



## Notice convening the Extraordinary General Meeting of SAS AB

Shareholders in SAS AB (publ) (hereinafter “SAS” or the “Company”) are hereby invited to attend the Extraordinary General Meeting on **Wednesday 10 January 2024**. The Extraordinary General Meeting will be held at 2:00 p.m. at the Company’s Head Office, Frösundaviks allé 1, Solna, Sweden. The meeting venue will open at 1:00 p.m. for registration. Registration of participants at the meeting ends when the meeting is called to order.

The Board has decided that the shareholders shall also be able to exercise their voting rights at the Extraordinary General Meeting by postal voting in accordance with the Company’s Articles of Association.

Please note that specific instructions apply for holders of common shares registered in Denmark and Norway, as further detailed below.

**Instructions to holders of common shares registered with Euroclear Sweden AB in Sweden (i.e. other than holders of common shares registered with Euronext Securities Copenhagen, the Danish Central Securities Depository, or with Euronext Securities Oslo, the Norwegian Central Securities Depository)**

Shareholders of common shares registered in Sweden who wish to attend the meeting venue in person or by proxy must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Tuesday 2 January 2024, and must give notice of participation to the Company no later than **Thursday 4 January 2024**, preferably before 4:00 p.m., through the Company’s website [www.sasgroup.net](http://www.sasgroup.net) (under “About SAS/Corporate Governance”) or by telephone to +46709977070 on weekdays between 9:00 a.m. and 4:00 p.m. Notification may also be made by regular mail to the following address: SAS AB (publ), Attn: SAS Legal department, Anette Muñoz, SE-195 87 Stockholm, Sweden. The notification shall set forth the name, personal/corporate identity

number, address, telephone number, email address and, as applicable, the number of assistants (no more than two) and shall be sent so that it is received by the Company no later than Thursday 4 January 2024.

Shareholders of common shares registered in Sweden who wish to participate in the Extraordinary General Meeting by postal voting must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Tuesday 2 January 2024, and must give notice of participation no later than **Thursday 4 January 2024** by submitting their postal vote in accordance with the instructions under the heading *Postal voting* below so that the postal voting form is received by Computershare AB no later than that day.

Shareholders who wish to attend the meeting venue in person or by proxy must give notice in accordance with the above instructions. This means that a notice of participation only by postal voting is not sufficient for shareholders who wish to attend the meeting venue in person or by proxy.

To be entitled to participate in the Extraordinary General Meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the General Meeting, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of Tuesday 2 January 2024. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee, in accordance with the nominee’s routines, at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than Thursday 4 January 2024 will be taken into account in the presentation of the share register.

**Instructions to holders of common shares registered with Euronext Securities Copenhagen in Denmark**

Shareholders of common shares registered in Denmark who wish to participate in the Extraordinary General Meeting must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Tuesday 2 January 2024, and must give notice of participation to Euronext Securities Copenhagen no later than **Wednesday 3 January 2024 at 3:00 p.m.** in accordance with the instructions set out below for voting rights registrations. Shareholders who wish to participate in the Extraordinary General Meeting by postal voting must also submit their postal vote in accordance with the instructions under the heading *Postal voting* below so that the postal voting form is received by Computershare AB no later than Thursday 4 January 2024.

To be entitled to participate in the Extraordinary General Meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the General Meeting, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of Tuesday 2 January 2024. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such a time in advance as decided by the nominee.

Accordingly, a shareholder whose common shares are registered with Euronext Securities Copenhagen must request that Euronext Investor Services temporarily register the common shares in the shareholder's own name with Euroclear Sweden AB to be entitled to participate in the Extraordinary General Meeting. A request for such voting rights registration must be received by Euronext Securities Copenhagen no later than **Wednesday 3 January 2024 at 3:00 p.m.**, and can be submitted by sending a completed and signed registration form by regular mail to Nicolai Eigtveds Gade 8, DK-1402 Copenhagen, Denmark or by email to [CPH-investor@euronext.com](mailto:CPH-investor@euronext.com), or through Euronext InvestorPortalen, which is available at [www.sasgroup.net](http://www.sasgroup.net) (under "About

SAS/Corporate Governance") and at [www.euronext.com/cph-agm](http://www.euronext.com/cph-agm). The registration application should include the account operating institution in Denmark (with the custody account number) with which the shareholder's common shares are deposited. Voting rights registration requests received by Euronext Securities Copenhagen in accordance with the above are also valid as notice of participation in the General Meeting.

A form for registration and notice of participation is available at [www.sasgroup.net](http://www.sasgroup.net) (under "About SAS/Corporate Governance").

A shareholder whose common shares are registered in the share register prepared by Euroclear Sweden AB as of the record date Tuesday 2 January 2024 may give notice of participation to the Company at a later date, but no later than Thursday 4 January 2024, in accordance with the above instructions for shareholders registered in Sweden.

**Instructions to holders of common shares registered with Euronext Securities Oslo in Norway**

Shareholders of common shares registered in Norway who wish to participate in the Extraordinary General Meeting must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Tuesday 2 January 2024, and must give notice of participation to Nordea Norway no later than **Tuesday 19 December 2023 at 3:00 p.m.** in accordance with the instructions set out below for voting rights registrations. Shareholders who wish to participate in the Extraordinary General Meeting by postal voting must also submit their postal vote in accordance with the instructions under the heading *Postal voting* below so that the postal voting form is received by Computershare AB no later than Thursday 4 January 2024.

To be entitled to participate in the Extraordinary General Meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the General Meeting, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of Tuesday 2 January 2024. Such registration may be temporary (so-called voting rights registration), and request for

such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such a time in advance as decided by the nominee.

Accordingly, a shareholder whose common shares are registered with Euronext Securities Oslo must request that Nordea Norway temporarily register the common shares in the shareholder's own name with Euroclear Sweden AB to be entitled to participate in the Extraordinary General Meeting. A request for such voting rights registration must be received by Nordea Bank Abp, filial i Norge, Securities Services – Issuer Services no later than **Tuesday 19 December 2023 at 3:00 p.m.**, and can be submitted by sending a completed and signed registration form by regular mail to P.O. Box 1166 Sentrum, NO-0107 Oslo, Norway or by email to [nis@nordea.com](mailto:nis@nordea.com). Voting rights registration requests received by Nordea Norway in accordance with the above are also valid as notice of participation in the General Meeting.

A form for registration and notice of participation is available at [www.sasgroup.net](http://www.sasgroup.net) (under "About SAS/Corporate Governance").

A shareholder whose common shares are registered in the share register prepared by Euroclear Sweden AB as of the record date Tuesday 2 January 2024 may give notice of participation to the Company at a later date, but no later than Thursday 4 January 2024, in accordance with the above instructions for shareholders registered in Sweden.

**Instructions applicable to all shareholders**

Shareholders with shares registered in more than one country should state this when submitting their notice of participation.

**Participation at the meeting venue**

Shareholders who wish to attend the meeting venue in person or by proxy may be accompanied by no more than two assistants at the Extraordinary General Meeting. Assistants to shareholders will be admitted to the Extraordinary General Meeting only if the shareholder registers the number of assistants in accordance with the notification instructions provided above for shareholders' participation in each country.

Shareholders represented by proxy must issue a dated written proxy for their representative. Proxy forms are available at [www.sasgroup.net](http://www.sasgroup.net) (under "About SAS/Corporate Governance"). A proxy is valid one year from its issue date or such longer time period as set out in the proxy, however, not more than five years. If the proxy is issued on behalf of a legal entity, a registration certificate or corresponding authorizing documentation shall be appended to the form. In order to facilitate registration at the meeting, the proxy as well as the registration certificate and other authorizing documentation should be sent to one of the addresses provided in this notice in connection with the notice of participation.

**Postal voting**

A special form must be used for the postal vote. The form for postal voting is available at [www.sasgroup.net](http://www.sasgroup.net) (under "About SAS/Corporate Governance"). A completed and signed form for postal voting must be received by Computershare AB no later than Thursday 4 January 2024. The form may be sent by email to [info@computershare.se](mailto:info@computershare.se) or by regular mail to Computershare AB, "SAS AB:s extrastämman", P.O. Box 5267, SE-102 46 Stockholm, Sweden. Shareholders that are natural persons and have a Swedish BankID may also submit their postal votes electronically via the Company's website, [www.sasgroup.net](http://www.sasgroup.net) (under "About SAS/Corporate Governance"). Further instructions and conditions can be found in the postal voting form and at [www.sasgroup.net](http://www.sasgroup.net) (under "About SAS/Corporate Governance").

To receive the postal voting form sent by regular mail, please contact Computershare AB by telephone +46771246400.

Shareholders submitting their postal votes by proxy must issue a dated written proxy for their representative, which must be enclosed with the postal voting form. Proxy forms are available at [www.sasgroup.net](http://www.sasgroup.net) (under "About SAS/Corporate Governance"). A proxy is valid one year from its issue date or such longer time period as set out in the proxy, however, not more than five years. If the proxy is issued on behalf of a legal entity, a registration certificate or corresponding authorizing documentation shall be appended to the form.

**Admission cards**

Admission cards, to be presented when entering the Extraordinary General Meeting venue, will be sent out by email around Friday 5 January 2024 to all shareholders who have given notice of participation in accordance with the above instructions and provided their email address. Admissions cards will not be sent to shareholders who have submitted postal votes, unless the shareholder has expressed that it intends on attending the meeting venue.

**Number of shares and votes in the Company**

The Company has at the time of publication of this notice issued 7,266,039,292 common shares, 0 subordinate shares and 0 shares of series C, equivalent to a total of 7,266,039,292 votes. No shares are held by the Company itself.

**Proposed agenda**

1. Meeting is called to order.
2. Election of a Chairperson for the General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of two persons to verify the minutes.
6. Determination of whether the meeting has been duly convened.
7. Resolution on approval of unilateral commitment towards the Kingdom of Denmark.
8. Resolution on approval of unilateral commitment towards the Kingdom of Sweden.
9. Meeting is adjourned.

**Proposals for resolutions****The Board's proposal for election of a Chairperson for the General Meeting (item 2)**

The Board proposes attorney-at-law Andreas Steen as Chairperson for the General Meeting.

**The Board's proposal on preparation and approval of the voting list (item 3)**

The Board proposes that the voting list that is approved is the voting list prepared by

Computershare AB on behalf of the Company, based on the Extraordinary General Meeting's share register, shareholders having given notice of participation and being present at the meeting venue, as well as received postal votes.

**The Board's proposals on approvals of unilateral commitments towards the Kingdom of Denmark and the Kingdom of Sweden (items 7-8)**Background and reasons

In 2020, the Kingdom of Denmark and the Kingdom of Sweden (each a "State" and together the "States") participated in the recapitalisation of SAS through a subscription for hybrid notes issued by the Company (the "State Hybrid Notes Investments") and common shares in the Company (the "Share Investments" and, together with the State Hybrid Notes Investments, the "2020 Investments"). The 2020 Investments were approved by the European Commission (the "Commission") 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 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 Share Investments. As a consequence, the Commission's initial approval of the 2020 Investments was annulled, i.e. both in relation to the State Hybrid Notes Investments and the Share Investments.

On 29 November 2023, the Commission once again approved the 2020 Investments as compatible State aid under the Temporary Framework, subject to the introduction of a step-up mechanism in relation to the Share Investments within two months of the Commission's approval. The contemplated arrangements (as further described below, the "Supplementary Step-up Mechanism") have been carefully considered in order to find a mechanism that is acceptable to the States, compatible with the Temporary Framework, and possible to carry out under Swedish corporate law.

Under Chapter 16 a, section 7 of the Swedish Companies Act (2005:551), significant transactions between listed companies and their related parties, including shareholders holding more than 20% of a company's shares, must be submitted to the general meeting for approval (unless certain exemptions are applicable). Consequently, the Board hereby proposes that the Extraordinary General Meeting resolves to approve (i) SAS' unilateral commitment towards the Kingdom of Denmark and (ii) SAS' unilateral commitment towards the Kingdom of Sweden, respectively, to effect the Supplementary Step-up Mechanism, and submits this joint report pursuant to Chapter 16 a, section 7 of the Swedish Companies Act.

Subject to the Extraordinary General Meeting's approval under agenda items 7 and 8, SAS intends to enter into the unilateral commitments towards the Kingdom of Denmark and the Kingdom of Sweden, respectively, on 11 January 2024.

Absent requisite shareholder approval, the contemplated Supplementary Step-up Mechanism may not be implemented and, as a consequence, SAS would not be able to rely on the Commission's approval from 29 November 2023. As a result, SAS may ultimately be required to repay all State aid provided by the States as part of the 2020 Investments in the aggregate amount of approximately SEK 9.5 billion, along with interest on such amount.

#### Description of the Supplementary Step-up Mechanism

The Supplementary Step-up Mechanism entails unilateral commitments from SAS to implement a "step-up" in relation to the Share Investments through the issuance of new hybrid notes ("**New State Hybrid Notes**") to the States without any consideration under certain conditions.

The step-up will be triggered if the portion of the relevant State's shareholdings related to

the Share Investments in excess of such State's shareholdings in the Company immediately prior to the Share Investments (the "**Recapitalisation Shareholding**")<sup>1</sup> has not been reduced by a certain percentage on specified dates, as set out below:

- *Firstly*, a step-up will be triggered if the relevant State's Recapitalisation Shareholding has not been reduced by at least 40% on 26 October 2024.
- *Secondly*, an additional step-up will be triggered if the relevant State's Recapitalisation Shareholding has not been fully reduced on 26 October 2026.

Provided that a step-up is triggered, New State Hybrid Notes will be issued to the relevant State in a principal amount corresponding to 10% of the portion of such State's Recapitalisation Shareholding *still remaining at the time of the step-up*, multiplied by the higher of (i) SEK 1.16 (being the share subscription price for the Share Investments in 2020) or (ii) the volume-weighted average price paid for the common shares on Nasdaq Stockholm during a period of 20 trading days immediately preceding the fifth trading day prior to the step-up date.<sup>2</sup>

Assuming (i) that the States' respective Recapitalisation Shareholdings do not change prior to 26 October 2026 and (ii) that the share price of the Company's shares does not exceed SEK 1.16, the Supplementary Step-up Mechanism would be triggered on both step-up dates and the undertakings would entail the issuance of New State Hybrid Notes in a total principal amount of SEK 241,173,773 to the Kingdom of Denmark and SEK 236,012,705 to the Kingdom of Sweden (corresponding to an aggregate amount of SEK 477,186,478 to the States).

<sup>1</sup> The Kingdom of Denmark's and the Kingdom of Sweden's respective Recapitalisation Shareholdings correspond to 1,039,542,124 common shares and 1,017,296,144 common shares (based on the States' current shareholdings of 1,584,296,144 common shares each and their respective shareholdings prior to the 2020 Share Investments of 544,754,020 common shares and 567,000,000 common shares, respectively).

<sup>2</sup> In each case the principal amount of the New State Hybrid Notes could be adjusted to account for the expected future coupons of the New State Hybrid Notes, discounted at an appropriate interest rate reflecting the terms and conditions of the New State Hybrid Notes and the credit risk of SAS at the time of the step-up.

Terms and conditions of the New State Hybrid Notes

New State Hybrid Notes issued under the Supplementary Step-up Mechanism will mirror the SEK perpetual subordinated capital securities (ISIN SE0014958005) subscribed for by both States (in equal amounts) as part of the State Hybrid Notes Investments with respect to ranking, accounting treatment, and remuneration. Accordingly, any New State Hybrid Notes will be subordinated, accounted for as equity, and be subject to a floating interest rate of 6M STIBOR with an initial annual coupon margin of 590 basis points, increasing to 790 basis points on the first anniversary after the issuance of the New State Hybrid Notes and to 1,040 basis points on the third anniversary.

Related party transactions

Currently, the Kingdom of Denmark and the Kingdom of Sweden each hold approximately 21.8% of the votes and common shares in the Company and are, therefore, considered related parties to the Company pursuant to Chapter 16 a, section 3 of the Swedish Companies Act, which applies to Swedish listed companies. Consequently, and taking into account the value of each of the transactions, SAS' unilateral commitments to effect the Supplementary Step-up Mechanism towards each of the States must be submitted to the general meeting of the Company for approval.

***Proposal on approval of unilateral commitment towards the Kingdom of Denmark (item 7)***

The Board proposes that the Extraordinary General Meeting approves that SAS enters into the unilateral commitment towards the Kingdom of Denmark to effect the Supplementary Step-up Mechanism.

Majority requirement

A resolution in accordance with the Board's proposal under item 7 requires that shareholders representing more than half of the votes cast are in favour of the proposal, without taking into consideration the shares and votes held, directly or indirectly, by the Kingdom of Denmark.

***Proposal on approval of unilateral commitment towards the Kingdom of Sweden (item 8)***

The Board proposes that the Extraordinary General Meeting approves that SAS enters into the unilateral commitment towards the Kingdom of Sweden to effect the Supplementary Step-up Mechanism.

Majority requirement

A resolution in accordance with the Board's proposal under item 8 requires that shareholders representing more than half of the votes cast are in favour of the proposal, without taking into consideration the shares and votes held, directly or indirectly, by the Kingdom of Sweden.

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The proxy and postal voting forms are available at the Company and at the Company's website [www.sasgroup.net](http://www.sasgroup.net) (under "About SAS/Corporate Governance"). The complete proposals for resolutions, including the Board's report pursuant to Chapter 16 a, section 7 of the Swedish Companies Act considering the proposals under items 7 and 8, will be available at the Company and at the Company's website [www.sasgroup.net](http://www.sasgroup.net) (under "About SAS/Corporate Governance") no later than three weeks before the Extraordinary General Meeting. The documents will be sent to shareholders who so request at the Company's address SAS AB (publ), Attn: SAS Legal department, Anette Muñoz, SE-195 87 Stockholm, Sweden, stating their address. The documents will also be available at the meeting venue before the meeting is called to order.

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If a shareholder so requests, and if the Board determines it can be made without significant harm to the Company, at the Extraordinary General Meeting, the Board and the CEO shall provide information on circumstances that may affect the assessment of an agenda item.

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The notice will be held available at the Company's website [www.sasgroup.net](http://www.sasgroup.net) (under "About SAS/Corporate Governance"). Furthermore, the notice will be sent by regular mail free of charge to shareholders who so request at the Company's address SAS AB (publ), Attn: SAS Legal department, Anette

Muñoz, SE-195 87 Stockholm, Sweden, stating their address.

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For information on how your personal data is processed, please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Stockholm in December 2023  
SAS AB  
***The Board of Directors***