

# CONTINUED HEADWINDS FROM THE PANDEMIC



### MAY 2021–JULY 2021

- Revenue: MSEK 3,982 (2,507)
- Income before tax (EBT): MSEK -1,358 (-2,071)
- Income before tax and items affecting comparability: MSEK -1,237 (-784)
- Net income for the period: MSEK -1,355 (-2,365)
- Earnings per common share: SEK -0.19 (-6.18)

### SIGNIFICANT EVENTS DURING THE QUARTER

- SAS arranged a credit line of SEK 3 billion
- Anko van der Werff joined as President and CEO

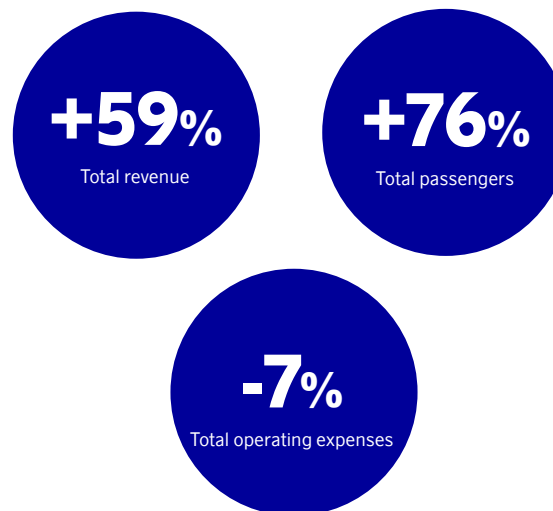
### SIGNIFICANT EVENTS AFTER THE QUARTER

- SAS has signed an additional pre-delivery payments financing of c. USD 100 million, covering 10 x A320neo aircraft with deliveries into Q2 FY2023
- SAS has operated 22 flights on behalf of the Scandinavian authorities contributing to evacuation operations from Afghanistan

### NOVEMBER 2020–JULY 2021

- Revenue: MSEK 8,196 (17,478)
- Income before tax (EBT): MSEK -5,655 (-6,880)
- Income before tax and items affecting comparability: MSEK -5,546 (-5,576)
- Net income for the period: MSEK -5,838 (-6,696)
- Earnings per common share: SEK -0.82 (-17.66)

### KEY FIGURES – Q3 2021 VS LAST YEAR



**“The recovery of the aviation industry depends greatly on the uncertain development of the pandemic”**

Anko van der Werff, President and CEO

### FINANCIAL SUMMARY

MSEK, unless noted otherwise	Q3	Q3	Q1–Q3	Q1–Q3
	May–Jul 2021	May–Jul 2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020
Revenue	3,982	2,507	8,196	17,478
Operating income (EBIT)	-876	-2,729	-5,095	-6,811
Operating income (EBIT) margin	-22%	-108.9%	-62.2%	-39.0%
Income before tax (EBT)	-1,358	-2,071	-5,655	-6,880
Income before tax and items affecting comparability	-1,237	-784	-5,546	-5,576
Net income for the period	-1,355	-2,365	-5,838	-6,696
Cash flow from operating activities	545	-961	-5,795	-2,163

	Jul 31, 2021	Oct 31, 2020	Jul 31, 2020
Return on invested capital <sup>1</sup>	-19%	-27%	-14%
Financial net debt/EBITDA <sup>1</sup>	n/a	n/a	50.8x
Financial preparedness <sup>1</sup>	63%	67%	38%
Equity/assets ratio	13%	18%	-3%
Earnings per common share (SEK)	-0.82	-21.55	-17.66
Shareholders' equity per common share (SEK)	-0.08	0.40	-7.50

<sup>1</sup> Key figure as per July 31, 2021 and as per October 31, 2020 including IFRS 16. The key figure as per July 31, 2020 is based on financial statements according to IAS 17 (excluding IFRS 16).

<sup>2</sup> The key figure has been calculated according to another definition and has not been restated. The previous definition is found in APM Q3 2020.

This information is information that SAS AB is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted by Louise Bergström for publication on September 1, 2021 at 8:00 a.m. CEST.

# COMMENTS BY THE CEO

We noted encouraging signs during the summer season with demand slowly increasing. Vaccination rates are also rising, but significant challenges remain ahead as new cases of the Delta variant are multiplying and delaying ramp-up. The imposed travel restrictions remain in force and continue to adversely affect demand for air travel.

## QUARTER NEGATIVELY IMPACTED BY THE ONGOING PANDEMIC

Demand continued to gradually increase during the important summer season, and we increased our capacity 94% compared with the second quarter. Passenger numbers increased 144% compared with the last quarter and the load factor reached 52%, up almost 23 percentage points in comparison with the earlier quarter. However, the uncertainties surrounding the COVID-19 pandemic are far from over. Efforts to transform SAS' entire business must continue to offset lower demand with lower costs. Earnings before tax ended at negative SEK 1.4 billion, which is still an improvement of SEK 0.7 billion compared with last year.

Total revenue increased 106% compared with the second quarter. Compared with last year this is an improvement of approximately SEK 1.5 billion, but still 70% below the third quarter of 2019, which was unaffected by COVID-19.

## REDUCING COSTS AND MANAGING LIQUIDITY

SAS is celebrating 75 years of operations with a proven track record of successfully adapting to changing market conditions necessitated once again due to the

pandemic. Cost reduction initiatives, such as reduced personnel expenses and streamlined operational functions, continue to deliver and total operating expenses were controlled during the quarter and landed at SEK 4.9 billion. We also continue to develop our operational platforms to increase competitiveness further.

The work to safeguard liquidity continues and at the end of the quarter the cash position was SEK 4.4 billion, which corresponds to the liquidity position at the end of the second quarter. Moreover, during the quarter a credit line was signed with major shareholders, the Danish and Swedish governments, thereby making an additional SEK 3.0 billion of liquidity available if necessary. The facility can be utilized until the end of 2022 and ensures that SAS has a liquidity buffer during the recovery phase following the COVID-19 pandemic. The facility complements the ongoing cost reduction activities.

## MAKING TRAVELING EASIER AND OPENING ROUTES

The imposed travel restrictions make traveling difficult, and SAS is doing everything possible to facilitate a smooth travel experience for passengers. Our digital



Anko van der Werff, President and CEO

tool, SAS Travel Ready Center, allows passengers to track updates to travel restrictions and prepare their trip online, thus ensuring everything is ready when they arrive at the airport. We are also offering more flexible ticket rules and generous rebooking alternatives.

In parallel with adapting to a new market reality, we continue to open new routes. SAS increases the flights between the Scandinavian capitals and important destinations in its network to further improve connectivity for travelers. Meanwhile, more of our new, fuel-efficient aircraft are planned to be delivered during the year, making our fleet one of the most modern in Europe. We also proudly flew Scandinavian athletes to the Olympic games in Tokyo during the quarter.

#### **LOOKING AHEAD**

The recovery of the aviation industry depends greatly on the uncertain development of the pandemic. We are expecting travel to increase gradually as more and more people are vaccinated worldwide, but we are also aware that demand has changed during the pandemic. SAS expects a greater number of leisure travelers and even more intense competition in the future. In addition, customers are booking their tickets closer to their travel dates, which means that flexibility to ramp up and down, will be a success factor in the airline industry going forward.

I am very happy to be part of SAS' future and I feel honored to assume the role as President and CEO of Scandinavia's leading airline, which I take on with great enthusiasm. These are of course difficult times, both for customers and for employees, having to adjust to ever-changing rules and restrictions. In this regard, I would like to recognize the hard work performed by my SAS colleagues, to maintain our performance at a high level and to help customers as much as possible.

Together with a strong team of dedicated colleagues, we are striving to become the global leader in sustainable aviation, in parallel with navigating our way through the post-pandemic recovery period. It will take time and a lot of hard work, and we will need to make adjustments along the way, but with our great team, strong brand and operational excellence, we will make it happen.

On behalf of all of us at SAS, we look forward to welcoming you on board our flights!

Anko van der Werff,  
President and CEO  
Stockholm, September 1, 2021

# COMMENTS ON SAS' FINANCIAL STATEMENTS

## INCOME STATEMENT, SUMMARY Q1–Q3 2021

MSEK Income statement	Nov–Jul 20–21	Nov–Jul 19–20	Change vs LY	Curren- cyef- fects	Change vs LY (Curr. adj)
Revenue	8,196	17,478	-9,282	-665	-8,617
Total operating expenses	-13,291	-24,289	10,998	725	10,273
Operating income (EBIT)	-5,095	-6,811	1,716	60	1,656
Income before tax (EBT)	-5,655	-6,880	1,225	-490	1,715
Income before tax and items affecting comparability	-5,546	-5,576	30	-490	520

### Revenue

Revenue totaled MSEK 8,196 (17,478), see Note 2. Currency-adjusted revenue was down MSEK 8,617 year-on-year. The decrease in revenue mainly related to low volumes as a result of the COVID-19 pandemic.

Currency-adjusted passenger revenue decreased 62.1%. The decrease was a result of lower scheduled capacity (ASK) which, based on the preceding year's circumstances, had a negative impact on revenue of MSEK 4,388. The lower load factor had a negative effect of MSEK 2,411. The lower yield had a negative effect of MSEK 424 on passenger revenue.

Currency-adjusted cargo revenue increased MSEK 134 and currency-adjusted charter revenue was MSEK 342 lower. Other traffic revenue (currency-adjusted) was MSEK 287 lower. The decrease in revenue was mainly attributable to the COVID-19 pandemic.

Other operating revenue (currency-adjusted) was MSEK 901 lower year-on-year, mainly as a consequence of the COVID-19 pandemic.

### Operating expenses

Personnel expenses amounted to MSEK -4,066 (-6,234). After adjustment for currency and items affecting comparability, personnel expenses decreased MSEK 1,743 year-on-year. The decrease was mainly attributable to a lower number of employees and the effects of temporary lay-offs.

Fuel expenses amounted to MSEK -1,337 (-4,855). Adjusted for currency, jet-fuel costs decreased 68.8%. Volume effects had a positive impact on costs of MSEK 1,449. The jet-fuel price had a negative impact of MSEK 9 on these costs. Hedge effects had a positive impact of MSEK 1,435 year-on-year, of which MSEK 1,240 related to hedge relationships that were discontinued in the second quarter of the preceding year.

Air traffic charges amounted to MSEK -793 (-1,602). Adjusted for currency, air traffic charges decreased 47.7%. The decrease pertained mainly to lower traffic volumes and reduced air traffic charges as a result of the COVID-19 pandemic.

Other external expenses amounted to MSEK -3,299 (-6,376), see Note 3. Year-on-year, other external expenses (currency-adjusted) decreased MSEK 3,174. The decrease primarily related to the COVID-19 pandemic. Currency-adjusted handling costs, and sales

and distribution costs decreased MSEK 530 and MSEK 667, respectively. Technical maintenance costs (currency-adjusted) decreased MSEK 338, relating to the COVID-19 pandemic, returns of leased aircraft and deliveries of new aircraft which require less maintenance. Wet-lease costs decreased MSEK 381 (currency-adjusted) primarily due to lower production as a result of COVID-19.

Depreciation, amortization and impairment amounted to MSEK -3,695 (-5,225), a decrease of MSEK 1,530 year-on-year. The decrease was mainly due to an impairment of MSEK 1,040 pertaining to aircraft that was made in the preceding year.

### Financial net

Financial income and expenses amounted net to MSEK -560 (-69), representing an increase in net expenses of MSEK 491 year-on-year. The increase pertained mainly to IFRS 16, where currency revaluations on lease liabilities had a lower positive impact year-on-year of MSEK 354 (890).

### Net income for the period

Operating income amounted to MSEK -5,095 (-6,811) and EBT amounted to MSEK -5,655 (-6,880). The year-on-year increase in EBT pertained mainly to lower amortization, depreciation and impairment.

Net income for the period was MSEK -5,838 (-6,696) and the tax expense amounted to MSEK -183 (184). No deferred tax was recognized for tax loss carryforwards

that arose in the first nine months of the year. The tax expense for the period was largely attributable to deferred tax related to temporary differences.

Year-on-year, the foreign exchange-rate trend had a negative impact on revenue of MSEK 665 and a positive effect on operating expenses of MSEK 725. Foreign exchange rates thus had a positive impact on operating income of MSEK 60. Net financial items were negatively impacted by currency items amounting to MSEK 550. In total, currency effects had a net negative impact of MSEK 490 on EBT.

### Items affecting comparability

Total items affecting comparability amounted to MSEK -109 (-1,304) during the period and primarily pertained to capital losses on the sale of three 737-800 aircraft, and sale and leaseback transactions of one A350 and 12 V2500 engines. Last year, the item mainly comprised a restructuring cost and the impairment of aircraft.

## INCOME STATEMENT, SUMMARY Q3 2021

MSEK Income statement	Maj-Jul 20-21	Maj-Jul 19-20	Change vs LY	Curren- cyef- fects	Change vs LY (Curr. adj)
Revenue	3,982	2,507	1,475	29	1,446
Total operating expenses	-4,858	-5,236	378	30	348
Operating income (EBIT)	-876	-2,729	1,853	59	1,794
Income before tax (EBT)	-1,358	-2,071	713	-1,110	1,823
Income before tax and items affecting comparability	-1,237	-784	-453	-1,110	657

### Revenue

Revenue totaled MSEK 3,982 (2,507), see Note 2. Currency-adjusted revenue was up MSEK 1,446 year-on-year. The increase in revenue mainly related to an increase in demand.

Currency-adjusted passenger revenue rose 72.6%. 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 2,015. The lower load factor had a negative effect of MSEK 26. The lower yield had a negative effect of MSEK 996 on passenger revenue.

Currency-adjusted cargo revenue increased MSEK 118 and currency-adjusted charter revenue was MSEK 74 higher. Other traffic revenue (currency-adjusted) was MSEK 256 higher.

Other operating revenue (currency-adjusted) was MSEK 7 higher year-on-year.

### Operating expenses

Personnel expenses amounted to MSEK -1,350 (-1,664). After adjustment for currency and items affecting comparability, personnel expenses decreased MSEK 60 year-on-year.

Fuel expenses amounted to MSEK -618 (-331). Adjusted for currency, jet-fuel costs increased 108.7%. Volume effects had a negative impact on costs of MSEK 335. Increased jet-fuel prices had a negative impact of MSEK 117 on these costs. Hedge effects had a positive impact of MSEK 104 year-on-year.

Air traffic charges amounted to MSEK -368 (-162). Adjusted for currency, air traffic charges increased 133.1%. The increase pertained mainly to higher traffic volumes.

Other external expenses amounted to MSEK -1,206 (-631), see Note 3. Year-on-year, other external expenses (currency-adjusted) increased MSEK 559. The increase pertained primarily to higher costs for handling, sales and distribution, and technical maintenance as well as higher wet-lease expenses. Currency-adjusted handling costs, and sales and distribution costs increased MSEK 96 and MSEK 115 respectively, mainly related to higher volumes. Technical maintenance costs (currency-adjusted) increased MSEK 84 due to increased volumes. Wet-lease expenses increased MSEK 49 (currency-adjusted) primarily due to increased demand.

Depreciation, amortization and impairment amounted to MSEK -1,198 (-2,448), a decrease of MSEK 1,250 year-on-year. See Note 4. The decrease was mainly due to an impairment of MSEK 1,040 pertaining to aircraft that was made in the same period in the preceding year.

### Financial net

Financial income and expenses amounted to net MSEK -482 (658), representing an increase in net expenses of MSEK 1,140 year-on-year. The increase mainly related to currency revaluations for lease liabilities, which had a negative impact of MSEK -147, compared with a positive impact of MSEK 1,004 in the comparative period. See Note 5.

**Net income for the period**

*Operating income* amounted to MSEK -876 (-2,729) and EBT amounted to MSEK -1,358 (-2,071). The improvement in EBT pertained mainly to increased revenue and a more optimized use of fixed costs year-on-year.

*Net income for the period* was MSEK -1,355 (-2,365) and tax amounted to MSEK 3 (-294). Tax for the period was largely attributable to deferred tax related to temporary differences.

Year-on-year, the foreign exchange-rate trend had a positive impact on revenue of MSEK 29 and a positive effect on operating expenses of MSEK 30. Foreign exchange rates thus had a positive impact on operating income of MSEK 59. The change in net financial items was negatively impacted by currency items of MSEK 1,169, primarily due to the revaluation made of IFRS 16 debt in the preceding year of MSEK 1,004. In total, currency effects had a net negative impact of MSEK 1,110 on EBT.

**Items affecting comparability**

Total items affecting comparability amounted to MSEK -121 (-1,288) during the period and pertained to capital losses mainly on the sale and leaseback transactions of one A350 and 12 V2500 engines. Last year, items affecting comparability mainly comprised a restructuring cost and the impairment of aircraft.

**BALANCE SHEET & FINANCIAL POSITION****Assets**

*Intangible and tangible fixed assets* decreased MSEK 463 since October 31, 2020. Changes for the period included investments of MSEK 3,756, amortization and depreciation of MSEK -1,264 and other effects of MSEK

-2,955. The amount for investments included advance payments of MSEK 1,369 to Airbus and two new A350 aircraft, one of which was financed through sale and leaseback. Other aircraft investments comprised capitalized expenditures for engine maintenance and modifications. Other effects included translation differences and the sale of three 737-800 aircraft as well as sale and leaseback transactions of one A350 and 12 V2500 engines.

*Right-of-use assets* decreased MSEK 111 during the period. New leases amounted to MSEK 2,250, and mainly related to new leases for four A320neo aircraft and one A350. Changes in indexation and modifications in underlying agreements together with the item other increased the assets value by MSEK 66, and depreciation was MSEK -2,431. The currency effect was MSEK 4.

*Financial assets* increased MSEK 1,302, mainly due to the positive change of MSEK 2,692 in SAS' defined-benefit pension plans. The year-on-year change also includes repayment of blocked bank funds.

*Deferred tax assets* decreased MSEK 657, mainly related to temporary differences and the change in SAS' defined-benefit pension plans. No loss carryforwards were capitalized in the quarters.

*Current receivables* increased MSEK 841. This increase was mainly attributable to state aid, increased accounts receivable and increased deposits.

*Cash and cash equivalents* were MSEK 4,424 (10,231) at July 31, 2021. Unutilized contracted credit facilities amounted to MSEK 3,004 (1,190). Financial preparedness amounted to 63% (67) of SAS' fixed costs.

**Shareholders' equity and liabilities**

*Shareholders' equity* decreased MSEK 3,473 to MSEK 7,017. The decrease pertained mainly to net income for the period of MSEK -5,838, positive changes in cash-flow hedges of MSEK 402 and actuarial effects on defined-benefit pension plans of MSEK 2,080. A disbursement of hybrid bond interest resulted in a decrease of MSEK 136 in shareholders' equity.

*Non-current liabilities* increased MSEK 1,086 and *current liabilities* decreased MSEK 2,527. The total decrease in liabilities was MSEK 1,441 and was mainly due to a lower unearned transportation liability.

**Interest-bearing liabilities**

On July 31, 2021, interest-bearing liabilities amounted to MSEK 33,122 (31,596), an increase of MSEK 1,526 since October 31, 2020. New loans and amortization for the period were MSEK 4,600 and MSEK 1,598 respectively. New loans and amortization of lease liabilities were MSEK 2,147 and MSEK 2,305 respectively. The change in gross debt since October 31, 2020 included a positive trend in the fair value of derivatives, which decreased liabilities MSEK 923. Currency revaluations decreased liabilities MSEK 793, while the deferral of personnel-related tax liabilities increased liabilities MSEK 447. Accrued interest and other items decreased liabilities MSEK 50.

**Financial net debt**

At July 31, 2021, financial net debt amounted to MSEK 27,144 (18,899), an increase of MSEK 8,244 since October 31, 2020. The increase was primarily attributable to the negative cash flow before financing activities of MSEK 7,414, new lease liabilities of MSEK 2,147, the positive trend in the fair value of derivatives of MSEK 817 and a positive currency revaluation effect of MSEK 725.

**Key figures**

At July 31, 2021, the return on invested capital (ROIC) was -19%, up 8 percentage points since October 31, 2020. The increase pertained mainly to a higher average shareholders' equity and an improved average EBIT.

Financial preparedness was 63% (67) at the end of the quarter. A lower cash position effects the key figure negatively but a decrease in fixed costs for the period lowers the negative effect to only 4 percentage points.

The financial net debt/EBITDA ratio was a multiple of -10.4 at July 31, 2021. On October 31, 2020, the multiple was -9.2.

At July 31, 2021, the equity/assets ratio amounted to 13%, compared with 18% at October 31, 2020. The decrease was primarily attributable to lower shareholders' equity.

**CASH-FLOW STATEMENT**

Cash flow for the November–July period amounted to MSEK -5,808 (-2,516). Cash and cash equivalents amounted to MSEK 4,424, compared with MSEK 10,231 at October 31, 2020.

**Cash flow from operating activities**

Cash flow from operating activities before changes in working capital amounted to MSEK -2,483 (-1,864) in the period. The change in working capital was positive in the third quarter, but negative in the first two quarters. Cash flow from operating activities amounted to MSEK -5,795 (-2,163). A major reason for the negative change was the decline in the unearned transportation liability driven by lower forward bookings and a very high level of repayments to customers for canceled flights, which amounted to over SEK 2 billion, primarily in the first quarter.

**Investing activities**

Investments totaled MSEK 3,756 (7,310) of which MSEK 3,675 (5,755) pertained to aircraft. Other investments for the period comprised two new A350 aircraft, capitalized expenditure for aircraft maintenance, modifications and advance payments to Airbus. Sales in the period included three 737-800 aircraft and sale and leaseback transactions of one A350 and 12 V2500 engines.

**Financing activities**

New loans amounted to MSEK 4,600 (11,181), while repayments totaled MSEK 1,598 (918). Amortization of lease liabilities totaled MSEK 2,197 (2,226). Other mainly pertains to the repayments of deposits.

**PARENT COMPANY**

The Parent Company SAS AB provides highly limited intra-Group services. Revenue totaled MSEK 33 (34) and operating expenses MSEK -50 (-45). Net financial items totaled MSEK 347 (-16) and impairment of shares in subsidiaries amounted to MSEK -309 (-776). Net income for the period was MSEK 21 (-809).

**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/EBITDA to be multiple of less than three and a half (3.5x).
- Financial preparedness: cash and cash equivalents and available credit facilities to 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/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. During 2020, our target for decreased CO<sub>2</sub> emissions was accelerated to 2025, from 2030. This is in line with SAS' strive for global leadership in sustainable aviation.

**Our 2025 target**

- Reduce total CO<sub>2</sub> emissions 25% compared with 2005.

**SIGNIFICANT EVENTS DURING THE QUARTER**

- SAS arranged a credit line of SEK 3 billion
- Anko van der Werff joined as President and CEO

**SIGNIFICANT EVENTS AFTER THE QUARTER**

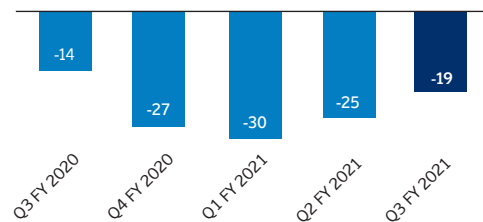
- SAS has signed an additional pre-delivery payments financing of c. USD 100 million, covering 10 x A320neo aircraft with deliveries into Q2 FY2023
- SAS has operated 22 flights on behalf of the Scandinavian authorities contributing to evacuation operations from Afghanistan

**OUTLOOK**

The ongoing COVID-19 pandemic, with its accompanying uncertainties, makes it difficult to provide any guidance on the financial performance for the remainder of the fiscal year.

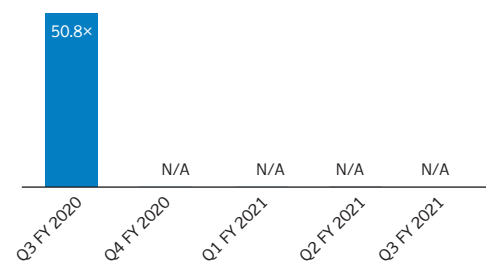
**RETURN ON INVESTED CAPITAL (ROIC),  
12-MONTH ROLLING, %**

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.



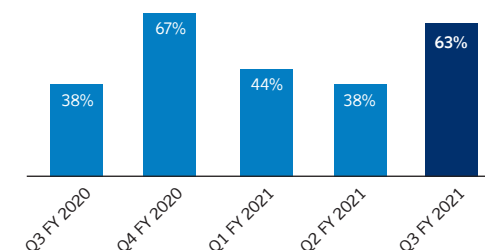
**FINANCIAL NET DEBT/EBITDA**

SAS has a target for the financial net debt/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.





# RISKS AND UNCERTAINTIES

SAS works strategically to refine and improve its risk management. Risk management includes identifying new risks and known risks, such as COVID-19, 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.

## COVID-19

The COVID-19 pandemic has significantly affected the whole aviation industry, including 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 2020, pages 77–78, critical accounting estimates and key sources of estimation uncertainty include: Estimated useful lives of tangible fixed assets; Impairment of assets; Pensions; Deferred taxes; Undertakings pertaining to right-of-use assets – aircraft; and Litigations. Currency and jet-fuel hedging is described below and the impact of COVID-19 is described on page 16. SAS closely monitors on an ongoing basis the development of risks and uncertainties.

## CURRENCY AND JET-FUEL HEDGING

Due to flight cancellations and the expected reduction in business operations as a result of the impact of COVID-19, SAS' forecasted financial exposures are more uncertain than under normal circumstances. Further changes to assumptions regarding future consumption and capacity could have an effect on the hedge levels.

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 and volatile market conditions SAS has adjusted the financial policy with regard to the hedging ratio for jet fuel. The exception applies for fiscal year 2021 as well as 2022 and permits hedging between 0 and 80% of the anticipated volumes for the next 12 months.

## SENSITIVITY ANALYSIS, JET-FUEL COST NOV 2020–OCT 2021, SEK BILLION<sup>1</sup>

Market price	Exchange rate SEK/USD				
	8.0	8.5	9.0	9.5	10.0
USD 500/MT	2.3	2.3	2.4	2.4	2.5
USD 600/MT	2.4	2.5	2.6	2.6	2.7
USD 700/MT	2.6	2.7	2.7	2.8	2.9

<sup>1</sup> SAS' current hedging contracts for jet fuel at end of the quarter have been taken into account.

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.

For the forthcoming 12 months, SAS has 0% of the fuel consumption hedged. Hedging of SAS' future jet-fuel consumption is normally conducted through swaps and options.

Under current plans for flight capacity, the cost of jet fuel during fiscal year 2021 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 44% of its anticipated USD cash flow deficit for the next 12 months. SAS has hedged the USD deficit using forward contracts and currency options.

In terms of NOK, which is SAS' largest surplus currency, 44% 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 43, excluding hedge effects. A weakening of the USD against the SEK of 1% would generate a positive earnings impact of MSEK 76, 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 1,588 and USD rate as of July 31, a weakening of the USD against the SEK of 1% would generate a positive earnings impact of approximately MSEK 88 in profit and loss and a positive effect in OCI of approximately MSEK 48.

## 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 has appealed the European Commission's decision and a hearing was held in CJEU in July 2019. Judgment is expected in 2021.

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.

A large number of former cabin crew of SAS in Denmark are pursuing a class action against SAS at a Danish court, demanding additional payments from SAS to the Pension Improvements Fund for Cabin Crew (the CAU fund) asserting that the CAU fund is a defined-benefit supplementary plan. The City Court of Copenhagen, in a judgment in December 2016, rejected the cabin crew's demand for additional payments into the CAU fund by SAS. The cabin crew appealed the judgment in January 2017 and after court proceedings in November 2020 the court of appeal, Østre Landsret, in a judgment on February 9, 2021, rejected the cabin crew's request for additional payments from SAS to the CAU fund. The cabin crew have

requested that the supreme court considers the matter, which was rejected in August 2021 and the matter is thus finally decided.

Following the SAS pilot strike in April–May 2019, affected passengers turned to SAS for standardized compensation under the Flight Compensation Regulation (EU 261/2004). SAS disputed its liability to compensate the passengers with reference to the strike being an extraordinary circumstance. In August 2019, the Swedish National Board for Consumer Disputes (Allmänna reklamationsnämnden) ruled in favor of SAS. The same assessment was made by the Norwegian Travel Complaint Handling Body (Transportklagenemnda) in October 2019. This notwithstanding, a number of passengers and claim firms have brought claims against SAS in national courts in several EU member states. In August 2019, a claim firm representing a large number of affected passengers initiated court proceedings in Denmark and Sweden against SAS, asking the courts to request a preliminary ruling from the CJEU on whether the strike was an extraordinary circumstance. The district court in Sweden referred the question to the CJEU in January 2020. Hearing in the CJEU took place in December 2020. On March 23, 2021, the CJEU ruled that the pilot strike in SAS 2019 should not be considered an extraordinary circumstance as conflicts with employees should be considered to be within the company's control. The CJEU's decision was completely contradictory to the Advocate General's opinion a week earlier, which called for a strike organized by the pilots' unions to be an extraordinary circumstance that could release airlines from their obligation under EU Regulation 261/2004 canceled or delayed flights. The implication of the CJEU's ruling is that SAS will be forced to pay compensation to the passengers who were affected by canceled and delayed flights due to the pilot strike in SAS 2019. SAS' assessment is that passenger claims will not exceed MSEK 150.

# CONSOLIDATED STATEMENT OF INCOME

## CONDENSED STATEMENT OF INCOME INCLUDING STATEMENT OF OTHER COMPREHENSIVE INCOME

MSEK	Note	Q3	Q3	Q1-Q3	Q1-Q3
		May-Jul 2021	May-Jul 2020	Nov-Jul 2020-2021	Nov-Jul 2019-2020
Revenue	2	3,982	2,507	8,196	17,478
Personnel expenses		-1,350	-1,664	-4,066	-6,234
Fuel expenses		-618	-331	-1,337	-4,855
Air traffic charges		-368	-162	-793	-1,602
Other external expenses	3	-1,206	-631	-3,299	-6,376
Depreciation, amortization and impairment	4	-1,198	-2,448	-3,695	-5,225
Income from shares in affiliated companies		3	1	8	4
Income from the sale of aircraft and other non-current assets		-121	-1	-109	-1
<b>Operating income (EBIT)</b>		<b>-876</b>	<b>-2,729</b>	<b>-5,095</b>	<b>-6,811</b>
Net financial items	5	-482	658	-560	-69
<b>Income before tax (EBT)</b>		<b>-1,358</b>	<b>-2,071</b>	<b>-5,655</b>	<b>-6,880</b>
Tax		3	-294	-183	184
<b>Net income for the period</b>		<b>-1,355</b>	<b>-2,365</b>	<b>-5,838</b>	<b>-6,696</b>
<b>Other comprehensive income</b>					
<i>Items that may later be reversed to net income:</i>					
Exchange-rate differences in translation of foreign operations		-40	-51	19	-171
Cash-flow hedges, net after tax		-106	1,061	402	-253
<i>Items that will not be reversed to net income:</i>					
Revaluations of defined-benefit pension plans, net after tax		158	47	2,080	438
<b>Total other comprehensive income, net after tax</b>		<b>12</b>	<b>1,057</b>	<b>2,501</b>	<b>14</b>
<b>Total comprehensive income for the period</b>		<b>-1,343</b>	<b>-1,308</b>	<b>-3,337</b>	<b>-6,682</b>
<i>Attributable to Parent Company shareholders:</i>					
Net income for the period		-1,355	-2,365	-5,838	-6,696
Comprehensive income for the period		-1,343	-1,308	-3,337	-6,682
Earnings per common share before and after dilution (SEK) <sup>1</sup>		-0.19	-6.18	-0.82	-17.66

<sup>1</sup> Earnings per common share are calculated as net income for the period attributable to Parent Company shareholders less hybrid bond expenses in relation to 7,266,039,292 (382,582,551) shares outstanding during the November-July period.

## INCOME BEFORE TAX AND ITEMS AFFECTING COMPARABILITY

MSEK	Q3	Q3	Q1-Q3	Q1-Q3
	May-Jul 2021	May-Jul 2020	Nov-Jul 2020-2021	Nov-Jul 2019-2020
Income before tax (EBT)	-1,358	-2,071	-5,655	-6,880
Impairment <sup>1</sup>	0	1,040	0	1,040
Restructuring costs <sup>2</sup>	0	246	0	263
Capital gains/losses <sup>3</sup>	121	1	109	1
<b>Income before tax and items affecting comparability</b>	<b>-1,237</b>	<b>-784</b>	<b>-5,546</b>	<b>-5,576</b>

<sup>1</sup> Impairment for the November-July period of MSEK 0 (-1,040) pertains to aircraft.

<sup>2</sup> Restructuring costs were charged to earnings as personnel expenses of MSEK 0 (-263) in the November-July period.

<sup>3</sup> Capital gains/losses include aircraft sales amounting to MSEK -107 (-1) and premises sales of MSEK -2 (0) in the November-July period.

# CONSOLIDATED BALANCE SHEET

## CONDENSED BALANCE SHEET

MSEK	July 31, 2021	Oct 31, 2020	July 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	1,207	1,273	1,310
Tangible assets	18,464	18,861	18,715
Right-of-use assets	17,153	17,264	17,877
Financial assets	7,365	6,063	5,726
Deferred tax assets	983	1,640	758
<b>Total non-current assets</b>	<b>45,172</b>	<b>45,101</b>	<b>44,386</b>
<b>Current assets</b>			
Inventories and expendable spare parts	491	510	520
Current receivables	2,432	1,591	1,283
Cash and cash equivalents	4,424	10,231	6,244
<b>Total current assets</b>	<b>7,347</b>	<b>12,332</b>	<b>8,047</b>
<b>TOTAL ASSETS</b>	<b>52,519</b>	<b>57,433</b>	<b>52,433</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>7,017</b>	<b>10,490</b>	<b>-1,371</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	12,617	11,219	14,542
Interest-bearing lease liabilities	13,387	13,499	13,379
Other liabilities	3,403	3,603	3,369
<b>Total non-current liabilities</b>	<b>29,407</b>	<b>28,321</b>	<b>31,290</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	4,442	3,773	6,651
Interest-bearing lease liabilities	2,676	3,105	3,201
Other liabilities	8,977	11,744	12,662
<b>Total current liabilities</b>	<b>16,095</b>	<b>18,622</b>	<b>22,514</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>52,519</b>	<b>57,433</b>	<b>52,433</b>
Shareholders' equity per common share, SEK <sup>1</sup>	-0.08	0.40	-7.50
Interest-bearing assets	11,843	15,869	11,614
Interest-bearing liabilities	33,122	31,596	37,773
Working capital	-8,558	-11,208	-13,140

<sup>1)</sup> Shareholders' equity attributable to Parent Company shareholders excluding hybrid bonds, in relation to the 7,266,039,292 common shares outstanding.

At July 31, 2020, the number of shares totaled 382,582,551 with a quotient value of SEK 20.10.

## SPECIFICATION OF FINANCIAL NET DEBT, JULY 31, 2021

	According to balance sheet	Of which financial net debt
Financial assets	7,365	851
Current receivables	2,432	703
Cash and cash equivalents	4,424	4,424
Non-current liabilities	29,407	26,004
Current liabilities	16,095	7,118
<b>Financial net debt</b>		<b>27,144</b>

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](http://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 <sup>1</sup>	Not registered share capital	Other contributed capital	Hedging reserves	Translation reserve	Hybrid bonds	Retained earnings	Total shareholders' equity
<b>Opening shareholders' equity in accordance with approved balance sheet, October 31, 2019</b>	<b>7,690</b>	<b>–</b>	<b>170</b>	<b>183</b>	<b>-71</b>	<b>1,500</b>	<b>-4,100</b>	<b>5,372</b>
Hybrid bond interest							-61	-61
Net income for the period							-6,696	-6,696
Comprehensive income for the period				-253	-171		438	14
<b>Closing balance, July 31, 2020</b>	<b>7,690</b>	<b>–</b>	<b>170</b>	<b>-70</b>	<b>-242</b>	<b>1,500</b>	<b>-10,419</b>	<b>-1,371</b>
Hybrid bond interest							-65	-65
Reduction of share capital as resolved at EGM	-7,403						7,403	-
New share issue	3,875	5	2,120					6,000
New hybrid bond issue						6,000		6,000
Conversion of existing hybrid bond to shares	873		477			-1,500	150	-
Conversion of existing bond to shares and new hybrid bonds	410		225			1,615		2,250
Transaction costs			-93				-62	-155
Bond issue as resolved at EGM	3,200						-3,200	-
Net income for the period							-2,579	-2,579
Comprehensive income for the period				85	11		314	410
<b>Closing balance, October 31, 2020</b>	<b>8,645</b>	<b>5</b>	<b>2,899</b>	<b>15</b>	<b>-231</b>	<b>7,615</b>	<b>-8,458</b>	<b>10,490</b>
Share registration	5	-5						-
Hybrid bond interest							-136	-136
Net income for the period							-5,838	-5,838
Comprehensive income for the period				402	19		2,080	2,501
<b>Closing balance, July 31, 2021</b>	<b>8,650</b>	<b>–</b>	<b>2,899</b>	<b>417</b>	<b>-212</b>	<b>7,615</b>	<b>-12,352</b>	<b>7,017</b>

<sup>1</sup> Number of shares in SAS AB: 7,266,039,292 shares with a quotient value of SEK 1.19.

At July 31, 2020, the number of shares totaled 382,582,551 with a quotient value of SEK 20.10.

# CONSOLIDATED CASH-FLOW STATEMENT

## CONDENSED CASH-FLOW STATEMENT

MSEK	Q3	Q3	Q1-Q3	Q1-Q3
	May-Jul 2021	May-Jul 2020	Nov-Jul 2020-2021	Nov-Jul 2019-2020
<b>OPERATING ACTIVITIES</b>				
Income before tax (EBT)	-1,358	-2,071	-5,655	-6,880
Depreciation, amortization and impairment	1,198	2,448	3,695	5,225
Income from sale of aircraft, buildings and shares	121	1	109	1
Adjustment for other non-cash items, etc.	46	-1,261	-630	-193
Tax paid	0	0	-2	-17
<b>Cash flow from operations before change in working capital</b>	<b>7</b>	<b>-883</b>	<b>-2,483</b>	<b>-1,864</b>
Change in working capital	538	-78	-3,312	-299
<b>Cash flow from operating activities</b>	<b>545</b>	<b>-961</b>	<b>-5,795</b>	<b>-2,163</b>
<b>INVESTING ACTIVITIES</b>				
Investments including advance payments to aircraft manufacturers	-1,388	-1,439	-3,756	-7,310
Acquisition of subsidiaries and affiliated companies	-	-4	-1	-4
Sale of fixed assets, etc.	1,810	388	2,139	342
<b>Cash flow from investing activities</b>	<b>422</b>	<b>-1,055</b>	<b>-1,618</b>	<b>-6,972</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from borrowings	217	5,232	4,600	11,181
Repayment of borrowings	-611	-465	-1,598	-918
Amortization of lease liabilities	-594	-725	-2,197	-2,226
Hybrid bond interest	-	-	-136	-63
Other financing activities	25	-3	936	-1,355
<b>Cash flow from financing activities</b>	<b>-963</b>	<b>4,039</b>	<b>1,605</b>	<b>6,619</b>
<b>Cash flow for the period</b>	<b>4</b>	<b>2,023</b>	<b>-5,808</b>	<b>-2,516</b>
Translation difference in cash and cash equivalents	0	0	1	-3
Cash and cash equivalents at beginning of the period	4,420	4,221	10,231	8,763
<b>Cash and cash equivalents at the end of the period</b>	<b>4,424</b>	<b>6,244</b>	<b>4,424</b>	<b>6,244</b>
Cash flow from operating activities per average number of common shares (SEK)	0.08	-2.51	-0.80	-5.65

# PARENT COMPANY SAS AB

The number of shareholders in SAS AB amounted to 237,914 (106,993) at July 31, 2021. The average number of employees amounted to two (two).

## CONDENSED STATEMENT OF INCOME

MSEK	Q1-Q3	
	Nov-Jul 2020-2021	Nov-Jul 2019-2020
Revenue	33	34
Personnel expenses	-19	-22
Other operating expenses	-31	-23
<b>Operating income (EBIT)</b>	<b>-17</b>	<b>-11</b>
Impairment of shares in subsidiaries	-309	-776
Net financial items	347	-16
<b>Income before tax (EBT)</b>	<b>21</b>	<b>-803</b>
Tax	0	-6
<b>Net income for the period</b>	<b>21</b>	<b>-809</b>

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

## CONDENSED BALANCE SHEET

MSEK	Jul 31, 2021	Oct 31, 2020	Jul 31, 2020
Financial assets	24,765	23,502	14,648
Other current assets	163	151	1,365
Cash and cash equivalents	1	1	2
<b>Total assets</b>	<b>24,929</b>	<b>23,654</b>	<b>16,015</b>
Shareholders' equity	23,419	23,534	9,794
Non-current liabilities	1,471	7	2,183
Current liabilities	39	113	4,038
<b>Total shareholders' equity and liabilities</b>	<b>24,929</b>	<b>23,654</b>	<b>16,015</b>

## CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Restricted equity			Unrestricted equity			Total shareholders' equity
	Share capital <sup>1</sup>	Not regis- tered share capital	Statutory reserve	Share premium reserve	Hybrid bonds	Retained earnings	
Opening shareholders' equity in accordance with approved balance sheet, October 31, 2020	8,645	5	447	2,729	7,615	4,093	23,534
Share registration	5	-5					-
Hybrid bond interest						-136	-136
Net income for the period						21	21
<b>Closing balance, July 31, 2021</b>	<b>8,650</b>	<b>-</b>	<b>447</b>	<b>2,729</b>	<b>7,615</b>	<b>3,978</b>	<b>23,419</b>

<sup>1)</sup> Number of shares: 7,266,039,292 shares with a quotient value of SEK 1.19.

## 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, ETC.

New and amended IFRSs that entered force in November 2020 or later have not had any material effect on the consolidated financial statements. New or amended IFRSs that enter into 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.

SAS continues to apply the IASB amendments to IFRS 16 in regard to rent concessions that simplify how a lessee accounts for rent concessions that are a direct consequence of COVID-19. In applying the practical expedient, changes in lease payments in rent concessions ending on or before June 30, 2022 are not treated as a modification. The practical expedient has not had any effect on SAS' profit or loss in the period.

The IFRS Interpretations Committee (IFRS IC) published an agenda decision in April 2021 on configuration or customization costs in cloud computing arrangements. SAS is analyzing the impact of the IFRS IC decision, which may require previously recognized intangible assets to be retrospectively expensed or reclassified to another type of asset, and prohibit the capitalization in future financial statements of certain future expenditure for configuration or customization of software in cloud-based solutions. The exact amounts attributable to these intangible assets are as yet unknown.

### 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 income and expenses, this is also described on page 9 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.

### IMPACT OF THE COVID-19 PANDEMIC AND GOING CONCERN ASSUMPTION

The COVID-19 pandemic and the actions taken in response to its spread, including various government measures and travel restrictions, have resulted in significant disruption for the entire airline industry, including SAS' operations, from the start in March 2020 and continuing into fiscal year 2021. In the first three quarters of FY 2021, total capacity (ASK) was down 47.4% and total revenue passenger kilometers (RPK) were 67.1% lower compared with year-earlier period. The reduction of the network and number of passengers resulted in a significant revenue decrease for SAS of 53.1% compared with FY 2020. Despite measures taken by SAS to reduce costs, the significant decrease in revenue cannot be fully outweighed by cost reductions, and EBT for the first three quarters of FY 2021 amounted to SEK -5.7 billion.

During the first three quarters of FY 2021, SAS continued to work intensively with various cost reduction measures, limiting non-business-critical investments and various financing solutions to protect its liquidity. This included securing the financing with lenders for the majority of aircraft deliveries until spring 2022. The short-time layoff schemes available from the Scandinavian governments have helped SAS retain as many of its employees as possible. The short-time layoffs also enable SAS to scale traffic up and down to meet fluctuations in demand. However, market conditions remain uncertain and are directly dependent on the speed at which vaccination is implemented in SAS' key markets thereby enabling travel restrictions to be relaxed. SAS' view remains that the ramp-up phase for the airline industry will continue until 2022 before demand reaches more normalized levels, with a return to pre COVID-19 levels a few years thereafter. The expected gradual upturn in 2021 has been delayed and uncertainty has increased due to the prevailing market conditions. Increasingly, passengers are choosing to book trips close to their departure dates, which adds further uncertainty to any assessment of future demand, primarily in the short term. These uncertainties make it difficult to estimate ticket sales and therefore revenues for autumn 2021 and may result in continued negative cash flows to an extent and for a duration that SAS considers temporary, but the timing of the recovery is currently uncertain. The prevailing uncertainty means that access to liquidity is essential for all airlines. As such, SAS has secured a credit facility totaling SEK 3.0 billion. The aim of the credit facility is to create a liquidity buffer as a complement to other ongoing activities at SAS to reduce costs and strengthen liquidity.

As a result of the above, SAS is working on several different scenario analyses where the main scenario is that, compared with 2019, demand gradually increases. Based on these assumptions, SAS' assessment is that the liquidity position is sufficient for the next twelve-month period.

### GOVERNMENT GRANTS AND CONTRACTS

Some of the legal entities in the SAS Group received support for temporary reductions in the workforce during the period as a result of COVID-19. In accordance with IAS 20, state grants are reported in the statement of income when there is reasonable assurance that the company will fulfill the conditions associated with the grants and that the grants will be received. Government grants have been reported as a reduction to personnel expenses in the periods for which the grant is intended to compensate for a total of MSEK 301 (675). SAS has also applied for support from the Danish, Swedish and Norwegian states regarding compensation for fixed costs, MSEK 586 (390) has been reported as a reduction of other external expenses.

Aside from this, the Norwegian state has purchased capacity from SAS and other carriers in Norway on a commercial basis in order to maintain air services within Norway, which amounts to MSEK 92 (505).

### 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 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 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 one point in time.

**REVENUE BY CATEGORY**

	Q3	Q3	Q1–Q3	Q1–Q3
	May–Jul 2021	May–Jul 2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020
Passenger revenue	2,357	1,353	4,404	12,130
Charter revenue	105	30	117	476
Cargo revenue	303	188	816	714
Other traffic revenue	487	228	1,116	1,452
<b>Total traffic revenue</b>	<b>3,252</b>	<b>1,799</b>	<b>6,453</b>	<b>14,772</b>
Other operating revenue	730	708	1,743	2,706
<b>Total revenue</b>	<b>3,982</b>	<b>2,507</b>	<b>8,196</b>	<b>17,478</b>

**TRAFFIC REVENUE BY GEOGRAPHICAL AREA**

	Domestic		Intra-Scandinavian		Europe		Intercontinental		Total	
	Nov–Jul 2020–2021	Nov–Jul 2019–2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020
Passenger revenue	2,304	4,238	242	1,382	1,383	3,985	475	2,525	4,404	12,130
Charter revenue	–	–	–	–	117	476	–	–	117	476
Cargo revenue	2	3	2	2	74	23	738	686	816	714
Other traffic revenue	577	507	61	166	357	477	121	302	1,116	1,452
<b>Total traffic revenue</b>	<b>2,883</b>	<b>4,748</b>	<b>305</b>	<b>1,550</b>	<b>1,931</b>	<b>4,961</b>	<b>1,334</b>	<b>3,513</b>	<b>6,453</b>	<b>14,772</b>

**OTHER OPERATING REVENUE BY REGION**

	Denmark		Norway		Sweden		Europe		Other countries		Total	
	Nov–Jul 2020–2021	Nov–Jul 2019–2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020	Nov–Jul 2020–2021	Nov–Jul 2019–2020
Other operating revenue	187	284	831	1,198	322	498	238	489	165	237	1,743	2,706

**NOTE 3 OTHER EXTERNAL EXPENSES**

	Q3	Q3	Q1-Q3	Q1-Q3
	May-Jul 2021	May-Jul 2020	Nov-Jul 2020-2021	Nov-Jul 2019-2020
Sales and distribution costs	-217	-101	-480	-1,189
Catering costs	-98	-47	-230	-485
Handling costs	-223	-126	-604	-1,193
Technical aircraft maintenance	-336	-275	-958	-1,425
Computer and telecommunication costs	-233	-202	-665	-934
Wet-lease costs	-126	-81	-333	-765
Other	27	201	-29	-385
<b>Total</b>	<b>-1,206</b>	<b>-631</b>	<b>-3,299</b>	<b>-6,376</b>

**NOTE 4 DEPRECIATION, AMORTIZATION AND IMPAIRMENT**

	Q3	Q3	Q1-Q3	Q1-Q3
	May-Jul 2021	May-Jul 2020	Nov-Jul 2020-2021	Nov-Jul 2019-2020
Intangible assets, amortization	-36	-36	-110	-109
Tangible assets, depreciation	-376	-444	-1,154	-1,366
Tangible assets, impairment	-	-1,040	-	-1,040
Right-of-use assets, depreciation	-786	-928	-2,431	-2,710
<b>Total</b>	<b>-1,198</b>	<b>-2,448</b>	<b>-3,695</b>	<b>-5,225</b>

**NOTE 5 FINANCIAL NET**

	Q3	Q3	Q1-Q3	Q1-Q3
	May-Jul 2021	May-Jul 2020	Nov-Jul 2020-2021	Nov-Jul 2019-2020
Financial income	3	8	16	64
Interest expense	-158	-170	-413	-447
Other financial expenses	-17	-18	-33	-46
Exchange-rate differences	-5	12	-18	-5
Interest expenses, IFRS 16	-158	-178	-466	-525
Exchange-rate differences, IFRS 16	-147	1,004	354	890
<b>Total</b>	<b>-482</b>	<b>658</b>	<b>-560</b>	<b>-69</b>

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

	Jul 31, 2021		Oct 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>MSEK</b>				
<b>Financial assets</b>				
Financial assets at fair value, hedge-accounted	27	27	132	132
Financial assets at FVTPL	22	22	22	22
Financial assets at amortized cost	7,443	7,443	14,236	14,235
<b>Total</b>	<b>7,492</b>	<b>7,492</b>	<b>14,390</b>	<b>14,389</b>
<b>Financial liabilities</b>				
Financial liabilities at fair value, hedge-accounted	15	15	928	928
Financial liabilities at FVTPL	3	3	12	12
Financial liabilities at amortized cost	19,944	20,106	16,867	16,889
<b>Total</b>	<b>19,962</b>	<b>20,124</b>	<b>17,807</b>	<b>17,829</b>

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**

	Jul 31, 2021			Oct 31, 2020		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>MSEK</b>						
<b>Financial assets</b>						
Financial assets at fair value, hedge-accounted	–	27	27	–	132	132
Financial assets at FVTPL	–	22	22	–	22	22
<b>Total</b>	<b>–</b>	<b>49</b>	<b>49</b>	<b>–</b>	<b>155</b>	<b>155</b>
<b>Financial liabilities</b>						
Financial liabilities at fair value, hedge-accounted	–	15	15	–	928	928
Financial liabilities at FVTPL	–	3	3	–	12	12
<b>Total</b>	<b>–</b>	<b>18</b>	<b>18</b>	<b>–</b>	<b>940</b>	<b>940</b>

The Board of Directors and President hereby assure that this interim 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, September 1, 2021

Carsten Dilling  
Board Chairman

Oscar Stege Unger  
Board member

Monica Caneman  
Board member

Lars-Johan Jarnheimer  
Board member

Henriette Hallberg Thygesen  
Board member

Nina Bjornstad  
Board member

Michael Friisdahl  
Board member

Kay Kratky  
Board member

Jens Lippestad  
Board member

Tommy Nilsson  
Board member

Christa Cerè  
Board member

Anko van der Werff  
President and CEO

This interim report is unaudited.

# TRAFFIC DATA INFORMATION

## SCHEDULED PASSENGER TRAFFIC

	May-Jul 2021	May-Jul 2020	Year-on-year change	Nov-Jul 2020-2021	Nov-Jul 2019-2020	Year-on-year change
Number of passengers (000)	2,036	1,186	+71.8%	3,891	10,429	-62.7%
RPK, Revenue Passenger Kilometers (mill)	2,413	982	+145.6%	3,956	11,746	-66.3%
ASK, Available Seat Kilometers (mill)	4,743	1,910	+148.4%	10,011	18,575	-46.1%
Load factor	50.9%	51.4%	-0.6 <sup>1</sup>	39.5%	63.2%	-23.7 <sup>1</sup>
Passenger yield, currency-adjusted	0.977	1.389	-29.7%	1.113	0.990	+12.5%
Passenger yield, nominal	0.977	1.377	-29.1%	1.113	1.033	+7.8%
Unit revenue, PASK, currency-adjusted	0.497	0.715	-30.5%	0.440	0.626	-29.7%
Unit revenue, PASK, nominal	0.497	0.709	-29.9%	0.440	0.653	-32.6%
RASK, currency-adjusted	0.660	0.939	-29.7%	0.631	0.729	-13.4%
RASK, nominal	0.660	0.933	-29.2%	0.631	0.760	-17.0%

<sup>1</sup>Figures given in percentage points

## TOTAL TRAFFIC (SCHEDULED AND CHARTER TRAFFIC)

	May-Jul 2021	May-Jul 2020	Year-on-year change	Nov-Jul 2020-2021	Nov-Jul 2019-2020	Year-on-year change
Number of passengers (000)	2,097	1,191	+76.0%	3,955	10,676	-63.0%
RPK, Revenue Passenger Kilometers (mill)	2,557	997	+156.4%	4,113	12,500	-67.1%
ASK, Available Seat Kilometers (mill)	4,924	1,929	+155.3%	10,227	19,442	-47.4%
Load factor	51.9%	51.7%	+0.2 <sup>1</sup>	40.2%	64.3%	-24.1 <sup>1</sup>
Unit cost, CASK, currency-adjusted	-0.851	-1.751	-51.4%	-1.150	-1.025	+12.2%
Unit cost, CASK, nominal incl. items affecting comparability	-0.814	-2.347	-65.3%	-1.119	-1.110	+0.8%
Unit cost, CASK, excl. jet fuel, currency-adjusted	-0.725	-1.597	-54.6%	-1.019	-0.805	+26.6%
Unit cost, CASK, excl. jet fuel, nominal incl. items affecting comparability	-0.689	-2.176	-68.3%	-0.988	-0.861	+14.9%

<sup>1</sup>Figures given in percentage points

## SCHEDULED TRAFFIC TREND FOR SAS BY ROUTE SECTOR

	May-Jul 2021 vs. May-Jul 2020		Nov-Jul 2020-2021 vs. Nov-Jul 2019-2020	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	679.5%	440.7%	-86.3%	-49.8%
Europe/Intra-Scandinavia	209.8%	168.8%	-66.3%	-55.3%
Domestic	40.4%	42.9%	-41.9%	-22.7%

## PRODUCTIVITY AND ENVIRONMENTAL EFFICIENCY

	July 2021	July 2020	Year-on-year change
<b>12-month rolling</b>			
Aircraft, block hours/day	5.1	6.2	-17.7%
Cabin crew, block hours/year	510	635	-19.7%
Pilots, block hours/year	317	490	-35.2%
<b>Environmental efficiency (Rolling 12 months)</b>			
Total CO2 emissions, million metric tons	975	2,694	-63.8%
CO2 emissions per available seat kilometer, grams	52.7	60.6	-13.0%

# AIRCRAFT FLEET

## THE SAS AIRCRAFT FLEET AT JULY 31, 2021

SAS Group Aircraft Fleet	Age	Owned	Leased	Wet lease	Total	SAS Scandinavia	SAS Ireland	Wet lease	In SAS Group traffic	Firm order purchase	Firm order lease
Airbus A330/A350	5.8	8	6		14	14			14	2	
Airbus A320 family	7.1	19	50		69	63	6		69	35	2
Boeing 737NG	16.1	16	8		24	24			24		
Bombardier CRJ	6.4			20	20			20	20		
ATR-72	7.9			6	6			6	6		
<b>Total aircraft in operation</b>	<b>8.5</b>	<b>43</b>	<b>64</b>	<b>26</b>	<b>133</b>	<b>101</b>	<b>6</b>	<b>26</b>	<b>133</b>	<b>37</b>	<b>2</b>
<b>Aircraft under phase out</b>											
Airbus A330	18.8		1		1						
Boeing 737NG	15.8	2	1		3						
<b>Total</b>	<b>16.5</b>	<b>45</b>	<b>66</b>	<b>26</b>	<b>137</b>						

Aircraft on firm order 2021–2025 at July 31, 2021	FY21	FY22	FY23	FY24	FY25	Total
Airbus A320neo		13	12	6	4	35
Airbus A321neo LR	2					2
Airbus A350				2		2
<b>Total</b>	<b>2</b>	<b>13</b>	<b>12</b>	<b>8</b>	<b>4</b>	<b>39</b>



The new fleet lowers fuel consumption and thereby CO2 emissions.

# KEY FIGURES AND ALTERNATIVE PERFORMANCE MEASURES

	Jul 31, 2021	Oct 31, 2020	Jul 31, 2020
Return on invested capital (ROIC) <sup>1</sup>	-19%	-27%	-14%
Financial net debt/EBITDA <sup>1</sup>	-10.4x	-9.2x	50.8x
Financial preparedness <sup>1</sup>	63%	67%	38%
Return on shareholders' equity <sup>1</sup>	-136%	-427%	-250%
Equity/assets ratio	13%	18%	-3%
Financial net debt, MSEK	27,144	18,899	28,917
Debt/equity ratio	3.9	1.8	-21.09
Interest-coverage ratio <sup>1</sup>	-5.9	-6.7	-9.1

<sup>1</sup> Key figure as per July 31, 2021 and as per October 31, 2020 including IFRS 16. The key figure as per July 31, 2020 is based on financial statements according to IAS 17 (excluding IFRS 16).

<sup>2</sup> The key figure has been calculated according to another definition and has not been restated. The previous definition is found in APM Q3 2020.

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](http://www.sasgroup.net) under Investor Relations.

## EARNINGS-RELATED KEY FIGURES AND AVERAGE NUMBER OF EMPLOYEES

MSEK	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4
	Nov–Jan 2020–2021	Nov–Jan 2019–2020	Feb–Apr 2021	Feb–Apr 2020	May–Jul 2021	May–Jul 2020	Aug–Oct 2020	Aug–Oct 2019
Revenue	2,282	9,707	1,932	5,264	3,982	2,507	3,035	13,435
EBITDAR	-918	662	-848	-1,890	438	-281	-1,162	2,631
EBITDAR margin	-40.2%	6.8%	-43.9%	-35.9%	11%	-11.2%	-38.3%	19.6%
Operating income (EBIT)	-2,171	-767	-2,048	-3,315	-876	-2,729	-2,738	1,187
Operating income (EBIT) margin	-95.1%	-7.9%	-106.0%	-63.0%	-22%	-108.9%	-90.2%	8.8%
Income before tax (EBT)	-1,936	-1,087	-2,361	-3,722	-1,358	-2,071	-3,271	1,096
Net income for the period	-2,050	-861	-2,433	-3,470	-1,355	-2,365	-2,579	861
Income before tax and items affecting comparability	-1,948	-1,078	-2,361	-3,714	-1,237	-784	-3,043	1,226
Earnings per common share (SEK)	-0.28	-2.33	-0.35	-9.15	-0.19	-6.18	-4.46	2.19
Cash flow before financing activities	-5,458	-2,060	-2,922	-5,059	967	-2,016	-3,228	-309
Average number of employees (FTEs)	4,983	10,364	4,476	7,988	5,190	4,937	6,981	10,587

# 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 financial net debt/EBITDA** – The sum of average net financial debt in relation to EBITDA.

**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.

**Capitalized lease expenses (× 7)** – The net annual operating lease costs for aircraft multiplied by seven.

**Carbon dioxide (CO<sub>2</sub>)** – A colorless gas that is formed in the combustion of all fossil fuels. The airline industry's CO<sub>2</sub> emissions are being reduced based on a changeover to more fuel-efficient aircraft.

**Cash flow from operating activities per common share** – Cash flow from operating activities in relation to the average number of common shares outstanding.

**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.

**EBITDA** – Operating income before tax, net financial items, income from the sale of fixed assets, share of income in affiliated companies, and depreciation and amortization.

**EBITDA margin** – EBITDA divided by revenue.

**EBITDAR** – Operating income before tax, net financial items, income from the sale of fixed assets, income from shares in affiliated companies, depreciation and amortization, and lease expenses for aircraft.

**EBITDAR margin** – EBITDAR 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 1 November 2019, SAS Group applies the new standard IFRS 16 - Leases. See Right-of-use assets.

**Financial net debt** – Interest-bearing liabilities less interest-bearing assets excluding net pension funds.

**Financial preparedness** – Cash and cash equivalents, plus unutilized credit facilities with a maturity longer than three months, in relation to fixed costs and financial net excluding exchange-rate differences on lease liabilities. In this ratio, fixed costs are defined as personnel and other external expenses 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 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 operating lease costs 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 1 November 2019, SAS Group applies the new 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 new standard IFRS 16 - Leases. IFRS 16 replaced 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.

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](http://www.sasgroup.net) under Investor Relations.

November 30, 2021	Year-end report (Nov 2020–Oct 2021)
January 27, 2022	SAS Annual and Sustainability Report, fiscal year 2021
March 1, 2022	Q1 Interim report (Nov 2021–Jan 2022)
May 27, 2022	Q2 Interim Report (Feb 2022–Apr 2022)
August 26, 2022	Q3 Interim Report (May 2022–Jul 2022)
November 30, 2022	Year-end report (Nov 2021–Oct 2022)

### INVESTOR RELATIONS



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

**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 and the capitalized present value of operating lease costs for aircraft.

**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).