given in percentage points

SCHEDULED TRAFFIC TREND FOR SAS BY ROUTE SECTOR

	Aug–Oct 2022–2023 vs. Aug–Oct 2021–2022		Nov–Oct 2022–2023 vs. Nov–Oct 2021–2022	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	16.2%	17.8%	48.1%	33.6%
Europe/Intra-Scandinavia	25.4%	24.8%	32.6%	24.9%
Domestic	13.1%	5.0%	22.9%	13.0%

PRODUCTIVITY AND ENVIRONMENTAL EFFICIENCY

12-month rolling	Oct 2023	Oct 2022	Year-on-year change
Aircraft, block hours/day	8	7.5	12.6%
Cabin crew, block hours/year	743	699	6.3%
Pilots, block hours/year	584	526	11.2%

Environmental efficiency	Oct 2023	Oct 2022	Year-on-year change
Total CO ₂ emissions, million metric tons (R12M)	3,062	2,392	28.0%
CO ₂ emissions per available seat kilometer, grams (R12M)	54.4	53.2	2.4%

AIRCRAFT FLEET

THE SAS AIRCRAFT FLEET ON OCTOBER 31, 2023

SAS Group Aircraft Fleet	Age	Owned	Leased	Wet lease	Total	SAS Scandinavia	SAS Connect	SAS Link	Wet lease	In SAS Group traffic	Firm order purchase	Firm order lease
Airbus A330/350	9.7	3	8		11	11				11	2	
Airbus A320 family	7.1	6	73	8	87	52	27		8	87	18	
Boeing 737NG	18.3	4			4	4				4		
Embraer E195-100	14.8		9		9			9		9		1
Bombardier CRJ	9.3			17	17				17	17		
ATR-72	10.1			6	6				6	6		
Total aircraft in operation	8.6	13	90	31	134	67	27	9	31	134	20	1
Aircraft undergoing phase-out /lease												
Airbus A321-200	21.5	4			4							
Boeing 737NG ¹⁾	15.2	6			6							
Airbus A350-900	3.7		1		1							
Total	16.9	10	1		11							

¹⁾ Of which 5 are under lease as of 31 October 2023

Aircraft on firm order FY24–FY25 on October 31, 2023	FY24	FY25	Total
Airbus A320neo	12	6	18
Embraer E195-100	1		1
Airbus A350		2	2
Total	13	8	21



The new fleet lowers fuel consumption and thereby CO₂ emissions.

KEY FIGURES AND ALTERNATIVE PERFORMANCE MEASURES

SAS calculates various Alternative Performance Measures (APMs) that complement the metrics defined in the applicable rules for financial reporting. The APMs facilitate comparison between different periods and are used for internal analysis of the business's performance, development and financial position, and are therefore deemed to provide valuable information to external stakeholders, such as investors, analysts, rating agencies and others. For definitions, refer to the Definitions section and shareholder information. A list of the APMs deemed of sufficient material importance to specify is available at www.sasgroup.net under Investor Relations.

	Oct 31, 2023	Oct 31, 2022
Return on invested capital (ROIC)	-7%	-8%
Financial net debt/adjusted EBITDA	20.4x	23.3x
Financial preparedness	35%	60%
Return on shareholders' equity	n/a	-261%
Equity/assets ratio	-11%	1%
Financial net debt, MSEK	32,634	33,657
Shareholders' equity excluding hybrid bonds per common share	-1.89	-0.94
Debt/equity ratio	-5.3	44.1
Interest-coverage ratio	-0.46	-1.7

EARNINGS-RELATED KEY FIGURES AND AVERAGE NUMBER OF EMPLOYEES

MSEK	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4
	Nov-Jan 2022-2023	Nov-Jan 2021-2022	Feb-Apr 2023	Feb-Apr 2022	May-Jul 2023	May-Jul 2022	Aug-Oct 2023	Aug-Oct 2022
Revenue	7,896	5,545	8,955	7,048	13,173	8,580	12,019	10,651
Operating income (EBIT)	-2,634	-1,329	-986	-763	1,577	-1,148	-662	-92
Operating income (EBIT) margin	-33.4%	-24.0%	-11.0%	-10.8%	12.0%	-13.4%	-5.5%	-0.9%
Income before tax (EBT)	-2,449	-2,597	-1,414	-1,557	457	-1,991	-2,110	-1,701
Net income for the period	-2,709	-2,442	-1,525	-1,520	461	-1,848	-1,928	-1,238
Income before tax and items affecting comparability	-2,451	-2,621	-1,561	-1,613	464	-2,081	-2,113	-1,626
Earnings per common share (SEK)	-0.37	-0.34	-0.21	-0.21	0.06	-0.25	-0.27	-0.17
Cash flow before financing activities	-1,688	-392	2,763	2,599	1,383	-472	73	786
Average number of employees (FTEs)	7,497	6,326	7,928	6,881	8,287	7,435	8,124	7,492

DEFINITIONS AND SHAREHOLDER INFORMATION

SAS uses various key figures, including alternative performance measures (APMs), for internal analysis purposes and for external communication of the operations' results, performance and financial position. The aim of these APMs is to illustrate the performance measures tailored to operations that, in addition to the other key figures, enable various stakeholders to more accurately assess and value SAS' historical, current and future performance and position.

Adjusted EBITDA – Operating income (EBIT) before share of income in affiliated companies, income from sale of aircraft and other non-current assets, and amortization, depreciation and impairment.

Adjusted EBITDA margin – Adjusted EBITDA divided by revenue.

AEA – The Association of European Airlines. An association of the major European airlines.

Affiliated company – Company where the SAS Group's holding amounts to at least 20% and at the most 50%.

AOC (Air Operator Certificate) – Permits for flight operations.

ASK, Available Seat Kilometers – The total number of seats available for passengers multiplied by the number of kilometers which they are flown.

ATK, Available tonne kilometers – The total number of tonnes of capacity available for the transportation of passengers, freight and mail multiplied by the number of kilometers which this capacity is flown.

Available seat kilometers – See ASK.

Available tonne kilometers – See ATK.

Block hours – Refers to the time from when the aircraft leaves the departure gate until it arrives at the destination gate.

CAGR – Compound annual growth rate.

Capital employed – Total capital according to the balance sheet less non-interest-bearing liabilities.

Carbon dioxide (CO₂) – A colorless gas that is formed in the combustion of all fossil fuels. The airline industry's CO₂ emissions are being reduced based on a changeover to more fuel-efficient aircraft.

CASK – See unit cost.

Code share – When one or more airlines' flight number is stated in the timetable for a flight, while only one of the airlines operates the flight.

Debt/equity ratio – Financial net debt in relation to equity.

Earnings per common share (EPS) – Net income for the period attributable to Parent Company shareholders less preference-share dividends and hybrid bond expenses in relation to the average number of common shares outstanding.

EBIT – Operating income.

EBIT margin – EBIT divided by revenue.

EBT – Income before tax.

EEA – European Economic Area.

Equity method – Shares in affiliated companies are taken up at the SAS Group's share of equity, taking acquired surplus and deficit values into account.

Equity/assets ratio – Equity in relation to total assets.

Finance leases – Based on a lease where the risks and rewards of ownership of the asset essentially remain with the lessee. The asset is reported as a fixed asset in the balance sheet because the lessee has an obligation to purchase the asset at the end of the lease. The commitment to pay future leasing charges is entered as a liability. As of November 1, 2019, SAS Group applies the new accounting standard IFRS 16 – Leases. See Right-of-use assets.

Financial net debt – Interest-bearing liabilities less interest-bearing assets excluding net pension funds. In this ratio, interest-bearing liabilities are defined as the sum of non-current interest-bearing liabilities, non-current interest-bearing lease liabilities, current interest-bearing liabilities and current interest-bearing lease liabilities. Interest-bearing assets are defined as the sum of pension funds, non-current interest-bearing receivables, other current interest-bearing receivables and cash and cash equivalents.

Financial net debt/Adjusted EBITDA – Average financial net debt in relation to Adjusted EBITDA. Financial net debt in relation to adjusted EBITDA (Operating income (EBIT) before the share of income in affiliated companies, income from sale of aircraft and other non-current assets, amortization, depreciation and impairment).

Financial preparedness – Cash and cash equivalents, plus unutilized credit facilities with a maturity longer than three months, in relation to fixed costs. In this ratio, fixed costs are defined as personnel expenses, other external expenses and financial income and expenses excluding exchange-rate differences on lease liabilities over the last 12 months.

FTE – Average number of employees, full-time equivalents.

IATA – International Air Transport Association. A global association of almost 300 airlines.

ICAO – International Civil Aviation Organization. The United Nations' specialized agency for international civil aviation.

Interest-coverage ratio – Operating income (EBIT) plus financial income in relation to financial expenses.

Interline revenue – Ticket settlement between airlines.

Items affecting comparability – Items affecting comparability are identified to facilitate comparison of SAS' underlying results in different periods. These items consist of impairment, restructuring costs, capital gains/losses, and other items affecting comparability. They arise as a consequence of specific events, and are items that both management and external assessors take note of when analyzing SAS. By reporting earnings excluding nonrecurring items, the underlying results are shown, which facilitates comparability between different periods.

LCC – Low Cost Carrier.

Load factor – RPK divided by ASK. Describes the capacity utilization of available seats.

Market capitalization – Share price multiplied by the number of shares outstanding.

NPV – Net present value. Used to calculate capitalized future costs of operating leases for aircraft, for example.

Operating leases – Based on a leasing contract in which the risks and rewards of ownership remain with the lessor and is equivalent to renting. The leasing charges are expensed on a current basis in the statement of income. As of November 1, 2019, SAS Group applies the accounting standard IFRS 16 – Leases. See Right-of-use assets.

PASK (unit revenue) – Passenger revenue divided by ASK (scheduled).

RASK – Total traffic revenue divided by Total ASK (scheduled + charter).

Regularity – The percentage of flights completed in relation to flights scheduled.

Return on Invested Capital (ROIC) – EBIT adjusted with theoretical taxes in relation to average shareholders' equity and financial net debt.

Return on shareholders' equity – Net income for the period attributable to shareholders in the Parent Company in relation to average equity excluding non-controlling interests.

Revenue passenger kilometers (RPK) – See RPK.

Revenue tonne kilometers (RTK) – See RTK.

Right-of-use assets (RoU) – As of November 1, 2019, SAS Group applies the accounting standard IFRS 16 – Leases. IFRS 16 replaces former standard IAS 17 Leases. The previous classification of each lease as either an operating lease or a finance lease is replaced by a model whereby the lessee recognizes an asset (a right-of-use asset) and a financial liability in the balance sheet.

RPK, Revenue passenger kilometers – Number of paying passengers multiplied by flown distance (km).

RTK, Revenue tonne kilometers – The number of tonnes of paid traffic (passengers, freight and mail) multiplied by the distance this traffic is flown in kilometers.

Sale and leaseback – Sale of an asset (aircraft, building, etc.) that is then leased back.

Shareholders' equity excluding hybrid bonds per common share – Shareholders' equity attributable to Parent Company shareholders excluding hybrid bonds in relation to the total number of common shares outstanding.

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 global leader in sustainable aviation. We will reduce total carbon emissions with 25 percent by 2025, by using more sustainable aviation fuel and our modern fleet with fuel-efficient aircraft. In addition to flight operations, SAS offers ground handling services, technical maintenance and air cargo services. SAS is a founding member of the Star Alliance™, and together with its partner airlines offers a wide network worldwide.

SAS AB is the Parent Company of SAS and is listed on the stock exchanges in Stockholm (primary listing), Copenhagen and Oslo. The majority of the operations and assets are included in the SAS Consortium, with the exception of SAS Cargo, SAS Ground Handling and SAS EuroBonus, which are directly owned by SAS AB.

FINANCIAL CALENDAR

Monthly traffic data is generally issued on the fifth working day of every month. The detailed financial calendar is available at www.sasgroup.net under Investor Relations.

February 7, 2024	SAS Annual and Sustainability Report FY 2023
March 7, 2024	Q1 Interim report (Nov 2023–Jan 2024)
March 18, 2024	Annual General Shareholders' Meeting
May 30, 2024	Q2 Interim report (Nov 2023–Apr 2024)
September 12, 2024	Q3 Interim report (Nov 2023–Jul 2024)
December 12, 2024	Year-end report (Nov 2023–Oct 2024)

INVESTOR RELATIONS

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Total load factor – RTK divided by ATK.

Unit cost, CASK – Total payroll expenses, other operating expenses, lease expenses for aircraft and depreciation adjusted for currency and items affecting comparability, less other operating revenue per ASK (scheduled and charter).

Unit revenue – See PASK.

WACC – Weighted average cost of capital includes the average cost of liabilities, equity and operating leases for aircraft. The sources of funds are calculated and weighted in accordance with the current market value of equity and liabilities.

Wet lease agreement – Leasing in of aircraft including crew.

Working capital – The total of non-interest-bearing current assets and non-interest-bearing financial fixed assets excluding equity in affiliated companies and other securities holdings less non-interest-bearing liabilities.

Yield – Passenger revenue divided by RPK (scheduled).