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A STAR ALLIANCE MEMBER 

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SAS' revised recapitalization plan approved by European Commission

The European Commission has today declared the participation of the Danish and Swedish governments in the SAS' recapitalization plan compatible with applicable EU state aid rules¹.

As announced on 14 August 2020, the Board of Directors of SAS AB ("**SAS**" or the "**Company**") has approved a revised recapitalization plan to tackle the effects of the COVID-19 pandemic (the "**Recapitalization Plan**"), which amongst others has the support of the Company's two largest shareholders, the governments of Sweden and Denmark (jointly the "**Major Shareholders**").

The European Commission has today declared the participation of the Major Shareholders in the Recapitalization Plan compatible with applicable EU state aid rules. The European Commission has approved the participation of the Major Shareholders on certain conditions, including bans on payment of dividends, aggressive commercial expansion and acquisitions above certain thresholds, as well as limitations on management remuneration. These conditions will be released as the Major Shareholders' aid to the Company is repaid.

The European Commission's approval is further based on the participation by private investors in the Recapitalization Plan, including the conversion of SAS MSEK 1,500 subordinated perpetual floating rate capital securities and the SAS MSEK 2,250 senior unsecured fixed rate bond due November 2022.

The conditions of the European Commission's approval will be further described in the prospectus to be made public on or around 1 October 2020.

For further information, please contact:

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¹ The Treaty on the Functioning of the European Union Article 107(3)(b) and the COVID-19 Temporary Framework for State Aid Measures



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Advisors to the Company

Skandinaviska Enskilda Banken AB is financial advisor to SAS, Global Coordinator and Bookrunner in connection with the recapitalization plan.

Mannheimer Swartling Advokatbyrå AB and Davis Polk & Wardwell London LLP are legal advisors to SAS.

Skandinaviska Enskilda Banken AB (publ), Danske Bank A/S, Danmark, Sverige Filial and Swedbank AB (publ) have been appointed Solicitation Agents. Danske Bank A/S, Danmark, Sverige Filial and Swedbank AB (publ) are Joint Bookrunners in the Rights Issue.

The information was submitted by Michel Fischier for publication on 17 August 2020 at 09:10 p.m. CEST.

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The press release is for informational purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy or acquire, or subscribe for, any of the securities mentioned herein (collectively, the "Securities") or any other financial instruments in SAS. Any offer in respect of any securities in connection with the Rights Issue will only be made through the prospectus that SAS expects to publish on or about 1 October 2020. The offers under the Initial Recapitalization Plan and the Revised Recapitalization Plan are not made to, and application forms will not be approved from, subscribers (including shareholders), or persons acting on behalf of subscribers, in any jurisdiction where applications for such subscription would contravene applicable laws or regulations, or would require additional prospectuses, filings, or other measures in addition to those required under Swedish law. Measures in violation of the restrictions may constitute a breach of relevant securities laws.

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In the United Kingdom, this press release is directed only at, and communicated only to, persons who are qualified investors within the meaning of article 2(e) of the Prospectus Regulation (2017/1129) who are (i) persons who fall within the definition of "investment professional" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) persons who fall within article 49(2)(a) to (d) of the Order, or (iii) persons to whom it may otherwise be lawfully communicated (all such persons referred to in (i), (ii) and (iii) above together being referred to as "Relevant Persons"). This press release must not be acted on or relied on by persons in the UK who are not Relevant Persons.

This press release contains forward-looking statements that reflect SAS' current view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may",



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