



Scandinavian Airlines

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SAS enters a new era as Scandinavia's leading airline following successful emergence from restructuring proceedings

SAS announces that the company has successfully completed its restructuring proceedings and emerged from chapter 11 in the US and from Swedish company reorganization, concluding in the investment of USD 1.2 billion. This marks the start of a new era for SAS. The company emerges as a competitive and financially robust airline with a strengthened capital structure, a highly dedicated and experienced management team, a commitment to drive transformational change and sustainability in aviation, and an attractive new customer offering together with the global airline alliance SkyTeam. The new principal owners of the reorganized company, Castlelake, Air France-KLM, Lind Invest and the Danish State, have agreed to appoint a new Board of Directors for SAS, which will be led by Kåre Schultz, as Chairman of the Board.

SAS initiated its restructuring proceedings in order to accelerate the implementation of its comprehensive business and financial transformation plan, SAS FORWARD. The aim of SAS FORWARD is to achieve a full transformation of SAS' business, including optimization of its network and fleet, achieving unit cost competitiveness and building a sustainable future. Over the course of the restructuring proceedings, SAS has successfully restructured more than USD 2 billion of debt, adjusted its aircraft fleet and related costs and reached agreements with key stakeholders, creditors and vendors. SAS has also successfully concluded a competitive exit financing solicitation process, selecting Castlelake, Air France-KLM and Lind Invest, together with the Danish State, as the winning bidder consortium. The exit financing transaction included a total investment in reorganized SAS of USD 1.2 billion, comprising of USD 475 million in new unlisted equity and USD 725 million in secured convertible debt.

Nearly all creditors voting in the respective restructuring proceedings in the US and Sweden supported the restructuring plans. The restructuring proceedings in both the US and in Sweden have now been successfully completed and distributions to creditors entitled to receive any cash, equity or contingent value notes (as further described in SAS' previous press releases) are expected to take place during the coming month.

SAS emerges as a financially robust company with a strengthened capital structure and with substantial liquidity. The company has also made significant progress with operational improvements and in building a competitive business:

- A continued positive development for passenger demand with 18 million passengers traveling with SAS so far in fiscal year 2024 (Nov 2023 – July 2024), a 6.5 percent increase from the same period in fiscal year 2023.
- The SAS EuroBonus program now has almost 8 million members and continues to be the leading loyalty program in Scandinavia.
- SAS recorded its highest-ever monthly profitability in July 2024, demonstrating steady progress in achieving the targeted annual cost reduction of approximately SEK 7.5 billion in the SAS FORWARD plan.



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Anko van der Werff, President & Chief Executive Officer of SAS, comments:

“This is a historic day that marks the start of an exciting future for SAS’ customers, partners and colleagues. We have successfully completed our restructuring proceedings and we are now entering a new era. It has been a complex process and I’m thankful for the constructive collaboration with creditors and partners, for the valuable support from the Board, as well as impressive efforts, energy and enthusiasm throughout our organization. Efforts that made it possible to save and restart one of the finest companies in Scandinavia. Now, we must look ahead and complete the transformation that we have started, continue our commitment to achieving net-zero emissions by 2050, and take advantage of the opportunities in a growing market. We have an excellent team, we are shortly joining the SkyTeam alliance family, and we have every opportunity to remain a leader in our industry for generations to come.”

Carsten Dilling, resigning Chairman of the Board of SAS, comments:

“SAS’ emergence from the restructuring proceedings marks a turning point for the company and I will now hand over leadership to a new Board. On behalf of the Board, I would like to thank CEO Anko van der Werff and his team for their hard work, dedication and their commitment to saving this company and in building a strong new foundation for the future. They have done a truly remarkable job. I feel confident that SAS is in good hands to continue connecting Scandinavia with the world and the world with Scandinavia. For me, it has been an honor to help lead SAS through these difficult years to where we are today.”

Kåre Schultz, designated new Chairman of the Board of SAS, comments:

“I am honoured to be appointed as new Chairman of SAS, and I look forward to leading the Board’s work as SAS continues its proud legacy as Scandinavia’s leading airline. SAS has done a truly impressive job in navigating through the restructuring proceedings, and in building a competitive business positioned for growth. Together with SAS’ new investors, board and management, as well as with our partners in the SkyTeam alliance, we will continue to collaborate with partners and customers to drive transformative changes in aviation.”

Joe McConnell, Partner and Deputy Co-Chief Investment Officer at Castlelake, comments:

“Castlelake congratulates SAS on its successful completion of restructuring proceedings and is gratified to have played an important role in its journey by providing a keystone financing solution. We look forward to watching SAS continue its longstanding legacy as an iconic brand and service provider in Scandinavia.”

Advisors

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



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Gallagher LLP is serving as legal counsel, Jefferies LLC is serving as investment banker, AlixPartners, LLP is serving as financial advisor, Alton Aviation Consultancy LLC is serving as industry advisor, and DLA Piper LLP is serving as Scandinavian counsel to the Official Committee of Unsecured Creditors.

For further information, please contact:

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SAS, Scandinavia's leading airline since 1946, operates from its principal hub at Copenhagen Airport (CPH), complemented by hubs in Oslo (OSL) and Stockholm (ARN). Our mission is to connect Scandinavia with the world and the world with Scandinavia. Each year, SAS serves more than 25 million passengers and transports 55 tons of cargo to 135 destinations across Europe, the USA, and Asia. With a passionate workforce of over 10,000 colleagues, we collaborate with partners and customers to drive transformative changes in aviation. We are committed to achieving net-zero emissions by 2050, embodying the visionary spirit of our founders: "To move from the old to what is about to come, is the only tradition worth keeping". Innovation and societal progress are at the heart of everything we do. For more information, visit our website at www.flysas.com or follow us on social media for the latest updates and promotions.