



Scandinavian Airlines

195 87 Stockholm
Telephone: +46 8-797 0000

www.sasgroup.net

A STAR ALLIANCE MEMBER 

The European Commission re-approves Denmark's and Sweden's participation in the 2020 recapitalization of SAS

The European Commission has today issued a new decision declaring the Kingdom of Denmark's and the Kingdom of Sweden's (collectively, the "States") participation in the 2020 recapitalization of SAS as compatible State aid under the relevant EU rules, subject to the introduction of a "step-up mechanism" for the States' share investments, as further described below. The contemplated step-up mechanism requires approval by the general meeting of shareholders in SAS AB (the "Company"), which is to be summoned in short order.

In 2020, the States participated in the recapitalization of SAS through a subscription for hybrid notes and common shares in the Company in an aggregate amount of approximately SEK 9.5 billion (the "2020 State Investments"). The 2020 State Investments were initially approved by the European Commission in 2020 as compatible State aid under the Temporary Framework for State aid measures to support the economy in the COVID-19 outbreak (the "Temporary Framework"). However, in May 2023, the EU General Court held, following a third-party challenge, that the European Commission had erred in its initial approval decision by not requiring the States to include a "step-up mechanism", as required by the Temporary Framework, in relation to the States' subscriptions for common shares in the Company. As a result, the European Commission's initial approval of the 2020 State Investments was annulled.

Today, the European Commission once again approved the 2020 State Investments as compatible State aid under the Temporary Framework, subject to the introduction of a step-up mechanism in relation to the States' 2020 share investments. The contemplated step-up mechanism, which entails unilateral commitments from SAS to issue new hybrid notes to the States without any consideration, under certain conditions related to the States' 2020 share investments, requires approval by the general meeting of shareholders in the Company as the commitments are deemed related-party transactions under the Swedish Companies Act.

The contemplated step-up mechanism does not affect the investment agreement entered into as part of SAS' chapter 11 process in the US, which, among other things, entails equity investments in the reorganized SAS, as further described in the press releases announced by the Company on October 3 and November 4, 2023, respectively.

SAS intends to convene an extraordinary general meeting of the Company's shareholders, to be held in January 2024, to approve the contemplated step-up mechanism within short order.

For further information, please contact:

SAS Press office, +46 8 797 29 44

Investor relations, +46 70 997 7070



Scandinavian Airlines

195 87 Stockholm
Telephone: +46 8-797 0000

www.sasgroup.net

A STAR ALLIANCE MEMBER 

SAS, Scandinavia's leading airline, with main hubs in Copenhagen, Oslo and Stockholm, flies to destinations in Europe, USA and Asia. Spurred by a Scandinavian heritage and sustainable values, SAS aims to be the driving force in sustainable aviation and in the transition toward net zero emissions. We are continuously reducing our carbon emissions through using more sustainable aviation fuel, investing in new fuel-efficient aircraft and technology innovation together with partners – thereby contributing towards the industry target of net zero CO2 emissions by 2050. In addition to flight operations, SAS offers ground handling services, technical maintenance and air cargo services. Learn more at <https://www.sasgroup.net>

ADDITIONAL INFORMATION

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

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