



Scandinavian Airlines
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A STAR ALLIANCE MEMBER 

Stock exchange release

November 9, 2017

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SAS strengthens shareholders' equity by approximately MSEK 1,270 through a private placement of 52.5 million common shares

On the basis of the authorization received by the Board of Directors at the Extraordinary General Meeting on November 3, 2017, and in line with the indications released by SAS in its stock exchange announcements on November 8, 2017, SAS AB (publ) has decided to conduct a private placement by issuing 52.5 million common shares at a subscription price of SEK 24.20 per common share, corresponding to a discount of 7.3% compared with the closing price on November 8, 2017. The subscription price has been set through an accelerated book-building process.

In accordance with the authorization granted by the Extraordinary General Meeting on November 3, 2017, 52.5 million new common shares were successfully placed and are being subscribed for by Scandinavian and international institutional investors, as well as anchor investors and other investors whose participation, as deemed by the Board of Directors, would be beneficial for the successful implementation of the share issue. The Danish state participated in the accelerated book-building process and received allocation of approximately 7.5 million common shares.

The reason for deviating from the preferential rights of existing shareholders was to enable a capital increase in a time and cost-efficient manner, in order to strengthen shareholders' equity. SAS now intends to initiate redemption of preference shares from February 2018, using the proceeds from this private placement and acquired earnings. The strengthening of shareholders' equity is also expected to enable SAS to obtain improved terms and conditions for the upcoming financing of aircraft investments and the refinancing of maturing loans. Before transaction costs, the new share issue will raise proceeds of approximately MSEK 1,270 for SAS.

Following the new share issue, the number of shares in SAS AB will total 389,582,551 shares (allocated between 382,582,551 common shares and 7,000,000 preference shares). The new share issue will increase the number of common shares by 15.9%, which corresponds to a dilution effect of around 13.7% of the number of common shares.

“The new share issue strengthens SAS's financial position and provides favorable preconditions moving forward to reduce the total financing costs. We now look forward to leveraging the trust placed in us by new and existing shareholders to further strengthen SAS's long-term return,” says Rickard Gustafson, President and CEO of SAS.



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In conjunction with the new share issue, SAS has engaged Nordea Bank AB (publ), SpareBank 1 Markets AS (Joint Global Coordinators and Joint Bookrunners) and HSBC Bank plc (Joint Bookrunner). Mannheimer Swartling and Davis Polk & Wardwell has acted as legal advisors to SAS and Roschier has acted as legal advisor to the Joint Global Coordinators and Joint Bookrunners.

Subscription, payment and delivery of the new shares is expected to be conducted through the offices of the Joint Global Coordinators and the Joint Bookrunners within around two bank days, until which time, customary terms and conditions apply for termination of the placing agreement entered into in conjunction with the transaction.

To facilitate the delivery of shares to investors in the new share issue, the Knut and Alice Wallenberg Foundation has, on the request of SAS, lent approximately 24.9 million common shares to Nordea Bank AB (publ). No remuneration is payable for the share loan, which will be returned when all of the new shares have been registered with the Swedish Companies Registration Office.

SAS has agreed to a six months lock-up undertaking to not issue common shares after the private placement, subject to certain provisions in the Articles of Association of SAS and exemptions in accordance with market practice.

SAS Investor Relations

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This information is information that SAS AB is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.00 a.m. CET on November 9.

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