



**SAS**

**ANNUAL AND SUSTAINABILITY REPORT**

*Fiscal year 2024*

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### SAS Annual and Sustainability Report Fiscal Year 2024

SAS reports financial and sustainability information in a joint report: SAS Annual and Sustainability Report Fiscal Year 2024 (FY 2024). The SAS statutory annual report includes the financial statements page 50-112. The sustainability reporting has been prepared in accordance with the GRI Standards and comprises pages 11-48. The sustainability reporting also includes the statutory sustainability report in accordance with the Swedish Annual Accounts Act. The auditor's opinion on the annual report is included on pages 113-115 and the auditor's limited assurance report on the sustainability report and statement regarding the statutory sustainability report is included on page 49.

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.

Every care has been taken in the translation of this annual report to English. However, in the event of discrepancies, the Swedish original will supersede the English translation.



# OPERATIONS

# SCANDINAVIA'S LEADING AIRLINE

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For more than 75 years, we've connected Scandinavia to the world and the world to Scandinavia. The 25 millions of passengers traveling with us annually is the testimony of our dedication. We have always remained at the forefront of what's new and kept our gaze towards the horizon. We've seen the world change, sometimes over decades, and sometimes all at once. Changes that have made us rethink, adapt, and rebuild. We're now heading into a future where change is never-ending, and the need to rethink is constant. A future of conscious thought and sustainable innovation, our way, the Scandinavian way.

**Airline operations**

SAS is Scandinavia's leading airline for flights to, from and within Scandinavia. Airline operations are our primary business and are conducted through SAS Scandinavia, SAS Connect, SAS Link and our production partners. As a new member in the SkyTeam alliance we are furthering the global connectivity for our travelers.

**Cargo services**

SAS Cargo is the leading provider of air freight solutions to, from and within Scandinavia, delivering world class quality and customer care. SAS Cargo's services are based on the cargo capacity of the SAS network, extended by dedicated truck operations.

**Ground handling services**

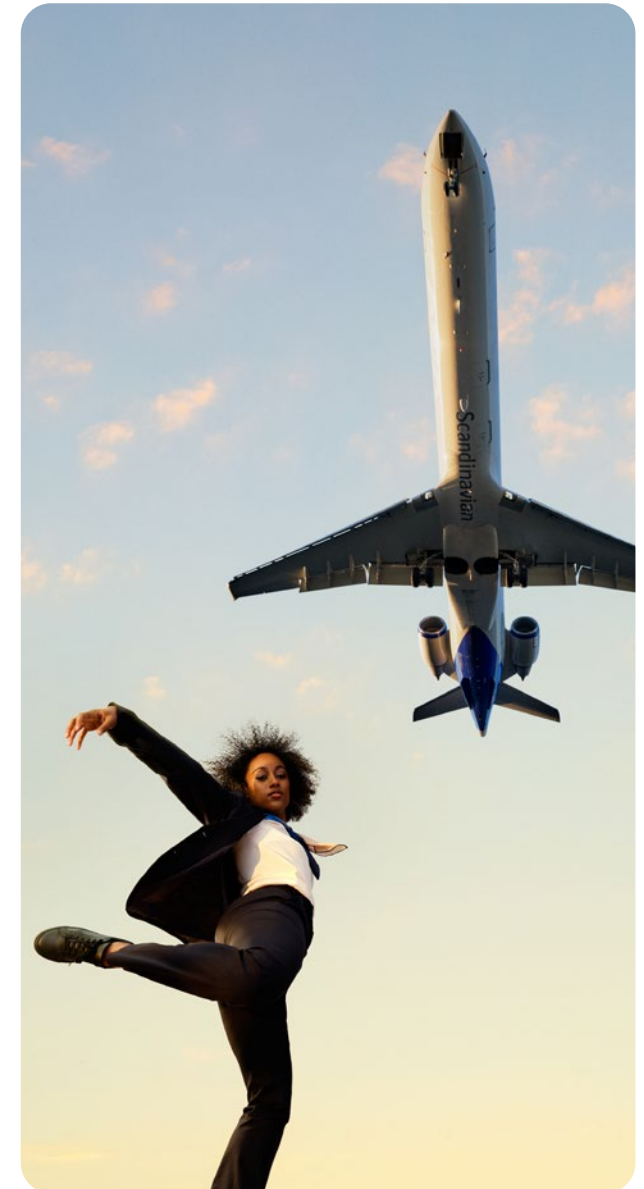
SAS Ground Handling is one of the leading ground handling providers at the airports in Copenhagen, Oslo and Stockholm. Our operations provide passenger, cargo and ramp services.

**Technical maintenance**

SAS Maintenance Production offers technical maintenance of aircraft and engines at six airports in Scandinavia for SAS and other airlines.

**EuroBonus**

EuroBonus is Scandinavia's largest travel-related loyalty program and enables closer relationships with our customers. EuroBonus has more than 8 million members and more than 100 partners. The members also contribute to valuable customer insights for SAS, which sets us apart from our competitors.



# SIGNIFICANT EVENTS DURING THE YEAR

## Operations

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2024 marks the year of SAS entering a new era in its long history as Scandinavia’s leading airline, following successful emergence from SAS’ restructuring proceedings in the US and in Sweden. Castlelake, Air France-KLM, Lind Invest and the Danish State entered as new main owners of SAS, and SAS joined the SkyTeam Alliance. During the year,

passenger demand followed a positive trend and more than 25 million passengers traveled with SAS during the year. Following a strong summer season in 2024 with flights to more than 130 destinations in more than 40 countries, SAS now continues to expand its’ offer by starting 15 new routes in 2025 from the main hub in Copenhagen.

## OPERATIONAL

### Strong operational performance

SAS has made significant improvements in operational performance throughout the year, with strong completion factor and punctuality figures. Among other things, SAS was the most punctual major airline in Europe for three consecutive months (August to October).

### Aircraft

During the year, SAS grew the fleet with eight aircraft. SAS took delivery of twelve A320neo, one A350-900 and one E195. Three A320-200 and three 737NG were phased out. At the end of the year SAS was one of the largest operators of new technology aircraft in Europe with a total of 73 A320neo in the fleet.

## FINANCIAL

### Emergence restructuring proceedings

During the year SAS successfully completed the restructuring proceedings and emerged from Chapter 11 in the US. SAS emerged 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.

### Delisting

SAS AB applied for delisting of its existing common shares from Nasdaq Stockholm, Nasdaq Copenhagen and Oslo Børs, and for the commercial hybrid bonds from Nasdaq Stockholm, following court approval of its plan of reorganization in Sweden. The last day of trading of SAS AB’s financial instruments was on 13 August 2024.

## PRODUCT AND OFFERING

### Joining SkyTeam

SAS joined the SkyTeam global airline alliance during the year. With seamless connectivity to over 1,060 destinations in SkyTeam’s extensive global network, SAS customers will benefit from new opportunities in regions such as Africa, Latin America, and the Caribbean.

### Global hub in Scandinavia

SAS is expanding with 15 new routes from Copenhagen, making the airport the main gateway for travelling to and from Scandinavia and Northern Europe. The hub will serve as a key transit point for long-haul travel and increase global connectivity in-line with the business objectives of SAS.

### Improved business trips with SAS

During the year SAS for Work was launched as an updated offer for business trips referring from SAS for Business. The new, improved offer includes unique benefits such as free name change and free seating in SAS Business and SAS Plus. By making the business travel experience easier, SAS customers can continue to benefit from face-to-face meetings in a digital world. With alternatives for biofuel SAS customers can reduce their carbon footprint from air travel.

## ORGANIZATION

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### Talent acquisition

During the year SAS continued to advance the in-house talent acquisition developed the previous year. An inhouse function will support the cultivation of cultural behaviors of iCARE, strengthen SAS employer brand identity and secure needed capabilities to deliver on SAS Copenhagen Hub Strategy.

### New executive appointment

During the year, Peter Cabello Holmberg was appointed as Chief Information Officer.

### Cultural advantage

During the year SAS launched the culture acronym of iCARE, Inspire, Collaboration, Accountability, Recognition and Execution. SAS culture will become a strategic advantage ahead, and by implementing iCARE the cultural behaviors at SAS will be top-of-mind for all employees. iCARE will reflect in the care for each other, SAS travelers, SAS investors and the environment.

### Implementing iCARE the cultural behaviors at SAS

**i** – Inspire

**C** – Collaboration

**A** – Accountability

**R** – Recognition

**E** – Execution

## COMMUNITY SERVICE

### Rescue flights

In a collaboration between the Norwegian Armed Forces and the Ministry of Health and Care Services, and as a part of the EU Civil Protection Mechanism, SAS has performed 500 flights and provided the evacuation of more than 3,000 war victims from Ukraine since Russia's full-scale invasion started in 2022. SAS has converted a regular Boeing 737 aircraft into a hospital evacuation aircraft, which takes war victims to hospitals across Europe. The so-called MEDEVAC flights are taking place on a near-weekly basis.

### SAS Julefly

The SAS Julefly (SAS Christmas Flight) is a year-round charity effort run by SAS employees, in collaboration with representatives from other companies and organizations. During 2024 the charity has contributed much-needed equipment, food, and money to centers in Riga and Tallinn. The aid is directed at disadvantaged children and families, as well as refugees from the war in Ukraine. The SAS Julefly initiative began some 40 years ago and has saved numerous lives and served to help thousands of children and youth throughout these years.

### Securing critical infrastructure in Sweden through partnership with BRA Flyg

In September SAS announced a partnership with Braathens Regional Airways AB (BRA) with the signing of a long-term wet lease agreement. With BRA operating SAS aircraft, the partnership will secure regional domestic air connectivity and more travel options for travelers with Arlanda Airport as the central hub.

## SUSTAINABILITY

### CO<sub>2</sub> emissions

During the year, CO<sub>2</sub> emissions increased three percent year-on-year. The main cause of this was SAS' ramp-up of new destinations and routes. Continuous deliveries of more efficient aircraft, with 15–30% lower fuel consumption than the aircraft they replace, had a positive effect on CO<sub>2</sub> emissions.

### SAF

SAF is a key contributor to reducing emissions from SAS flights. During the year, SAS consumed 11,455 tonnes of SAF, an increase compared to last year (6,049). This includes the biofuel sold to customers, the Norwegian blend-in mandate, the Swedish reduction mandate introduced on July 1, 2021 and the French reduction mandate introduced on 1 Jan, 2022.

### Hydrogen-fueled aircraft

SAS started a collaboration with Airbus, Swedavia, Vattenfall and Avinor to investigate the possibilities for hydrogen-fueled aircraft at airports in Norway and Sweden. Transition to hydrogen-powered flights is an important step to net-zero emissions.

### EuroBonus Conscious Traveler

EuroBonus Conscious Traveler was launched during the year, and it enables our customers to join SAS in the work to reduce the footprint from air travel by making sustainable choices throughout the travel experience, from booking to destination. The program includes actions such as the possibility to add biofuel and to donate EuroBonus points to charity.

### The Aviation Challenge

As a new member of SkyTeam, SAS participated in The Aviation Challenge for the first time. The challenge is an initiative to share knowledge and best practices for ideas with the potential to reduce the environmental impact from air travel, with the aim to support and accelerate the transition to sustainable aviation.

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SAS Enters new era



Anko van der Werff  
President & CEO

**CEO LETTER**

*“With destinations spanning the globe, the joining of SkyTeam has positioned SAS as the main airline for customers seeking connectivity within and beyond Scandinavia”*

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2024 has been a truly groundbreaking year for SAS. The emergence from restructuring proceedings marks the start of a new era for SAS 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. Throughout the year, we have seen an increase in passenger volumes and made significant improvements in our operational performance. We are now heading at speed towards reaching our targeted cost-savings and continuing the completion of our transformation.

During the year, SAS entered SkyTeam, offering new opportunities for our customers and enabling us to strengthen our position in the global aviation market. The expansion of our global network will significantly improve the travel experience for our customers, as we offer seamless connectivity to new destinations. Since joining SkyTeam, SAS has signed codeshare agreements with Virgin Atlantic, Delta Air Lines and Air France-KLM. These agreements further expand the offering to SAS' customers with new and exciting destinations. Additionally, our legacy as a truly Scandinavian airline was further enhanced by the agreement made with Braathens Regional Airways AB (BRA). With a long-term wet lease partnership, we are taking responsibility for Swedish airline connectivity and now offer improved regional air services and global connectivity with Arlanda as the central hub both for domestic and for international travel.

For the second consecutive year, we have earned a prestigious Five Star rating in the 2025 APEX global customer rankings. Based on nearly one million passenger reviews, this achievement places SAS among the world's best airlines. This award is a powerful recognition of the commitment and hard work of all SAS employees dedicated to enhancing our customers' travel experience every day. It is a true team effort that we can all be proud of.

Through the fiscal year, 25.2 million passengers chose to travel with SAS, an increase of 6.4 percent compared with last year. We are proud to conclude that the positive trend for passenger demand continues. SAS strives to

be a driving force in sustainable aviation. Our efforts to reduce our greenhouse gas emissions continued during the year. Together with Airbus, Swedavia, Vattenfall and Avinor, we started a collaboration to investigate the possibilities for hydrogen-fueled aircraft at airports in Norway and Sweden. Achieving net-zero remains our priority as the future of our business depends on it. By exploring alternative fuel sources, we are preparing to transform our industry, from fossil dependent to fossil free. During the year, we also launched the EuroBonus Conscious Traveler program, which enables our customers to join us on our journey towards net-zero by making conscious choices when traveling with SAS. The program was well received by our customers,





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and the impact since launch has exceeded our expectations with 6,500 registered Conscious Travelers and 23 million EuroBonus points donated to charity by our customers.

We are also incredibly proud that SAS was once again voted the most sustainable company in the aviation industry by Swedish and Danish consumers, according to the extensive brand survey Sustainable Brand Index (SBI). The SBI is Europe's largest independent brand study that measures consumers' perception of brands in terms of sustainability.

Throughout 2024, we have continued to show that SAS is in a great position to remain at the forefront of the airline industry for years to come. With the completion of our restructuring proceedings, we have significantly strengthened our financial position, and we have a new attractive customer offering. All this has been made possible by the relentless efforts of SAS co-workers. Today, I am proud to say that we came out stronger, and I want to thank everyone involved for their dedication to SAS and the process.

SAS has entered a new era. Looking ahead, we will continue our focus on completing the transformation that we have started. We will also continue our commitment to achieving net-zero emissions by 2050 and to leverage the opportunities in a growing market.

As always, we look forward to welcoming you onboard.

Anko van der Werff,  
President & CEO



# SAS ENTERS NEW ERA

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In 2024, SAS continued its business transformation journey to meet the future of air travel as a stronger, robust and financially competitive company. We completed many important milestones in our transformation plan SAS FORWARD, and are committed to continue driving transformational change and sustainability in aviation, and to further develop an attractive new customer offering together with the global airline alliance SkyTeam and other important industry partners.

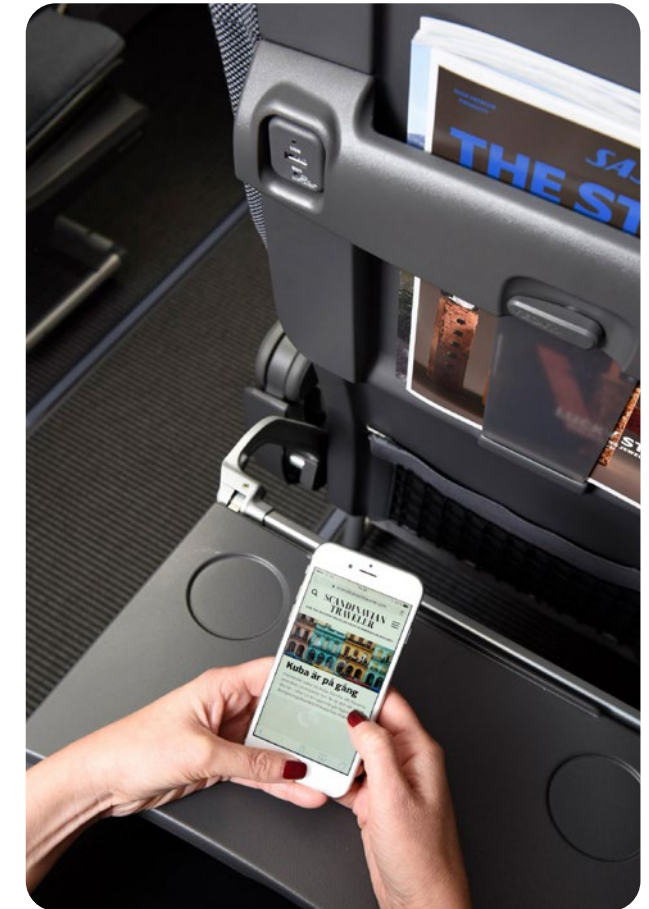
### Emergence from restructuring proceedings

During the year, SAS completed its restructuring proceedings and emerged from Chapter 11 in the US and from company reorganization in Sweden, concluding in the investment of USD 1.2 billion. This marked the start of a new era for SAS. The company emerged 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.

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 Castl lake, 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.

SAS emerges as a financially robust company with a strengthened capital structure and with substantial liquidity. SAS has also made significant progress with operational improvements and in building a competitive business. Throughout the process, SAS has seen continued positive development for passenger demand with 25.2 million passengers traveling with SAS in fiscal year 2024, a 6.4 percent increase from the same period in fiscal year 2023. The SAS EuroBonus



program now has more than 8 million members and continues to be the leading loyalty program in Scandinavia. Additionally, 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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The work with SAS FORWARD continues, and SAS will continue to transform the business with a network and fleet optimized for our customers' current and future demand, while securing commercial competitiveness.

**Building a global hub in Scandinavia**

Copenhagen Airport has for long been the main hub for Scandinavian air travel. During 2024 SAS announced the expansion of the hub with 15 new routes starting 2025. With the expansion, SAS turns Copenhagen into

the international gateway for travelers not only from Scandinavia but for major parts of northern Europe. Copenhagen's attractive location in continental Europe allows for efficient same-day travel across Northern, Central, and Western Europe. The hub will also serve as a key transit point for long-haul travel, connecting Europe with North America and Asia. In addition to new routes, increases in frequencies and added direct flights, will play a key part in connecting Scandinavia to the world, and the world to Scandinavia.

**SkyTeam alliance**

2024 marks the year when SAS became a member of the SkyTeam global airline alliance. By joining SkyTeam, SAS customers gain access to seamless connectivity to over 1,060 destinations globally, spanning from the world's southernmost to the northernmost commercial airports. SAS can now offer access to destinations previously unavailable, further connecting the world to Scandinavia. New opportunities in regions such as Africa, Latin America and the Caribbean offer great value to SAS' customers while strengthening SAS' position in the global aviation market. For SAS EuroBonus members, the SkyTeam alliance membership will offer an enhanced travelling experience.

**Strengthening domestic connectivity in Sweden**

In September, SAS and BRA signed a long-term wet lease partnership for Swedish domestic air connectivity. With Arlanda Airport as a central hub, BRA will operate several aircraft on behalf of SAS. Through the partnership SAS strengthens Swedish airline connectivity by improving regional air services for customers, while allowing SAS to benefit from optimized and efficient operations. The collaboration will improve service between major cities and regional destinations in Sweden, supporting both business and leisure travelers. By allocating domestic air travel to Arlanda Airport, customers will benefit from greater air connectivity and more travel options, domestically and beyond.



# SUSTAINABILITY

# SUSTAINABILITY

**Sustainability**

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SAS' primary strategic focus is to attain a sustainable and profitable business. To facilitate the shift toward more sustainable air travel, our aim is to lead and inspire the journey towards a carbon-neutral society.

For over three decades, SAS has diligently worked to reduce the environmental footprint of its operations. Since 1996, we have showcased our progress through transparent and externally validated reports. During the year we have increased our utilization of SAF (sustainable aviation fuel), primarily through the blend-in mandate in Norway and Sweden, and with the support of our customers who are dedicated to purchasing SAF to make their flights fossil-free.

Our dedicated work towards decarbonization was furthered during FY 2024 with the delivery of twelve new aircraft, boasting 15-30% lower fuel consumption. At the end of the year, our fleet included a total of 73 A320neo aircraft. SAS is one of the leading operators of next-generation aviation technology in Europe, operating 60% of these state-of-the-art and fuel-efficient aircraft. Still, there are six additional A320neo on order to be delivered.

SAS Link's role is pivotal in right-sizing our fleet and lowering our emissions. During FY2024, we introduced one E195 aircraft to service routes with lower passenger demand.



**Scope**

SAS is committed to sustainable development with a holistic approach that encompasses environmental, social, and financial responsibility. This is reflected in our sustainability strategy. Our sustainability initiatives are driven by the belief that sustainable practices are vital for the betterment of today and tomorrow. We recognize that innovation and collaboration are at the core of achieving the necessary changes for a sustainable future.

**Environmental responsibility**

SAS acknowledges its responsibility in minimizing its environmental footprint and is focused on reducing the impact on the climate and the environment from its operations. Our primary areas of environmental

concern include aircraft fuel efficiency, resource utilization, and waste reduction. Our aim is to decrease our carbon emissions, optimize resource use, and promote conservation of biodiversity.

**Social responsibility**

We are dedicated to sustainability across all aspects of our business, prioritizing our customers, employees, and the broader society. We aim to enhance customers satisfaction and well-being, create a safe and inclusive workplace for our employees, and actively engage with communities to address social issues. Our commitment to social responsibility is rooted in building strong stakeholder relationships, ensuring employee health and safety, and contributions to societal well-being.

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**Financial responsibility**

SAS extends the sustainability agenda to include financial accountability. By using resources more efficiently, reducing risks, and optimizing our operations, we can enhance our value and competitiveness. For example, improving aircraft fuel efficiency and optimizing passenger and cargo capacity not only reduces fuel consumption, but also operational costs. There is also a strong financial incentive to reduce sick leave and enhance employee well-being.

**Boundaries**

The transition to more sustainable air travel is a fundamental challenge for SAS, and we are committed to achieve sustainability through a comprehensive approach that is firmly embedded within our core business. Our sustainability efforts extend to all aspects of our operations, including our flights, ground services, and corporate functions. We actively engage with internal and external stakeholders to define and prioritize our sustainability efforts. The aim for our sustainability agenda is continuous improvement in all relevant areas of sustainability.

**SAS sustainability strategy**

With our strong commitment, documented activities, and results, we actively strive to reduce our environmental impact. Our dedication encompasses the well-being of our customers, employees, and society. In doing so, we are not only mitigating sustainability-related risks but also capitalizing on opportunities, avoiding unnecessary costs, enhancing financial performance, and distinguishing ourselves in a competitive market.

The shift towards more sustainable air travel is a critical priority for SAS, and we believe that sustainable development means continuous improvements in all key areas of sustainability. We have established a well-defined process for regularly reviewing and assessing relevant sustainability topics. The process involves engaging with internal and external stakeholders based on international guidelines such as the GRI, the UN Global Compact, the UN Sustainable Development Goals, global trends, the media, stakeholder dialogues, and our own assessments of risks and opportunities.



**GOVERNANCE**

Our focus is the five areas within sustainability where SAS will make progress. But it also reflects the purpose of aviation – to support our society.

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## STAKEHOLDER ENGAGEMENT

SAS has a long tradition of cooperation with a wide range of stakeholders and involvement in community-related issues. Our engagement supports the improvement of our sustainability agenda to the benefit of society.

SAS stakeholders include a broad spectrum of individuals and organizations. By engaging and collaborating with our stakeholders we set the foundation for the conditions that support SAS' competitiveness and operational framework.

SAS actively collaborates with customers, authorities, suppliers, airports, and other stakeholders to drive sustainability and innovation. We engage in dialogues with employees, partners, experts, NGOs, organizations, and researchers. All whom share our commitment to learning, driving positive change, and supporting our sustainability initiatives.



Stakeholder priorities are constantly changing, continually evolve to meet expectations. Conducting a thorough materiality assessment helps us identify and prioritize the issues that matter most to our business and stakeholders.

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## MATERIALITY ASSESSMENT

The materiality assessment aims at engaging stakeholders to identify our most significant impact on the economy, environment, and people to find out how important specific environmental, social and governance (ESG) issues are to them.

### Identification of material aspects

To identify SAS prioritized materiality issues, an assessment was conducted in FY 2022. The assessment was undertaken by an independent third party to ensure complete confidentiality and objectivity. In the process 11 external stakeholders (customers, suppliers, associations, NGOs and airports) and 19 Internal stakeholders (board members, management, business unit managers, subsidiaries) were interviewed. A survey among employees was also completed.

### Prioritization of material aspects

The results have been compiled and processed by SAS management and SAS key personnel to identify the most material aspects of our sustainability agenda and strategy. The board has subsequently confirmed the prioritization of the materiality issues, which has been included in strategy, risk management and associated business processes.

#### The most material issues to include in strategy, risk management and related business processes

##### ENVIRONMENT

- Reduce climate impact
- Fleet development
- Sustainable aviation fuel
- Efficient flight operation
- Waste management

##### SOCIAL

- Responsible employer
- Employee health & safety
- Diversity and equality
- Labor relations
- Accident and safety management

##### GOVERNANCE & ECONOMIC

- Financial performance
- Market competitiveness
- Innovation & digitalization
- Business ethics

#### Material issues to include in reporting

##### ENVIRONMENT

- Pollution prevention
- Climate change adaption
- Noise pollution

##### SOCIAL

- Responsible supply chain
- Human rights
- Societal engagement

##### GOVERNANCE & ECONOMIC

- Stakeholder dialogue

#### Material aspects to monitor in regards to development

##### ENVIRONMENT

- Biodiversity
- Water management

##### GOVERNANCE & ECONOMIC

- Loyalty program

Materiality list prioritizing sustainability issues identified by the company and by engagements with stakeholders



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## OUR MOST MATERIAL ISSUES

### Reduce climate impact

Based on the materiality assessment conducted in FY 2022, and excluding matters related to accident and safety management, our foremost environmental priority is to reduce our climate impact. With emissions stemming from aircraft operations (Scope 1) accountable for over 99% of our greenhouse gas emissions within scope 1 and 2 this remains a core priority in our sustainability efforts.

To reduce our climate impact, we:

- Continue fleet modernization
- Expanding the use of SAF (sustainable aviation fuels)
- Enhancing flight efficiency
- Minimizing onboard weight
- Work together with Air traffic control
- Find disruptive technologies that are or will be used to reduce CO<sub>2</sub> emissions in aviation.

### Stakeholder communication

SAS is dedicated to communicating sustainability matters with our stakeholders, including the publication of our Annual and Sustainability Report with transparency. Customer satisfaction, encompassing travelers, freight customers, and more, is consistently measured and monitored, a critical aspect for both SAS and our stakeholders.

### Responsible employer

The well-being of SAS employees is a key priority and a fundamental aspect of our sustainability agenda. By encompassing physical and mental health, working conditions, hazard identification, monitoring, auditing, incident reporting processes, and company health services the work spans all aspects of well-being. We are committed to fostering a safe and healthy working environment. We ensure this through promoting a positive business culture and strong leadership, offering training and human resource development programs, conducting performance and development reviews for our employees as well as employee engagement surveys.

### Labor relations

SAS maintains constructive and collaborative labor relations that prioritizes the well-being and fair treatment of our workforce. We are committed to fostering a positive and mutually beneficial working environment. Our approach is to have a respectful engagement and open dialogue, recognizing the importance of a harmonious and productive relationship with our employees.

### Diversity & equality

SAS is actively advocating for and working towards greater diversity, encompassing both governance bodies and employees. This includes diversity in areas such as governance representation, basic salary ratios, and ensuring equal opportunities, regardless of factors like gender, nationality, or religion.

### Financial performance

Financial performance in both the short- and long-term perspective in accordance with the set strategy in SAS FORWARD is needed to ensure a solid and competitive market position. A strong financial

Environmental	Social	Governance and economic
Reduce climate impact	Responsible employer	Financial performance
- Fleet development	- Employee health & safety	- Market competitiveness
- Sustainable aviation fuel	- Diversity and equality	Innovation & digitalization
- Efficient flight operation	Labour relations management	Business ethics and anti-corruption
Waste management	Accident and safety management	

performance is a prerequisite to realizing the potential in our sustainability agenda.

### Innovation & digitalization

Innovation and digitalization support the transition towards a sustainable business and the importance is pivotal. Innovation and digitalization involve creating partnerships for new disruptive aircrafts, engines and sustainable aviation fuels, and as well as the development and integration of intelligent tools aimed at enhancing pilot fuel efficiency, data management, and IT security.

### Business ethics & anti-corruption

SAS maintains a structured approach to ensure ethical conduct both within the organization and in external interactions. Important tools include providing training on our Code of Conduct, performing risk assessments related to corruption within our operations, and ensuring adherence to business ethics and anti-corruption principles in our supply chain, in compliance with the Norwegian Transparency Act.

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## UN SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs), also referred to as the Global Goals for Sustainable Development, consists of 17 global objectives established by the United Nations General Assembly in 2015. These goals cover a broad range of global development targets to be achieved by 2030, urging businesses to identify the most effective ways they can contribute to addressing global challenges related to economic, social, and environmental sustainability.

### Our most relevant SDGs

As we aim to lead the transition to sustainable aviation, our core focus is on mitigating our climate impact, enhancing resource efficiency, and creating an attractive workplace. Through the five key priorities within our Sustainability strategy, SAS has the capacity to make a positive impact on eight of the sustainable development goals.



#### SDG 5 – GENDER EQUALITY

Goal 5 promotes gender equality and the empowerment of all women and girls. SAS contributes toward this goal by encouraging gender equality and diversity through its recruitment policy and annual People Review.



#### SDG 8 – DECENT WORK AND ECONOMIC GROWTH

Goal 8 promotes sustained, inclusive and sustainable economic growth, productive employment and decent work for all. SAS provides fair working conditions for all its employees, partners, and suppliers.



#### SDG 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE

Goal 9 endorses resilient infrastructure, inclusive and sustainable industrialization and fosters innovation. SAS engage in partnerships for innovation in new disruptive technologies as aircraft, engines and sustainable aviation fuels, smart tools to improve pilot's fuel efficiency performance.



#### SDG 11 – SUSTAINABLE CITIES AND COMMUNITIES

Goal 11 calls for cities and human settlements to become more inclusive, safe, resilient, and sustainable. SAS create job opportunities and connects citizens in Scandinavia's remote areas to the rest of the world, and the world with Scandinavia.



#### SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

Goal 12 promotes sustainable consumption and production patterns. SAS works continuously with its product development and efficiency improvements in order to reduce its climate and environmental impacts.



#### SDG 13 – CLIMATE ACTION

Goal 13 calls for urgent action to combat climate change. SAS works proactively to reduce its greenhouse gas emissions by focusing on reducing emissions from its aircraft operations.



#### SDG 16 – PEACE, JUSTICE AND STRONG INSTITUTIONS

Goal 16 promotes peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. SAS ensures that human rights are respected through our code of conduct.



#### SDG 17 – PARTNERSHIPS FOR THE GOALS

Goal 17 encourages to strengthen the means of implementation and revitalization of the global partnerships for sustainable development. In the aviation industry partnerships enabled the commitment to achieving net-zero carbon emissions from our operations by 2050. Partnerships for aviation technology, carbon offsetting schemes and climate risk assessment are other areas where the industry work together to find sustainable solutions.

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# ENVIRONMENTAL PERFORMANCE

SAS is committed to reducing its greenhouse gas emissions. To advance our environmental initiatives, we have established comprehensive and ambitious short- and long-term goals.

Our objective is to be a driving force in the transition to sustainable aviation. This commitment involves promoting innovation and forging partnerships to develop new solutions, making investments in advanced, more fuel-efficient aircraft, expanding the production and utilization of sustainable aviation fuels, and implementing numerous enhancements to our in-flight offerings and services.

Sustainability at SAS, from an environmental perspective, is focused on these key pillars: decarbonizing our operations, enhancing resource efficiency, and minimizing our local impact on air and water quality. We also aim to reduce aircraft noise during take-off and landing.

During FY 2024 we initiated the work on our Climate Transition Plan. The plan includes topics such as key focus areas, future scenarios and climate pathways for our climate transition. The plan is developed with the dedicated work from cross-functional collaboration by sustainability specialists, focus areas experts, analysts and financial planners. The overall aim is to take SAS to net-zero emissions by 2050.



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## ENVIRONMENTAL GOALS AND PERFORMANCE INDICATORS

To reduce our greenhouse gas emissions and to advance our environmental efforts, we have established comprehensive and ambitious short- and long-term environmental goals.

### 2025

- 25% lower total CO<sub>2</sub> emissions compared with 2005 (absolute emissions)

### 2030

- Sustainable aviation fuel equivalent to SAS' domestic production (on average 18% the last 5 years)
- 50% noise reduction compared with 2010
- 100% sustainable materials in SAS' customer offering
- 100% recycling where possible

### 2050

- Net zero carbon emissions in line with IATA's updated ambition

### Science-based target initiative

In FY2022, SAS made a commitment to align with the Science-Based Targets initiative, offering a defined pathway for emissions reduction in line with the goals of the Paris Agreement. For SAS, this commitment translates into a target of reducing our average carbon intensity by approximately 35–40% between 2019 and 2035.



### Industry emissions goals

SAS supports the emission goals of aviation organizations IATA and ICAO. By aligning with our peers, we can improve the sustainability performance of our industry together.

SAS intends to be part of a long-term sustainable society and support the International Air Transport Association (IATA) ambition of net zero carbon emissions from commercial flights by 2050.

The IATA and the airline industry have agreed on the following joint targets:

- Carbon-neutral growth from 2020
- Net zero carbon emissions by 2050

SAS is dedicated to achieving the IATA targets, and our fuel efficiency has improved by around 2% annually

since 2010. We intend to meet the targets by leveraging a mix of new technologies, sustainable aviation fuels, alternative energy sources, enhanced air traffic management, and collaborative efforts to enhance infrastructure and the operational conditions of air transport. For a more detailed look at our emissions reduction initiatives, please see page 21 and the following sections.

In 2021, the International Civil Aviation Organization (ICAO), a UN aviation organization, introduced a global market-based measure known as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). This initiative is designed to ensure that the pursuit of a carbon-neutral growth trajectory does not create unfair competition and adheres to the UN's principles of CBDR (common but differentiated responsibility). CORSIA plays a central role in achieving this carbon-neutral growth. Currently, we are fully prepared to meet our emissions reporting requirements.

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## THE AVIATION CHALLENGE

During 2024, SAS participated in The Aviation Challenge (TAC) for the first time. TAC is an annual event for SkyTeam alliance members to showcase their operational excellence, sustainability efforts and innovative strategies. With participants sharing their innovations, the challenge can help transform the entire aviation industry.

SAS participated in the challenge with a selected historic route from Copenhagen (CPH) to Los Angeles (LAX). 70 years ago, in 1954, SAS became the first airline to fly over the North Pole, connecting Copenhagen to Los Angeles. The polar route significantly shortened the journey between Europe and North America, saving fuel and reducing emissions. A true sustainability milestone of its time.

The challenge is a collaboration between teams across divisions such as flight operations, cargo, ground services, and maintenance, and demonstrates SAS's holistic approach to driving the transformation of our industry as a collective effort.

SAS participation in TAC builds on our long-standing commitment to innovation and setting new standards in the aviation industry. By optimizing every aspect of the flight to reduce our environmental footprint, from reducing food waste and optimize routes to an efficient fleet and sustainable aviation fuel (SAF), we are progressing on our commitment to reach net-zero emissions by 2050.



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# CLIMATE CHANGE MITIGATION



In FY 2024, the absolute CO<sub>2</sub> emissions from aircraft operations increased by 3% compared to the previous year. This change can be attributed to the higher proportion of international flights, which involve longer travel distances.

Conversely, the CO<sub>2</sub> emissions per passenger kilometer decreased by 8% to 81 grams (from 88) driven by a higher cabin factor and the ongoing fleet renewal. The carbon emissions per available seat kilometer experienced a decrease of 5% to 52 grams (from 55).

Throughout FY 2024, SAS utilized 11,455 tonnes of sustainable aviation fuel (SAF), marking an 89% increase compared to previous year (6,049 tonnes). This growth is driven by customer participation through the purchase of SAF products, as well as compliance with the Norwegian blend-in obligation and Swedish reduction mandate.

Compared to 2005, carbon emissions have significantly decreased by 29% while the production measured in tonne-kilometers has increased (+0.4%). This achievement reflects efficiency improvements in our fleet as well as improved fuel efficiency, among other contributing factors.

## GREENHOUSE GAS EMISSIONS, SCOPE 1

	Unit	FY 2024	FY 2023 <sup>6)</sup>	Base year 2010
<b>Flight Operations</b>				
CO <sub>2</sub> total	1,000 tonnes	3,171	3,081	3,522
as of domestic flights	1,000 tonnes	480	536	
as of flights to/from EU/EEA/GB	1,000 tonnes	1,425	1,201	
as of flights to/from outside EU/EEA	1,000 tonnes	1,266	1,344	
as of biogenic CO <sub>2</sub> emission <sup>1)</sup>	1,000 tonnes	36.2	19.1	-
CO <sub>2</sub> passenger share	1,000 tonnes	2,973	2,892	3,254
NO <sub>x</sub>	1,000 tonnes	11.8	11.8	14.3
SO <sub>2</sub>	1,000 tonnes	1.0	1.0	
CO	1,000 tonnes	3.3	3.3	
HC <sup>2)</sup>	1,000 tonnes	0.12	0.14	-
Passenger kilometers	million	36,612	33,528	29,572
Tonne kilometer	million	4,064	3,729	3,480
Departures	1,000	224	226	279
CO <sub>2</sub> /passenger kilometer	gram	81	88	110
CO <sub>2</sub> /available seat kilometer	gram	52	55	74
CO <sub>2</sub> /tonne kilometer	gram	780	821	1,012
CO <sub>2</sub> e total <sup>3)</sup> Flight operations	1,000 tonnes	3,191	3,100	3,544
<b>Ground Handling</b>				
CO <sub>2</sub> Vehicle Petrol <sup>4)</sup>	tonnes	41	39	
CO <sub>2</sub> Vehicle Diesel <sup>4)</sup>	tonnes	1,956	2,034	
HVO	tonnes	71	47	
<b>Maintenance Productions</b>				
CO <sub>2</sub> Vehicle Petrol <sup>4)</sup>	tonnes	26	25	
CO <sub>2</sub> Vehicle Diesel <sup>4)</sup>	tonnes	56	90	
HVO	tonnes	3	3	
<b>SAS Cargo Group</b>				
CO <sub>2</sub> cargo share flown	1,000 tonnes	198	179	231
Cargo tonne kilometer flown	million	403	378	570
CO <sub>2</sub> /cargo tonne kilometer flown	gram	491	475	405
CO <sub>2</sub> /cargo tonne kilometer trucked	gram	85	91	
<b>Total CO<sub>2</sub>e<sup>5)</sup></b>	<b>1,000 tonnes</b>	<b>3,193</b>	<b>3,102</b>	
<b>Aircraft Noise – takeoff</b>	<b>85 db area in km<sup>2</sup> per dep</b>	<b>1,55</b>	<b>1,77</b>	<b>2.40</b>

1) Biogenic CO<sub>2</sub> from 11,455 tonnes SAF

2) HC in kerosene including CH<sub>4</sub>

3) Emission factor 3.18 for CO<sub>2</sub>e (DEFRA)

4) SAS only report on main bases ARN, CPH and OSL

5) Total CO<sub>2</sub>e includes Flight operation, Ground handling and Maintenance production

6) Jet-A correlated emissions FY23 has been adjusted from emission factor 3.15 to 3.16

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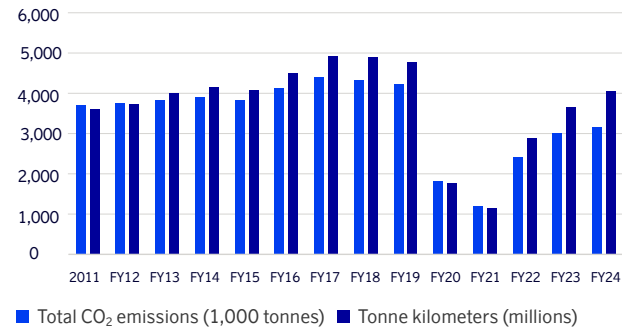
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**What are our relative and absolute emissions?**

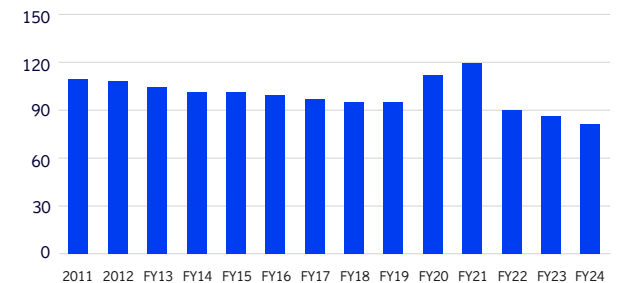
**Absolute emissions** pertain to the total quantity of emissions, typically measured in tonnes of CO<sub>2</sub>.

**Relative emissions** denote emissions per production unit, such as grams of CO<sub>2</sub> per tonne-kilometer, grams of CO<sub>2</sub> per passenger-kilometer, grams of CO<sub>2</sub> per cargo tonne-kilometer, or grams of CO<sub>2</sub> per available seat-kilometer.

**SAS FLIGHT OPERATIONS TOTAL CO<sub>2</sub> EMISSIONS**



**SAS FLIGHT OPERATIONS CO<sub>2</sub> GRAM/PASSENGER KILOMETER**



**Share of CO<sub>2</sub> emissions**

In our analysis of total CO<sub>2</sub> emissions for FY 2024, we made the following observations: Flights under 500 km accounted for 11.1% of emissions, flights spanning 500 to 800 km for 10.2%, those between 800 and 3,000 km for 36.6%, and flights exceeding 3,000 km for 42.1%. Domestic flights contributed to 15.1% of emissions, while international flights were responsible for the remainder.

**Non-CO<sub>2</sub> emissions**

SAS has opted to report different emissions separately in this report, with our emission calculator available on our website. Most emission calculators estimate CO<sub>2</sub> equivalents (CO<sub>2</sub>e) using various multipliers to account for non-CO<sub>2</sub> emissions. Due to a lack of consensus among scientists and experts on how to convert NOX, particles, and water vapor emissions into CO<sub>2</sub>e, SAS refrains from calculations of CO<sub>2</sub>e. We actively support various initiatives to reduce the impact of non-CO<sub>2</sub> emissions in our daily operations and to develop a more advanced calculation methodology. Our current fleet renewal and technology choices contribute to a greater relative reduction of non-CO<sub>2</sub> emissions compared to CO<sub>2</sub> emissions.

New EU regulation set for enforcement by 2025 will mandate airlines to track and report their non-CO<sub>2</sub> emissions. However, the precise methodology for implementing this reporting requirement is still under consideration, marking an ongoing area of development within the industry.

Contrails, which reflect radiation, exhibit dual effects on the climate – cooling during the day but potentially warming it at night. In FY 2023, IATA established a task force to address non-carbon dioxide (CO<sub>2</sub>)

emissions, with a specific focus on the environmental impact of contrails generated by aircraft. This highlights the imperative for a proactive approach.

In response to the challenges posed by contrails, some companies utilize digital modeling technologies to track moist air patches, offering alternative routes to avoid the formation of contrails.

**Our focus areas to reduce emissions**

SAS's environmental programs centre around several emission-related areas, each described in more detail below:

- Enhanced energy efficiency
- Sustainable aviation fuel (SAF) and emerging technologies
- Sustainable products and services

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**CO<sub>2</sub> EMISSIONS FOR SCANDINAVIAN AIRLINES AIRCRAFT OPERATIONS FISCAL YEAR 2024**

	1,000s tonnes CO <sub>2</sub>	% of total aircraft operation CO <sub>2</sub>
<b>Denmark</b>		
Domestic Flights	21	0.7%
Flights to EU/EES/GB	319	10.1%
Flights to outside EU/EES/GB	531	16.8%
<b>Norway</b>		
Domestic Flights	311	9.8%
Flights to EU/EES/GB	246	7.7%
Flights to outside EU/EES/GB	51	1.6%
<b>Sweden</b>		
Domestic Flights	140	4.4%
Flights to EU/EES/GB	271	8.6%
Flights to outside EU/EES/GB	78	2.5%
<b>Finland</b>		
Domestic Flights		
Flights to EU/EES/GB	18	0.6%
Flights to outside EU/EES/GB		
<b>EU/EEA/GB</b>		
Departing EU/EEA/GB <sup>1</sup> for Scandinavia and Finland	575	18.1%
Departing EU/EEA/GB <sup>1</sup> for outside EU/EEA/GB <sup>1</sup>		
Departures within EU/EES/GB <sup>1</sup>	1	0.0%
<b>Outside EU/EEA/GB</b>		
Departures outside EU/EES/GB <sup>1</sup> to Scandinavia and Finland	605	19.1%
Departures outside EU/EES/GB <sup>1</sup> to outside EU/EES/GB	1	0.0%
<b>Total</b>	<b>3,171</b>	<b>100.0%</b>

1) Excluding Denmark, Sweden, Norway and Finland, which are reported separately.

## FLEET RENEWAL

Continuous fleet renewal remains a crucial aspect of our strategy to reduce greenhouse gas emissions stemming from our aircraft operations. Through a well-balanced fleet plan SAS can sustain long-term profitability. Over the years, we have consistently replaced less efficient aircraft with more advanced and sustainable alternatives.

Our aircraft, whether owned, leased, or wet-leased, were operated by SAS Scandinavia, SAS Connect, SAS Link, or several regional production partners utilizing regional jets and turboprop aircraft during FY 2024.

During FY 2024 we accelerated the retirement of older and less fuel-efficient aircraft, a key contributor for reaching our sustainability goals. In the 140–200 seat category, we’re moving towards operating a uniform fleet once all A320neo aircraft are delivered. According to performance data, the A320neo aircraft exhibits a substantial improvement in fuel efficiency and noise reduction. This boast’s 15–18% lower fuel consumption on typical short-haul flights compared to the previous generation A320.

Throughout the year, we welcomed twelve A320neo, and one E195 aircraft, while phased out four older A320 aircraft. At the end of the fiscal year SAS was one of the largest operators of new technology aircraft in Europe with a total of 73 A320neo in the fleet.

At year-end, the SAS fleet comprised 133 aircraft (15 long-haul aircraft, 95 short-haul aircraft, and 23 aircraft operated by regional production partners). The average age of our entire aircraft fleet stood at 7.9 years at year-end.

## FUEL EFFICIENCY

### Fuel efficiency program

SAS has a comprehensive long-term fuel-saving program integrated for all operations. All SAS airline employees are well equipped with the necessary knowledge and skills to promote fuel efficiency. This includes key functions responsible for network planning, products, services, and aircraft operations.

We continuously work to optimize operating procedures and support systems to enhance fuel efficiency. It’s important to note that any changes made in this regard are always aligned with the highest flight safety standards, while also striking a balance between fuel efficiency and other operational costs, such as maintenance and air-space charges.

### Right sizing

An important key contributor to lowering the emissions referring to air travel is a flexible and adaptable fleet. Thanks to SAS regional production partners, we can flexibly adjust our schedule aircraft sizes to match demand, particularly on routes with fewer passengers. SAS aircraft fleet of different sizes and ranges enables us to provide an extensive network of destinations and routes catering to varying passenger volumes. This adaptability allows us to optimize our fuel consumption and emissions per seat-kilometer. Leveraging our extensive experience, we continually strive for efficient aircraft planning.

### Airspace and European network

Over the last two decades, SAS has collaborated with various stakeholders and invested significantly in preparing for a more efficient European air traffic control system. The responsibility for implementing this vital transformation lies with the relevant authorities.



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**Collaboration with aircraft and engine manufacturers**

SAS actively engages with aircraft and engine manufacturers, as well as producers of interiors and other aircraft installations to collaborate for improved sustainability. Environmental performance and criteria are key considerations integrated into our decision-making processes for procuring new aircraft and regional production partners.

**SUSTAINABLE AVIATION FUEL (SAF) & EMERGING TECHNOLOGIES**

For over a decade, we have actively supported and undertaken various activities to foster the development of sustainable aviation fuels (SAF), including biofuels. The commercialization of sustainable aviation fuels is critical to achieving our environmental and climate objectives, as well as providing an alternative to fossil fuels, for SAS and for the entire airline industry.

SAS consistently requests SAF quotes in all jet-fuel tenders to demonstrate our willingness to purchase biofuel when it meets sustainability criteria and price competitiveness. Our active engagement in numerous national and international projects, forums, and networks accelerates the commercialization of SAF production in Scandinavia. These collaborations



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include the IATA/ATAG biofuel network, SAFUG, NISA, RISE, Fossil Free Aviation 2045, Klimatpartnerskapet, and other Scandinavian interest organizations.

Our focus is on supporting already certified pathways and realistic, implementable initiatives within a practical timeframe. As certification of various pathways is underway, we expect the availability to increase during the coming years.

For SAS the long-term sustainability from a holistic perspective is a primary criteria for biofuels. For us, this means no competition with food production or access to potable water, minimal impact on biodiversity, and efficient land utilization. According to IATA, SAF can reduce lifecycle CO<sub>2</sub> emissions by up to 80% depending on the production method. An enhanced quality of SAF delivered to SAS during FY 2024 resulted in an average CO<sub>2</sub> reduction of 90,3%.

Since 2020, Norwegian fuel suppliers are required to blend 0.5% SAF into all flights fueled in Norway. As of July 1, 2021, Sweden introduced a SAF reduction mandate, with emission reductions of 0.8% in 2021, increasing to 3,5% in 2024.

An EU-wide mandate, part of the EU Fit for 55 initiative and integrated into the new law ReFuel EU Aviation, was adopted by the Council in October 2023 with the objective to decarbonize the aviation sector. This mandate sets regulations for the increasing use of SAF from 2025, commencing at 2% and escalating to 6% by 2030.

**The ALIGHT project**

In collaboration with Copenhagen Airport and DLR, we participate in the ALIGHT project. During FY 2023



one of our A320neo aircraft was flown four times a day for two consecutive weeks, utilizing a 30% blend of SAF to measure local air quality. The results surpassed expectations, demonstrating that the use of SAF reduces particles, improving local air quality. There is reason to believe that reducing particles will also lead to fewer contrails at high altitudes.

**Future lower emission aircraft**

With the development of improved aerodynamics, weight reduction, and advanced or new propulsion solutions, we expect a commercialization of future low-emission aircraft within a 5 to 15-year timeframe.

Recent emphasis has been on exploring new propulsion solutions, which encompass a range of possibilities, such as next-generation jet turbine engines using traditional jet fuel or SAF, jet turbines adapted for hydrogen use, and electric engines powered by batteries

or hydrogen fuel cells. Each solution presents its own opportunities and challenges, and we anticipate the commercialization of diverse solutions over time.

Smaller producers focus on developing aircraft for the 10-15 seat market with a one- to two-hour flight range before 2030. Major aircraft manufacturers are working toward commercializing 100-150 seat aircraft with short-haul capabilities by 2040.

**Collaboration for lower emissions**

SAS has signed a Memorandum of Understanding (MoU) together with Airbus, Swedavia, Vattenfall, and Avinor to jointly investigate the feasibility of infrastructure for hydrogen-fueled aircraft at airports in Norway and Sweden. The goal of the collaboration is to develop a framework for the rollout of hydrogen-powered flights in both countries.

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As hydrogen is expected to become a significant fuel source for aviation in the future, the cooperation will provide an understanding of hydrogen aircraft concepts and operations, regulatory needs, infrastructure, supply, fuel storage and refueling at airports. Hydrogen plays an important role in the shift towards low and zero-emission aviation and have a potential to replace fossil-fuel aviation also on longer routes.

SAS contributes to the project with both expertise and understanding of the Scandinavian market, as well as with specialized knowledge in aircraft operations and aircraft handling. The feasibility study is one of its kind, and the first ever to cover two countries and over 50 airports. It reflects our shared ambition to enable decarbonization of aviation and to achieve the goal of net zero carbon emissions by 2050.

In partnership with Heart Aerospace, SAS collaborates to advance the development of electric aircraft since 2019. In September 2022, we signed a letter of support to include their new electric ES-30 in our regional fleet. This milestone holds the potential to be a significant step in SAS' sustainability journey, offering the possibility of zero-emission flights on Scandinavian routes. SAS contributed to Heart Aerospace's Industry Advisory Board, aiding in defining requirements for the ES-30 aircraft during FY 2023.

SAS is committed to engaging with Airbus and strongly supports the development of various initiatives in this field. We believe that a substantial technology shift will occur in the 2030s, leading to the commercialization of several full-electric, hybrid, or hydrogen-powered aircraft.

SAS is an active participant in The Nordic Network for Electric Aviation (NEA), a platform that unites Nordic actors in accelerating the introduction of electric aviation in the Nordic countries. The project is a collaboration between twelve partners from six Nordic countries.

**ELISE**

SAS is a member of the ELISE project, which aims to build expertise and drive rapid technological innovation in aviation. The project unites industry and technology stakeholders to advance electric aviation in Sweden. The project's objectives include creating and demonstrating a fully functional electric aviation system. It will involve testing, taxing and charging procedures and functionalities.

**Emissions of ozone-depleting substances**

Airlines are required to submit reports annually on the

use, consumption, leakage, and storage of halon to the authorities. In FY 2024, no instance of halon use for fire safety precautions was reported.

**Emissions calculations and CO<sub>2</sub> offsetting**

In FY2024, SAS has taken bold steps to reshape the aviation industry by shifting its focus from compensatory measures to long-term emissions reduction. As part of the EuroBonus Conscious Traveler program, SAS discontinued carbon offsetting for EuroBonus travelers, Youth travel with SAS, and staff tickets as of December 1, 2023. This shift redirects efforts toward scaling up the production of sustainable aviation fuels (SAF) and advancing new technologies for cleaner flying from the outset. Through the Conscious Traveler program, SAS reinvests in rewarding all participating travelers who contribute to more sustainable travel.



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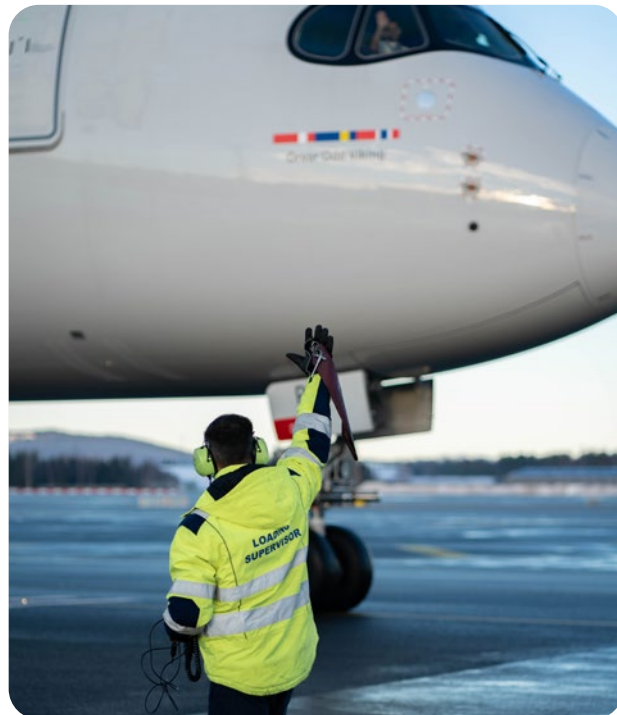
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Thus, this year marked the completion of SAS's final carbon offset commitments, covering 97,759 tonnes of CO<sub>2</sub> from FY2024. These offsets were achieved through investments in third-party renewable energy projects in Asia, closing a chapter on compensatory practices in favor of transformative solutions.

**Glycol, diesel, and petrol consumption**

Glycol is employed for aircraft de-icing, with our usage increasing to 3,264 thousand liters in FY 2024. SAS employs vehicles for maintenance and ground-related services at airports, adhering to regulations promoting the adoption of lower environmental impact vehicles. At our main bases, all vehicles are leased, with contracts



and fuel consumption continuously monitored. SAS Cargo also tracks CO<sub>2</sub> emissions per cargo tonne-kilometer from its subcontracted ground trucking operations. Any spillages during ground handling are managed in accordance with established procedures.

**ENERGY AND EMISSIONS**

SAS continuously works to reduce energy consumption. The decrease in energy consumption from our base year 2010 is largely attributed to the implementation of more efficient lighting and the reduced utilization of building floor space.

**GREENHOUSE GAS EMISSIONS, SCOPE 2**

	Unit	FY 2024	FY 2023	Base year 2010
<b>Energy</b>				
CO <sub>2</sub> energy	1,000 tonnes	3.0	5.1	24.9
As of CO <sub>2</sub> electricity	1,000 tonnes	0.0	2.3	12.3
As of CO <sub>2</sub> heating	1,000 tonnes	3.0	2.9	12.6

**Own business travel**

We have direct control over our business trips on SAS flights, resulting in an emission of approximately 10.879 tonnes of CO<sub>2</sub> during the year. SAS is currently exploring and assessing strategies to encourage our suppliers to report on our scope 3 emissions.

**NOISE**

The most significant impact on local airport stakeholders is aircraft noise. Therefore, strict regulations are enforced along flight paths near residential areas. In FY2024, there was a decrease in noise emissions during take-off (-12.4%) and a substantial decrease of 35.4% compared to 2010. This improvement is primarily due to the introduction of quieter and more modern aircraft.

During FY 2024, SAS received two noise violation reports. Following our continuous fleet renewal in recent years with procurement of quieter aircraft we continue to see a low number of breaches to the benefit of our local stakeholders. Other improvement initiatives, including specific flight simulator training scenarios designed for flights to and from airports with stringent noise regulations have further contributed.

**WASTE MANAGEMENT**

For the aviation industry the various national regulations governing waste management poses a challenge for the recycling of onboard waste. SAS works continuously to enhance the recycling share of total waste, despite the regulations that often require methods that hinder sorting or recycling efforts. For all SAS Scandinavian base stations aluminum cans are recycled. Across offices, ground services, and technical maintenance, the disposal of waste is rigorously monitored and categorized into sorted, unsorted, and hazardous waste.

	Unit	FY2024	FY2023	Base year 2010
Sorted waste	tonnes	1,278	1,146	-
Unsorted waste	tonnes	204	176	815
Hazardous waste	tonnes	46	71	302

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**Jet fuel spills**

In FY 2024, there were 15 reports of fuel leaks during refueling of aircraft with SK or SAS Link flight numbers. These incidents were promptly addressed in accordance with established procedures.

**CIRCULARITY**

To minimize waste and optimize resources on ground and onboard our aircraft, SAS applies a circular approach. By keeping products and materials in circulation and in use for as long as possible we minimize the need for new resources and contribute to lower our negative impact on the environment. SAS are continuously exploring new and innovative areas for circularity,

Two key areas where we're making progress in circularity are furniture recycling and de-icing glycol management.

**Furniture recycling**

In FY2022, SAS initiated a comprehensive furniture recycling program to repurpose and recycle furniture across our facilities. This initiative seeks to extend the lifespan of furniture and minimize waste, in alignment with circular economy principles. By recycling and refurbishing our furniture, we reduce the need for new resource-intensive production and lower the environmental footprint of our workspace operations.

**De-icing glycol management**

De-icing glycol is a critical component in ensuring safe flight operations during winter. De-icing prevents build-up or removes snow and ice on the wings and tail of an aircraft, ensuring the safety of flights.



To mitigate the environmental impact of de-icing glycol runoff SAS has implemented advanced glycol capture and treatment systems, which allow us to recover and recycle de-icing glycol and reducing the release of harmful substances into the environment.

With a circular use of de-icing glycol we can minimize environmental contamination and promoting the responsible use of this critical aviation resource. Through these efforts, we're proud to contribute to a more sustainable and circular future for the aviation industry.

**Textile upcycling**

As part of SkyTeam's Aviation Challenge 2024, SAS partnered with an external organization to upcycle outworn uniforms into aprons, used by cabin crews on the SAS polar route from Copenhagen to Los Angeles. This initiative also included a partnership with a social enterprise dedicated to empowering immigrant women through meaningful employment and labor market integration. SAS is exploring further collaborations to enhance circularity in textile products.

**Conscious Traveler bag tag**

In October 2024 we launched a trial project with a circular bag tag, the Conscious Traveler bag tag. The reusable bag tag is connected to the traveler's EuroBonus profile in our SAS app. Once the tag is attached to the bag, the bag is checked in just as easily as today. At arrival the bag tag can be unpaired to the current profile and used again by another EuroBonus member. The conscious traveler bag tag is an example of our circular approach in various aspects of our business.

**BIODIVERSITY AND WILDLIFE PROTECTION**

SAS places great emphasis on biodiversity and wildlife protection, recognizing the vital role it plays in maintaining the delicate ecological balance of our planet. As a leading airline with destinations spanning the globe, we are aware of the risks our business posed to wildlife, including smuggling, hunting of trophies, and the transportation of live animals.

To promote the preservation of biodiversity, SAS actively engage in initiatives that aim to safeguard vulnerable species and their natural habitats. Our continued efforts in this area are supported by strict policies and practices to combat illegal wildlife trade, discourage trophy hunting, and ensure the humane treatment of live animals in transit.

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The transportation industry holds a crucial responsibility in preventing the illegal wildlife trafficking and supporting global conservation efforts. SAS is committed to playing its part in addressing these threats to biodiversity, both within our own operations and through collaborating with relevant authorities, organizations, and partners who share our commitment to wildlife protection.

Our goal is not just to offer efficient and sustainable air travel but to be a responsible steward of the environment and to contribute to global efforts in conserving the world's diverse and precious wildlife.

## OTHER ENVIRONMENTAL TOPICS

### Sustainable products & services

At SAS, our commitment to sustainability considers the entire lifecycle of resources and materials. This is reflected in our ongoing efforts to evolve our products and services, ensuring they align with our core environmental values and principles.

We remain in our pursuit of ambitious sustainability objectives. We are actively engaged in further refining our onboard and lounge offerings, exploring innovative ways to introduce increasingly sustainable products and services.

### SAS bio tickets

SAS offers two separate ticket types for customers opting for a sustainable choice, Go Smart Bio and Plus Pro Bio. The tickets are designed to include a substantial amount of biofuel on all our domestic, Scandinavian, and European flights. This is an important way for

us to involve SAS passengers in our transformative journey, and the ticket options make it even easier for our conscious customers to contribute to more sustainable air travel.

Travelers opting for Go Smart Bio or Plus Pro Bio tickets will have the opportunity to purchase tickets with approximately 50% biofuel content, effectively lowering the CO<sub>2</sub> emissions associated with their SAS flight. By increasing the use of biofuel, we are progressing on our mission to reach zero-emission flights. We recognize the significance of our customers, both leisure and corporate, actively participating in these efforts, and SAS Bio is our response to meet this demand.

### EuroBonus Conscious Traveler

During FY 2024 SAS launched EuroBonus Conscious Traveler. It is an initiative that enables our customers to join us in the work to reduce the footprint from air travel.

By making sustainable choices throughout the travel experience, from booking to destination, our customers can reduce the emissions from their air travel. The program includes actions such as the possibility to add biofuel and to donate EuroBonus points to charity.

During the year the impact from EuroBonus Conscious Traveler widely exceeded our expectations with 95,000 customers choosing to take conscious steps within the program, aiming to get access to rewards such as invitations to exclusive events and the opportunity to try our new reusable Conscious Traveler bag tag.



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## ENVIRONMENTAL REGULATIONS AND COMPLIANCE

SAS sustainability agenda ensure that our operations remain in full compliance with all relevant environmental laws and regulations. No significant incidents resulting in breaches of environmental permits were recorded in FY 2024.

### Environment-related costs

In FY 2024, SAS external environment-related user charges and travel taxes amounted to MSEK 2,478 (2,097). These charges and travel taxes comprise environment-related travel taxes and user charges sometimes associated with the environmental performance of aircraft and are included in landing fees. Our environmental taxes in Sweden and Norway amounted to MSEK 981 (961).

In accordance with the European Union Emission Trading Scheme (EU-ETS), the aviation industry addresses its CO<sub>2</sub> emissions within the EU through a market-based approach. From January 1, 2021, SAS has also been reporting CO<sub>2</sub> emissions to CORSIA. Furthermore, the United Kingdom introduced its own emission trading scheme (UK-ETS) as of the same date, which SAS fully adheres to.

We advocate for market-based measures that prioritize emission reduction targets and encourage continuous improvement without distorting competition. For several years, SAS has actively supported the development of a global, market-based solution for airline emissions. While SAS fully embraces the Polluter Pays Principle and



takes responsibility for its emissions, we raise concerns about the additional Swedish and Norwegian taxes, which do not directly correlate with actual CO<sub>2</sub> emissions and are in addition to EU-ETS and the soon-to-be-introduced CORSIA. This approach may be viewed as an economic measure but lacks incentives for reducing CO<sub>2</sub> emissions. For instance, a passenger on an A320neo aircraft powered by 50% SAF incurs the same tax as a passenger on an aircraft two generations older, despite the significantly lower emissions of the former.

### Environment-related liabilities

SAS does not have any significant environmental liabilities or contingent liabilities related to issues like contaminated land.

### Environment-related investments

Following SAS guidelines, our investments are directed towards solutions that are both environmentally and economically prudent. This approach not only contributes to our profitability but also positions us to meet future environmental requirements.

During FY2024 SAS made a substantial sustainability investment directed towards fleet renewal. Additional details on the financing can be found on pages 56-57. We prefer leasing over direct investments in assets such as aircraft, vehicles, and computers.

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# SOCIAL PERFORMANCE

## EMPLOYMENT AND LABOR PRACTICES

### Our employee commitment

As an employer we are dedicated to ensuring favorable working conditions within our operations, primarily in the Nordic region. To uphold our employee’s perception of SAS as an attractive employer, we actively foster personal and professional growth opportunities. Our commitment is reinforced through the application of the SAS Work Environment Policy, Leadership Policy, Personnel Policy, and Diversity Policy, which are applicable to all SAS employees. Group Management holds the ultimate responsibility for these policies. They undergo annual reviews, and their execution is systematically monitored and reported on a weekly, monthly, quarterly, or annual basis, as needed.

We maintain a strict zero-tolerance approach to all forms of harassment and consistently work to prevent harassment through several initiatives. Our Code of Conduct regulates this commitment, with mandatory digital trainings for all employees.





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In response to employee feedback and in alignment with SDG 8 (Decent Work and Economic Growth), SAS is delighted to introduce a new Employer Value Proposition (EVP). This initiative, now a vital part in both internal and external conversations, aims to move SAS culture forward and highlight the benefits of being part of the SAS team. Through active engagement with employees, we are committed to fostering a more cohesive and empowered workforce.

**Redundancies and cooperation with labor unions**

SAS is adapting and reshaping its approach to short-term planning while considering the uncertainties surrounding the aviation industry’s overall future.

Over 95% of SAS employees are covered by collective bargaining agreements. The remaining personnel include senior executives, certain types of civil servants, and employees in regions where employment conditions are regulated differently. Collaboration with labor unions occurs primarily at the national level, involving unions with collective agreements with SAS. These collaborations operate within the framework of national laws and agreements relevant to the specific workforce.

SAS employees are represented at the SAS Board of Directors by elected representatives from units within the group’s Scandinavian operations. These employees are also covered by collective bargaining agreements, except for a few specialists and senior executives at the group level.



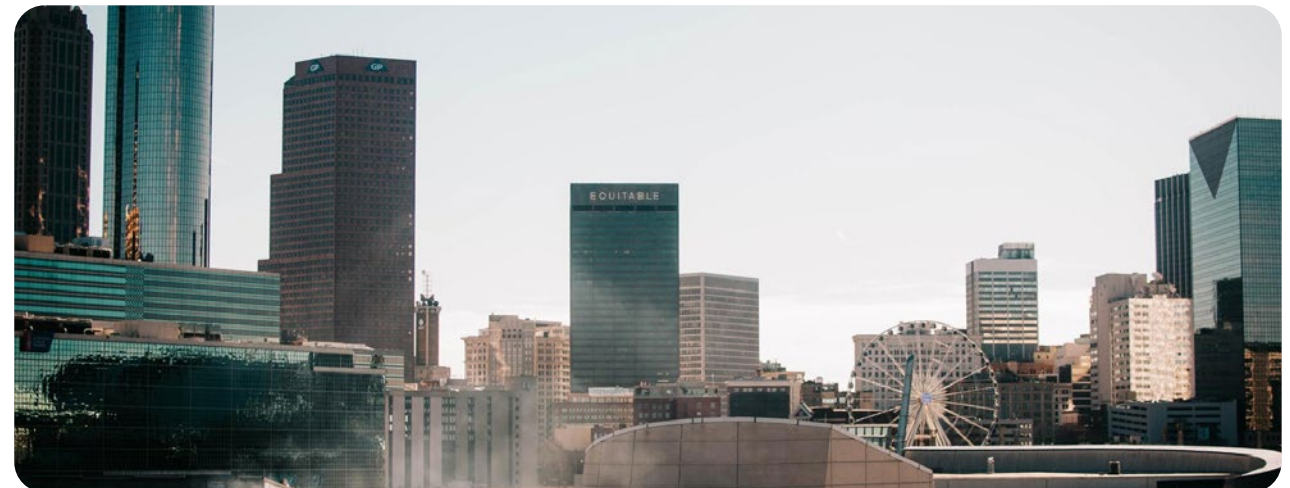
**Diversity and equal opportunities**

At SAS diversity and equal opportunities are at the top of our agenda. Through our Diversity Policy we dedicate our efforts into ensuring equal treatment for all employees and job applicants. Our commitment to equal opportunities extends to the promotion of diversity and equality in all its facets. In FY 2024, SAS maintained a gender distribution of 38% women and 62% men among its employees.

SAS has a conventional gender divide in roles, with certain positions being traditionally male-dominated and others female-dominated. For instance, pilots (6% women) and technicians in aircraft maintenance (6% women) tend to be male-dominated, while cabin crew (73% women) and check-in and gate personnel at airports (66% women) are typically female-dominated.

As of October 31, 2024, the composition of SAS Group Management comprised 33% women, the SAS Board of Directors comprised 10% women, and the SAS Cargo Board of Directors comprised 17% women.

SAS recognize the importance of fostering an inclusive work environment and actively promotes gender equality in both traditionally gender-dominated positions and in management. The efforts to reach a more inclusive workspace is executed by prioritizing gender equality and diversity through our recruitment policy and annual personnel reviews. The SAS recruitment policy places a strong emphasis on selecting the most qualified candidate for each role while concurrently prioritizing and aligning with the broader SAS diversity and inclusion objectives. Creating an inclusive workplace is not only a commitment to gender equality but also an integral part of cultivating a diverse and thriving organizational culture.



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Legal gender	Age			Total
	<30	31-50	>50	
Women	1,137	1,145	1,651	3,933
Men	1,785	2,034	2,605	6,424
Total	2,922	3,179	4,256	10,357

EMPLOYEES BY GENDER AND REGION

	Permanent		Temporary		Total		Total
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
<b>Region DK (Incl INTL)</b>							
Female	693	704	19	2	712	706	1,418
Male	1,855	555	71	1	1,926	556	2,482
<b>Total</b>	<b>2,548</b>	<b>1,259</b>	<b>90</b>	<b>3</b>	<b>2,638</b>	<b>1,262</b>	<b>3,900</b>
<b>Region NO</b>							
Female	823	343	2	19	825	362	1,187
Male	1,487	398	1	62	1,488	460	1,948
<b>Total</b>	<b>2,310</b>	<b>741</b>	<b>3</b>	<b>81</b>	<b>2,313</b>	<b>822</b>	<b>3,135</b>
<b>Region SE</b>							
Female	1,136	83	104	8	1,240	91	1,331
Male	1,698	178	110	5	1,808	183	1,991
<b>Total</b>	<b>2,834</b>	<b>261</b>	<b>214</b>	<b>13</b>	<b>3,048</b>	<b>274</b>	<b>3,322</b>
<b>Region TOTAL</b>							
Female	2,652	1,130	125	29	2,777	1,159	3,936
Male	5,040	1,131	182	68	5,222	1,199	6,421
<b>Total</b>	<b>7,692</b>	<b>2,261</b>	<b>307</b>	<b>97</b>	<b>7,999</b>	<b>2,358</b>	<b>10,357</b>

There have been no significant fluctuations in the number of employees during the reporting period or between reporting periods.

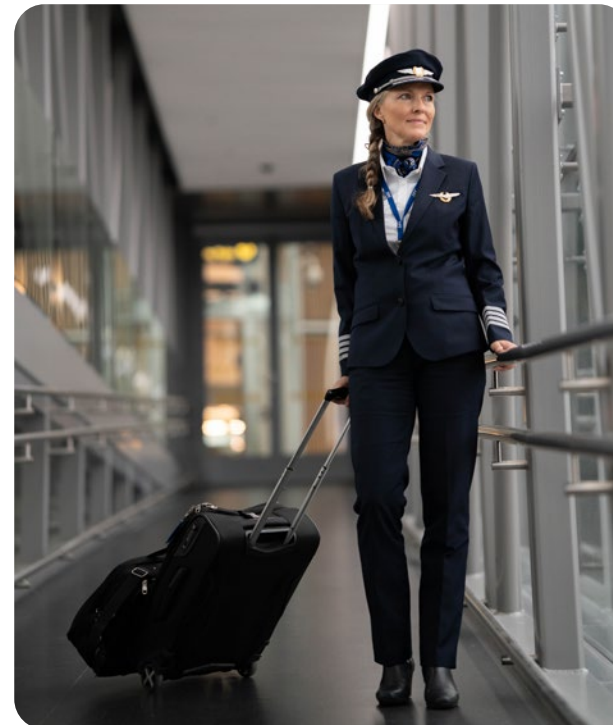
Workers who are not employees

In FY 2024, SAS engaged the services of at least 37 consultants or contractors. Information pertaining to the nature of their work and methodologies employed is currently insufficient. Efforts are underway to gather more comprehensive data for the upcoming year.

Training

In FY 2024, SAS employees collectively devoted approximately 442,718 hours to training (excluding in-air training hours), averaging about 43 hours per employee. Flight crews, technical personnel, and operational ground staff are subject to various licensing and competency requirements stipulated by EU-OPS and IATA through the IOSA (IATA Operational Safety Audit).

6,191.6 hours of e-learning training was undertaken by employees at SAS Head Office during FY2024.



HEALTH AND SAFETY

Company health services

Through in-house and outsourced resources SAS provides a range of health services to support the well-being of all employees. The resources include therapists, stress and rehabilitation experts, ergonomic specialists, and engineers. Additionally, the function offers specialized services, such as aviation medicine, stress management, sick leave follow-up, health assessments, ergonomic guidance, and chemical handling advice. We continue to invest in a variety of health-promoting initiatives throughout the organization, both in the workplace and during employees' leisure time.

Sick leave

Sick leave represents a significant societal cost, resulting from both physical and mental illnesses. In FY 2024, our calculation of sick leave costs amounted to approximately MSEK 182 (133). The cost is higher than last year (MSEK133) and is explained by a slightly higher sick leave percentage and more employees. In FY 2024, the total sick leave at SAS was 5.9% compared with last year (5.8%). Long-term sick leave, exceeding 14 days, accounted for 3.6% (compared to 3.7%) of the total sick leave at SAS.

SAS is actively engaged in the prevention of both short- and long-term sick leave. We've implemented a standardized reporting method for all three Scandinavian countries, adhering to the reporting requirements of Scandinavian legislation. Managers, with the support of our People partner team, conduct early follow-ups with employees on sick leave, resulting in a reduction in long-term absences.

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For our crew members, specialized medical support leads, collaborate closely with external occupational health and aeromedical specialists. This early engagement with employees, along with support for medical healthcare and rehabilitation programs, is effective in shortening periods of illness.

For situations involving frequent short-term sick leave, SAS requires a “first-day doctor’s note” in Sweden. We also offer temporary workplaces and special work schedules to facilitate quicker and improved rehabilitation.

### Occupational accidents

In FY 2024, the number of occupational accidents leading to absence at SAS are three (last year one). Occupational injuries leading to absences were 83. SAS is actively working to enhance processes for systematic follow-up, educational activities, and the clarification of definitions in collaboration with safety representatives, supervisors, HR, and labor-management joint safety committees encompassing all employees in each country.

Ground handling remains the department with the highest frequency of occupational accidents within SAS. These accidents include incidents such as crushing, falling, and, in some cases, those involving vehicles in connection with baggage handling.

SAS	DK	NO	SE	Total
No. of employees October reporting fiscal year (head count)	3,900	3,135	3,322	10,357
No. of women	1,418	1,187	1,331	3,936
of whom, women, %	36	38	40	38
Total sick leave, %	4,5	8,6	4,4	avg 5.9
Long-term sick leave, % (more than 14 days)	2,3	5,6	2,7	avg 3.6
Total number of occupational accidents with one day sick leave or more	3	0	0	3

## HUMAN RIGHTS

SAS is deeply committed to upholding human rights and ensuring decent working conditions in its operations. Since 2003 SAS has been a participant in the United Nations Global Compact (UNGC) and adhere to its 10 principles for responsible business practice. The principles include human rights, labor, environment and anti-corruption. As a participant in UNGC, SAS submits an annual communication on progress.

### The Norwegian transparency act

In alignment with the Norwegian Transparency Act (Åpenhetsloven) which became effective from July 1, 2022, SAS is committed to promote respect for fundamental human rights and decent working conditions in connection with our operations and services. SAS is also committed to ensure the general public access to information regarding how SAS address adverse impacts on fundamental human rights and decent working conditions.

Efforts have been taken to ensure compliance with the new legal requirements and improve the implementation of human rights due diligence, as endorsed by the Board.

## HUMANITARIAN SUPPORT

SAS humanitarian support and social initiatives are mainly related to our airline operations.

### Rescue flights

One of SAS aircraft is used to evacuate wounded and critically ill patients from Ukraine. For SAS it is an important social mission to assist in connection with the war in Ukraine, where the medical evacuation (medevac) flights take war victims to hospitals across Europe from the evacuation center in Poland.

The operation is part of the EU Civil Protection Mechanism, and through a long-standing agreement with the Norwegian Armed Forces and Directorate of Health. A regular Boeing 737 commercial aircraft has been converted into a flying hospital, with medical equipment and hospital beds. SAS personnel on these flights are dedicated and trained for demanding assignments, and often have nursing background and expertise in trauma treatment.

Since mid-2022, this unique cooperation have flown near-weekly flights and evacuated more than 3,000 war victims from Ukraine using the SAS aircraft. Medevac operations in general have been going on for over 25 years, with missions like the tsunami in Thailand, terror attack in In Amenas, Algeria, and evacuation missions from Afghanistan and Moira refugee camps.

SAS operated two flights in collaboration with the Danish Ministry of Foreign Affairs in respond to the outbreak of the Israel– Hamas war. Military personnel

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evacuated people from Tel Aviv to Cyprus, from where SAS carried passengers on specially chartered flights home to Denmark.

SAS has a long history of providing support to Scandinavian citizens in critical situations worldwide. Our close collaboration with national authorities in Scandinavia has allowed for well-coordinated rescue efforts, encompassing scenarios from conflicts to natural disasters in countries such as Ukraine, Afghanistan, Thailand, and Peru.

**Securing infrastructure**

SAS plays a crucial role in maintaining Scandinavian connectivity, particularly on domestic routes, and ensuring the integrity of essential infrastructure for both travelers and cargo. In September 2024 we entered a partnership with Braathens Regional Airways AB (BRA) for a long-term wet lease agreement. The partnership will secure regional domestic air connectivity for Scandinavian travelers.

**Air bridges for medical supply**

SAS played a vital role in the transportation of essential medicine and medical equipment to Scandinavia via air freight during the Covid-19 pandemic.

**Christmas flight**

SAS Christmas Flight is a relief campaign conducted by SAS employees and volunteers from various companies and organizations throughout the year. In FY2024, SAS Christmas Flight made substantial contributions in the form of equipment, food, and financial aid to centers in Riga and Tallinn, as well as to refugees affected by the war in Ukraine. SAS provides an aircraft with full operational support, and our pilots and crew volunteer their time, while fuel is generously sponsored by a fuel supplier.

This initiative, which began some 40 years ago, has had a profound impact by saving lives and assisting thousands of children and young people over the years.

**SAS – YOU ASSIST**

SAS – YOU ASSIST is a non-profit initiative launched by SAS’ employees in 1979. It is run voluntarily by current and former SAS’ employees, with the object to help children in developing countries get a better life through various projects in different countries.

SAS – YOU ASSIST only support projects where there is a trusted individual on site who can support with reports on the projects. The donations support development projects such as building schools, playgrounds, student dorms, water tanks or well drilling. Approximately 95% of the funds raised by SAS – YOU ASSIST goes directly to the projects, leaving only 5% used for administration.

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## SAS MANAGEMENT SYSTEM

Sustainability is a vital part of our business and is seamlessly integrated into the SAS management system. This system encompasses all SAS activities and is built upon airline operational standards. It includes our internal and shared environmental and sustainability policies, the SAS Code of Conduct, the UN Global Compact, the UN Sustainability Development Goals, EU taxonomy, Lean, and IATA Environmental Assessment (IEnvA). The system is our framework for continuous planning, implementation, evaluation, and the enhancement of processes and activities to meet operational and sustainability objectives. SAS has established control mechanisms with dedicated follow-up systems and resources to ensure adherence to international and national legislation.

Our approach to environmental responsibility revolves around not only complying with relevant legislation but also minimizing our absolute and relative greenhouse gas emissions and other environmental impacts.

Both the SAS Environmental Policy and the SAS Sustainability Policy have received approval from Group Management and are applicable to all SAS employees, products, and services. These policies, along with our objectives and strategies, undergo annual review and approval. Activities are monitored within the management system and reported on a weekly, monthly, quarterly, or annual basis as per specific requirements.

During FY2024 SAS was certified through the IATA Environmental Assessment (IEnvA) for the first time. SAS has held ISO 14001 certification for its environmental management system across the organization since 2010. The certification through IEnvA is adapted to the aviation industry and its' specific impact on the environment. As the certification is based on globally recognized standards and industry best practices, including the ISO 14001, SAS will no longer uphold the ISO 14001 certification. A third-party verified certification of SAS environmental management system remains a priority, and through the IEnvA certification SAS continues to improve the environmental performance of its' business. Following the transition from ISO 14000 to IEnvA, SAS has accordingly updated its Environmental Policy.

## CODE OF CONDUCT

The SAS Code of Conduct, issued by the Board of Directors, serves to consolidate, and clarify SAS' outlined priorities, commitments, policies, and other guidelines. The CoC is applicable to all employees, irrespective of their role or employment type. SAS have established a comprehensive training program to actively fosters CoC implementation that is mandatory to all employees. The Code of Conduct does not provide detailed due diligence procedures or specific human rights provisions.

The latest updated version of SAS Code of Conduct is available at [www.sasgroup.net](http://www.sasgroup.net).

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## PROCESSES TO REMEDIATE NEGATIVE IMPACTS

Through the SAS whistle-blower function and the management system SAS have clear rules and established structures for reporting and addressing suspected violations. Critical concerns are communicated to the board on a case-by-case basis. In FY 2024, the whistle-blower function was utilized on seven occasions. All cases have been closed.

SAS is fully committed to collaborate in the remediation of negative impacts caused by the organization or its' employees. The means of collaboration varies depending on the context and whether the grievance has been raised through legal or non-legal channels. The assessment of grievance mechanisms remains an integral part of our ongoing stakeholder engagement.

## RISK MANAGEMENT

SAS adopts a precautionary approach to risk management with a strong emphasis on minimizing sustainability-related risks while capitalizing on potential opportunities. Risks and opportunities are carefully assessed and strategically managed through our management system, fully integrated into our comprehensive risk management framework. The implementation of risk control measures is crucial to ensure an effective management of these risks.

SAS monitors all risks and identifies opportunities that hold strong business potential. Through our certified environmental management system, we quickly identify changes in the business environment and adapt our operations to mitigate their environmental impact. For more information, please refer to the Risk Management section on pages 58-65.



SAS provides an annual disclosure of its climate-related risks and opportunities to CDP. These factors impact our ability to carry out aircraft operations in a shifting climate, transition initiatives, and how customers perceive SAS as a more sustainable option for fast and efficient long-distance travel. You can access our CDP disclosure and results on [www.cdp.net](http://www.cdp.net).



EcoVadis assists SAS in overseeing our entire value chain, from suppliers to customers, by transparently sharing our performance with stakeholders. In the near future, we plan to extend this monitoring to include the performance of SAS's upstream value chain. Our EcoVadis Business Sustainability rating result for FY2024 is accessible on [www.ecovadis.com](http://www.ecovadis.com).



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## EU TAXONOMY

At SAS, we remain steadfast in our commitment to sustainability and transparent reporting. Sustainability has been a cornerstone of our corporate strategy for many years, and we have consistently sought to align with internationally recognized frameworks that drive accountability and progress. The EU Taxonomy has been one such framework, guiding sustainable economic activities and providing stakeholders with a clear understanding of environmental performance.

In this year’s sustainability report, however, we wish to address the change in our reporting practices regarding the EU Taxonomy.

### EU Taxonomy and SAS's Reporting

The EU Taxonomy is a critical system for classifying environmentally sustainable economic activities. It plays an important role in strengthening sustainable investments and achieving the European Green Deal objectives. Under the EU’s non-financial reporting directive, SAS, as a listed large entity with over 500 employees, was previously obligated to disclose the extent to which our operations align with the taxonomy criteria. In the two previous sustainability reports, thus SAS provided detailed information on the taxonomy alignment of our economic activities.

### Motivation for Non-reporting 2024

Following SAS’s delisting and transition to private ownership, our regulatory obligations have changed. As a private entity, SAS is no longer mandated to report under the EU Taxonomy. This shift in obligations reflects the

regulatory framework’s focus on publicly listed companies. While the taxonomy remains a valuable tool, SAS’s new ownership structure exempts us from its mandatory application in this reporting period.

### Commitment to Sustainability Despite regulatory changes

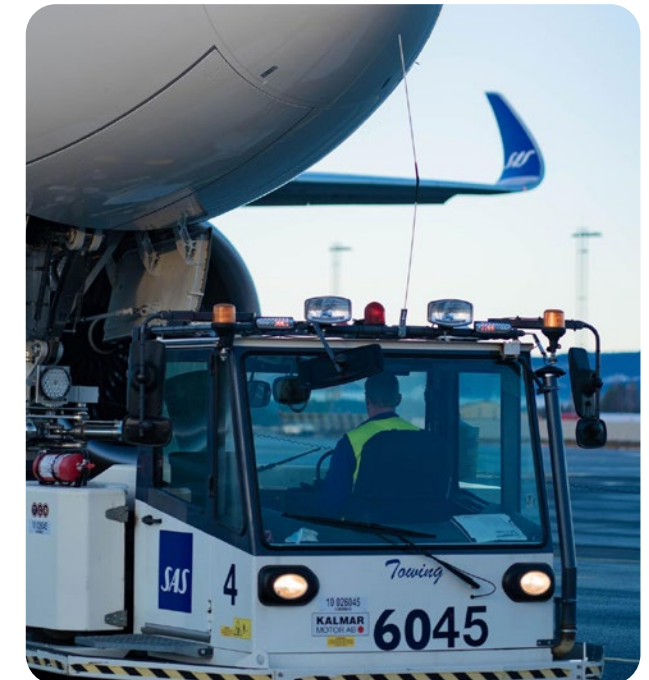
While the regulatory landscape has shifted, SAS’s commitment to sustainability remains unwavering. Regardless of reporting obligations, we continue to prioritize sustainable operations, including ambitious efforts to reduce carbon emissions, increase the use of sustainable aviation fuels, and enhance overall environmental performance. SAS recognizes the EU Taxonomy as an instrument in the transition to a low-carbon economy. Although we are not reporting under its framework this year, we continue to align with its underlying principles where feasible. Our dedication to transparency and sustainable profitability ensures that we remain accountable to our stakeholders.

### Future Reporting Plans

Looking ahead, SAS is committed to maintaining robust sustainability reporting practices. As part of our long-term strategy, we will evaluate the alignment with the EU Taxonomy or other frameworks that resonate with our operational goals and stakeholder expectations. In addition, we will continue to explore alternative reporting standards and best practices that reflect our sustainability journey and provide meaningful insights into our environmental, social, and governance (ESG) performance.

### Conclusion

SAS’s transition to private ownership marks a new chapter in our corporate journey. While this change impacts certain reporting obligations, our overarching commitment to sustainability remains as strong as ever. We continue to be a driving force in the aviation industry’s climate transition, leveraging innovation and collaboration to deliver sustainable growth. We invite our stakeholders to explore the broader initiatives and achievements detailed in this year’s sustainability report and take part in building a resilient, sustainable future for aviation.



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## BUSINESS ETHICS AND ANTI-CORRUPTION

At SAS all forms of corruption and anti-competitive behavior are proactively addressed.

The SAS Code of Conduct, Legal Policy, and SAS Anti-bribery Policy apply to all individuals representing SAS Group. The SAS Board of Directors holds the overall responsibility for enforcing the Code of Conduct and overseeing compliance, which is continuously assessed within our management system and through internal audits.

Regulations relating to bribery and other improper activities are strict. For instance, the "Competition Law Compliance Program" currently in progress encompasses all SAS entities. This program targets the most significant corruption-related risks and focuses on employees facing corruption risks in their daily responsibilities.





## SUSTAINABILITY IN OUR SUPPLY CHAIN

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At SAS, we prioritize sustainability across our supply chain, which is closely linked to our core aircraft operations. Most of our suppliers are strategically located in the geographical areas where SAS operates its routes. We collaborate with 3,349 suppliers in the following categories:

- Aircraft and Engine Manufacturers
- Airport and Air Navigation Providers
- Fuel Suppliers
- Catering Suppliers
- IT Suppliers
- Technical Maintenance Suppliers
- Regional Production Partners
- Financial Services

In alignment with our operational model, we outsource ground handling, regional production partners, customer services, and accounting functions to external suppliers. To obtain a more sustainable aviation industry we actively collaborate with partners throughout our supply chain.

**Supply chain responsibility**

All purchasing activities at SAS are governed by the SAS Supplier Code of Conduct and the SAS Purchasing Policy. These policies are overseen by our Group Management and are reviewed annually. Activities and contingent breaches are tracked and reported as needed, whether weekly, monthly, quarterly, or annually, to ensure our commitment to responsible sourcing is upheld.



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**Supply chain governance**

Our established governance model provides clarity on supply chain responsibilities, risks, and areas for improvement, along with procedures for addressing any potential deviations. The responsibility for consistent monitoring of our critical suppliers is centralized and standardized. All SAS suppliers must meet our rigorous sustainability and social responsibility standards, adhere to our Purchasing Policy, and comply with the general terms and conditions of the UN Global Compact, in addition to other specific sustainability requirements.

Sustainability is an integral evaluation criterion within SAS’ sourcing governance. These criteria vary based on the product or service type and its production location. Factors like energy efficiency, waste management, adherence to collective agreements, human rights, and child labor, among others are considered. These criteria are assessed and managed during both the procurement phase and the agreement period.

**Stakeholder dialogue**

SAS maintain a longstanding tradition of continuous dialogue and collaboration with a diverse array of stakeholders, and actively engage in community-related matters.

We place a strong emphasis on fostering close partnerships with customers, authorities, suppliers, and airports to promote conditions beneficial to create solutions for enhanced sustainability performance. We also conduct dialogues with individuals and entities seeking knowledge, advocating for change, or supporting SAS in various capacities, including employees, partners, experts, NGOs, organizations, researchers, and more.

Our approach to stakeholder dialogue gives us an opportunity to initiate meaningful discussions on significant topics and gather input to further refine the SAS customer offerings and sustainability agenda. As part of our endeavor to enhance understanding of the aviation industry, we participate in various industry and employee organizations.

For a comprehensive list of our stakeholders, please refer to page 14.

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**PRODUCT RESPONSIBILITY**



We are committed to upholding the highest standards of product responsibility and follow strict policies and relevant legislation governing health, safety, environmental impact, IT security, and food safety. Additionally, we are dedicated to provide reliable products and services produced under ethical conditions. The SAS Quality Policy applies to all SAS products and services and is subject to ongoing oversight and annual review by Group Management. Activities are diligently tracked within the management system and reported as needed, whether on a weekly, monthly, quarterly, or annual basis.

Flight Safety remains under strict regulation, with SAS undergoing regular audits by external parties. The relevant authorities scrutinize airline personnel working conditions, including aspects such as working hours, in the pursuit of promoting flight safety.

Maintaining punctuality and regularity is crucial in delivering passenger transport as planned. SAS continuously monitors and enhances punctuality and regularity, attributes highly prized by our customers. Furthermore, punctuality plays a vital role in emissions reduction.

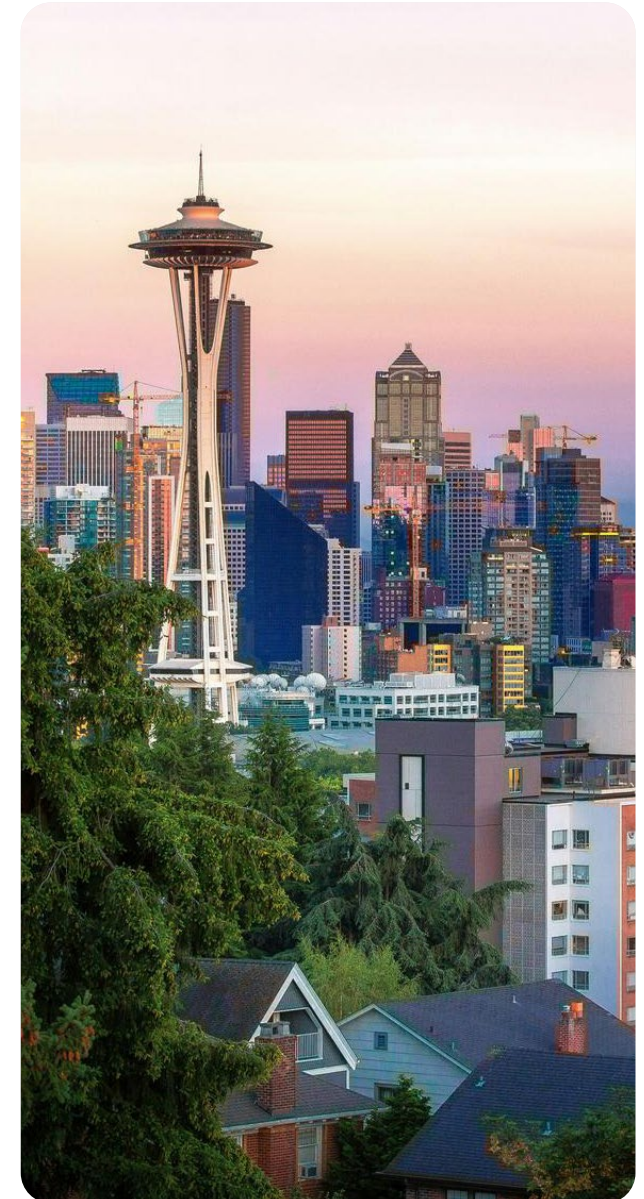
The realm of IT security and integrity is of increasing significance, prompting SAS to maintain a comprehensive program that ensures the requisite high level of IT security. Moreover, we uphold compliance with the European Union’s General Data Protection Regulation (GDPR) legislation.

**SAS CONTRIBUTES TO ECONOMIC DEVELOPMENT**

Our operations benefit society by creating economic value and social well-being, both directly and indirectly, in the countries and communities where we operate.

We play a significant role in fostering direct economic benefits as an employer and through our procurement of goods and services. In FY 2024, SAS disbursed wages and salaries totaling MSEK 8,362 which included MSEK 1,115 for social security expenses and MSEK 515 for pensions. It is our objective to provide competitive compensation for all employee groups.

SAS adds economic value by providing the essential infrastructure required for seamless passenger and cargo transportation to, from, and within Scandinavia. Air transport bears the costs associated with the necessary infrastructure, such as airports, air traffic control, and security. In FY 2024 these expenses amounted to MSEK 8,121 for SAS, with SAS contributing MSEK 1,381 toward security-related costs.



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The sustainability reporting in SAS Annual and Sustainability Reports, have been subject to third-party review since 1996. The report describes the company’s most essential environmental and societal aspects during fiscal year 2024 from November 1, 2023, to October 31, 2024.

The Annual and Sustainability Report has been prepared in accordance to GRI Standards. The UN Global Compact, UN Sustainability Development Goals, IATA Environmental Assessment and CDP were also taken into consideration in the preparation of this report. The sustainability part of this report has been prepared following the SAS Accounting Policies for Sustainability Reporting.

In accordance with the Swedish Annual Accounts Act, SAS has prepared a statutory Sustainability Report, which has been incorporated into the Annual and Sustainability Report FY 2024, separate from the Report by the Board of Directors, on pages 11-48. The auditor’s opinion regarding the statutory sustainability report is included on page 49.

This Annual and Sustainability Report is a key part of our commitment to communicate transparently with stakeholders. The materiality analysis was renewed in 2022 and “sustainability communication” was still identified as an area of great importance to SAS and its

stakeholders. The SAS Group is referred to as SAS in this Sustainability Report.

### External review: material sustainability information and EU-ETS and UK ETS

All material sustainability information in the Annual and Sustainability Report for FY 2024 has been reviewed by KPMG. The Auditor’s assurance report can be found on page 49.

For the year of 2023 Verifavia verified the reporting systems for CORSIA, as well as the EU and UK trading scheme for emission allowances for flights.

### External initiatives

SAS has been a member of the UN Global Compact since 2003 and participates in the Nordic Network. One criterion for publishing company information on the Global Compact website is an annual update – the Communication On Progress (COP). The most recent SAS information update was completed in June 2024. The UN Global Compact is a pivotal component of the SAS Code of Conduct and the requirements imposed on the company’s suppliers.

We have also chosen to use the UN Sustainable Development Goals (SDGs) as a tool to structure our strategic sustainability agenda. See page 17 for more on our approach to the SDGs.

Examples of organizations related to sustainability issues where SAS is a member:

- Member in the IATA’s Sustainability and Environment Advisory Council (SEAC)
- Member and founding partner of the Nordic initiative Sustainable Aviation
- Member of Nordic CEOs for a Sustainable Future
- Member of the biofuel cluster Fossilfritt Flyg 2045
- Member of The Nordic Network for Electric Aviation (NEA)
- Active in the Nordic working group for environmental issues in aviation (N-ALM)
- Participation in three national industry organizations: NHO Luftfart in Norway, Svenska Flygbranschen in Sweden and Dansk Industri in Denmark

### Accounting policies for sustainability reporting fiscal year 2024

‘SAS’ or ‘The SAS Group’ is used throughout the report when referring to our overall operations.

The sustainability reporting covers all the entities within SAS unless otherwise noted.

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For environmental responsibility, SAS strives to distinguish between airline and ground operations.

Accordingly, the following distinctions have been made:

- Airline operations with an SK flight number. Scope 1
- Ground handling in SAS Ground Handling (SGH). SGH conducts ground handling for SAS and other customers, such as other airlines. Scope 1
- Technical maintenance in SAS Maintenance Production. SAS Maintenance Production conduct technical maintenance primarily for SAS but also for other customers, such as other airlines. Scope 1
- Freight and mail services within SAS Cargo Group A/S (SCG). Scope 1
- Facilities owned or leased by SAS. Scope 2

### Monitoring sustainability-related data

We monitor relevant sustainability key performance indicators (KPIs) on an ongoing basis. SAS uses various parts of the Lean methodology and follow-ups of these KPIs are conducted within the management system and reported weekly, monthly, quarterly, or annually according to specific needs.

As preparation for external sustainability reporting, there are data collection processes in the management system covering all areas of the SAS sustainability agenda. SAS has not made any restatement in the reporting period.

## SCOPE OF THE SUSTAINABILITY WORK

The goal of the Annual and Sustainability report is to disclose all information necessary to provide the reader with a comprehensive overview of our environmental, societal, and financial responsibilities.

The ultimate responsibility for our sustainability aspects, and their integration in operational activities, lies with Group Management. The Annual and Sustainability Report is approved by SAS Board of Directors and SAS Group Management before publication. The SAS Board of Directors submitted the Annual and Sustainability Report FY 2024 in January 2025.

### Limitations

The main principle for sustainability reporting is that all units and companies controlled by SAS are accounted for. This means that sustainability-related data for divested companies owned by SAS during the period is reported wherever possible. The same accounting policies as for financial information in the Annual Report are intended to be used for information in the Sustainability Report.

SAS has a number of production indicators (such as passenger kilometers and tonne kilometers). There are differences between the Annual Report and the Sustainability Report with regards to the disclosure of the number of passenger kilometers. The Annual Report uses revenue passenger kilometers (RPK) where paying passengers are included, while the Sustainability Report uses passenger kilometers (PK) where all passengers (including non-revenue) are included.

Standard definitions for environmental and societal data have been applied throughout SAS. None of the limitations are considered to have any substantial significance.

### Changes in accounting policies and calculating principles

None.

### Principles for reporting and calculating external and other environment related costs

Where possible, environment-related costs are based on information directly from the accounting system. When this has not been possible, for example, for calculations of certain charges and taxes that are included in landing charges, estimates were used based on the number of passengers to a certain destination and the charge or tax per passenger.

### Principles for reporting and calculating environmental data

Reported environmental information is based on the following calculations and/or factors:

- Distance, based on WGS84 Great Circle Distance (GCD) calculations between airport reference points as defined in national Aeronautical Information Publication (AIPs).
- Passenger weight for PK calculations uses 100 kg for any person with hand luggage and checked luggage transported. This does not include active crew.
- Cargo and mail, actual weight is used.

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- Fuel density (kg per liter):
  - Jet A/A-1<sup>1</sup>: Actual density or 0.8
  - Diesel: 0.84
  - Petrol: 0.73
  - Heating oil: 0.84
- CO<sub>2</sub> factor (per weight unit of fuel):
  - Jet A/A-1<sup>1</sup>: 3.16
  - Diesel: 3.17
  - Petrol: 3.12
  - Heating oil: 3.17
  - Electricity: 90 (grams/kWh based on Nordic energy mix)
- CO<sub>2</sub>e factor (per weight unit of fuel):
  - Jet A/A-1<sup>2</sup>: 3.18
- Energy conversion of fuels (GWh per 1,000 tonnes):
  - Jet A/A-1: 12.0
  - Diesel: 12.0
  - Petrol: 12.2
  - Heating oil: 12.0
- Nitrogen oxides (NO<sub>x</sub>), factors (per weight unit of fuel):
  - Jet A/A-1<sup>3</sup> Between 0.00694 and 0.01932

1) Fuel density and CO<sub>2</sub> factor for Jet A/A-1 is calculated according to approved MRV plan.

2) Emission factor 3.18 for CO<sub>2</sub>e from DEFRA.

3) Varies per aircraft/engine combination.

**CO<sub>2</sub> emissions per passenger kilometer and cargo tonne kilometer – Scope 1**

SAS has chosen to apply a calculation method to divide the amount of fuel used for passenger and cargo transport before dividing the amount by passenger or cargo tonne-kilometer. The method is based on the

IATA Carbon Calculator Tool. The assumption is that fuel usage is proportional to weight. Passenger fuel usage is the ratio of total passenger weight to total weight multiplied by the total fuel used. The remainder is allocated to cargo transport.

$$\begin{aligned} \text{Total Passenger Fuel Usage} &= \frac{(\text{Total Passenger Weight} / \text{Total Weight}) \times \text{Total Fuel Used}}{\text{Total Fuel Used}} \\ \text{Where, Total Weight} &= \frac{\text{Total Passenger Weight} + \text{Total Freight/Cargo Weight}}{\text{Total Passenger Weight (kg)} = \frac{(\text{Number of Seats} \times 50 \text{ kg}) + (\text{Number of Passengers} \times 100 \text{ kg})}{\text{Total Passenger Weight (kg)}} \end{aligned}$$

The calculation method allocates 50 kg per seat as a prerequisite for passenger transport and the same weight per passenger as used in all other calculations applied within the industry.

For cases when flights were conducted without passengers or freight/cargo transport, all CO<sub>2</sub> emissions were allocated as passenger transport. This may include training flights, positioning flights between scheduled flights, and flights to/from maintenance, etc. The reason for this changed calculation method is to achieve more precise CO<sub>2</sub> emissions per production unit calculations. The previous calculation method essentially involved double accounting, with emissions per passenger kilometer including the fuel used for freight/cargo transport and vice versa.

**CO<sub>2</sub> emissions per available seat kilometer – Scope 1**

In order to calculate the CO<sub>2</sub> emissions for each available seat, the assumption is that each seat is occupied by one passenger which corresponds to 100 kg. The metric is calculated by dividing the total CO<sub>2</sub> emissions with the total available tonne kilometer and then multiplied with 0.1 (i.e. 100 kg or 0.1 tonne).

**Principles for reporting and calculating employee data**

The following principles for calculating and reporting societal data have been used.

**Number of employees**

In this report, the number of employees is based on the number of persons during the month of October and sick leave statistics calculated for the fiscal year. The statistics include employees with a budgeted or actual schedule and/or who were sick during the period. Employees hired outside Scandinavia are included in the disclosure as Denmark.

**Sick leave**

Sick leave is reported as the number of days sick in relation to the number of employees multiplied by the number of calendar days. For sick leave, absence due to sick children is excluded. Long-term sick leave (more than 14 days) is reported as a percentage of the total sick leave.

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**Statement of use** SAS has reported in accordance to GRI Standards for the period November 1, 2023–October 31, 2024.  
**GRI 1 used** GRI 1: Foundation 2021  
**Applicable GRI Sector Standard(s)** No sector standard is available yet

GRI STANDARDS	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
<b>GENERAL DISCLOSURES</b>					
GRI 2: General Disclosures 2021	<b>The organization and its reporting practices</b>				
	2-1 Organizational details	51, 52			
	2-2 Entities included in the organization's sustainability reporting	43-44			
	2-3 Reporting period, frequency and contact point	43,51			
	2-4 Restatements of information	44-45			
	2-5 External assurance	43,49			
	<b>Activities and workers</b>				
	2-6 Activities, value chain and other business relationships	3-4, 9-10, 40-41, 51-52			
	2-7 Employees	33, 45	2-7-b-iii	Not applicable	No non-guaranteed hours employees.
	2-8 Workers who are not employees	33	Types of work and methodologies	Info inadequate	Information unavailable
	<b>Governance</b>				
	2-9 Governance structure and composition	67		Not applicable	SAS has been delisted
	2-10 Nomination and selection of the highest governance body	67		Not applicable	SAS has been delisted
	2-11 Chair of the highest governance body	67			
	2-12 Role of the highest governance body in overseeing the management of impacts	15, 34, 36, 39		Not applicable	SAS has been delisted
	2-13 Delegation of responsibility for managing impacts	36, 44		Not applicable	SAS has been delisted
	2-14 Role of the highest governance body in sustainability reporting	15, 44			
	2-15 Conflicts of interest	n/a		Not applicable	SAS has been delisted
	2-16 Communication of critical concerns	37			
	2-17 Collective knowledge of the highest governance body	n/a		Not applicable	SAS has been delisted
	2-18 Evaluation of the performance of the highest governance body	n/a		Not applicable	SAS has been delisted
	2-19 Remuneration policies	82		Not applicable	SAS has been delisted
	2-20 Process to determine remuneration	n/a		Not applicable	SAS has been delisted
	2-21 Annual total compensation ratio	n/a		Not applicable	SAS has been delisted
	<b>Strategy, policies and practices</b>				
	2-22 Statement on sustainable development strategy	7, 8 17, 31, 32, 34, 36-37, 39-41, 61			
	2-23 Policy commitments	16, 36, 39-41, 61			
	2-24 Embedding policy commitments	37			
	2-25 Processes to remediate negative impacts	37			
	2-26 Mechanisms for seeking advice and raising concerns	37			
	2-27 Compliance with laws and regulations	30, 57			

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GRI STANDARDS	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	<b>Stakeholder engagement</b>				
	2-28	Membership associations			43
	2-29	Approach to stakeholder engagement			13, 14-16, 41
	2-30	Collective bargaining agreements			32, 59
	<b>MATERIAL TOPICS</b>				
GRI 3: Material Topics 2021	3-1	Process to determine material topics			15
	3-2	List of material topics			16
	<b>ECONOMIC PERFORMANCE</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics			13, 16, 51-57
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed			42, 66, 71
	<b>ANTI-CORRUPTION</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics			16, 34, 39
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption			16, 39
	<b>ANTI-COMPETITIVE BEHAVIOR</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics			16, 30, 39, 57, 62
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			57
	<b>EMISSIONS</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics			16, 18-19, 21-27, 30, 36-37, 43-44
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions			19, 21-23, 43-45
	305-2	Energy indirect (Scope 2) GHG emissions			27, 44
	305-4	GHG emissions intensity			21-22
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			21-22, 44-45
	<b>WASTE</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics			12, 16, 19, 27-28, 36, 41
GRI 306: Waste 2020	306-3	Waste generated			27-28
	<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics			37, 40-41, 61
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria			41
					All new suppliers
	<b>RESPONSIBLE EMPLOYER</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics			12-13, 16, 33-34, 60
GRI 403: Occupational Health and Safety 2018	403-3	Occupational health services			33, 42
	403-4	Worker participation, consultation, and communication on occupational health and safety			32-34
	403-9	Work-related injuries			34, 45, 60-61



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GRI STANDARDS	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION REASON	EXPLANATION
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics			
				Information unavailable/incomplete	Information on age not available per employee category.
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees			
			405-1-a-ii, 405-1-b-ii		
<b>TRAINING AND EDUCATION</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics			
				Information unavailable/incomplete	Information not available by gender and employee category.
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee			
			404-1-a-i & ii		
<b>SUPPLIER SOCIAL ASSESSMENT</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria			All new suppliers
<b>CUSTOMER HEALTH AND SAFETY</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories			
			n/a	416-1	Information unavailable/incomplete
					Information not available.
<b>INNOVATION &amp; DIGITALIZATION</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics			
	Company specific	Innovation & digitalization			
			16, 42, 64-65		
			16		

# ASSURANCE REPORT

## Sustainability

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Auditor’s limited assurance report on SAS AB sustainability report and statement regarding the statutory sustainability report.

To SAS AB, Corp. Id. 556606-8499

### Introduction

We have been engaged by the Board of Directors and the Chief Executive Officer of SAS AB to undertake a limited assurance engagement of SAS AB Sustainability Report for the financial year 2023-11-01 – 2024-10-31. SAS AB has defined the scope of the Sustainability Report that also is the Statutory Sustainability Report on page 1 in this document.

### Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 43 in the Sustainability Report, and are part of the Sustainability Reporting Standards published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

### Auditor’s responsibility

Our responsibility is to express a conclusion on the

Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of financial information (revised). A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR’s accounting standard RevR12 The auditor’s opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of SAS AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and Chief Executive Officer as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

### Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Chief Executive Officer.

A Statutory Sustainability Report has been prepared.

Stockholm, January 30, 2025

KPMG AB

Tomas Gerhardsson  
Authorized Public Accountant

Torbjörn Westman  
Expert Member of FAR

# REPORT BY THE BOARD OF DIRECTORS



# REPORT BY THE BOARD OF DIRECTORS

## Report by the Board of Directors

### > Report by the Board of Directors

Dividends and disposition of earnings

Board of Directors

Executive Leadership Team

### Summary of fiscal year 2024

- Revenue for the year: 45,883 (42,043) MSEK
- The total number of passengers increased 6.4% and amounted to 25.2 million
- Unit revenue (CASK) decreased 5.2%<sup>1</sup>
- Income before tax was MSEK 1,736 (-5,516)
- Income before tax and items affecting comparability: MSEK -2,400 (-5,661)
- Net income for the year was MSEK 1,579 (-5,701)

<sup>1</sup> Currency-adjusted and excluding jet fuel.

SAS completed its restructuring proceedings in the US and Sweden, and SAS AB's existing common shares and commercial hybrid bonds were delisted.

The Board of Directors and the President of the Parent Company, SAS AB, hereby submit the annual and sustainability report for SAS AB and the SAS Group for fiscal year 2024 (November 1, 2023–October 31, 2024). SAS AB is registered in Stockholm and the address of its head office is Frösundaviks allé 1, Solna, Stockholm, Sweden, and its corporate registration number is 556606-8499. The company conducts airline operations, including ground handling, technical maintenance and cargo, in a Scandinavian and international network.

### Market performance fiscal year 2024

The number of passengers who traveled with SAS increased by 6.4%, totaling 25.2 million in FY 2024. SAS' currency-adjusted unit cost excluding jet fuel decreased by 5.2%.

#### TRAFFIC TRENDS FOR SAS

SAS Total traffic (scheduled and charter traffic)	FY24	FY23	Change
Number of passengers (000)	25,190	23,681	6.4%
RPK, Revenue Passenger Kilometers (mill)	35,915	32,553	10.3%
ASK, Available Seat Kilometers (mill)	45,442	42,566	6.8%
Load factor	79.0%	76.5%	2.6 <sup>1</sup>
Currency-adjusted unit cost, CASK, excl. jet fuel	-0.67	-0.71	-5.2%

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

### Restructuring proceedings

SAS launched its comprehensive business transformation plan SAS FORWARD in the end of February 2022. The goal of the plan is to enable SAS to continue to be a competitive player in the global airline industry. On July 5, 2022 SAS announced that it was voluntarily filing for Chapter 11 in the United States. The Chapter 11 process is a legal process that is conducted under the supervision of the US federal court system, which many international airlines based outside of the US have successfully used over the years to reduce their costs and complete financial restructurings. The objective of the Chapter 11 process was to reach agreements with key stakeholders, restructure the

company's debt obligations, reconfigure our aircraft fleet and emerge with a significant capital injection.

On March 19, 2024, the US Court for the Southern District of New York approved SAS' Plan of Reorganization as submitted by SAS as part of the Chapter 11 process. At that time, the Chapter 11 Plan's entrance into force remained subject to the fulfillment of various terms and conditions, including approval from the authorities and implementation of the company reorganization in Sweden of SAS AB.

On March 27, 2024, SAS AB applied for a company reorganization in Sweden. The application pertained only to the listed Parent Company of the SAS Group, SAS AB, and not any subsidiaries or the airline as such. On June 10, 2024, SAS announced the plan of reorganization in its ongoing company reorganization in Sweden, and on July 12, 2024, the Stockholm District Court opened plan proceedings. During the plan proceedings, affected parties were provided opportunity to vote on the reorganization plan.

On July 19, 2024, the Stockholm District Court approved the reorganization plan and, as a result, SAS AB's existing common shares and listed commercial hybrid bonds were to be redeemed and cancelled in conjunction with SAS' emergence from its restructuring proceedings. SAS AB applied for delisting of its existing common shares from Nasdaq Stockholm, Nasdaq Copenhagen and Oslo Børs, and for the delisting of SAS AB's listed

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commercial hybrid bonds from Nasdaq Stockholm, conditional upon the decision to approve the reorganization plan entering into legal force.

August 13, 2024 was the last day of trading for SAS AB's existing common shares on Nasdaq Stockholm, Nasdaq Copenhagen and Oslo Børs, and the last day of trading for the company's listed commercial hybrid bonds on Nasdaq Stockholm.

On August 28, 2024, SAS announced that the company had completed its restructuring proceedings and emerged from the Chapter 11 process in the US and from the company reorganization in Sweden. The new principal owners of the reorganized company are Castlelake, Air France-KLM, Lind Invest and the Danish State. In conjunction with the completion of the restructuring proceedings, all of SAS AB's common shares were redeemed and canceled.

The work with SAS FORWARD continues, and SAS will continue to transform the business with a network and fleet optimized for our customers' current and future demand, while concurrently securing commercial competitiveness.

**Income November 2023 – October 2024**

SAS generated an EBIT of MSEK -2,111 (-2,705). Income before tax amounted to MSEK 1,736 (-5,516) and income after tax was MSEK 1,579 (-5,701). During the year, tax amounted to MSEK -157 (-185).

Year-on-year, the exchange-rate trend had a negative impact on revenue of MSEK 400 and a positive effect on operating expenses of MSEK 577. Foreign

exchange rates thus had a positive impact on operating income of MSEK 177. Net financial items were positively impacted by currency items amounting to MSEK 631. The items mainly related to currency revaluations for lease liabilities, which amounted to an income of MSEK 578, compared with a cost of MSEK 154 last year. In total, currency effects had a net positive impact of MSEK 808 on EBT.

**INCOME STATEMENT, SUMMARY**

MSEK	Nov- Oct 23-24	Nov- Oct 22-23	Change vs LY	Cur- rency effects	Cur- Change vs LY (Curr. adj)
Revenue	45,883	42,043	3,840	-400	4,240
Total operating expenses	-47,994	-44,748	-3,246	577	-3,823
Operating income (EBIT)	-2,111	-2,705	594	177	417
Income before tax (EBT)	1,736	-5,516	7,252	808	6,444

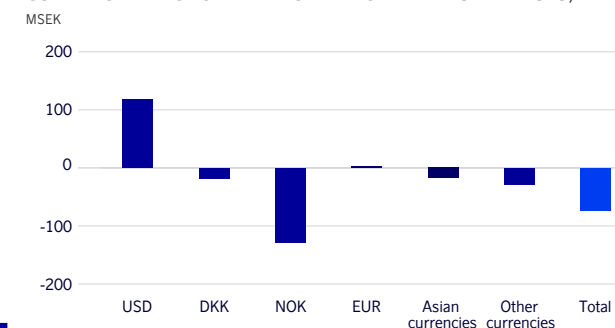
**CURRENCY EFFECT BETWEEN YEARS**

MSEK	FY24 versus FY23	FY23 versus FY22
Revenue	-400	802
Personnel expenses	73	-176
Other expenses	253	-1,240
Translation of working capital	225	76
Income from hedging of commercial flows	25	-572
<b>Operating income (EBIT)</b>	<b>177</b>	<b>-1,110</b>
Net financial items	631	2,809
<b>Income before tax (EBT)</b>	<b>808</b>	<b>1,699</b>

**CURRENCY EFFECTS ON NET INCOME FOR THE YEAR**

MSEK	FY24	FY23
Translation of working capital	16	-212
Income from hedging of commercial flows	33	11
<b>Operating income (EBIT)</b>	<b>49</b>	<b>-201</b>
Currency effect on the Group's financial net debt/receivables	529	-102
<b>Income before tax (EBT)</b>	<b>578</b>	<b>-303</b>

**CURRENCY EFFECT ON REVENUE AND OPERATING EXPENSES, NET**



**Revenue**

Revenue totaled MSEK 45,883 (42,043), see Note 2. Currency-adjusted revenue was up MSEK 4,240 year-on-year. The increase in revenue mainly related to increased production and increased demand.

Currency-adjusted passenger revenue rose 7%. 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 2,264. The higher load factor had a positive effect of MSEK 1,292. The lower yield had a negative effect of MSEK 1,286 on passenger revenue.

Currency-adjusted cargo revenue decreased MSEK 125 and currency-adjusted charter revenue was up MSEK 171 year-on-year. Other traffic revenue (currency-adjusted) was up MSEK 698.

Other operating revenue (currency-adjusted) was up MSEK 1,280 year-on-year, mainly as a consequence of the increase in volume-related revenue from items including aircraft rental and increased sales of EuroBonus points.

Report by the Board of Directors

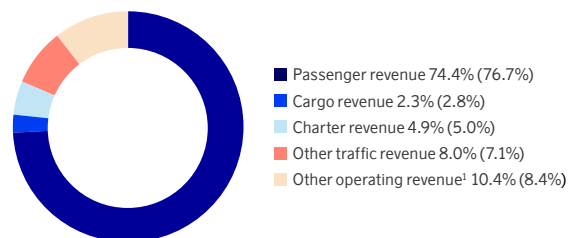
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REVENUE BREAKDOWN FISCAL YEAR 2024



1) Ground handling services, technical maintenance, terminal and forwarding services, sales commissions and charges, in-flight sales and other operating revenue.

Operational and financial expenses

Personnel expenses amounted to MSEK -8,882 (-8,072). After adjustment for currency, personnel expenses increased MSEK 884 year-on-year. The increase was mainly due to more employees.

Jet-fuel costs amounted to MSEK -10,913 (-10,940). Adjusted for currency, jet-fuel costs increased 1%. Volume effects had a negative impact on costs of MSEK 490. Lower jet-fuel prices had a positive impact on costs of MSEK 719. The cost of emission rights increased MSEK 244 year-on-year.

Air traffic charges amounted to MSEK -4,111 (-3,800). Adjusted for currency, air traffic charges increased 9%. The increase pertained mainly to higher traffic volumes.

Other external expenses amounted to MSEK -19,900 (-17,659), see Note 4. Year-on-year, other external expenses (currency-adjusted) increased MSEK 2,579. The increase pertained primarily to recovery to creditors in Chapter 11/company reorganization in Sweden.

The increase was also due to higher costs for technical maintenance as well as for sales and distribution. Currency-adjusted sales and distribution costs increased MSEK 191, primarily due to higher volumes. Technical maintenance costs (currency-adjusted) increased MSEK 898.

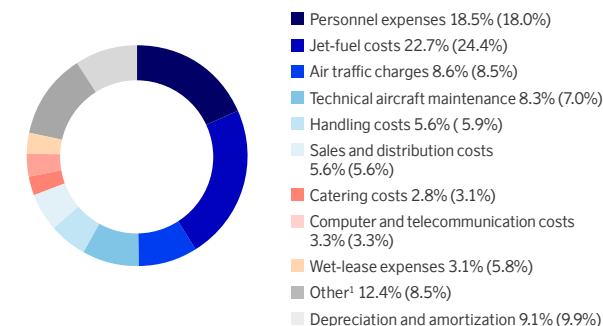
Depreciation and amortization amounted to MSEK -4,352 (-4,440), a decrease of MSEK 88 year-on-year. See Note 5.

Financial income and expenses amounted net to MSEK 3,847 (-2,811), representing a year-on-year improvement in financial net of MSEK 6,658. The positive effect in net financial items is mainly related to gains from write down of loans when SAS emerged from Chapter 11. The positive change also relates to currency revaluations for lease liabilities, which had a negative impact of SEK 154 last year, compared with a positive impact of MSEK 578 this year. Interest expenses increased MSEK 433, driven by the DIP financing as well as by the interest expense component on financial derivatives. Interest income increased MSEK 387 year-on-year.

Operating income amounted to MSEK -2,111 (-2,705) and EBT amounted to MSEK 1,736 (-5,516).

Net income for the year was MSEK 1,579 (-5,701) and tax amounted to MSEK -157 (-185). Income tax for the year was largely attributable to the effects of currency revaluations of lease liabilities and the change of temporary differences.

COST BREAKDOWN FOR SAS, FY 2024



1) Property costs, cost of handling passengers on the ground, freight and administration costs, etc.

Items affecting comparability

Total items affecting comparability amounted to MSEK 4,136 (145) for the year and pertained mainly from SAS emergence of Chapter 11. See more information in Note 39. The items affecting comparability also includes the sale and leaseback of ten A320 aircraft and the sale of three A321. Last year, items affecting comparability comprised sale and leaseback transactions for eight A320 aircraft, one engine and the rejection of lease contracts as part of the Chapter 11 process.

Income before tax and items affecting comparability, MSEK	FY24	FY23
Income before tax (EBT)	1,736	- 5,516
Rejection of lease contracts in Chapter 11	-	-160
Write down of loans and recovery to creditors in Chapter 11/company reorganization in Sweden	-4,201	-
Restructuring costs	20	-
Capital gains/losses <sup>1</sup>	45	15
<b>Income before tax and items affecting comparability</b>	<b>-2,400</b>	<b>-5,661</b>

1) Capital gains/losses include aircraft and engine sales amounting to MSEK -44 (-15), of which sale and leaseback amounted to MSEK -28 (-14).

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**BALANCE SHEET & FINANCIAL POSITION Assets**

Intangible and tangible fixed assets have decreased MSEK 4,695 since October 31, 2023. Changes for the year included investments of MSEK 4,857, amortization and depreciation of MSEK -969, sales of MSEK -8,452 and other effects of MSEK -131. The amount for investments included advance payments of MSEK 529 as well as delivery payments for twelve A320 aircraft of MSEK 4,277, of which ten have been sold and leased back. Other investments totaled MSEK 51 and mainly comprised capitalized expenditure for engine maintenance and modifications. Other effects included translation differences of about MSEK 8.

Right-of-use assets increased MSEK 2,367 during the year. New leases amounted to MSEK 7,339, and mainly pertained to new leases for ten A320, three E195, three A350 and one A330 aircraft. Changes in indexation and modification decreased net assets by MSEK 1,588, mainly from the emergence of Chapter 11. Depreciation was MSEK -3,384. The currency revaluations had an impact of MSEK -3.

Financial assets decreased MSEK 1,659, mainly due to remeasurements of SAS' defined-benefit pension plans.

Deferred tax assets increased MSEK 96. The increase was primarily due to the effects of currency revaluations of lease liabilities and the change of temporary differences. No loss carryforwards were capitalized during the year.

Current receivables decreased MSEK 1,184. This decrease was mainly attributable to release of blocked bank funds.

Cash and cash equivalents were MSEK 11,547 (6,160) as of October 31, 2024. Unutilized contracted credit facilities amounted to MSEK 0 (3,892). Financial preparedness (excluding effects from emergence of Chapter 11) amounted to 39% (35%) of SAS' fixed costs.

**Shareholders' equity and liabilities**

Shareholders' equity increased MSEK 5,497 to MSEK -613. The increase pertained mainly to new capital raise of MSEK 5,791 and net income for the year of MSEK 1,579. A negative actuarial effect on defined-benefit pension plans decreased equity by MSEK -1,335. Additionally, when SAS emerged from Chapter 11 a payment for recovery to hybrid bond holders reduced equity by MSEK 509.

Non-current liabilities increased MSEK 4,961 and current liabilities decreased MSEK 9,945. The total decrease in liabilities was MSEK 4,984 and was mainly due to loans that were written down when SAS emerged from Chapter 11.

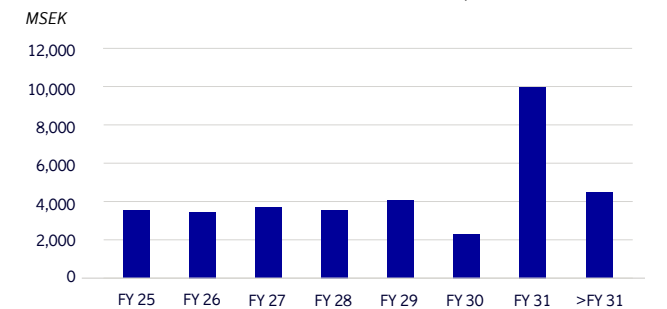
**Interest-bearing liabilities**

On October 31, 2024, interest-bearing liabilities amounted to MSEK 35,884 (42,492), a decrease of MSEK 6,608 since October 31, 2023. New loans and repayments for the year were MSEK 14,417 and MSEK 10,472 respectively. New leases and amortization of lease liabilities amounted to MSEK 7,471 and MSEK 3,148 respectively. Write down of loans in Chapter 11 as well of modifications of lease liabilities as a part of SAS emergence from Chapter 11 has decreased SAS liabilities with approx. MSEK 12,000. Currency revaluations have reduced debt by about MSEK 1,400. Other items, mainly related to accrual of interest on DIP loan has decreased the debt with MSEK 1,100.

**BREAKDOWN OF SAS' INTEREST-BEARING LIABILITIES, OCTOBER 31, 2024**

Liability	Note	MSEK
Subordinated loans	22	-
Aircraft financing liabilities	22	4,870
Convertible notes	22	7,411
DIP-financing	22	-
Other loans	22	388
Lease liabilities	23	22,411
Current liabilities	22	804
<b>Total</b>		<b>35,884</b>

**REPAYMENTS OF INTEREST-BEARING LIABILITIES, 31 OCTOBER 2024**



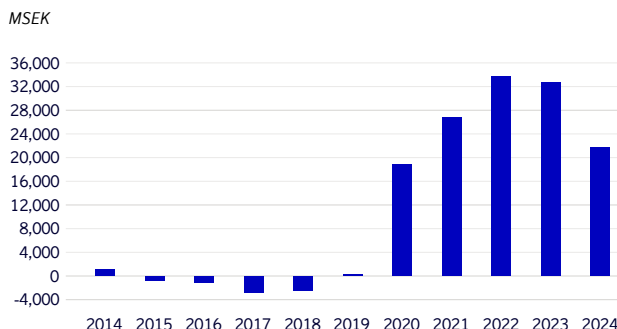
**Financial net debt**

As of October 31, 2024, financial net debt amounted to MSEK 21,629 (32,634), a decrease of MSEK 11,006 since October 31, 2023. The decrease was primarily attributable to a positive cash flow from operating and investing activities of MSEK 3,340 and new share issue of MSEK 5,001 but off set by new leases of MSEK 7,471. Write down of loans, modifications of lease liabilities in Chapter 11 and payment of DIP fees and claims to debtors in Chapter 11, have together had a positive effect on the financial net debt by approx. MSEK 9,000. Currency had a positive effect of approx. MSEK 1,100.

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FINANCIAL NET DEBT



Cash-flow statement

Cash flow for the year amounted to MSEK 5,646 (-2,748). Cash and cash equivalents amounted to MSEK 11,546, compared with MSEK 6,160 on October 31, 2023.

Cash flow from operating activities

Cash flow from operating activities before changes in working capital amounted to MSEK 531 (242) for the year.

The change in working capital was positive for the year and amounted to MSEK 2,506 (2,185). The positive outcome for the year was mainly the result of an increased unearned transportation liability as the result of increased ticket sales.

Cash flow from operating activities for the year amounted to MSEK 3,037 (2,427).

Investing activities

Investments amounted to MSEK 4,857 (4,069), of which most pertained to aircraft.

Aircraft investments for the year comprised twelve A320 aircraft, capitalized expenditure for aircraft maintenance, modifications, and advance payments to Airbus.

During the year, ten A320 aircraft were sold and leased back, generating inflows of MSEK 5,160 (4,173).

Financing activities

New share issue had an inflow of MSEK 5,001. New loans amounted to MSEK 14,417 (1,585), while repayments totaled MSEK 10,472 (3,179). Amortization of lease liabilities totaled MSEK 3,148 (2,796).

Key figures

On October 31, 2024, the return on invested capital (ROIC) was -7% (-7%).

Financial preparedness (excluding the effect from SAS emergence from Chapter 11) was 39% (35%) at the end of the year.

The financial net debt/adjusted EBITDA ratio as of October 31, 2024, was a multiple of 14.5. On October 31, 2023, the multiple was 20.4.

On October 31, 2024, the equity/assets ratio amounted to -1%, compared with -11% on October 31, 2023. The improvement was primarily attributable to new equity and SAS emergence from Chapter 11.

CALCULATION OF ROIC

MSEK	October 2024
EBIT, 12 months	-2,111
Theoretical tax	452
<b>Total</b>	<b>-1,659</b>
Average shareholders' equity	-6,960
Average financial net debt	30,188
<b>Invested capital</b>	<b>23,228</b>
<b>ROIC</b>	<b>-7%</b>

CALCULATION OF FINANCIAL NET DEBT/ADJUSTED EBITDA

MSEK	
Average financial net debt	30,188
Adjusted EBITDA, 12 months	2,076
<b>Financial net debt/Adjusted EBITDA</b>	<b>14.5x</b>

CALCULATION OF FINANCIAL PREPAREDNESS

MSEK	
Cash and cash equivalents	11,546
Unutilized credit facilities	0
<b>Total</b>	<b>11,546</b>
Total other external expenses <sup>1</sup>	-26,722
Net financial items excluding exchange-rate effects on lease liabilities <sup>1</sup>	-2,710
<b>Total</b>	<b>-29,432</b>
<b>Financial preparedness</b>	<b>39.2%</b>

<sup>1</sup>Excluding the effect from SAS emergence from Chapter 11/company reorganization in Sweden

Parent company

The Parent Company SAS AB conducts limited intraGroup services. Revenue totaled MSEK 1,478 (872) and operating expenses MSEK -3,511 (-1,068). Net financial items totaled MSEK 1,781 (479) and



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impairment of shares in subsidiaries amounted to MSEK 0 (-1,840). Net income for the year was MSEK -252 (-1,557).

### FINANCING AND CAPITAL MANAGEMENT

#### Financing

SAS can use bank loans, capital market products, export credits and leases as sources of financing. In connection with aircraft transactions, the financing method is a very important factor that is taken into account together with residual value risks and financing costs. New loans raised during the fiscal year amounted to MSEK 14,417 (1,585 ) and pertained to refinancing of the company's existing DIP loan, financing of two aircraft deliveries and finally the convertible notes that was taken out in connection with the completion of Chapter 11/Swedish corporate restructuring.

#### Aircraft fleet

The aircraft fleet consists of the Airbus A320 family, Airbus A330/350, Embraer E195-100 and Boeing 737NG aircraft. In addition, SAS wet-leases 23 aircraft through strategic business partners. SAS is developing and planning to have four operational platforms: SAS Scandinavia, SAS Connect, SAS Link and Wet Lease. The aircraft fleet is SAS' largest tangible asset. SAS depreciates directly-owned aircraft over 20 years utilizing a residual value of 10%, excluding aircraft engines. Aircraft engines are depreciated over around eight years. Maintenance of leased aircraft is set off on an ongoing basis related to use, whereas maintenance of owned aircraft is capitalized and depreciated. Passenger aircraft are generally used for 20 to 25 years in commercial passenger traffic but aircraft that are well maintained can operate for longer periods.

There are still items of value in an aircraft after it has been taken out of service, for example engines and spare parts.

#### Financing of aircraft orders

As of October 31, 2024 SAS had aircraft orders for nine Airbus A320neo and two Airbus A350 for delivery up through 2026. The collaboration with BRA also means for 2025 a wet lease reinforcement with 12 ATR-72 and one A319.

In financing aircraft, SAS uses a combination of leases and secured bank loans and credit facilities. SAS aims to maintain a balance between owned and leased aircraft based on a cost, risk and flexibility perspective. SAS intends to utilize a mix of bank loans, leases and bank facilities to finance owned aircraft. When leasing,

THE SAS AIRCRAFT FLEET AS OF OCTOBER 31, 2024

SAS Group Aircraft Fleet	Age	Owned	Leased	Wet lease	Total	SAS Scandinavia	SAS Connect	SAS Link	Wet lease	In SAS Group traffic	Firm order purchase	Firm order lease
Airbus A330/A350	10.1	3	9		12	12				12	2	
Airbus A320 family	5.8	17	70		87	57	30			87	6	4 <sup>2</sup>
Boeing 737NG	24.7	1			1	1				1		
Embraer E195-100	15.5		10		10			10		10		
Bombardier CRJ	10.7			19	19				19	19		
ATR-72	10.6			4	4				4	4		12 <sup>2</sup>
<b>Total aircraft in operation</b>		<b>21</b>	<b>89</b>	<b>23</b>	<b>133</b>	<b>70</b>	<b>30</b>	<b>10</b>	<b>23</b>	<b>133</b>	<b>8</b>	<b>16</b>
<b>Aircraft undergoing phase-out</b>												
Airbus A320-200	18.0		1		1							
Airbus A321-200	22.2	1			1							
Boeing 737NG <sup>1</sup>	16.2	9			9							
<b>Total</b>		<b>10</b>	<b>1</b>		<b>11</b>							

1) Of which nine are under lease as of October 31, 2024

2) Of which 13 are long time wet lease as of October 31, 2024

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which can be conducted via sale and leaseback agreements, aircraft are sold on delivery and leased back over an eight- to twelve-year period.

Of the remaining aircraft orders for nine Airbus A320neo and two A350-900, SAS has financed three A320neo through operating leases.

**AIRCRAFT ON FIRM ORDER 2024–2026 AS OF OCTOBER 31, 2024**

	FY25	FY26	Total
Airbus 320neo	5	4	9
Airbus 350		2	2
<b>Total</b>	<b>5</b>	<b>6</b>	<b>11</b>

As of October 31, 2024, SAS' remaining contracted future purchase commitments for aircraft orders with delivery in the 2024–2026 period totaled MUSD 510.

**CONTRACTED MATURITY OF LEASED AIRCRAFT**

	FY25	FY26	FY27	FY28	FY29>
Operating leases, aircraft	3	1	8	11	67
Wet-leased aircraft	3	-	1	12	12
<b>Total</b>	<b>6</b>	<b>1</b>	<b>9</b>	<b>23</b>	<b>79</b>

**Financing of pre-delivery payments for aircraft**

Airlines make prepayments before delivery. In addition to payment in conjunction with placing the order, pre-delivery payments (PDPs) normally commence when production of the aircraft starts about two years prior to delivery. SAS continuously evaluates possibilities for the external financing of PDP but during this fiscal year SAS has not used PDP financing.

Through a combination of ownership, and operational and wet-leased aircraft, the aim is to have high flexibility regarding the return of aircraft. This is important, as the airline industry is exposed to several macro-economic events that could rapidly have a negative effect on demand.

**Seasonal effects and cash-flow optimization**

SAS analyzes balance-sheet items and operating trends to optimize cash flow with the aim of attaining the lowest possible funding cost within the framework of SAS' financial policy. As a result of operating liabilities exceeding current assets, working capital amounted to MSEK -15,434 (-13,529) at October 31, 2024, representing a year-on-year change of MSEK 1,905.

Cash flow from operating activities in FY24 amounted to MSEK 3,037 (2,427), up MSEK 610 year-on-year. The positive outcome for the period was mainly the result of an increased unearned transportation liability as the result of increased ticket sales.

**Sustainability report**

In accordance with the Swedish Annual Accounts Act, SAS has prepared a statutory Sustainability Report, which has been incorporated into the Annual and Sustainability Report Fiscal Year 2024, separate from the Report by the Board of Directors, on pages 12 and 48. The auditor's opinion regarding the statutory Sustainability Report is included on page 49.

**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 appealed the European Commission's decision and a hearing was held in the CJEU in July 2019. Judgement was announced on March 30, 2022. SAS was partly successful with its appeal and the fine paid in under 2017 was slightly reduced. SAS has appealed the judgement.

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 certain countries for example 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.

# RISK MANAGEMENT

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Risk area	Risk	Risk level	Risk control measures fiscal year 2024
1	Market risks	1.1 Macro economic development	Continuous monitoring of demand, competition, and projected revenue and adjustments of SAS' capacity offering and production to adapt.
		1.2 Market and competition	Continuous monitoring of demand, competition, and projected revenue and adjustments of SAS' capacity offering and production to adapt.
2	Employee risks	2.1 Capability / Capacity	Annual people reviews and successor identification.
		2.2 Engagement	Strengthened leadership, increased internal communication and transparency.
		2.3 Processes and systems	Follow-up of low and high-performing individuals. Documentation of internal processes and maximizing the cross functional collaboration.
		2.4 Labor actions	Strengthen dialogue and relationships to increase consensus with the unions.
3	Operating risks	3.1 Incidents and accidents	Continuous internal monitoring and reporting to the Board.
		3.2 Suppliers	Focus on renegotiating agreements with strategic suppliers as well as follow up quality levels and efficiency.
		3.3 Cost competitiveness and efficiency	Transformation office to ensure continuous scrutiny on the progress of the savings initiatives in SAS Forward.
4	Sustainability risks	4.1 Environmental requirements	Continued efforts with measures to improve climate and environmental performance, and to ensure compliance with applicable laws and regulations. Organizational enhancements to drive ESG improvements.
		4.2 Human rights	Requirement of complying with United Nations Global Compact in contracts with suppliers and subcontractors. Continuous monitoring of compliancy.
5	Legal and political risks	5.1 Political and regulatory risks	Active dialogues with the political systems and industry organizations (IATA) to obtain early information about regulatory changes and sanctions, and to participate in decision-making. Together with the industry, SAS promotes the importance of the aviation for business and society.
		5.2 Fraud and other crime	Continuous improvement of SAS' capabilities for proactive identification and prevention of potential criminal and fraudulent activity.
		5.3 Legal and insurance risks	Development of policies and training to stay compliant with laws and regulations. Ongoing self-assessment of compliancy. Legal counseling and participation in contracting processes. Insurance protection for operations and employees.
6	Financial risks	6.1 Liquidity, refinancing and funding risk	Ongoing follow-up and projections of financial preparedness.
		6.2 Exchange rates	Currency hedging in line with SAS' financial policy and monitoring the currency market.
		6.3 Interest rates	Interest rate risk in line with SAS' financial policy. Relatively large portion of liabilities are fixed rate, but new convertible MUSD 725 is floating rate.
		6.4 Jet-fuel price and emission rights	Jet-fuel hedging in line with SAS' financial policy and monitoring the jet-fuel price trend.
		6.5 Counterparty losses	SAS' counterparty risks are managed in line with SAS' financial policy.
7	IT	7.1 Operational reliability and dependability	Continual improvement of monitoring, incident- and problem-handling procedures.
		7.2 Cyber Security	Expansion and improvement of processes and tools to prevent negative impacts on operations.
8	Other events	8.1 Extraordinary events	Continuous monitoring of extraordinary events. Discussion within Executive Leadership Team on their impact on SAS operations and financial situation, and implementation of mitigating activities.
		8.2 Brand and reputation	Constant monitoring of SAS presentation in media, and implementation of brand strengthening activities.

● Low risk ● Medium risk ● High risk

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The underlying objective of risk management is to create the optimal preconditions for growing value for our stakeholders. SAS, like other organizations, is exposed to many general and more company-specific risks that may impact operations both negatively and positively.

Risk management at SAS is about positioning SAS in relation to, known and unknown, possible events with the aim of minimizing the potential negative effects should an unexpected event occur. Overall risks are monitored and identified centrally and followed-up through policies that aim to control the risks. Flight safety has always the highest priority at SAS.

Value for shareholders and other stakeholders in SAS is maximized, when strategies, goals and strategic priorities are set to ensure an optimal balance between the growth, profitability and their related risks, and the resources are used efficiently and sustainably. Accordingly, risk management and risk assessment are of fundamental importance to ensure SAS' long-term sustainable profitability.

**1. MARKET RISKS**

**1.1 Macroeconomic development**

63% of SAS passenger revenue comes from Scandinavia (Ticket revenue, FY24). Norway accounts for 25%, Sweden for 24% and Denmark 13%.

Development of demand in Scandinavia is crucial for SAS financial performance. Scandinavian economies have experienced energy shortages, high inflation and rising interest rates and while the situation is improving, there are risks related to underlying demand growth. Geopolitical instability and the wars in Ukraine and middle east also contribute to uncertainty around the

general macro-economic development. Uncertainty in future demand therefore remains.

USD exchange rates have been volatile and are currently on historically high levels, with NOK and SEK being historically low. Weak local currencies impact demand for travel outside Scandinavia, and high USD rates increase operational cost since a large share of costs are denominated in USD (asset, maintenance, fuel). SAS' profitability is therefore sensitive to the development of the USD rate.

**1.2 Market and competition**

The COVID-19 pandemic has made the last few years the most challenging in the history of the aviation industry. Post-pandemic, there is a new customer landscape with different travel patterns and higher focus on leisure travelers. In the last 18-24 months, the market has shifted from recovery (fast growth) to a development more resembling normal incremental growth. While both LCCs and legacy carriers are adding capacity in Scandinavia, competitive capacity growth in SAS' markets is currently on relatively sustainable levels. However, barriers to entry are low and any large capacity addition into Scandinavia has the potential to disrupt the supply and demand balance and negatively impact SAS' earnings potential.

SAS continuously analyzes the supply, demand and market performance and makes proactive adjustments to network, customer offering and pricing, to adapt to supply and demand changes and to strengthen its' competitiveness.

**2. EMPLOYEE RISKS**

**2.1 Capability / Capacity**

Biggest risk relates to our skewed demographics, particularly exposed to retirements the coming years putting pressure on knowledge transfer and long-term learning initiatives. We are mitigating this through timely expansion of capability (skills) and capacity (volume). SAS has also boost it Talent Acquisition capability building a fully centralized recruitment and branding function to secure the long-term hiring needs across all parts of the company.

**2.2 Engagement**

SAS operates in a highly competitive market, and it is essential to us to invest in our colleague's engagement to ensure every day we come to work, we are charged with energy and tools to excite and delight our travelers. Across SAS we invest a lot in driving engagement, harmonize and simplify our work processes, clarify roles & responsibilities, and inject a high sense of accountability and shared ownership.

**2.3 Processes and systems**

SAS uses systems and processes to enable smooth people processes. Further standardization and automation of processes continues through digitalization.

**2.4 Labor actions**

SAS endeavors for a strong partnership with our unions and long-term labor agreements including industry wide agreements wherever possible.

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3. OPERATIONAL RISKS

3.1 Incidents and accidents

Flight safety is the top priority at SAS. SAS’ safety culture builds on the foundation comprised by the values, skills, and experience of all employees throughout the organization.

The safety culture entails continuously striving to improve safety by encouraging SAS employees to actively learn, adapt and modify individual and organizational behavior to reduce exposure to risk.

SAS’ management is well versed in the safety efforts at SAS and is involved in daily safety activities.

SAS has a safety policy that is documented, communicated, and implemented in its operations.

SAS has a longstanding and well-implemented Safety Management System (SMS), which has received regulatory approval. SAS also meets IATA’s safety standard, IOSA – IATA Operational Safety Audit, which certifies that operations meet the most stringent flight safety regulations and best practices in the market.

Since start, safety efforts have been based on minimizing the risk of a previous event recurring, by learning from previous incidents and accidents, and through conducting diligent investigations and analyses of incidents and accidents to minimize the risk of recurrence.

In addition to traditional methods of preventing accidents and incidents through reactive measures to prevent recurrence, SAS also has a more mature safety management system (SMS) that is based on analyzing data

and trends, which identifies safety issues before they result in an incident or accident. The identification of potential incidents and accidents is one method of working proactively with flight safety. The work also entails learning from the risks at other departments, other airlines, etc., and implementing processes and procedures to ensure that serious accidents and incidents do not occur.

The SMS provides SAS with the possibility of acting more proactively with its safety efforts, prioritizing effectively, and ensuring the entire organization promotes passengers’, employees’, and the company’s safety.

All the operating platforms used by SAS are required to be IOSA certified and hold a European traffic license. To ensure corresponding safety levels at the wet-lease companies that together with our own flight operations comprise the operational platforms, SAS has set the following requirements:

- Prior to contract, the operator’s safety efforts are analyzed.
- Monthly safety summaries and continuous deviation reports are sent regularly to SAS management.
- Safety follow-up meetings are held regularly.
- SAS conducts inspection flights and performs observations in simulator training sessions.
- Annual audits are carried out by SAS.

SAS only initiates code-share collaboration with other airlines that have IOSA certification or that have submitted to a comparable audit.

Safety activities and risk levels in fiscal year 2024

In fiscal year 2024, SAS has continuously monitored and measured daily risk levels in flight operations, ground operations, technical maintenance, and aviation security in a hierarchical system of objective safety performance indicators.

To aid follow-up of flight safety on a departmental basis and for the various operational platforms, SAS uses operational flights safety tools, systems, and processes with the capacity of identifying trends and correlations. Which in turn leads to SAS acting more proactively with safety related risks.

Compared to FY2023, safety related occurrence risk indexes for FY2024 have increased. This is mainly an effect of harmonization between the operators regarding risk assessment methods. The harmonization will contribute to a more efficient trend analysis and the initiative will be continued during 2025. The overall assessment of safety occurrences is stable operations, supported by a good reporting rate.

RISK INDEX FY2024

Operations	Low	Medium	High
Flight Operations, %	8.32	0.31	0.00
Ground Operations, %	4.12	0.27	0.00
Technical Operations, %	2.40	0.29	0.00
Security, %	0.36	0.02	0.00
<b>Total FY2024 as a % of the No. of flights</b>	<b>15.24</b>	<b>0.89</b>	<b>0.00</b>

Low: Events that occurred where the remaining safety margin was extremely effective. Normal monitoring is the only action required.

Medium: Events that occurred where the remaining safety margin was limited. Risk evaluation plus appropriate actions were adopted for continued operations.

High: Events that occurred where the safety margins were minimal or ineffective. This group includes more serious events (such as engine failure during takeoff). Such incidents must be investigated immediately to identify whether they are isolated incidents and do not affect continued airline.

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**3.2 Suppliers**

Dependence on external suppliers across all operations is increasing in pace with changes in the airline industry. This applies equally to operations such as ground handling and production partners, and to administrative functions such as customer service and accounting. SAS conducts continual reviews of its supplier base, identifying the most operation-critical suppliers. SAS has an established steering model that clarifies responsibilities, risks and areas for improvement, as well as how any deviations should be managed. Responsibility for ongoing follow-up of critical suppliers has been centralized and standardized. All of SAS suppliers must meet requirements for sustainability and social responsibility in line with SAS' Supplier Code of Conduct.

**3.3 Cost competitiveness and efficiency**

Following the completion of Chapter 11 and the reorganization of SAS AB in Sweden, SAS has significantly improved its cost competitiveness. The purpose of the SAS FORWARD transformation is to further secure SAS long-term competitiveness.

**4. SUSTAINABILITY RISKS**

SAS has integrated its sustainability work into its management system, which has structured processes for mitigating and managing all risks and possibilities in the field of sustainability.

**4.1 Environmental requirements**

It is a firm ambition of SAS to contribute to a better future. Society and our customers will continue demanding more sustainable solutions 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, which is in line with SAS' aspiration to invest in sustainable aviation.

Different laws and regulations impose requirements to reduce climate and environmental impact, including restrictions on noise levels and greenhouse gas emissions. All laws and regulations in the field of the environment and the climate are handled by SAS' management system which, as regards the environment, is certified according to IATA Environmental Assessment (IEnvA). SAS conducts annual reporting in EU ETS, CH ETS, UK ETS, and in CORSIA.

To ensure SAS compliance with national and international rules and legislation, sustainability improvements are continuously being made. SAS measures its' eco-efficiency by measuring total and relative carbon emissions.

**4.2 Human rights**

SAS is a major purchaser of products and services from a large number of suppliers and subcontractors. SAS stands firmly behind the UN Global Compact, and therefore requires that all the suppliers and subcontractors share SAS' perception on, for example, human rights through solid market-based employment terms and right to organize into unions (freedom of association). SAS Group People Policy explicitly requires compliance to Human Rights as an overall requirement.

**5. LEGAL AND POLITICAL RISKS**

**5.1 Political and regulatory risks**

SAS operates on a global market and is exposed to various types of political and regulatory decisions

which may significantly impact SAS' operations and economy either in a positive or negative way. SAS carefully monitors political and regulatory development in the markets it operates. Through active dialogue with political decision-makers, public agencies, and organizations, SAS strives to influence development that may have significant impact on SAS as a company.

SAS is a member of and operates through domestic and international industry bodies that are tasked with monitoring society, influencing public opinion and promoting SAS and the airline industry's positions in relevant areas.

Increasing sustainability regulation and awareness and increasing levels of customer protection legislation will impact SAS financially and operationally. Furthermore, sanctions because of geopolitical tensions will remain as an increasingly important area of risk focus.

**5.2 Fraud and other crime**

SAS is potentially exposed to crimes that may cause both economic and immaterial impact. A substantial portion of SAS' ticket sales is conducted online using credit cards, which entails a risk of credit card fraud and other cybercrimes.

SAS analyzes these risks on an ongoing basis and has internal controls and procedures in place to identify and mitigate potential crime and fraud risk.

**5.3 Legal and insurance risks**

SAS business is inherently global, which means that SAS must comply with laws and regulations in a large number of jurisdictions. This is not least true for consumer and PRM protection.

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SAS legal department strives for risk management and compliance with relevant laws through different means. Contractual risks in relation to external parties are dealt with through different kinds of legal support (direct legal counsel advice, standard form agreements, templates or checklists) and legal counsel participation in contracting processes. SAS monitors changes in laws and regulations and their impact on SAS and compliance is sought through stakeholder education, training and the use of internal policies, processes and rules. Such policies include the SAS Code of Conduct, which contains ethical rules and guidelines for all employees in SAS to follow and the SAS Competition Compliance training, which contains guidelines from a competition law perspective.

The breadth of SAS' operations and many contractual relations mean that SAS is, and potentially will be, involved in litigation and arbitration procedures either as plaintiff or defendant.

**6. FINANCIAL RISKS**

SAS is exposed to various types of financial risks. All risk management is performed centrally pursuant to the financial policy adopted by the Board.

Financial risks pertaining to volatility in currency rates, interest rates and fuel prices, are hedged with derivatives, which aim to counter short-term negative fluctuations and provide scope for adapting operations to longer-term changes in levels. Another aim of SAS' hedging strategy is to enable SAS to act quickly when changes in currency rates, interest rates and fuel prices are advantageous. More information is available in Note 25.

**6.1 Liquidity risk and refinancing**

The cash flow from SAS' airline operations follows clear seasonal trends. As passenger revenue is recognized when SAS or another airline provides the transportation, this means that seasonal variations impact cash flow and earnings differently. SAS also has several different financial instruments issued, as well as 89 aircraft on operating leases and 23 aircraft on wet lease contracts that are continually maturing.

The target is a financial preparedness of at least 25% of fixed costs (measured as % of cash and cash equivalents together with unutilized credit facilities in relation to annual fixed costs). SAS prepares a rolling liquidity forecast that is used as a basis to ensure that financial preparedness is maintained and to identify refinancing needs. SAS typically uses bank loans, bonds, subordinated loans, convertible loans, hybrid bonds and leases as sources of funding.

On August 28, SAS announced that the company has successfully completed its restructuring proceedings and emerged from Chapter 11 in the US and from company reorganization in Sweden. The exit financing transaction included a total investment in the reorganized SAS of USD 1.2 billion, comprising of USD 475 million in new unlisted equity and USD 725 million in secured convertible debt. With this SAS has emerged as a more financially robust company with a strengthened capital structure and with substantial liquidity.

SAS is in continual discussion with banks and financiers regarding refinancing of SAS' loan and leasing maturities.

Whilst financial market and risk appetite largely have recovered from the COVID-19 pandemic, the generally perceived uncertain market outlook may impact the financing risk negatively. With the recently concluded restructuring and recapitalization, SAS' has strengthened its capital structure. Whereas access to certain finance sources impacted by the Chapter 11 filing will continue to remain closed, in general, access to finance for SAS is expected to improve as a result of successful emergence from Chapter 11. When sourcing refinancing or funding, SAS will run a dialogue with several providers of financing with the purpose to ensure the most optimal contract terms.

**6.2 Exchange rates**

Transaction risk arises from currency rates volatility that impact the size of commercial revenue and costs and thus SAS' operating income. As a consequence of aircraft and jet fuel being priced in USD and of international operations, SAS is considerably exposed to price changes in several currencies.

The USD is SAS' largest deficit currency, and NOK is SAS' largest surplus currency. Introduction of IFRS16 in 2019, has created substantial volatility in both operating income and the balance sheet.

Currency exposure is managed through continuously hedging 40–80% of SAS' surplus and deficit currencies based on a 12-month rolling liquidity forecast. On October 31, 2024, SAS had hedged 40% of its anticipated USD cash flow deficit using forward contracts and currency options. 41% of NOK, which is SAS largest surplus currency, was hedged for the next 12 months. In addition, to prevent earnings-related

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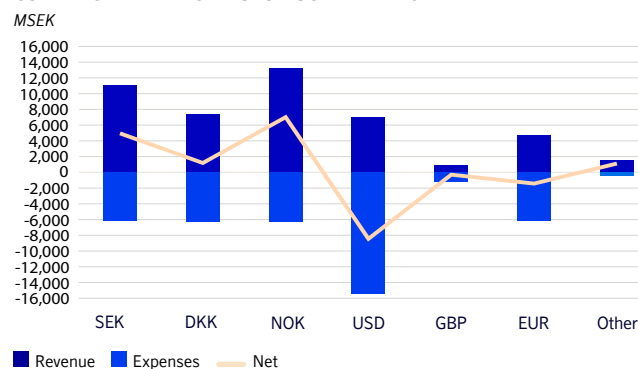
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revaluation effects, hedging is also performed through currency forward contracts pertaining to financial assets and liabilities. SAS' USD denominated loans are hedged against the SEK to reduce currency risk in the loan portfolio.

Year-on-year, the foreign exchange-rate trend had a negative impact on revenue of MSEK 400 and a positive effect on operating expenses of MSEK 577. Foreign exchange rates thus had a positive impact on operating income of MSEK 177. Net financial items were positively impacted by currency items amounting to MSEK 529, mainly driven by revaluation of lease liabilities MSEK 578 compared to last year when the revaluation of lease liabilities was negative by MSEK 154. In total, currency effects had a net positive impact of MSEK 808 on EBT.

CURRENCY BREAKDOWN SAS FISCAL YEAR 2024



NET EARNINGS IMPACT FOR THE NEXT 12 MONTHS FORECASTED CURRENCY EXPOSURE (EXCL. HEDGING)

SAS total	MSEK
1% weakening of SEK against USD	-133
1% weakening of SEK against NOK	80
1% weakening of SEK against DKK	6
1% weakening of SEK against EUR	-3
1% weakening of SEK against GBP	1
1% weakening of SEK against CHF	2

Currency risk for aircraft investments

SAS uses currency forwards to hedge part of the order value for aircraft it has on order to limit the currency risk. Any currency forwards outstanding are terminated on delivery under leases, both operating leases and JOLCO (Japanese leases with purchasing options). SAS has currency hedged a portion of its remaining aircraft order for two Airbus A350 aircraft.

6.3 Interest rates

The airline industry is capital-intensive and on the closing date, SAS had MSEK 13,473 (21,065) in interest-bearing liabilities, excluding lease liabilities, which exposes SAS to interest-rate changes.

Despite a recent period with rising market interest rates following soaring inflation, the impact on SAS financial situation has been limited. A large proportion of SAS liabilities are on fixed interest rates. However, the new MUSD 725 convertible notes are floating rate, increasing SAS exposure to rising interest rates significantly. Also, rising interest rates create additional pressure on potential lease negotiations as funding costs for lessors increase.

Financial policy at SAS regulates the proportion between floating and fixed-interest rates with the objective that gross financial debt has a tenor of three years with a permitted interval of 1–5 years. The average fixed-interest period for gross financial debt, was 1.9 years (1.3) as of October 2024.

6.4 Jet-fuel price and emission rights

Jet-fuel price

Jet-fuel costs comprise the single largest expense item for SAS and in fiscal year 2024 amounted to around 23% (24) of SAS' operating expenses (including leases, depreciation, and amortization). SAS normally hedges jet-fuel costs to counter short-term negative fluctuations.

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 temporarily adjusted the financial policy with regard to the hedging ratio for jet fuel.

The exception applies for the first six months of FY 2025 and permits hedging between 0 and 80% of the anticipated volumes for the next 12 months.

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



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Under current plans for flight capacity, the cost of jet fuel during FY 2025 is expected to be in line with the table below, taking into account different fuel prices, USD rates and jet-fuel hedging.

In FY24, market prices for jet fuel on a weighted average basis were 8% lower than the preceding fiscal year. At the start of the fiscal year, jet-fuel prices were around USD 900/MT but decreased to 700/MT. The year has been characterized by challenges in the supply chain with jet fuel from the Middle East. During the year the central banks have continued to lower their interest rates which has had a positive effect on the price.

The lower jet-fuel price meant that jet-fuel costs, adjusted for currency and volume effects, decreased MSEK 719 or by 7% of the total jet-fuel costs year-on-year.

VULNERABILITY MATRIX, JET-FUEL COST (NOV2024 – OCT2025), SEK BILLION

Market price	Exchange rate SEK/USD				
	10.0	10.5	11.0	11.5	12.0
500 USD/ton	6.9	7.3	7.6	8.0	8.3
700 USD/ton	9.1	9.6	10.0	10.5	10.9
800 USD/ton	10.2	10.7	11.2	11.7	12.2
900 USD/ton	11.3	11.8	12.4	13.0	13.5
1 000 USD/ton	12.3	13.0	13.6	14.2	14.8

*The jet-fuel cost in the statement of income does not include USD currency hedging effects. These effects are recognized under "Other" in Other operating expenses, Note 4, since currency hedging is performed separately and is not linked specifically to its jet-fuel purchases.*

Emission rights

In fiscal year 2024, SAS' emission rights profit and loss effect in the European EU-ETS emissions trading scheme totaled MSEK -656 (-412).

6.5 Counterparty losses

SAS is exposed to counterparty losses through credits, lease agreements and guarantees to external parties. This exposure is governed by SAS' financial policy. No counterparty loss of any significance had any impact on SAS in the fiscal year. Net impairment of accounts receivable and recovered accounts receivable, as well as the impairment of other current receivables, had an earnings impact of MSEK 5 (64) in fiscal year 2024.

Financial policy at SAS regulates how and in what manner SAS should act to reduce the risk of counterparty losses. SAS invests cash and cash equivalents in instruments with good liquidity or short maturity with credit ratings not lower than A3/P1 according to Moody's, or A-/K1 according to Standard & Poor's.

7. IT

7.1 Operational reliability and dependability

SAS is increasingly dependent on its own and its suppliers' IT systems and procedures for efficient and secure operations. These systems are often vulnerable to and can be disrupted or harmed by, for example, internal faults, sabotage, cyber-related fraud, computer viruses, software errors, physical damage or other events outside of SAS' and its suppliers' control. Disruptions could stem from configuration errors during upgrades or maintenance operations, and by the operational disruption of systems following the upgrade of applications.

SAS is also dependent on IT and secure information flows in all parts of its operations, and through transparent processes and continual updates, SAS secures the confidentiality, correctness, accessibility, and traceability of the information. This is governed by a

number of policies and safety solutions. The stability is improved with focus on shorter resolution time through modernized infrastructure, improved processes and improved velocity of the development.

7.2 Cyber Security

Like numerous other companies, SAS is exposed to various types of attacks on its IT systems. Cybercrime, such as ransomware attacks and cyber espionage is globally increasing. SAS capabilities to identify and prevent cybercrimes are constantly improving through automated tools and enhanced processes. SAS Security Operation Center (SOC) actively monitors and responds on a 24/7 basis to threat intelligence any identified cybercrime attempts to enter SAS IT systems. Regular training and mandatory courses for all SAS employees improve own behavior in sensitive IT environment and create a broad front line to recognize any suspicious cyber activities. Investments in IT Risk and Governance Management tooling and processes, improved DDoS protection and IT security specialists have been made.

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## **8. OTHER EVENTS**

### **8.1 Extraordinary events**

Airline companies are impacted by extraordinary events around the world, such as natural disasters, terror attacks, conflicts, and epidemics. Such events are continuously monitored and discussed within Executive Leadership Team. Mitigating actions are taken accordingly.

### **8.2 Brand and reputation**

SAS continuously monitors the confidence trend for SAS and the industry and works strategically to strengthen the SAS brand and reputation. SAS has established media and information policies aimed at ensuring that all information pertaining to SAS is correct and accurate. If inaccurate rumors are spread about SAS or if information is provided incorrectly, SAS endeavors to follow up and correct errors to minimize any negative impact on SAS' general rating and position in the market.

The SAS Brand Platform is used to secure brand supported endeavors. Trust margins for potential future crisis and negative publicity are built into secure strong brand growth. An inhouse agency has been established to support strong brand content and to ensure brand consistency within SAS.

# DIVIDEND AND DISPOSITION OF EARNINGS

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**Dividend**

The Board of Directors proposes to the 2025 AGM that no dividend be distributed to holders of SAS AB's shares for fiscal year 2024.

**Proposed disposition of earnings**

The following Parent Company earnings are available for disposition by the AGM:

	<b>SEK</b>
Share premium reserve/Retained earnings	13,629,939,640
Net income for the year	- 252,142,506
<b>Unrestricted equity, October 31, 2024</b>	<b>13,377,797,134</b>

The Board of Directors proposes that the earnings be allocated as follows:

	<b>SEK</b>
To be carried forward	13,377,797,134
<b>Total</b>	<b>13,377,797,134</b>

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# BOARD OF DIRECTORS

The Board is responsible for the organization and administration of the Group, for ensuring proper control of its accounting and other financial circumstances as well as for appointing the President.

SAS' Board of Directors comprises ten members, seven of whom are elected by a general meeting, and three other members plus six deputies are elected by the employee organizations in Denmark, Norway and Sweden.

The Board of Directors was appointed at an extraordinary general meeting on September 11, 2024.

**KÅRE SCHULTZ  
CHAIRMAN OF THE BOARD**

Experienced executive having previously served as Executive Vice President and COO at Novo Nordisk, CEO at Lundbeck, CEO of Teva Pharmaceutical Industries. Chairman of Karo Healthcare since 2023. Has previously also served as Chairman of Royal Unibrew, and as board member of LEGO Group's Board of Directors. Holds an M.Sc. Economy degree from the University of Copenhagen.

**PETER STENSGAARD MØRCH  
BOARD MEMBER**

CEO of PensionDanmark since August 2024, having joined as Deputy CEO in August 2023. Previously served as Permanent Secretary at the Danish Ministry of Finance, Head of Division at the Finance Administration of Copenhagen, and held key roles in the Ministry of Employment and Ministry of the Environment in Denmark. Holds an M.Sc. in Political Science from Aarhus University.

**EMPLOYEE REPRESENTATIVE  
KIM JOHN CHRISTIANSEN  
BOARD MEMBER**

Employed at SAS Cargo in Denmark. Member of the Board of SAS AB since 2021.

**JOE MCCONNELL  
BOARD MEMBER**

Partner and Deputy Co-chief Investment Officer at Castlelake, having joined the firm in 2007, oversees the firm's Opportunistic Asset Solutions and Aviation fund portfolios and guides its overall investment strategy. Holds a B.S.B. in finance and accounting from the Carlson School of Management at the University of Minnesota and has extensive prior experience in portfolio management and investment roles.

**ALEXANDRE BOISSY  
BOARD MEMBER**

EVP Corporate Secretary at Air France-KLM, having joined Air France in 1999. Has held various leadership positions at Air France-KLM, including Operations Research Director, Chief of Staff to the CEO and Deputy General Secretary, SVP Communication, and Chief of Staff to the Air France-KLM Chairman of the Board. Graduate of the Ecole Nationale des Ponts et Chaussées.

**EMPLOYEE REPRESENTATIVE  
JENS LIPPESTAD  
BOARD MEMBER**

Employed at Scandinavian Airlines in Norway. Member of the Board of SAS AB since March 2020.

**JUDE BRICKER  
BOARD MEMBER**

CEO of Sun Country Airlines since July 2017 and a Board member since April 2018. 20 years of experience from the aviation industry, having previously served as COO and in other leadership roles of Allegiant Travel Company. Holds a BS in Civil Engineering from Texas A&M University and an MBA from the University of Texas.

**ANDERS BOYER-SØGAARD  
BOARD MEMBER**

CFO & Executive Vice President of Pandora since 2018. Previously served as Chief Financial Officer of Hempel A/S and GN Store Nord A/S, and has held roles at ISS, Mezzinvest and at Maersk Group. Holds an M.Sc. in Finance and Accounting from Copenhagen Business School.

**EMPLOYEE REPRESENTATIVE  
LENNART SELGGREN  
BOARD MEMBER**

Employed at Scandinavian Airlines in Sweden. Member of the Board of SAS AB since September 2024.

**HENRIETTE FENGER ELLEKROG  
BOARD MEMBER**

CHRO and member of the Group Executive Team at Ørsted since July 2019. Also serves as board member at NV Bekaert SA since May 2020. Has previously served as CHRO at Danske Bank and SAS and has held senior HR roles at TDC Group. Holds an MA from Copenhagen Business School.

Auditors: KPMG  
 Auditor in charge: Tomas Gerhardtsson. Authorized Public Accountant. Elected at the 2024 AGM  
 Board secretary: Anna Almén, General Counsel

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# EXECUTIVE LEADERSHIP TEAM

The Executive Leadership Team is responsible for the company's business management, financial reporting, acquisitions/divestments, financing and communication, and other corporate matters. The members of the Executive Leadership Team are appointed by the President in consultation with the Board of Directors. Only the President reports to the Board while the other members of Executive Leadership Team report to the President. The Executive Leadership Team's responsibilities are divided among its members with regard to managing the company's business affairs, and minuted meetings are normally held every week. During fiscal year 2024, Charlotte Nilsson, left her position as CIO in March 2024.



**ANKO VAN DER WERFF, BORN 1975**  
President & CEO. Member of SAS Executive Leadership Team since July 15, 2021. **Previously:** CEO of Avianca 2019–2021, Executive Vice President & Chief Commercial Officer at Aeromexico 2014–2019, and several leading management positions at Qatar Airways and Air France-KLM 2006–2014. **External directorships:** Member of IATA Board of Governors. **Education:** Law degree Leiden University, Exec degree Harvard Business School.



**ERNO HILDÉN, BORN 1971**  
Executive Vice President & CFO. Member of SAS Executive Leadership Team since April 1, 2022. **Previously:** Executive Vice President of Saudia Airlines and CFO, COO and previous senior positions at Finnair. **External directorships:** None. **Education:** M.Sc. in Economics and Business Administration from Tampere University.



**PETER CABELLO HOLMBERG, BORN 1968**  
Chief Information Officer (CIO). Member of SAS Executive Leadership Team since November 1, 2024. **Previously:** Chief Digital Officer/Chief Information Officer at Fiskars Group 2021–2024, CIO at Pandora A/S, 2016–2021, CIO at GN Store Nord. 2014–2016, Director Global IT Operations at A.P. Møller Maersk / Damco, 2012–2014, VP IT Operations at Carlsberg, 2007–2012 and VP Global IT Operations at ISS A/S, 2006–2007. **External directorships:** None. **Education:** Executive MBA (eCommerce), Copenhagen Business School, MSc in Business Administration and Information Systems, Copenhagen Business School.



**ANNA ALMÉN, BORN 1970**  
Executive Vice President & Chief Legal Officer. Member of SAS Executive Leadership Team since January 1, 2024. **Previously:** Vice President General Counsel 2022–2023, Head of Legal Department Sweden 2019–2022. Before that, various positions within SAS legal department since 2001. **External directorships:** None. **Education:** Juris kandidat degree, University of Stockholm, Sweden. Master in International Commercial Law, University of Nottingham, England.

**CHARLOTTE SVENSSON, BORN 1967**

*In March 2024, Charlotte left her role as Executive Vice President and CIO.*

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**JASON MAHONEY,  
BORN 1971**

Executive Vice President & COO. Member of SAS Executive Leadership Team since May 1, 2023.  
**Previously:** Chief Operating Officer, Chief Technical Officer at British Airways, Director of Engineering and Maintenance at TUI.  
**External directorships:** Non Executive Director of Dublin Aerospace Limited.  
**Education:** Applied Management, University of Warwick. Management, leadership and engagement, IMD.



**KJETIL HÅBJØRG,  
BORN 1971**

Executive Vice President Airline Services. Member of SAS Executive Leadership Team since October 1, 2019.  
**Previously:** Vice President SAS Ground Handling and several previous senior positions at SAS. Before being recruited to SAS in 2004, worked as a management consultant.  
**External directorships:** Board member of Federation of Norwegian Aviation industries (NHO Luftfart).  
**Education:** Executive MBA, Master in Strategic Management, Norwegian Business School.



**PAUL VERHAGEN,  
BORN 1971**

Executive Vice President & Chief Commercial Officer (CCO). Member of SAS Executive Leadership Team since August 14, 2023.  
**Previously:** Deputy Chief Executive Officer of Iberojet Airlines 2020–2023, Senior Vice President International Sales and Commercial Strategy of Aeromexico 2016–2020, several leading positions at Air Berlin and Air France-KLM 2000–2016.  
**External directorships:** None.  
**Education:** International MBA IE University, executive programs at Nijenrode University, HEC Paris, Cornell University.



**ERIK WESTMAN,  
BORN 1981**

Executive Vice President & Chief Revenue officer. Member of SAS Executive Leadership Team since June 27, 2022.  
**Previously:** Vice President Revenue Management at SAS 2017–22, Vice President Group Strategy at SAS 2014–17. Worked at McKinsey before joining SAS in 2013.  
**External directorships:** None.  
**Education:** M.Sc. In Engineering Physics from KTH, Stockholm. Exchange studies at Stanford University.



**PERNILLE VANG,  
BORN 1977**

Executive Vice President & Chief People Officer. Member of SAS Executive Leadership Team since January 1, 2024.  
**Previously:** Regional HR Head Asia Pacific & West Central Area, Maersk; Head of HQ, HR & HR leagal, A.P. Moller-Maersk; Senior Global Talent Partner, Maersk Line and various other leading positions in HR.  
**External directorships:** None.  
**Education:** Master in Psychology & Business Studies, Roskilde University.

# FINANCIAL STATEMENTS



## CONSOLIDATED STATEMENT OF INCOME INCLUDING STATEMENT OF OTHER COMPREHENSIVE INCOME

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MSEK	Note	FY24	FY23
Revenue	2	45,883	42,043
Personnel expenses	3	-8,882	-8,072
Jet-fuel costs		-10,913	-10,940
Air traffic charges		-4,111	-3,800
Other external expenses	4	-19,900	-17,659
Depreciation, amortization and impairment	5	-4,352	-4,440
Income from shares in affiliated companies	6	20	18
Income from the sale and return of aircraft, and other non-current assets	7	144	145
<b>Operating income (EBIT)</b>		<b>-2,111</b>	<b>-2,705</b>
Financial income	8	8,014	1,068
Financial expenses	8	-4,166	-3,879
<b>Income before tax (EBT)</b>		<b>1,736</b>	<b>-5,516</b>
Tax	9	-157	-185
<b>Net income for the year</b>		<b>1,579</b>	<b>-5,701</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		-86	53
Cash-flow hedges — hedging reserve, net after tax		57	135
<i>Items that will not be reversed to net income:</i>			
Revaluations of defined-benefit pension plans, net after tax		-1,335	-1,359
<b>Total other comprehensive income, net after tax</b>		<b>-1,364</b>	<b>-1,171</b>
<b>Comprehensive income for the year</b>		<b>215</b>	<b>-6,872</b>
<i>Attributable to Parent Company shareholders:</i>			
Net income for the year		1,579	-5,701
Comprehensive income for the year		215	-6,872



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ASSETS, MSEK	Note	Oct 31, 2024	Oct 31, 2023
<b>Non-current assets</b>			
Intangible assets	10	655	663
Aircraft and spare engines/parts	11	7,562	10,225
Other tangible assets	11	427	464
Prepayments for aircraft	12	1,527	3,513
Right-of-use assets	13	19,531	17,164
Participations in affiliated companies	6	23	20
Other participations	14	2	3
Pension funds, net	15	6,723	8,001
Long-term receivables	14	1,019	1,402
Deferred tax assets	9	1,949	1,853
<b>Total non-current assets</b>		<b>39,418</b>	<b>43,308</b>
<b>Current assets</b>			
Inventories and expendable spare parts	16	644	443
Accounts receivable	17	1,048	1,255
Receivables from affiliated companies		0	0
Other receivables	18	2,757	3,781
Prepaid expenses and accrued income	19	944	897
Cash and cash equivalents	20	11,546	6,160
<b>Total current assets</b>		<b>16,939</b>	<b>12,536</b>
<b>TOTAL ASSETS</b>		<b>56,357</b>	<b>55,844</b>

SHAREHOLDERS' EQUITY AND LIABILITIES, MSEK	Note	Oct 31, 2024	Oct 31, 2023
<b>Shareholders' equity</b>	21		
Share capital		10,291	8,650
Other contributed capital		2,899	2,899
Reserves		-65	-36
Hybrid bonds		-	7,615
Retained earnings incl. net income for the year		-13,738	-25,238
<b>Shareholders' equity attributable to Parent Company shareholders</b>		<b>-613</b>	<b>-6,110</b>
Non-controlling interests		0	0
<b>Total shareholders' equity</b>		<b>-613</b>	<b>-6,110</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	22	12,307	11,091
Interest-bearing lease liabilities	23	19,236	17,034
Other liabilities	24	1,599	1,529
Provisions	26	4,954	3,388
Deferred tax liabilities	9	454	546
<b>Total non-current liabilities</b>		<b>38,550</b>	<b>33,588</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	27	1,166	9,974
Interest-bearing lease liabilities	23	3,175	4,393
Accounts payable		1,778	2,202
Unearned transportation liability	24	7,175	6,676
Tax liabilities		8	31
Other liabilities		585	562
Accrued expenses and prepaid income	28	4,041	4,165
Provisions	26	492	363
<b>Total current liabilities</b>		<b>18,420</b>	<b>28,366</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>56,357</b>	<b>55,844</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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MSEK	Share capital	Other contributed capital	Hedging reserves	Translation reserve	Hybrid bonds	Retained earnings	Total shareholders' equity attributable to Parent Company shareholders
<b>Opening shareholders' equity in accordance with approved balance sheet, October 31, 2022</b>	<b>8,650</b>	<b>2,899</b>	<b>-244</b>	<b>20</b>	<b>7,615</b>	<b>-18,178</b>	<b>762</b>
Hybrid bond interest						-	-
Net income for the year						-5,701	-5,701
Other comprehensive income for the year			135	53		-1,359	-1,171
<b>Closing balance, October 31, 2023</b>	<b>8,650</b>	<b>2,899</b>	<b>-109</b>	<b>73</b>	<b>7,615</b>	<b>-25,238</b>	<b>-6,110</b>
Hybrid bond cancellation in Chapter 11/company reorganization in Sweden					-7,615	7,615	-
Recovery to hybrid holders in Chapter 11/company reorganization in Sweden						-509	-509
Cancellation of shares in Chapter 11/company reorganization in Sweden	-8,650					8,650	-
New share issue	5,791						5,791
Bonus issue	4,500					-4,500	-
Net income for the year						1,579	1,579
Other comprehensive income for the year			57	-86		-1,335	-1,364
<b>Closing balance, October 31, 2024</b>	<b>10,291</b>	<b>2,899</b>	<b>-52</b>	<b>-13</b>	<b>-</b>	<b>-13,738</b>	<b>-613</b>

## CONSOLIDATED CASH-FLOW STATEMENT

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MSEK	Note	FY24	FY23
<b>OPERATING ACTIVITIES</b>			
Income before tax (EBT)		1,737	-5,516
Depreciation, amortization and impairment		4,352	4,440
Income from sale of aircraft, buildings and shares		-144	-145
Adjustment for other non-cash items, etc.	32	-5,399	1,463
Tax paid		-15	–
<b>Cash flow from operations before change in working capital</b>		<b>531</b>	<b>242</b>
<i>Change in:</i>			
Inventories and expendable spare parts		-200	-124
Operating receivables		210	5
Operating liabilities		2,496	2,304
<b>Cash flow from change in working capital</b>		<b>2,506</b>	<b>2,185</b>
<b>Cash flow from operating activities</b>		<b>3,037</b>	<b>2,427</b>
<b>INVESTING ACTIVITIES</b>			
Aircraft		-4,281	-2,923
Buildings, equipment and investment in progress		-35	-61
Shares and participations, intangible assets, etc.		-13	-5
Prepayments for aircraft		-529	-1,023
Acquisition of subsidiaries/affiliated companies	33	–	-57
Sale of subsidiaries and affiliated companies	33	–	–
Sale of aircraft, spare engines and buildings		5,157	148
Income from sale and leaseback of aircraft		–	4,013
Sale of fixed assets, etc.		4	12
<b>Cash flow from investing activities</b>		<b>303</b>	<b>104</b>

MSEK	Note	FY24	FY23
<b>FINANCING ACTIVITIES</b>			
	34		
New share issue		5,001	–
Proceeds from borrowings		14,417	1,585
Repayment of borrowings		-10,472	-3,179
Amortization of lease liabilities		-3,148	-2,796
Payments of deposits and blocked bank funds		-1,555	-1,888
Repayments of deposits and blocked bank funds		2,520	1,388
Defined-benefit pension payments		-89	-113
Fees DIP financing		-2,423	-381
Recovery to creditors in Chapter 11 process/company reorganization in Sweden		-993	–
Other financing activities		-952	105
<b>Cash flow from financing activities</b>		<b>2,306</b>	<b>-5,279</b>
<b>Cash flow for the year</b>		<b>5,646</b>	<b>-2,748</b>
Translation difference in cash and cash equivalents		-260	254
Cash and cash equivalents at beginning of the year		6,160	8,654
<b>Cash and cash equivalents at year end</b>		<b>11,546</b>	<b>6,160</b>

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### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

#### GENERAL

SAS AB (the "Company") and its subsidiaries (collectively referred to as the "Group") provide transportation services.

The core business of the Group is operating passenger flights on an extensive Nordic and international route network. The Group's three main operational hubs in Copenhagen, Oslo and Stockholm form the backbone of its flight network. In addition to passenger flights, the Group provides air cargo and other aviation services at selected airports in the Group's route network.

SAS AB is a Swedish public limited company registered in Stockholm, Sweden and the address of its head office is Frösundaviks allé 1, Solna, Stockholm. SAS AB is the Parent Company of the SAS Group.

The consolidated financial statements for SAS AB have been prepared in accordance with the Annual Accounts Act, recommendation RFR 1 — *Supplementary Accounting Rules for Corporate Groups*, and the EU-approved IFRS Accounting standards and interpretations issued by IFRS Interpretations Committee that apply for fiscal years starting November 1, 2023. These standards have been consistently applied to all periods presented in the consolidated financial statements. The financial statements have been prepared on a cost basis, except for the remeasurement of certain financial assets and liabilities. The principal accounting policies adopted are set out below.

#### ACCOUNTING ESTIMATES AND ASSUMPTIONS IN THE FINANCIAL STATEMENTS

The preparation of financial statements in accordance with IFRS requires management to perform estimates and assumptions that influence the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and assumptions.

The estimates and assumptions are regularly reviewed. Changes in estimates are recognized in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both current and future periods. For more information, see "Critical accounting estimates and key sources of estimation uncertainty" in this note.

#### CHAPTER 11 AND COMPANY REORGANIZATION IN SWEDEN

Over the past four years, the COVID-19 pandemic has significantly affected the whole aviation industry, including SAS. SAS has worked continuously and intensively with various cost reduction measures, limiting non-business-critical investments and utilizing various financing solutions to protect its liquidity. SAS FORWARD, a plan to strengthen and secure SAS' long-term future position, was launched at the end of February 2022. Key elements of the plan include: 1. Reducing the annual costs by SEK 7.5 billion, including

renegotiations of existing financing arrangements and other long-term credit facilities. 2. Redesigning fleet, network and product offerings. 3. Digital transformation. 4. Positioning SAS as the leader in sustainable aviation. 5. Operating platform acceleration. 6. Strengthening SAS' balance sheet by deleveraging and raising new capital.

To accelerate important parts of the SAS FORWARD transformation plan, SAS voluntarily filed for Chapter 11 in the US on July 5, 2022 and on March 27, 2024, SAS applied for company reorganization in Sweden. On August 28, 2024, SAS completed its Chapter 11 process in the US and its company reorganization in Sweden. SAS' share was delisted in conjunction with the new ownership of the company consisting of the investors Castlelake (32.0%), the Danish state (26.4%), Air France-KLM (19.9%), Lind Invest (8.6%) and others (13.1%).

#### NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLICABLE FOR FISCAL YEAR 2024

No material amendments occurred in IFRS in FY 2024 that affected the Group.

#### NEW AND AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT ENTERED FORCE AND HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

No material new and amended standards, agenda decisions and interpretations have been issued for the accounting of the Group for fiscal years beginning on or after November 1, 2024 with exception of IFRS 18, see below.

#### IFRS 18 Presentation of and disclosures in financial statements

In April 2024, the IASB published the new standard IFRS 18 Presentation of and disclosures in financial statements, which will replace IAS 1 Presentation of financial statements. With IFRS 18, new requirements are introduced for the design of and information in financial reports. The new standard comes into force for financial years beginning on or after January 1, 2027. Earlier application is permitted. The standard has not yet been approved by the EU. It is not possible to say at the moment how IFRS 18 will affect the design of SAS's financial reports.

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Parent Company and the entities over which controlling influence is exercised by the Group. The Group controls a company when it is exposed to, or has rights to, variable returns from its participation in the company and is able to affect those returns through its influence over the company.

Entities in which the Group has an ownership interest of at least 20% and no more than 50%, or where the Group has significant influence by other means but cannot exercise controlling influence, are affiliated companies. Affiliated companies are accounted for using the equity method.

The earnings of subsidiaries acquired during the year are included in the

Group's earnings from the effective date of control. The separate net assets, both tangible and intangible, of newly acquired subsidiaries are consolidated into the financial statements on the basis of the fair value to the Group as of the effective date of control. The earnings of subsidiaries disposed of during the fiscal year are included in the Group's earnings up to the effective date of disposal.

Non-controlling interests in the net assets of consolidated subsidiaries are recognized in the consolidated balance sheet as a separate component of equity. The Group's earnings and components in other comprehensive income are attributable to the Parent Company's owners and to the non-controlling interests. All intra-Group transactions, balance-sheet items, revenue and expenses are eliminated on consolidation.

#### BUSINESS COMBINATIONS

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the acquisition date when controlling influence is achieved) of the assets transferred, liabilities incurred or assumed, and equity shares issued by the Group in exchange for control of the acquiree. Acquisition-related expenses are recognized in profit or loss when they are incurred. The cost also includes fair value at the acquisition date for the assets or liabilities that arise from any agreement governing a contingent consideration. Contingent considerations are classified either as equity or financial liabilities. Amounts classified as financial liabilities are remeasured each period at fair value, and any remeasurement gains or losses are recognized in profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that qualify for recognition under IFRS 3 — *Business Combinations* are recognized at fair value on the acquisition date.

In business combinations where the sum of the cost, any non-controlling interests and fair value at the acquisition date for previously held equity exceeds fair value at the acquisition date for identifiable acquired net assets, the difference is recognized as goodwill in the balance sheet. Following a review of the difference, any negative difference is recognized directly in profit or loss as a gain from a bargain purchase.

#### Non-controlling interests

Changes in the Parent Company's share in a subsidiary that do not lead to a loss of controlling influence are recognized as equity transactions (in other words, as transactions with the Group's owner). Any difference between the sum by which the non-controlling interests has been adjusted and the fair value of the consideration paid or received is recognized directly in equity and distributed to the Parent Company's owners.

#### Loss of controlling influence

When the Parent Company loses controlling influence of a subsidiary, the

Note 1 continued

divestment gain or loss is calculated as the difference between:

- the sum of the fair value for the consideration received and the fair value of any remaining holdings; and
- the previously recognized values of the subsidiary's assets (including goodwill) and liabilities as well as any non-controlling interest.

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### INVESTMENTS IN AFFILIATED COMPANIES

Affiliated companies comprise all companies where the Group exercises significant but not controlling influence, which generally applies for shareholdings representing 20–50% of the votes. Affiliated companies are accounted for using the equity method.

The earnings of affiliated companies are accounted for based upon the Group's proportional ownership of the earnings of these affiliates. Any losses arising from affiliated companies are recorded in the consolidated financial statements until the investment in such affiliated companies is impaired to zero. Thereafter, losses are only accounted for to the extent that the Group is committed to providing financial support to such affiliated companies.

The carrying amount of investments in affiliated companies represents the cost of each investment, including goodwill, the share of retained earnings following acquisition and any other changes in equity. The carrying amount of investments in affiliated companies is reviewed on a regular basis and if any decline in value has occurred, it is impaired in the period in which this occurred.

Profits and losses from transactions with affiliated companies are eliminated in proportion to the Group's interest in these affiliated companies.

### SEGMENT REPORTING

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.

### Geographic information about revenue from external customers and assets

The Group's operational monitoring of traffic revenue is destination based. 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. Sales generating other operating revenue are allocated geographically by source country.

In addition to the above, the Group's total revenue broken down by country of sales is presented in Note 2.

Assets broken down by geographic area do not include the Group's aircraft or prepayments for tangible assets. Since aircraft are utilized in a flexible manner across the route network, there is no justifiable basis for allocating aircraft.

### FOREIGN CURRENCY TRANSLATION

The individual financial statements of the entities in the Group are measured in the functional currency of the entities, i.e., the currency of the primary economic environment in which they operate.

Transactions in currencies other than the entity's functional currency (foreign currencies) are remeasured at the exchange rates prevailing on the transaction dates. At each closing date, monetary assets and liabilities denominated in foreign currencies are retranslated at the closing-date exchange rates. Non-monetary items carried at fair value denominated in foreign currencies are translated at the rates prevailing at the date fair value was determined. Non-monetary items that are measured in terms of cost in a foreign currency are not translated.

Exchange differences arising from translation are recognized as a gain or loss in the period in which they arise, except for exchange differences on transactions entered into to hedge net investments in foreign subsidiaries and exchange differences relating to monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur and, which form part of the net investment in a foreign operation. These differences are recognized in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at the closing-date exchange rates. Revenue and expense items are translated at the average exchange rates for the period, provided that exchange rates do not fluctuate substantially in the period. In the latter case, the exchange rate on the transaction date is applied. Any translation differences are recognized in other comprehensive income.

The exchange rates applied in the translation of the financial statements for consolidation purposes are as follows:

### EXCHANGE RATES

			Closing rate		Average rate	
			Oct 31, 2024	Oct 31, 2023	FY24	FY23
Denmark	DKK	100	155.25	158.40	153.19	149.66
Norway	NOK	100	97.29	99.74	98.55	103.53
U.S.	USD		10.97	11.12	10.52	10.62
U.K.	GBP		13.85	13.53	13.39	12.80
Switzerland	CHF	100	1,232.94	1,233.74	1,196.18	1,076.66
Japan	JPY	100	7.02	7.40	6.98	7.61
EMU countries	EUR		11.58	11.82	11.42	11.13

### FINANCIAL INSTRUMENTS, ACCOUNTING POLICIES

#### Financial assets

Financial assets are recognized in the consolidated balance sheet when the Group becomes a party under the contractual terms of the instrument. At the time of initial recognition, financial assets are measured at fair value and subsequently classified at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit and loss (FVTPL). The classification of financial assets depends on the characteristics of the asset and the business model in which it is held.

The fair value of a financial asset is generally determined by reference to 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.

Amortized cost is calculated using the effective-interest method, where any premiums or discounts and directly attributable expenses and revenue are capitalized over the contract period using the effective interest rate. The effective interest rate is the rate that yields the instrument's cost when calculating the present value of future cash flows.

#### Other financial assets at amortized cost

Financial assets are classified as recognized at amortized cost if the contractual terms give rise to payments that are solely payments of principal and of interest on the principal amount outstanding, and the financial asset is held in a business model aimed at holding financial assets to collect contractual cash flows. With the exception of derivatives, all of the Group's financial assets are recognized at amortized cost through application of the effective-interest method. For subsequent periods, the assets are measured at amortized cost reduced with impairment provisions.

#### Impairment of financial assets

The Group's financial assets measured at amortized cost are assessed for impairment based on expected credit losses (ECLs). Provisions for accounts receivable are always based on lifetime ECLs. If there is no expectation of collection, the full asset value is written off. Losses and write offs are recognized as expenses in the income statement.

#### Derivatives and hedge accounting

The Group uses derivatives to manage exposures related to fluctuations in interest rates, exchange rates and fuel prices. The derivatives used are mainly recognized pursuant to the rules for hedge accounting in IFRS 9. The Group's hedge instruments are designated as fair-value hedges and cash-flow hedges. Derivatives that do not meet the hedge accounting requirements are remeasured on an ongoing basis at FVTPL. Derivatives with positive values are recognized as current assets in the consolidated balance sheet, and derivatives with negative values are recognized as current liabilities.

For fair-value hedges, the effective and ineffective portions of the change in fair value of the derivative is recognized in net income for the year, together with the gain or loss on the hedged item attributable to the hedged risk.

When hedging projected cash flows, the effective portion of the change in fair value of the derivative outstanding is recognized in other comprehensive income until the underlying transaction is reflected in net income for the year, whereupon any deferred hedging gains or losses are restored in net income for the year. The ineffective portion of the change in fair value of a derivative used to hedge cash flow is recognized in net income for the year. Should hedged future transactions result in non-financial assets or liabilities, the gains and losses are included in the cost of the assets or liabilities upon initial recognition.

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For measurement of effectiveness, an overall assessment is conducted of whether or not the hedging relationship is effective. The initial time value is treated as a cost for the hedging strategy and changes in the time value are recognized in other comprehensive income.

### Financial liabilities

Financial liabilities, excluding derivatives, are initially measured at fair value and subsequently at amortized cost using the effective-interest method.

### Accounts payable

Accounts payable are expected to have short terms and are therefore categorized as short-term liabilities where the interest effect is negligible. The liabilities are carried at nominal amounts with no discounts.

### Borrowings

Long-term borrowings, i.e., liabilities with a tenor longer than one year, consist of interest-bearing liabilities to banks and credit institutions as well as bond issues. Short-term borrowings comprise the current portion of interest-bearing long-term borrowings, i.e., the portion of the loans that is to be amortized in the coming fiscal years, as well as other current interest-bearing liabilities with a remaining tenor of less than one year.

Borrowings are initially recognized at fair value less transaction costs, and thereafter at amortized cost using the effective-interest method.

### HYBRID BONDS

New hybrid bonds were issued in October 2020 to the governments of Denmark and Sweden for a total amount of MSEK 6,000. In October 2020, MSEK 2,250 of bond debt was converted into hybrid bonds with a par value of MSEK 1,615 and the remaining amount was exchanged for shares. In fiscal year 2024, the hybrid bonds were cancelled in conjunction with the completion of the Chapter 11 process/company reorganization in Sweden.

### CONVERTIBLE NOTES

During the fiscal year, SAS AB issued convertible notes to the four largest owners: Castlelake, Air France-KLM, Lind Invest and the Danish state. The convertible notes have a maximum maturity of 7 years with an annual interest rate of 6.5% + 3M TERM SOFR and is treated in its entirety as a liability pursuant to IFRS 9. Subject to meeting certain requirements, the convertible note allows the holders to either convert the loan into shares, with different values for the conversion option depending on the timing of any conversion. In the event this were to take place, a risk exists that the other owners' holdings could be diluted. If the owners of the convertible notes elect to redeem the debt rather than convert into shares, the convertible note holders are entitled to additional interest compensation. SAS has no control of how the convertible notes will be handled. SAS has valued the option component of the convertible notes (the embedded derivative) at fair value based on SAS' knowledge of, inter alia, the owners, the air travel market as a whole and the terms of the convertible notes. The actual outcome for the convertible notes could differ from the management's estimate, which would in turn impact the Group's earnings.

## TANGIBLE ASSETS

Tangible assets are recognized at cost less accumulated depreciation and any impairment. These assets are depreciated to their estimated residual values on a straight-line basis over their estimated useful lives. As aircraft components have varying useful lives, the Group has separated the components for depreciation purposes. Costs for routine aircraft maintenance as well as repair costs are expensed as incurred. Extensive modifications such as the obligatory major overhauls of engines and improvements to fixed assets are capitalized and depreciated together with the asset to which the work is related over its remaining useful life. Investments in leased premises are depreciated over their estimated useful lives, but not over a period exceeding the remaining lease period for leased premises.

Net income from the sale or disposal of a tangible fixed asset is calculated as the difference between the net realizable value and the carrying amount. The gain or loss that arises is recognized in profit or loss. Depreciation is based on the following estimated periods of useful life:

Asset class	Depreciation
Aircraft	20 years <sup>1</sup>
Spare equipment and spare parts	20 years <sup>1</sup>
Engine components (average)	8 years <sup>2</sup>
Workshop and aircraft servicing equipment	5–10 years
Other equipment and vehicles	3–5 years
Buildings	5–50 years

<sup>1</sup>) Estimated residual value after a useful life of 20 years is 10%.  
<sup>2</sup>) Depreciation is based on the engines' use.

## LEASES

SAS applies the accounting standard IFRS 16 – Leases, whereby the lessee recognizes an asset (a right-of-use asset) and a financial liability in the balance sheet. An expense for depreciation of the right-of-use asset is recognized in profit or loss together with an interest expense for the financial liability.

SAS applies IFRS 16 for all leases. IFRS 16 permits exceptions for short-term leases and where the underlying asset is of low value (<USD 5,000). Short-term leases are leases that at the commencement date have a lease term of 12 months or less and do not include a purchase option. Lease payments relating to short-term leases or low value leases will be recognized in the income statement over the lease term, primarily on a straight-line basis and recognized in EBIT as lease expenses.

## AIRCRAFT

### Lease term

Normally, the lease term used for aircraft lease agreements is the non-cancellable period stated in the lease agreement. Some lease agreements contain extension options or options to purchase the asset, and options are taken into consideration in the lease term if the Group is reasonably certain to exercise these options. The Group does not generally include options in the lease term, since there is a significant uncertainty as to whether they will be exercised. Closer to the end of the lease term and the relevant option, the

Group has a better understanding of whether it is beneficial to start negotiations to keep the aircraft for an extended period. If the Group decides to use an extension option, or an option to purchase the asset, the lease liability will be remeasured. Other facts indicating that an option could be used are major modifications of the aircraft, such as a cabin facelift.

### Discount rate

For new leases, the Group has chosen to apply the interest rate implicit in the lease. Aircraft lease agreements do not clearly define the implicit interest rate as defined by IFRS 16. Since the fair values of the aircraft are provided by third parties, SAS has decided to calculate the interest rate to be used for discounting the lease liabilities based on fair values available for the aircraft. The rate is calculated per contract. The rate implicit in the lease is defined as the rate that causes the sum of the present value of lease payments and the present value of the residual value of the underlying asset at the end of the lease to equal the fair value of the underlying asset.

### Sale & Leaseback

Sometimes SAS sells an aircraft to a lessor and leases back that asset from the lessor. In each transaction the Group determines if the transfer to the lessor qualifies as a sale according to IFRS 15. If the lease agreement between SAS and the lessor includes an option to buy back the aircraft, the initial transfer of the asset to SAS does not generally qualify as a sale. In that situation, the Group continues to report the aircraft as owned in the balance sheet with the corresponding financial liability applying IFRS 9. If the transfer qualifies as a sale, SAS applies the sale and leaseback rules in IFRS 16, whereby the right-of-use asset arising from the leaseback is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by SAS. This means that only part of any gain/loss that relates to the transfer of the aircraft is recognized in profit or loss.

### Costs for restoring the asset

SAS has an obligation to return the leased aircraft and their engines according to redelivery conditions specified in the lease agreement. If the condition of the aircraft and its engines, at the time of redelivery, differs from the agreed redelivery condition, the Group needs to settle the difference in cash to the lessor or maintain the aircraft and its engines so that it meets the agreed conditions.

Under IFRS 16, SAS has divided the maintenance costs into two main groups: costs incurred independent of the usage of the aircraft and costs incurred dependent on the usage of the aircraft.

Costs incurred independent of the usage of the aircraft are included in the right-of-use asset and provisions at the commencement date. These costs include the final check and painting required on return of the aircraft.

For costs incurred dependent on the usage of leased aircraft, SAS makes ongoing provisions related to the use. Please see detailed information in the section "Critical Accounting Estimates and Key Sources of Estimation Uncertainty" in Note 1. Maintenance costs for owned aircraft are capitalized and depreciated together with the asset to which the work is related. See more information in the section "Tangible assets" in Note 1.

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### Wet Lease

SAS wet leases aircraft capacity from external operators. The Group accounts for each lease component separately from non-lease components. The consideration in the contract that has been allocated to the aircraft has been done based on the relative stand-alone price of the aircraft and the aggregate stand-alone price of the wet-lease services.

The lease term used for wet leased aircraft is the non-cancellable period stated in the lease agreements. Some contracts contain options, but they have not been included since there is a significant uncertainty to whether they will be exercised.

There is no material return obligation relating to the wet leased aircraft.

### PROPERTIES

#### Lease term

The lease term used for property lease contracts is the non-cancellable period stated in the lease agreements. Options to extend the lease term are not included, since there is a significant uncertainty as to whether they will be exercised.

#### Costs for restoring the asset

There is no material return obligation relating to the leased properties.

### GROUND HANDLING EQUIPMENT

#### Lease term

The lease term used for ground handling equipment lease contracts is normally the non-cancellable period stated in the lease agreements. Some lease agreements contain extension options, and they have been included if the Group's assessment is that the options will be exercised.

### OTHER ASSETS

Lease contracts that individually, or by asset class, are not material to the Group have been excluded from the right-of-use asset and lease liability. These contracts include leases for vehicles, smaller IT equipment and office equipment.

### The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

### INTANGIBLE ASSETS

Intangible assets comprise goodwill and capitalized expenditure for systems development. The Group is not engaged in any research and development (R&D) activity.

Intangible assets are recognized in the balance sheet when:

- an identifiable, non-monetary asset exists;
- it is probable that the future financial advantages that can be attributed to the asset will accrue to the company;
- the cost of the asset can be calculated in a reliable manner; and
- SAS has control of the asset.

Goodwill is recognized in the balance sheet as an intangible asset at cost less accumulated impairment losses. Goodwill represents the excess value over the fair value of the Group's share of identifiable acquired net assets at the acquisition date, of the cost of an acquisition, any non-controlling interests and fair value at the acquisition date or earlier shareholdings.

Gains or losses on the disposal of an entity include the remaining carrying amount of goodwill relating to the entity sold.

Goodwill is assessed as having an indefinite useful life. Goodwill is allocated to the smallest possible cash-generating unit (CGU) and the carrying amount is tested at least once a year for any impairment. However, testing for impairment takes place more frequently if there are indications that a loss in value has occurred. A discounted cash-flow analysis is carried out based on the cash flows of the CGU and compares the carrying value of assets of the CGU with their recoverable amount. These cash flows are discounted at rates that the Group estimates to be the risk-affected weighted average cost of capital (WACC) for the particular businesses. Any impairment is recognized immediately in profit or loss.

Development costs that do not meet the criteria specified above, regarding when intangible assets are recognized in the balance sheet, are expensed in the period they arise. Costs for systems development are recognized as an asset provided that they meet the criteria specified above. Capitalized development costs are amortized on a straight-line basis over the expected useful life of the asset, which amounts to between one and four years. Amortization of capitalized IT system costs is included in the depreciation/amortization item in the statement of income.

### EMISSION RIGHTS

Any emission rights received from the respective countries' government agencies, without the need for payment of any consideration, are recognized at their nominal amounts, which in practice means that the intangible asset and the prepaid income are valued at zero. Any emission rights purchased for own uses are recognized as intangible assets under current assets at cost after impairment. A provision is recognized in the balance sheet commensurate to the extent that emission rights used correspond to emission rights held. This provision is measured at the cost of the emission rights held. The provision is measured at the current market price with a corresponding cost in the statement of income commensurate to the extent emission rights used exceed the amount of emission rights held.

### IMPAIRMENT OF TANGIBLE, INTANGIBLE AND RIGHT-OF-USE ASSETS WITH DETERMINABLE USEFUL LIVES

The Group continuously evaluates whether any indications exist of a need for impairment of any tangible, intangible and right-of-use assets with determinable useful lives to identify any potential need for impairment. If any such indication is identified, the recoverable amount of the asset is calculated (or as part of the CGU to which it belongs) to determine the extent of any impairment loss. The recoverable amount is defined as the higher of an asset's fair value less selling costs and the value in use (VIU). If the estimated recoverable amount of the asset (or the CGU) is lower than its carrying

amount, the carrying amount of the asset (or the CGU) is impaired. The recoverable amount is determined based on the type of asset.

At each balance-sheet date, a review is conducted to assess for indications that any earlier impairment losses no longer exist or have improved. When such indications exist, the recoverable amount is recalculated and the carrying amount is increased to the lower of the recoverable amount and the carrying amount that the asset would have had if the previous impairment had not taken place.

### INVENTORIES AND EXPENDABLE SPARE PARTS

Inventories and expendable spare parts are carried at the lower of cost or net realizable value. Cost is calculated using the weighted average cost. Net realizable values are calculated in part through verification with external parties and in part through internal estimates at SAS based on similar or previous sales of similar goods.

### PROVISIONS AND CONTINGENT LIABILITIES

Provisions are reported when the Group identifies legal or informal commitments as a result of historic events, where the outcome is probable, and where the financial resources required to settle these commitments can be estimated with reasonable certainty.

A restructuring obligation is considered to have arisen and a provision for the obligation is recognized when the Group has adopted a detailed and formal restructuring plan. The plan must have been communicated to affected parties and have been commenced or publicly announced.

### REMUNERATION OF EMPLOYEES

#### Pensions

The Group has various pension plans for its employees. These vary considerably due to different legislation and agreements on occupational pension systems in the individual countries.

For pension plans where the employer has accepted responsibility for a defined contribution, the obligation to employees ceases when the contractual premiums have been paid. Where defined-benefit pensions have been agreed, the commitments do not cease until the contractual pensions have been paid. The liability or asset recognized in the balance sheet for defined-benefit pension plans is the current value of the defined-benefit obligation at the end of the reporting period after deduction of the fair value of plan assets. The defined-benefit plan obligation is calculated each year by independent actuaries using the projected unit credit method. Pension costs for the year for defined-benefit pension plans comprise the present value of the current service cost plus net interest, which is calculated using the discount rate on the defined-benefit pension liability or pension assets, and recognized as a personnel expense in EBIT. All deviations in estimates are immediately recognized in other comprehensive income.

#### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary

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redundancy in exchange for these benefits. The Group recognizes severance pay when such an obligation exists according to employment contracts or for termination as a result of an offer made to encourage voluntary redundancy.

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## REVENUE RECOGNITION

The recognition of contractual revenue from customers follows a five-step model that requires revenue to be recognized when control over goods and services are transferred to the customer. All of the Group's customer contracts have been analyzed using the five-step model. The performance obligations identified are fulfilled at a defined point in time.

### Passenger revenue

When SAS or another airline provides the transportation, in other words the flight, the Group meets its performance obligation toward the customer and the passenger revenue is recognized in profit or loss. During the period from the sale of an airline ticket until the completion of the flight, airline tickets sold are recognized as a short-term unearned transportation liability in the consolidated balance sheet. The Group assesses the estimated unearned transportation liability on an ongoing basis. More information is available under "Other traffic revenue."

Rebooking fees, that is fees for changing the time or destination of a booked airline ticket, are recognized as revenue in conjunction with the actual flight taking place.

### Charter revenue

SAS has charter flight agreements with certain customers. As with passenger revenue, the Group discharges its performance obligation to the customer when transportation has been provided. Accordingly, charter revenue is recognized in profit or loss when the transportation has been provided.

### Mail and freight revenue

The Group provides cargo services both on passenger planes and on commercial cargo flights. The performance obligation to the customer is discharged in conjunction with the provision of transportation. Accordingly, mail and freight revenue is recognized in profit or loss when the transportation has been provided.

### Other traffic revenue

Other traffic revenue mainly includes preseating, excess baggage, unused tickets and revenue adjustments. Preseating and excess baggage are examples of ancillary revenue that are closely linked to air travel. These are recognized as revenue in conjunction with the actual flight.

The Group prepares monthly assessments of unutilized airline tickets. Unutilized and expired tickets are recognized as other traffic revenue based on historic usage data for unutilized tickets for the last 24 months. Any differences between previous months' assessments and actual outcomes are recognized in profit or loss.

The Group periodically evaluates the estimated short-term unearned transportation liability and records any resulting adjustments in other traffic

revenue in the period in which the assessments are completed. These adjustments relate primarily to refunds, exchanges, transactions with other airlines and other items for which final settlement occurs in periods subsequent to the sale of the related tickets at amounts other than the original sales price.

### Other operating revenue

Other operating revenue mainly includes revenue from in-flight sales, ground handling services, technical maintenance and sales of EuroBonus points.

In-flight sales are recognized as revenue in conjunction with the actual sale. Revenue from the performance of ground handling services and technical maintenance is recognized when the services are performed.

Sales of EuroBonus points to credit card partners are recognized as revenue in the same period that EuroBonus members use their credit cards and a EuroBonus liability arises in the consolidated balance sheet. Further information on the EuroBonus liability follows.

### Loyalty program – EuroBonus

Membership in the Group's EuroBonus loyalty program enables customers to earn bonus points by flying with SAS and/or other Star Alliance companies as well as from purchases made from other business partners, such as car rental and credit card companies. The allocation of loyalty points is viewed as a separate identifiable transaction when purchasing airline tickets. As customers earn points, the EuroBonus liability increases in the consolidated balance sheet together with a corresponding decrease in revenue. The portion of the ticket price allocated to loyalty points is measured at the relative stand-alone price for the points and is not recognized as revenue until the period in which the obligation is met.

### Contract assets and liabilities

IFRS 15 has introduced the terms "contract assets" and "contract liabilities." The Group presents contracts in the balance sheet as contract liabilities or contract assets depending on the relationship between the Group's performance and the customers' payments at the reporting date. Accrued income is included under contract assets, since the Group meets the performance requirement prior to receiving payment from customers. The unearned transportation liability and the loyalty program are recognized as contract liabilities since payments are received from customers before the performance obligation is discharged by the Group. Information about the discharge of performance obligations can be found earlier in this section under the headings "Passenger revenue" and "Loyalty program – EuroBonus."

As before, the unearned transportation liability is presented on a separate line in the consolidated balance sheet, while the loyalty program is presented under other liabilities (long-term). Refer to Note 24 for disclosures by the Group pertaining to contract assets and contract liabilities.

### BORROWING EXPENSES

Borrowing expenses that arise in operations are expensed in the period in which they are incurred. Borrowing expenses on aircraft pre-delivery payments (PDPs) are capitalized as part of the process of obtaining qualified

production resources. If a decision is made to sell and lease back an asset, capitalization of interest expense ceases. Amortization of capitalized borrowing expenses commences when aircraft are put into service, as per the main principle for aircraft.

### TAXES

Current tax for the period is based on net income for the period, adjusted for non-tax-deductible costs and non-taxable income. The current tax is calculated on the basis of tax rates applying on the closing date.

Deferred tax is recognized according to the balance sheet method whereby temporary differences, differences between the recognized and fiscal value of assets or liabilities, result in a deferred tax asset or deferred tax liability. Deferred tax liabilities are recognized for all temporary differences liable to tax, while deferred tax assets are recognized to the extent it is probable that a taxable surplus will be created against which the deductible temporary difference can be utilized or before the right to utilize the loss carryforward is lost.

Deferred tax liabilities are recognized for all taxable temporary differences attributable to investments in subsidiaries and affiliated companies except in cases where the Group can control the timing of reversal of the temporary differences, and it is probable that such reversal will not take place in the foreseeable future.

Deferred tax is estimated on the basis of the tax rates and fiscal regulations that have been decided or announced as of the closing date. Deferred tax is expensed, except when it relates to items charged or credited in other comprehensive income or directly in equity, in which case the deferred tax is also dealt with in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are recognized net if the items pertain to the same tax authority.

### CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements and application of accounting policies are often based on management's assessments, or on estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are recognized in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both current and future periods.

Below is an overall description of the accounting policies affected by such estimates or assumptions that are expected to have the most substantial impact on the Group's reported earnings and financial position. For information about the carrying amount on the closing date, see the balance sheet with accompanying notes.



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### Impairment of assets

The Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets are impaired. In making the impairment assessment, assets that do not generate independent cash flows are allocated to an appropriate CGU.

Management is required to make certain assumptions in estimating the value of the assets, including the timing and value of cash flows to be generated from the assets. The cash-flow projections are based on reasonable assumptions that represent management's best estimate of the set of economic conditions that will exist over the remaining useful life of the asset and are based on the most recent financial plan that management has approved. Due to its subjective nature, these estimates will likely differ from future actual results of operations and cash flows, and any such difference may result in impairment in future periods.

### Pensions

Pension assumptions are an important element in the actuarial methods used to measure pension commitments and value assets, and can significantly affect the recognized pension obligation, pension assets and the annual pension cost. The most critical assumptions are the discount rate, inflation and expected salary adjustments.

The measurement to be applied under IAS 19 when measuring defined-benefit plans is known as the projected unit credit method. This method requires several assumptions (actuarial parameters) for calculating the present value of the defined-benefit obligation. Actuarial assumptions comprise both demographic and financial assumptions. Since assumptions must be neutral and mutually compatible, they should be neither imprudent nor overly conservative. They should reflect the economic relationships between factors such as inflation, rates of salary increase, the return on plan assets and discount rates. This means that they should be realistic, based on known financial relations and reflect SAS' best assessment of the factors that will determine the ultimate cost of providing post-employment benefits, that is pension costs.

In calculating pension obligations, the current service cost and the return on plan assets, locally set parameters are applied in the respective countries on the basis of the local market situation and expected future trends. This means that the parameters are based on market expectations at the end of the reporting period regarding the time period in which the obligation will be settled.

The discount rate has been determined on the basis of market yields on high-quality corporate bonds (preferably mortgage bonds with a minimum AA rating). The tenor of the bonds reflects the estimated timing and size of pension payments (duration) as well as the currencies these payments are expected to be made in.

Other financial assumptions are based on anticipated developments during the term of the obligation. The assessment of future salary adjustments corresponds to the assumed rate of inflation in the respective countries and life expectancies are set under DUS23 for Sweden and K2013 for Norway, refer to Note 15 for additional information.

The interest expense on the obligation and the expected return on plan assets are reported as "net interest," which is calculated using the discount

rate. SAS classifies this net interest as a personnel expense and recognizes the net interest expense in profit or loss.

Deviations can arise if the discount rate changes (a lower discount rate increases the present value of the pension liability and the annual pension cost), or if actual inflation levels, salary adjustments and life expectancies deviate from the Group's assumptions. Any change in these assumptions could potentially result in a significant change to the pension assets, obligations and pension costs in future periods.

During the year, the discount rate was lowered for all countries. The discount rate for Sweden was lowered by 1.15 percentage points to 3.30%. For the Swedish pension plans, inflation was unchanged during the fiscal year. The total impact, primarily from changed discount rates and inflation, entailed a negative impact on other comprehensive income of SEK 1.7 billion. The return on plan assets was below the discount rate, which entailed a positive impact on other comprehensive income of SEK 0.9 billion.

Sensitivity to changes in individual parameters can be estimated as follows: A one percentage point change in the discount rate of interest has approximately a SEK 1.8 billion impact on the obligation and a one percentage point change in the inflation assumption has an impact of about SEK 1.8 billion.

### Deferred tax

The Group recognizes deferred tax assets at each balance sheet date to the extent that it is probable that they will be utilized in future periods. This determination is based on estimates of future profitability. A change in these estimates could result in a decrease in deferred tax assets in future periods for assets that are currently recognized in the consolidated balance sheet. In estimating levels of future profitability, historical results of operations in recent years are considered and, if necessary, the implementation of prudent and feasible tax planning strategies to generate future profitability are considered. If future profitability is less than the amount calculated in determining the deferred tax asset, then a decrease in deferred tax assets will be required, with a corresponding charge in profit or loss, except in cases where it is related to items recognized directly in equity. If future profitability exceeds the level that has been assumed in calculating deferred tax assets, an additional deferred tax asset can be recognized, with a corresponding credit in profit or loss, except to the extent that the deferred tax arises from a business combination.

A change in these estimates could also result in the impairment of deferred tax assets in future periods for assets that are currently recognized in the balance sheet.

### Assumption regarding right-of-use assets – aircraft

SAS makes ongoing provisions related to use for undertakings arising in connection with aircraft leasing. The undertakings primarily pertain to engines, but also include landing gear, air frames and APUs. The financial impact is complex to assess as it depends on a large number of factors. Since provisions are made on an ongoing basis for larger mandatory overhauls of engines, landing gear, air frames and APUs, the risk of a return having a material impact on the Group's earnings is reduced.

### Litigations

The Group is involved in litigations and other claims in the ordinary course of its business activities. Management judgment is required in determining the likelihood of the outcome. The actual effects of the outcome could differ from the management's estimate, which would impact the Group's earnings (see also, the Report by the Board of Directors: Legal issues).

### Convertible notes

During the fiscal year, SAS AB issued convertible notes to the four largest owners: Castlelake, Air France-KLM, Lind Invest and the Danish state. The convertible notes have a maximum maturity of 7 years with an annual interest rate of 6.5% + 3M TERM SOFR and is treated in its entirety as a liability pursuant to IFRS 9. Subject to meeting certain requirements, the convertible note allows the holders to either convert the loan into shares, with different values for the conversion option depending on the timing of any conversion. In the event this were to take place, a risk exists that the other owners' holdings could be diluted. If the owners of the convertible notes elect to redeem the debt rather than convert into shares, the convertible note holders are entitled to additional interest compensation. SAS has no control of how the convertible notes will be handled. SAS has valued the option component of the convertible notes (the embedded derivative) at fair value based on SAS' knowledge of, inter alia, the owners, the air travel market as a whole and the terms of the convertible notes. The actual outcome for the convertible notes could differ from the management's estimate, which would in turn impact the Group's earnings.

### PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company has prepared its financial statements according to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 *Accounting for Legal Entities* as well as applicable statements from the Swedish Financial Reporting Board. Under RFR 2, the Parent Company, in preparing the annual financial statements for the legal entity, applies all EU-approved IFRSs and statements insofar as this is possible within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and with respect to the connection between accounting and taxation. The recommendations specify which exceptions and additions are to be made from and to IFRS.

### THE DIFFERENCES BETWEEN THE GROUP'S AND THE PARENT COMPANY'S ACCOUNTING POLICIES ARE LISTED BELOW:

**Pensions:** Current pension premiums are recognized as an expense.

**Shares in subsidiaries and affiliated companies:** Recognized at cost. Acquisition-related expenses for subsidiaries, which are expensed in the consolidated financial statements, are included as part of the cost for holdings in subsidiaries.

**Other shares and participations:** Recognized at cost.

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**NOTE 2 REVENUE**

**REVENUE BY CATEGORY**

	FY24	FY23
Traffic revenue:		
Passenger revenue	34,159	32,236
Charter revenue	2,236	2,096
Cargo revenue	1,056	1,183
Other traffic revenue	3,661	2,992
<b>Total traffic revenue</b>	<b>41,112</b>	<b>38,507</b>
Other operating revenue:		
In-flight sales	253	219
Ground handling services	893	377
Technical maintenance	559	207
Terminal and forwarding services	290	135
Sales commissions and charges	532	781
Other operating revenue	2,244	1,817
<b>Total other operating revenue</b>	<b>4,771</b>	<b>3,536</b>
<b>Total</b>	<b>45,883</b>	<b>42,043</b>

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 a defined point in time.

Refer to the above table for the Group's revenue broken down by category and to the table below for revenue broken down on a country basis for material sources of sales revenue.

**REVENUE BY COUNTRY**

Traffic revenue FY24	Sweden	Norway	Denmark	Other	Total
Passenger revenue	8,289	8,563	4,569	12,738	34,159
Charter revenue	682	1,155	396	3	2,236
Cargo revenue	206	167	224	459	1,056
Other traffic revenue	891	922	490	1,358	3,661
<b>Total traffic revenue</b>	<b>10,068</b>	<b>10,807</b>	<b>5,679</b>	<b>14,558</b>	<b>41,112</b>
<b>Total other operating revenue</b>	<b>829</b>	<b>1,033</b>	<b>213</b>	<b>2,696</b>	<b>4,771</b>
<b>Total</b>	<b>10,897</b>	<b>11,840</b>	<b>5,892</b>	<b>17,254</b>	<b>45,883</b>

Traffic revenue FY23	Sweden	Norway	Denmark	Other	Total
Passenger revenue	7,709	8,545	4,125	11,857	32,236
Charter revenue	618	1,052	426	-	2,096
Cargo revenue	238	171	281	493	1,183
Other traffic revenue	717	795	383	1,097	2,992
<b>Total traffic revenue</b>	<b>9,282</b>	<b>10,563</b>	<b>5,215</b>	<b>13,447</b>	<b>38,507</b>
<b>Total other operating revenue</b>	<b>467</b>	<b>875</b>	<b>527</b>	<b>1,667</b>	<b>3,536</b>
<b>Total</b>	<b>9,749</b>	<b>11,438</b>	<b>5,742</b>	<b>15,114</b>	<b>42,043</b>

**NOTE 3 PERSONNEL EXPENSES**

**AVERAGE NUMBER OF EMPLOYEES**

In fiscal year 2024, the average number of employees in the SAS Group was 8,591 (7,959). A breakdown of the average number of employees by country is provided in the table below.

The average number of employees totaled 3,012 (2,746) in Denmark, 2,407 (2,306) in Norway, and 2,781 (2,729) in Sweden.

	FY24		FY23	
	Men	Women	Men	Women
Denmark	2,064	948	1,780	966
Norway	1,606	801	1,431	874
Sweden	1,773	1,008	1,654	1,075
Other countries	217	174	91	88
<b>Total</b>	<b>5,560</b>	<b>2,931</b>	<b>4,956</b>	<b>3,003</b>
<b>Total men and women</b>	<b>8,591</b>		<b>7,959</b>	

**GENDER BREAKDOWN OF SENIOR EXECUTIVES IN THE GROUP**

	Oct 31, 2024		Oct 31, 2023	
	Closing-date total	of which, men	Closing-date total	of which, men
Board members	49	76%	54	67%
President and other senior executives	48	67%	49	67%

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**SALARIES, REMUNERATION AND SOCIAL SECURITY EXPENSES**

The SAS Group's total payroll expenses amounted to MSEK 8,362 (7,587), of which social security expenses comprised MSEK 1,115 (1,100) and pensions MSEK 515 (428).

Salaries, remuneration and social security expenses include restructuring costs of MSEK 0 (0).

	FY24		FY23	
	Salaries & other remuneration	Soc. sec. exp. (of which pension cost) <sup>2</sup>	Salaries & other remuneration	Soc. sec. exp. (of which pension cost) <sup>1</sup>
SAS AB	17	13 (5)	17	12 (5)
SAS Consortium	3,816	997 (250)	3,491	974 (205)
Other subsidiaries	2,900	620 (260)	2,551	541 (218)
<b>SAS Group, total</b>	<b>6,732</b>	<b>1,630 (515)</b>	<b>6,059</b>	<b>1,527 (428)</b>

<sup>1</sup> The pension cost for all CEOs and other senior executives of SAS Group companies amounted to MSEK 16 (16).

A breakdown of the salaries and other remuneration of Board members, CEOs, other senior executives and other employees is provided in the table below.

	FY24		FY23	
	Board, CEO & senior executives (of which variable salary)	Other employees	Board, CEO & senior executives (of which variable salary)	Other employees
SAS AB	17 (-)	0	16 (-)	1
SAS Consortium	32 (-)	3,748	31 (-)	3,460
Ground handling operations	22 (0)	1,957	16 (0)	1,877
SAS Cargo	8 (0)	62	7 (-)	60
Other subsidiaries	21 (0)	830	19 (0)	571
<b>SAS Group, total</b>	<b>100 (0)</b>	<b>6,632</b>	<b>89 (0)</b>	<b>5,969</b>

	FY24	FY23
<b>Pension costs</b>		
Defined-benefit pension plans	-332	-349
Defined-contribution pension plans	847	777
<b>Total</b>	<b>515</b>	<b>428</b>

**REMUNERATION AND BENEFITS PAID TO THE BOARD, PRESIDENT AND OTHER SENIOR EXECUTIVES**

The fees and other remuneration paid to Board members of SAS AB are determined by the Annual General Shareholders' Meeting (AGM), which also approves the policies applied for the remuneration of senior executives.

**BOARD OF DIRECTORS**

At the AGM of SAS AB on March 18, 2024, fees were set for the remuneration of Board members and for work on Board committees as follows:

Board Chairman	TSEK 630
Board First Vice Chairman	TSEK 420
Other Board members (8)	TSEK 320 per member
Deputy employee representatives (6)	TSEK 5 fee/Board meeting on participation
Chairman of Audit Committee	TSEK 100
Other members of Audit Committee (2)	TSEK 50
Chairman of Remuneration Committee	TSEK 80
Other members of Remuneration Committee (1)	TSEK 27

With the exception of the employee representatives and their deputies, no Board member was employed by the SAS Group in fiscal year 2024. No Board member not employed by the SAS Group received any remuneration or benefit from any SAS Group companies beyond customary airline-industry travel benefits and the fees received for board and committee duties.

**REMUNERATION AND BENEFITS TO THE PRESIDENT AND OTHER SENIOR EXECUTIVES IN FISCAL YEAR 2024, TSEK**

Name	Variable		Pension <sup>3</sup>
	Fixed remuneration <sup>1</sup>	Other benefits <sup>2</sup>	
Anko Van der Werff	12,675	171	4,715
Other <sup>4</sup>	24,928	660	5,722
<b>Total</b>	<b>37,603</b>	<b>831</b>	<b>10,437</b>

<sup>1</sup> Includes holiday compensation  
<sup>2</sup> Other benefits include company car, travel benefits, health insurance and group life insurance.  
<sup>3</sup> Includes health insurance.  
<sup>4</sup> Pertains to: five members for the full year; Carina Malmgren Heander from November 1, 2023 to January 31, 2024; Charlotte Svensson from November 1, 2023 to March 28, 2024; Pernille Vang from January 21, 2024 to October 31, 2024; and Anna Almén from January 1, 2024 to October 31, 2024.

**REMUNERATION AND BENEFITS TO THE PRESIDENT AND OTHER SENIOR EXECUTIVES IN FISCAL YEAR 2023, TSEK**

Name	Variable		Pension <sup>3</sup>
	Fixed remuneration <sup>1</sup>	Other benefits <sup>2</sup>	
Anko Van der Werff	12,675	286	4,715
Other <sup>4</sup>	23,381	1,141	5,525
<b>Total</b>	<b>36,056</b>	<b>1,427</b>	<b>10,240</b>
Other <sup>5</sup>	6,405	163	852
<b>Total</b>	<b>42,461</b>	<b>1,590</b>	<b>11,092</b>

<sup>1</sup> Includes holiday compensation  
<sup>2</sup> Pertains to AIS provisions for future payments in accordance with remuneration policies and the limitations resulting from the recapitalization and payment of variable compensation. For more information, see the section "Limitations to the application of remuneration policies resulting from the recapitalization."  
<sup>3</sup> Includes health insurance.  
<sup>4</sup> Pertains to: four members for the full fiscal year; Karl Sandlund from November 1, 2021 to June 30, 2022; Magnus Örnberg from November 1, 2021 to March 31, 2022; Erno Hildén from April 1, 2022 to October 31, 2022; Erik Westman from July 1, 2022 to October 31, 2022; and Therese Lorenius from July 1, 2022 to October 31, 2022.  
<sup>5</sup> Pertains to salary, pension and benefits during the 12-month notice period and the potential outcome for severance pay. Severance pay is capped at fixed salary for 12 months after the end of the notice period and is only payable if no new employment has been secured. In the case of new employment, any difference between the former fixed monthly salary and the new fixed monthly salary will be paid.

**NOTE 4 OTHER EXTERNAL EXPENSES**

	FY24	FY23
Sales and distribution costs	2,681	2,492
Catering costs	1,356	1,399
Handling costs	2,691	2,641
Technical aircraft maintenance	4,005	3,118
Computer and telecommunication costs	1,596	1,494
Wet-lease expenses	1,499	2,617
Administrative services	2,027	1,544
Other	4,045 <sup>1</sup>	2,354
<b>Total</b>	<b>19,900</b>	<b>17,659</b>

<sup>1</sup> Includes emergence effect in Chapter 11/company reorganization in Sweden with MSEK -2,060

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### NOTE 5 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	FY24	FY23
<b>Amortization and depreciation</b>		
Intangible assets	0	0
Right-of-use assets	3,384	3,322
Buildings and fittings	47	49
Aircraft	816	982
Spare engines and spare parts	76	54
Workshop and aircraft servicing equipment	22	20
Other equipment and vehicles	7	13
<b>Total</b>	<b>4,352</b>	<b>4,440</b>

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**NOTE 6 SHARE OF INCOME AND EQUITY IN AFFILIATED COMPANIES**

<b>Income from shares in affiliated companies:</b>	<b>FY24</b>	<b>FY23</b>
Malmö Flygfrakttterminal AB	9	10
Other	11	8
<b>Total</b>	<b>20</b>	<b>18</b>
Total revenue of affiliated companies	445	399
Income after tax in affiliated companies	70	55

Malmö Flygfrakttterminal AB operates air cargo services in Malmö, Sweden. The affiliated company is closely linked to flight operations and shares in income are recognized in profit or loss.

<b>Equity in affiliated companies</b>	<b>Oct 31, 2024</b>	<b>Oct 31, 2023</b>
Opening cost	20	22
Contributions	-	-
Income from shares in affiliated companies	20	18
Dividends	-21	-20
Reclassification	4	-
Exchange-rate differences	0	0
<b>Closing accumulated cost</b>	<b>23</b>	<b>20</b>

	Corporate registration number	Domicile	Share of equity %	Share of equity	
				Oct 31, 2024	Oct 31, 2023
<b>Equity in affiliated companies:</b>					
Malmö Flygfrakttterminal AB	556061-7051	Malmö, Sweden	40.0	15	18
Other				8	2
<b>Total</b>				<b>23</b>	<b>20</b>
Total assets in affiliated companies				302	310
Total liabilities in affiliated companies				-217	-238
<b>Shareholders' equity in affiliated companies</b>				<b>86</b>	<b>72</b>

**NOTE 7 INCOME FROM THE SALE AND RETURN OF AIRCRAFT, AND OTHER NON-CURRENT ASSETS**

	<b>FY24</b>	<b>FY23</b>
Airbus A320 (sale and leaseback)	-27	-20
Airbus A321	-16	-
Engines (sale and leaseback)	-	5
Rejection of lease contracts in Chapter 11	-	160
Recognized capital gain on completion of the Chapter 11 process/company reorganization in Sweden	187	-
<b>Total</b>	<b>144</b>	<b>145</b>

**NOTE 8 NET FINANCIAL ITEMS**

<b>Financial income</b>	<b>FY24</b>	<b>FY23</b>
Interest income on financial assets not measured at fair value	408	161
Interest income on financial assets measured at fair value	995	855
Other financial income	6,082 <sup>1</sup>	-
Exchange-rate differences interest-bearing liabilities, net	529	52
<b>Total</b>	<b>8,014</b>	<b>1,068</b>

<sup>1</sup>) Includes gains from write down of loans in Chapter 11/company reorganization in Sweden with MSEK 6,074.

<b>Financial expenses</b>	<b>FY24</b>	<b>FY23</b>
Interest expense on interest-bearing liabilities not measured at fair value	-2,262	-1,967
Interest expense on interest-bearing liabilities measured at fair value	-918	-780
Interest expense lease liabilities	-966	-894
Other financial expenses	-20	-84
Exchange-rate differences lease liabilities, net	-	-154
Exchange-rate differences interest-bearing liabilities, net	0	0
<b>Total</b>	<b>-4,166</b>	<b>-3,879</b>

**Total net financial items** **3,848** **-2,811**

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**NOTE 9 TAX**

The following components are included in the Group's tax.

	FY24	FY23
Current tax	-7	-5
Deferred tax	-150	-180
<b>Total tax recognized in net income for the year</b>	<b>-157</b>	<b>-185</b>
Tax recognized in other comprehensive income	356	346
<b>Total tax recognized in other comprehensive income</b>	<b>356</b>	<b>346</b>

Current tax is calculated based on the tax rate in each country. Deferred tax is calculated at the tax rate expected to apply when the tax is realized.

Tax for the fiscal year can be reconciled against income before tax as follows:

	FY24	FY24 (%)	FY23	FY23 (%)
Income before tax (EBT)	1,736		-5,516	
Tax according to weighted average tax rate	-372	21.4	1,180	21.4
Tax effect of non-tax-deductible costs	-98	5.6	-96	1.7
Tax effect of non-taxable income	20	1.2	59	-1.1
Tax effect of different tax rates	0	0	0	0
Tax effect of non-capitalized loss carryforwards	-	-	-1,117	20.3
Other	293	16.9	-211	3.8
<b>Tax and effective tax rate for the fiscal year</b>	<b>-157</b>	<b>9</b>	<b>-185</b>	<b>-3.3</b>

The tables below show the Group's deferred tax liabilities and tax assets according to category and how these liabilities and assets changed.

	Oct 31, 2024	Oct 31, 2023
<b>Deferred tax liability in the balance sheet:</b>		
Non-current assets	1,261	1,362
Pensions	939	1,121
Other temporary differences	254	297
Cash-flow hedges	0	-1
Netting of deferred tax assets/liabilities	-2,001	-2,233
<b>Total</b>	<b>453</b>	<b>546</b>

	Oct 31, 2024	Oct 31, 2023
<b>Deferred tax assets in the balance sheet:</b>		
Pensions	205	78
Other temporary differences	1,563	1,810
Tax loss carryforwards	2,182	2,198
Netting of deferred tax assets/liabilities	-2,001	-2,233
<b>Total</b>	<b>1,949</b>	<b>1,853</b>

	Oct 31, 2024	Oct 31, 2023
<b>Reconciliation of deferred tax, net:</b>		
Opening balance	1,308	1,060
Change according to statement of income	-150	-180
Change in cash-flow hedging according to OCI	-6	-35
Change in defined-benefit pension plans according to OCI	362	373
Exchange-rate differences, etc.	-19	90
<b>Deferred tax, net, on October 31</b>	<b>1,495</b>	<b>1,308</b>

On the closing date, the Group had unutilized loss carryforwards of slightly more than MSEK 30,000 (34,000). Based on these loss carryforwards, the Group recognized a deferred tax asset of MSEK 2,182 (2,198). Deferred tax assets are recognized to the extent that there are factors indicating that taxable profits will be created. The assessment of the respective Group companies' future profit performance is based on earnings reported in recent years as well as improved profitability prospects. Of recognized loss carryforwards totaling MSEK 2,182, MSEK 723 pertains to operations in Denmark, MSEK 275 to Norway, MSEK 1,082 to Sweden and MSEK 102 to Ireland. For loss carryforwards amounting to MSEK 4,107 (4,971), no deferred tax asset is recognized due to uncertainty as regards future profit earnings. There are no expiration dates for the loss carryforwards.

Deferred tax liabilities mainly pertain to fixed assets, where fiscal values are lower than accounting values. In the future, a temporary difference pertaining to a fixed asset will change when the carrying amount and fiscal value matches or, alternatively, when the fixed asset is divested and a higher taxable gain arises. Pensions also give rise to deferred tax liabilities, since accounting and fiscal values are treated differently. SAS has chosen to recognize deferred tax net in the balance sheet as there is a legal right to offset at the same time as there is a strong legal connection between the deferred tax assets and deferred tax liabilities.

No provision has been made for deferred tax on temporary differences relating to non-distributed profits in subsidiaries and affiliated companies since these profits will not be distributed within the foreseeable future, or alternatively a distribution can be made without the profits being subject to tax.

The OECD/G20 Inclusive Framework (IF) has published model rules for global minimum tax (Pillar 2) as part of its efforts to address the challenges that the digitalization of the global economy poses to taxation. The Swedish legislation on global minimum/top-up tax entered force on January 1, 2024 and the SAS Group estimates that the Group will be subject to the rules as of fiscal year 2025. On May 23, 2023, the International Accounting Standards Board (IASB) issued an amendment to IAS 12 Income Taxes. The amendment provides a mandatory exception from the requirements to recognize and disclose deferred tax assets and liabilities related to the proposed global minimum tax rules. The SAS Group applies the mandatory exception which applies until further notice.

During the year, the Group has worked on evaluating the potential top-up tax exposure under the regulations. In line with the initial assessment, the Group expects to be able to initially apply the temporary simplification rule, during which the top-up tax is reduced to zero, in most jurisdictions in which the Group operates. Investigation of the potential exposure and regulatory compliance is ongoing. The complexity of the regulatory framework and the uncertainty surrounding several relevant interpretative issues make it difficult to determine with certainty whether the Group will be able to apply the simplification rule in all jurisdictions. Accordingly, at present, it is not yet possible to reliably estimate the potential tax exposure.

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**NOTE 10 INTANGIBLE ASSETS**

	Goodwill		IT system		Total intangible assets	
	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023
Opening cost	705	748	638	632	1,343	1,380
Investments	–	–	12	6	12	6
Sales/disposals	–	–	–	–	–	–
Exchange-rate differences	-17	-43	–	–	-17	-43
<b>Closing accumulated cost</b>	<b>688</b>	<b>705</b>	<b>650</b>	<b>638</b>	<b>1,338</b>	<b>1,343</b>
Opening amortization	-71	-75	-609	-613	-680	-688
Amortization and impairment for the year	–	–	-5	–	-5	–
Exchange-rate differences	2	4	–	4	2	8
<b>Closing accumulated amortization</b>	<b>-69</b>	<b>-71</b>	<b>-614</b>	<b>-609</b>	<b>-683</b>	<b>-680</b>
Opening impairment	–	–	–	–	–	–
<b>Closing impairment</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Carrying amount</b>	<b>619</b>	<b>634</b>	<b>36</b>	<b>29</b>	<b>655</b>	<b>663</b>

The SAS Group is not engaged in activities relating to research and development (R&D).

	Oct 31, 2024	Oct 31, 2023
<b>Goodwill:</b>		
SAS Scandinavian Airlines Norway	619	634
<b>Total goodwill</b>	<b>619</b>	<b>634</b>

**TESTING FOR IMPAIRMENT OF INTANGIBLE ASSETS**

The value of the Group's intangible assets has been estimated through comparison with the recoverable amount, which is based on the Group's cash-generating value in use based on five-years' cash flow in the Group's business plan. A growth rate of +1.0% (+1.0) has been adopted for the period beyond the plan period.

The projected cash flows are based on assumptions regarding volume trends, unit revenue, operating margins and discount rates, which have been established by the management based on historical experience and market data. The discount rate has been estimated based on a weighted capital cost of 8.7% (8.2) before tax, and of 7.25% (6.9) after tax. To support the impairment tests performed on goodwill in the Group, a comprehensive analysis was performed of the sensitivity in the variables used in the model. A weakening of any of the significant assumptions included in the business plans or a weakening of the annual growth rate in revenue and operating margins beyond the plan period, or an increase in the discount rate that, individually, is reasonably probable, shows that a margin still exists between the recoverable amount and carrying amount. Management therefore determined that there was no need for impairment of goodwill and other intangible assets at the close of October 2024.

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**NOTE 11 TANGIBLE ASSETS**

	Aircraft <sup>1,2</sup>		Engines & spare parts		Total aircraft and engines/spare parts	
	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023
Opening cost	19,110	22,865	2,049	1,942	21,159	24,807
Investments	4,277	2,922	4	1	4,281	2,923
Sales/disposals	-10,331	-7,733	-15	-179	-10,346	-7,912
Reclassifications	-786	788	191	278	-595	1,066
Exchange-rate differences	19	268	-31	7	-12	275
<b>Closing accumulated cost</b>	<b>12,289</b>	<b>19,110</b>	<b>2,198</b>	<b>2,049</b>	<b>14,487</b>	<b>21,159</b>
Opening depreciation	-10,261	-10,481	-673	-593	-10,934	-11,074
Depreciation and impairment for the year	-816	-982	-76	-55	-892	-1,037
Sales/disposals	1,871	512	14	73	1,885	585
Reclassifications	2,922	713	22	-98	2,944	615
Exchange-rate differences	71	-23	1	0	72	-23
<b>Closing accumulated depreciation</b>	<b>6,214</b>	<b>-10,261</b>	<b>-712</b>	<b>-673</b>	<b>-6,925</b>	<b>-10,934</b>
<b>Carrying amount</b>	<b>6,076</b>	<b>8,849</b>	<b>1,486</b>	<b>1,376</b>	<b>7,562</b>	<b>10,225</b>

SAS recognizes aircraft in the balance sheet as tangible assets or as right-of-use assets. Leases defined in accordance with IFRS 16 are entered in the balance sheet as right-of-use assets (see Note 13). In cases where SAS acquires aircraft to thereafter sell and lease back, and where it is (essentially) certain that the asset will be bought back at the end of the period, the related liability that arises is treated as a financial liability pursuant to IFRS 9 and the asset is treated as a tangible asset pursuant to IAS 16.

**CONTRACTUAL PURCHASE COMMITMENTS**

The Group had the following commitments relating to future acquisition of tangible assets. On October 31, 2024, contracted orders amounted to nine Airbus A320neo and two Airbus A350 aircraft with delivery through to 2026 amounting to a total future purchase commitment, including spares, of MUSD 510.

	Buildings and land		Other equipment & vehicles		Investment in progress		Workshop & servicing equipment; aircraft		Total other tangible fixed assets	
	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023
Opening cost	1,277	1,272	374	370	6	3	356	435	2,013	2,080
Investments	6	-	2	-	-	5	27	55	35	60
Sales/disposals	-	-6	-54	-3	-	-	-2	-135	-56	-144
Reclassifications	-30	2	-5	1	15	-2	-3	-	-23	1
Exchange-rate differences	-9	9	-2	6	1	-	-1	1	-11	16
<b>Closing accumulated cost</b>	<b>1,244</b>	<b>1,277</b>	<b>315</b>	<b>374</b>	<b>22</b>	<b>6</b>	<b>377</b>	<b>356</b>	<b>1,958</b>	<b>2,013</b>
Opening depreciation	-959	-900	-354	-336	-	-	-236	-344	-1,549	-1,580
Depreciation and impairment for the year	-42	-52	-3	-13	-	-	-22	-20	-67	-85
Sales/disposals	-	6	49	3	-	-	1	129	50	138
Reclassifications	30	-	-	-	-	-	-	-	30	-
Exchange-rate differences	8	-13	-3	-8	-	-	-	-1	5	-22
<b>Closing accumulated depreciation</b>	<b>-963</b>	<b>-959</b>	<b>-311</b>	<b>-354</b>	<b>-</b>	<b>-</b>	<b>-257</b>	<b>-236</b>	<b>-1,531</b>	<b>-1,549</b>
<b>Carrying amount</b>	<b>281</b>	<b>318</b>	<b>4</b>	<b>20</b>	<b>22</b>	<b>6</b>	<b>120</b>	<b>120</b>	<b>427</b>	<b>464</b>

1) The insured value of aircraft on October 31, 2024 amounted to MSEK 60,427. This includes the insured value of leased aircraft in the amount of MSEK 52,368.  
2) Modifications of leased aircraft are included in planned residual value in the amount of MSEK 79 (123).



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**NOTE 12 PREPAYMENTS FOR AIRCRAFT**

	Prepayment	
	Oct 31, 2024	Oct 31, 2023
Opening cost	3,513	4,063
Investments	529	1,023
Capitalized interest	94	169
Reclassifications	-2,584	-1,807
Exchange-rate differences	-25	65
<b>Closing accumulated cost</b>	<b>1,527</b>	<b>3,513</b>

MSEK 1,520 (3,265) pertains to prepayments for Airbus and Bombardier and MSEK 7 (248) prepayments for Other.

**NOTE 13 RIGHT-OF-USE ASSETS**

Right-of-use assets	Aircraft	Properties	Ground handling equipment	Total	
				Total FY24	Total FY23
Carrying amount	15,120	1,829	215	17,164	17,840
New contracts	7,092	132	115	7,339	3,024
Contract modifications and index or interest rate changes to agreements	-1,884	18	-1	-1,867	-373
Reclassifications	281	-	1	282	-
Currency revaluations	-	-	-5	-5	-5
Depreciation over the fiscal year	-2,928	-385	-69	-3,382	-3,322
Impairment over the fiscal year	-	-	-	-	-
<b>Carrying amount</b>	<b>17,681</b>	<b>1,594</b>	<b>256</b>	<b>19,531</b>	<b>17,164</b>

New contracts during the year with terms longer than 12 months are recognized under the line item *New contracts* and mainly comprised leases for ten new A320neo and three A350 aircraft. Contract modifications mainly arose as a result of SAS' completion of the Chapter 11 process/company reorganization in Sweden.

For information on SAS' lease liabilities, see notes 23 and 31.

**NOTE 14 NON-CURRENT FINANCIAL ASSETS**

	Other holdings of securities		Other long-term receivables <sup>1</sup>		Total non-current financial assets	
	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023
Opening cost	73	79	1,402	1,564	1,475	1,643
Contributions	-	-	419	144	419	144
Sales	-1	-6	-	-	-1	-6
Amortization	-	-	-779	-311	-779	-311
Reclassifications	-	-	-2	0	-2	-
Exchange-rate differences	-	-	-21	5	-21	5
<b>Closing accumulated cost</b>	<b>72</b>	<b>73</b>	<b>1,019</b>	<b>1,402</b>	<b>1,091</b>	<b>1,475</b>
Opening impairment	-70	-70	-	-	-70	-70
Impairment	-	-	-	-	-	-
<b>Closing accumulated impairment</b>	<b>-70</b>	<b>-70</b>	<b>-</b>	<b>-</b>	<b>-70</b>	<b>-70</b>
<b>Carrying amount</b>	<b>2</b>	<b>3</b>	<b>1,019</b>	<b>1,402</b>	<b>1,021</b>	<b>1,405</b>

<sup>1</sup>) The carrying amount includes blocked bank funds of MSEK 371 (517).

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**NOTE 15 POST-EMPLOYMENT BENEFITS**

The table below outlines where the Group's post-employment benefits are included in the financial statements.

	Oct 31, 2024	Oct 31, 2023
Pension funds in the balance sheet		
Present value of funded obligations	-14,419	-12,421
Fair value of plan assets <sup>1</sup>	21,323	20,628
<b>Surplus in funded plans</b>	<b>6,904</b>	<b>8,207</b>
Present value of unfunded obligations	-181	-206
<b>Surplus in defined-benefit pension plans (net pension funds)</b>	<b>6,723</b>	<b>8,001</b>
1) Includes Swedish payroll tax of MSEK 1,586 (1,826).		
<b>Recognized in profit or loss pertaining to<sup>1</sup></b>	<b>FY24</b>	<b>FY23</b>
Defined-benefit pension plans	332	349
Defined-contribution pension plans	-847	-777
	<b>-515</b>	<b>-428</b>
Remeasurements of defined-benefit pension plans <sup>2</sup>	-1,335	-1,359

1) Expenses recognized in profit or loss include the current service cost, past service cost, net interest expense and gains and losses on settlements.

2) Recognized under other comprehensive income, net after tax.

**DEFINED-BENEFIT PENSION PLANS**

Most personnel pension plans in Scandinavia are now defined-contribution based. Defined-contribution pension plans are in place for the majority of personnel in Denmark and Norway, and in Sweden for aircraft crew, younger salaried employees and personnel covered by the SAF-LO collective agreement. The majority of the remaining defined-benefit pension plans are secured through insurance companies in the respective countries. In Sweden, pension plans are mainly placed with Alecta and SPP, in Denmark with Danica and in Norway with DNB. Premiums for defined-benefit retirement pensions are individual and depend, inter alia, on the insured party's age, salary and previously vested pension rights. Expected fees in the next fiscal year (FY 2025) for defined-benefit pension plans under the Alecta plan are expected to amount to about MSEK 30. The collective consolidation level comprises the market value of Alecta's assets as a percentage of insurance undertakings estimated pursuant to Alecta's actuarial assumptions, which do not comply with IAS 19. Collective consolidation, in the form of a collective consolidation level, is normally permitted to range between 125% and 175%. If Alecta's collective consolidation level falls below 125% or exceeds 175%, actions must be taken to create conditions enabling the consolidation level to revert to the normal interval. Alecta's surplus can be allocated to the policy holders or the insured parties if the collective consolidation level exceeds 175%. However, Alecta

applies reductions in premiums to avoid an excessive surplus arising. At the end of the fiscal year, Alecta's surplus in the form of the consolidated collective consolidation level was 163% (178). According to a statement by the Swedish Financial Reporting Board, UFR 10, this constitutes a multi-employer defined-benefit plan and enterprises covered by a multi-employer pension plan classified as defined-benefit must account for their proportional share of the plan's obligations, plan assets and costs in the same way as for any other defined-benefit plan. SAS is provided with information that enables SAS to report its proportional allocated share of the Alecta plan's commitments, plan assets and costs in accordance with IAS 19 rules regarding defined-benefit pension plans. SAS therefore reports net defined-benefit assets since the future economic benefits are available to SAS in the form of future reductions in premiums, cover for future pension indexing or a cash refund.

IAS 19 – *Employee Benefits* entails that all deviations in estimates are to be immediately recognized in other comprehensive income. Furthermore, the discount rate on the defined-benefit plan obligation or pension asset is calculated net, and this net interest expense is recognized by SAS as a personnel expense in profit or loss. SAS reports special payroll tax in line with the rules in IAS 19, which means that those actuarial assumptions made in the calculation of defined-benefit pension plans must also include taxes payable on pension benefits.

As per October 31, 2024, the remaining pension plans in Sweden reported a surplus of about SEK 5.4 billion and, accordingly, special payroll tax was recognized for the surplus. On October 31, 2024, special payroll tax totaled about SEK 1.3 billion (1.6).

<b>Defined-benefit pension plans</b>	<b>FY24</b>	<b>FY23</b>
Current service cost	-20	-29
Past service cost and gains and losses on settlements	-6	-20
Interest expense on pension obligations	-553	-517
Interest income on plan assets	840	838
Payroll tax	70	77
<b>Total impact recognized in profit and loss for defined-benefit pension plans</b>	<b>332</b>	<b>349</b>

The above earnings effect is recognized in its entirety as personnel expenses.

<b>Changes in the present value of defined-benefit plan obligations</b>	<b>Oct 31, 2024</b>	<b>Oct 31, 2023</b>
Opening balance, pension obligations	12,627	12,300
Current service cost	20	29
Settlements	0	-3
Interest expense	553	517
Reclassification	-	-
Pensions paid out	-911	-882
Exchange-rate differences	20	37
	<b>12,309</b>	<b>11,998</b>
Remeasurements:		
– Gain/loss (-/+) from change in demographic assumptions	-3	12
– Gain/loss (-/+) from change in financial assumptions	1,718	-485
– Experience gains/losses (-/+)	576	1,102
<b>Closing balance, pension obligations, October 31</b>	<b>14,600</b>	<b>12,627</b>
<b>Change in fair value of plan assets</b>	<b>Oct 31, 2024</b>	<b>Oct 31, 2023</b>
Opening balance, plan assets	20,628	21,552
Settlements	0	-16
Interest income	840	838
Contributions/premiums paid	16	22
Other expenses/revenue	70	72
Reclassification	-	-
Pensions paid out	-838	-790
Exchange-rate differences	20	53
	<b>20,736</b>	<b>21,731</b>
Remeasurements:		
– Special payroll tax	-312	-316
– Return on plan assets (excluding amounts included in interest income)	899	-787
<b>Closing balance, plan assets, October 31</b>	<b>21,323</b>	<b>20,628</b>
<b>Change in pension funds (net)</b>	<b>Oct 31, 2024</b>	<b>2023 Oct 31,</b>
<b>Opening balance, pension funds (net)</b>	<b>8,001</b>	<b>9,252</b>
Total recognized in net income for the year	333	349
Reclassification	-	-
Remeasurements	-1,704	-1,733
Contributions/premiums paid	89	112
Exchange-rate differences	4	21
<b>Closing balance, pension funds (net), October 31</b>	<b>6,723</b>	<b>8,001</b>

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Breakdown of the defined-benefit plan obligations and plan assets by country	Oct 31, 2024					Oct 31, 2023				
	Sweden	Norway	Denmark	Other	Total	Sweden	Norway	Denmark	Other	Total
Present value of obligation	-13,514	-163	-	-922	-14,600	-11,655	-179	-	-793	-12,627
Fair value of plan assets	20,385	0	-	938	21,323	19,754	0	-	874	20,628
<b>Pension funds, net</b>	<b>6,871</b>	<b>-163</b>	<b>-</b>	<b>17</b>	<b>6,723</b>	<b>8,099</b>	<b>-179</b>	<b>-</b>	<b>81</b>	<b>8,001</b>

Remeasurements — analysis of amounts recognized under other comprehensive income	FY24	FY23
– Gain/loss (+/-) from change in demographic assumptions	3	-12
– Gain/loss (+/-) from change in financial assumptions	-1,718	485
– Experience gains/losses (+/-)	-576	-1,102
– Special payroll tax	-312	-316
– Return on plan assets (excluding amounts included in interest income)	899	-787
<b>Total remeasurements</b>	<b>1,704</b>	<b>-1,732</b>

During the year, the discount rate was raised for all countries. The discount rate for Sweden was decreased by 1.15 percentage points to 3.30%. During the fiscal year, the inflation assumption was unchanged for the Swedish pension plans at 2.0%. The total impact, primarily from changed discount rates and inflation, entailed a negative impact on other comprehensive income of SEK 1.718 billion. The return on plan assets was below the discount rate, which entailed a positive impact on other comprehensive income of SEK 0.899 billion.

ACTUARIAL ASSUMPTIONS

The measurement to be applied under IAS 19 when measuring defined-benefit plans is known as the projected unit credit method. This method requires several assumptions (actuarial parameters) for calculating the present value of the defined-benefit obligation. Actuarial assumptions comprise both demographic and financial assumptions. Since assumptions must be neutral and mutually compatible, they should be neither imprudent nor overly conservative. They should reflect the economic relationships between factors such as inflation, rates of salary increase, the return on plan assets and discount rates. This means that they should be realistic, based on known financial relations and reflect SAS' best assessment of the factors that will determine the ultimate cost of providing post-employment benefits, that is pension costs. In calculating pension obligations, the current service cost and the return on plan assets, locally set parameters are applied in the respective countries on the basis of the local market situation and expected future trends. This means that the parameters are based on market expectations at the end of the reporting period regarding the time period in which the obligation will be settled.

The discount rate has been determined on the basis of market yields on high-quality corporate bonds (preferably mortgage bonds with a minimum

AA rating). The tenor of the bonds reflects the estimated timing and size of pension payments (duration) as well as the currencies these payments are expected to be made in.

Other financial assumptions are based on anticipated developments during the term of the obligation. The assessment of future salary adjustments corresponds to the assumed rate of inflation in the respective countries and life expectancies are set under DUS23 (DUS21) for Sweden and K2013 (K2013) for Norway.

SAS is aware of the ruling in 2023, in the case of Virgin Media vs NTL Pensions, and the subsequent Court of Appeal decision published in July 2024. There it was decided that certain amendments to the "NTL Pension Plan" were invalid because they were not accompanied by a proper actuarial confirmation. There remains significant uncertainty as to whether the judgments will result in additional liabilities for UK pension schemes and it is possible that there will be further legal developments in this area.

A detailed review of historical documentation is needed to determine the validity of any amendments made, but such a review will take time to complete. Given the above, SAS cannot, at this time, estimate what effects (if any) this may have.

Key actuarial assumptions	Oct 31, 2024					Oct 31, 2023				
	Sweden	Norway	Denmark	Other	Total	Sweden	Norway	Denmark	Other	Total
Discount rate	3.30%	4.25%	-	4.70%		4.45%	4.70%	3.70%	5.75%	4.54%
Inflation	2.00%	0–1.75%	-	3.40% <sup>1</sup>		2.0%	0–1.75%	1.75%	3.50% <sup>1</sup>	2.0%
Salary growth rate	2.00%	0.00%	-	0.00%		2.0%	0%	0%	0%	2.0%
Pension growth rate	2.00%	0–1.75%	-	3.20%		2.0%	0–1.75%	1.75%	3.30%	2.08%

1) Pertains solely to UK plans.

The average duration of defined-benefit pension plans was as follows:	Sweden	Norway	Denmark	Other
Fiscal year 2024	11.15	6.20	-	13.00
Fiscal year 2023	10.49	5.90	-	13.00

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	Oct 31, 2024		Oct 31, 2023	
	Total	%	Total	%
<b>Plan assets are comprised as follows<sup>1</sup>:</b>				
<b>Alecta (Sweden):</b>				
Equities, of which 34% (37) is invested in Swedish equities	3,293	34	3,064	32
Interest-bearing securities	4,628	48	4,441	47
Properties	1,822	18	1,983	21
	<b>9,743</b>	<b>100</b>	<b>9,488</b>	<b>100</b>
<b>SPP (Sweden):</b>				
Equities, of which 21% (25) was invested in Swedish equities	2,138	23	1,475	17
Interest-bearing securities	6,043	65	4,600	53
Properties	1,116	12	1,128	13
Other	–		1,475	17
	<b>9,297</b>	<b>100</b>	<b>8,678</b>	<b>100</b>
<b>Other countries:</b>				
Equities			–	–
Interest-bearing securities	762	81	735	84
Other	176	19	139	16
	<b>938</b>	<b>100</b>	<b>874</b>	<b>100</b>

1) The plan assets in the Swedish pension plans exclude special payroll tax, which is not included in the plan assets managed by Alecta and SPP. Only an insignificant share of the plan assets is invested in SAS shares.

Membership statistics on October 31, 2024	Active employees	Taken early retirement	Deferred pensioners	Pensioners
The Alecta plan	1,157	96	2,862	4,304
SPP	13	–	214	1,193
Other plans in Sweden (unfunded)	–	–	–	11
DnB	–	–	–	679
Danica	–	–	–	–
Other	–	–	308	349
<b>Total</b>	<b>1,170</b>	<b>96</b>	<b>3,384</b>	<b>6,536</b>

The effect on/sensitivity of the defined-benefit pension obligation to changes in the key assumptions, MSEK:	Sweden	Norway	Other	Total
Discount rate, -1%	1,721	10	127	1,857
Inflation, +1% <sup>1</sup>	1,760	-6	34	1,788
Salary, +1%	35	0	0	35

The above sensitivity analyses are based on a change in one assumption while holding all other assumptions constant.

1) Corresponds with sensitivity in terms of pension increases.

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**NOTE 16 INVENTORIES AND EXPENDABLE SPARE PARTS**

	Oct 31, 2024	Oct 31, 2023
Expendable spare parts, flight equipment	414	341
Expendable spare parts, other	65	58
Inventories	165	44
<b>Total</b>	<b>644</b>	<b>443</b>
Measured at cost	600	385
Measured at net realizable value	44	58
<b>Total</b>	<b>644</b>	<b>443</b>

**NOTE 17 ACCOUNTS RECEIVABLE**

Net impairment of accounts receivable and recovered accounts receivable, as well as the impairment of other current receivables, had an earnings impact of MSEK 5 (64).

<b>Age analysis of accounts receivable</b>	Oct 31, 2024	Oct 31, 2023
Accounts receivable not yet due	931	1,005
Due <31 days	91	208
Due 31–90 days	14	42
Due 91–180 days	9	6
Due >180 days	2	-6
<b>Total</b>	<b>1,048</b>	<b>1,255</b>

<b>Provision for expected credit losses on accounts receivable</b>	Oct 31, 2024	Oct 31, 2023
Opening provision	110	46
Provision for expected losses	5	64
Reversed provisions	-32	-
<b>Closing provision</b>	<b>82</b>	<b>110</b>

**NOTE 18 OTHER RECEIVABLES**

	Oct 31, 2024	Oct 31, 2023
Derivatives	98	67
Other receivables	2,659	3,714
<b>Total</b>	<b>2,757</b>	<b>3,781</b>

**NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME**

	Oct 31, 2024	Oct 31, 2023
Prepaid expenses	315	474
Accrued income	629	423
<b>Total</b>	<b>944</b>	<b>897</b>

Accrued income is categorized as contract assets. Further information is provided in Note 24.

**NOTE 20 CASH AND CASH EQUIVALENTS**

	Oct 31, 2024	Oct 31, 2023
Cash and bank balances	11,258	5,891
Deposits	185	174
Tax deduction account in Norway	104	95
<b>Total</b>	<b>11,546</b>	<b>6,160</b>

The carrying amount of short-term investments corresponds with the fair value. Fair value is the amount that should have been received for short-term investments outstanding if sold on the closing date. Short-term investments are categorized as financial assets at amortized cost.

All investments have a term of no more than three months.

**Disclosure of interest paid**

During the year, interest received amounted to MSEK 1,408 (988), of which MSEK 998 (861) pertained to forward premiums for currency derivatives. During the year, interest paid amounted to MSEK 3,264 (1,506), of which MSEK 919 (789) pertained to forward premiums for currency derivatives.

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### NOTE 21 SHAREHOLDERS' EQUITY

#### SHARE CAPITAL

As of October 31, 2024, there were 4,865,104,689 subordinated shares in SAS AB.

In August 2024, SAS AB completed its company reorganization and canceled the existing 7,266,039,292 common shares. In conjunction with the completion of the company reorganization, 4,865,104,689 subordinated shares were issued in SAS AB with a quotient value of about SEK 2.12, representing a registered share capital of SEK 10,291,444,924.

#### OTHER CONTRIBUTED CAPITAL

Comprises equity contributed by the owners. Includes share premiums paid in conjunction with issues.

#### RESERVES

<b>Translation reserve</b>	<b>2024</b>	<b>2023</b>
Opening translation reserve	72	20
Translation differences for the year	-86	52
<b>Closing translation reserve, October 31</b>	<b>-13</b>	<b>72</b>
<b>Hedging reserve</b>		
Opening hedging reserve	-109	-244
Cash-flow hedges:		
– Recognized directly in other comprehensive income	64	145
– Change in statement of income	9	25
– Tax attributed to year's change in hedging reserve	-16	-35
<b>Closing hedging reserve, October 31</b>	<b>-52</b>	<b>-109</b>
<b>Total reserves</b>		
Opening reserves	-36	-224
Change in reserves for the year:		
– Translation reserve	-86	53
– Hedging reserve	57	135
<b>Closing reserves, October 31</b>	<b>-65</b>	<b>-36</b>

#### Translation reserve

The translation reserve includes all exchange-rate differences arising in conjunction with the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than Swedish kronor.

#### Hedging reserve

The hedging reserve includes the effective part of the cumulative net change in fair value on a cash-flow instrument attributable to hedging transactions that have not yet transpired.

#### HYBRID BONDS

In conjunction with the completion by SAS AB of its company reorganization in August 2024, SAS' hybrid bonds were canceled.

#### RETAINED EARNINGS

Encompass net income for the year and profits earned in the Parent Company and its Group companies. Retained earnings also include revaluations related to post-employment benefits. In fiscal year 2024, retained earnings were also impacted by the company reorganization of SAS, since SAS AB's common shares and hybrid bonds were cancelled concurrent with the emission of a bonus issue.

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**NOTE 22 INTEREST-BEARING LIABILITIES**

Maturity profile for interest-bearing liabilities

	FY25	FY26	FY27	FY28	FY29	FY30>	Oct 31, 2024	Oct 31, 2023
Subordinated loans	-	-	-	-	-	-	-	1,569
Convertible notes	-	-101	-50	-50	-50	7,662	7,411	-
Other loans	1,166	632	781	634	1,556	1,293	6,062	19,496
<b>Total</b>	<b>1,166</b>	<b>531</b>	<b>731</b>	<b>584</b>	<b>1,506</b>	<b>8,955</b>	<b>13,473</b>	<b>21,065</b>
Less amortization FY25 and FY24							-1,166	-9,974
<b>Total</b>							<b>12,307</b>	<b>11,091</b>

**SUBORDINATED LOANS**

The subordinated loan of MCHF 200 issued during fiscal year 1986 was encompassed by the debt settlement completed within the framework of the restructuring proceedings that were concluded in fiscal year 2024. The entry into force of the plan of reorganization has resulted in the extinguishment of claims under the subordinated loan.

In previous years, SAS repurchased MCHF 73 of the bonds, after which the balance of the loan was MCHF 127 prior to the debt settlement. Accordingly, following the debt settlement and on the balance-sheet date, the loan amounted to a nominal MCHF 0 (127), equivalent to MSEK 0 (1,569).

**BONDS**

In May 2001, a MEUR 1,000 European Medium-Term Note program was established. The EMTN program makes it possible for the Group to issue bonds with fixed or floating interest rates in any currency. On the closing date, the SAS Group's issued bonds amounted to MSEK 0 (0).

**CONVERTIBLE NOTES**

During the fiscal year, SAS AB issued secured convertible notes for MUSD 725 to the four largest owners: Castlake, Air France-KLM, Lind Invest and the Danish state. The convertible notes have a maximum maturity of 7 years with an annual interest rate of 6.5% + 3M TERM SOFR and are treated in their entirety as a liability pursuant to IFRS 9. The nominal value on the balance-sheet date was MSEK 7,411 (0) and the fair value was MSEK 10,704 (0).

Subject to meeting certain requirements, the convertible notes allow the holders to either convert the loan into shares, with different values for the conversion option depending on the timing of any conversion. In the event this were to take place, a risk exists that the other owners' holdings could be diluted. If the owners of the convertible notes elect to redeem the debt rather than convert into shares, the convertible note holders are entitled to additional interest compensation. SAS has no control of how the convertible notes will be handled. SAS has valued the option component of the convertible notes (the embedded derivative) at fair value based on SAS' knowledge of, inter alia, the owners, the air travel market as a whole and the terms of the convertible notes. The actual outcome for the convertible notes could differ from the management's estimate, which would in turn impact the Group's earnings.

**OTHER LOANS**

During the now completed Chapter 11 process in the US, SAS entered two agreements for Debtor-in-Possession (DIP) financing, which aimed to provide SAS with a strong financial position to maintain operations throughout the ongoing Chapter 11 process in the US. DIP financing is a specialized type of bridge financing used by businesses that are

restructuring through a Chapter 11 process and is structured as a non-amortized, senior secured super-priority credit. The first loan of USD 700 million was arranged with funds managed by Apollo Global Management, where the first tranche of USD 350 million was drawn in September 2022 and corresponded to the amount outstanding as of October 31, 2023. The second loan of USD 500 million was arranged in fiscal year 2024 with Castlake to, inter alia, refinance SAS' existing DIP loan from Apollo, increase liquidity and support SAS' path to exit from its voluntary restructuring proceedings. Thereafter, in conjunction with the exit financing for the reorganized SAS at the time of its emergence from the restructuring proceedings corresponding to a total of USD 1,200 million, comprised of USD 475 million in new unlisted equity and USD 725 million in secured convertible notes, the DIP loan from Castlake was repaid in full.

In addition, the loans from the Swedish, Danish and Norwegian states were encompassed by the debt settlement completed within the framework of the restructuring proceedings that were concluded in fiscal year 2024. The entry into force of the plan of reorganization has resulted in the extinguishment of claims.

	Oct 31, 2024		Oct 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Aircraft financing liabilities	4,870	4,848	7,480	7,179
Convertible notes	7,411	10,704	-	-
Government guaranteed loans	-	-	5,045	5,173
Other long-term loans	388	388	824	799
DIP financing	-	-	4,813	4,833
Other short-term loans	469	469	1,127	1,131
Accrued interest	304	304	172	172
Derivatives	31	31	34	34
<b>Total before amortization</b>	<b>13,473</b>	<b>16,744</b>	<b>19,495</b>	<b>19,321</b>
Less amortization FY24 and FY23	-1,166	-1,133	-9,974	-10,128
<b>Total other loans</b>	<b>12,307</b>	<b>15,611</b>	<b>9,521</b>	<b>9,193</b>

Maturity profile of other loans	FY25	FY26	FY27	FY28	FY29	FY30>	Total
Aircraft financing liabilities	362	371	654	634	1,556	1,293	4,870
Other long-term loans	-	261	127	-	-	-	388
Other current liabilities	804	-	-	-	-	-	804
<b>Total</b>	<b>1,166</b>	<b>632</b>	<b>781</b>	<b>634</b>	<b>1,556</b>	<b>1,293</b>	<b>6,062</b>

Other loans are recognized at amortized cost.

Aircraft financing liabilities and convertible loans are denominated in USD and amounted to MSEK 12,280, other loans are mainly denominated in SEK. Aircraft financing liabilities include some liabilities linked to assets subject to title reservation agreements. The average interest rate on the closing date amounted to 4.3% for aircraft financing liabilities and 3.8% for other loans. The interest rate for the convertible loans amounted to 11.6%, excluding periodized transaction costs.

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**NOTE 23 INTEREST-BEARING LEASE LIABILITIES**

						Oct 31, 2024	Oct 31, 2023
Non-current lease liabilities						19,236	17,034
Current lease liabilities						3,175	4,393
<b>Total</b>						<b>22,411</b>	<b>21,427</b>

Lease liabilities	FY25	FY26	FY27	FY28	FY29>	Oct 31, 2024	Oct 31, 2023
Aircraft	3,657	3,446	3,331	3,092	10,787	24,313	22,281
Properties	391	355	288	289	532	1,855	2,200
Ground handling equipment	87	81	57	49	27	301	239
<b>Total</b>	<b>4,135</b>	<b>3,882</b>	<b>3,676</b>	<b>3,430</b>	<b>11,346</b>	<b>26,469</b>	<b>24,720</b>
Discounting effect	-960	-806	-657	-515	-1,120	-4,058	-3,293
<b>Total</b>	<b>3,175</b>	<b>3,076</b>	<b>3,019</b>	<b>2,915</b>	<b>10,226</b>	<b>22,411</b>	<b>21,427</b>

The Group leases aircraft, properties and ground handling equipment for which the present values of contractual lease commitments have been reported as interest-bearing liabilities. The terms of the above contracts extend for 1–12 years and are subject to various conditions, such as linking to different indices as well as interest rates. Lease liabilities are denominated in the following currencies: USD (MSEK 20,518), SEK (MSEK 895), NOK (MSEK 682), DKK (MSEK 312) and other currencies (MSEK 4). For more information about assets leased by the Group (right-of-use assets), see Note 13.

Amortization of lease liabilities amounted to MSEK 3,148 (2,796) for the year and the interest expense on lease liabilities was MSEK 966 (894) for the year. Remeasurement of currencies in lease liabilities had an impact on earnings of MSEK 578 (-154) for the year. During the year, the Group had rental costs linked to short-term contracts and variable fees as well as for low value assets amounting to MSEK 225 (335).

**NOTE 24 CONTRACT ASSETS AND LIABILITIES**

The Group has identified contract assets, which are recognized as accrued income, refer to Note 19. The identified contract assets pertain mainly to passenger revenue and EuroBonus points sold that have yet to be invoiced to customers.

The Group has identified the following contract liabilities:

	Oct 31, 2024	Oct 31, 2023
Unearned transportation liability	7,175	6,676
Loyalty program	1,592	1,529
Other	7	-

The unearned transportation liability and the loyalty program are recognized as contract liabilities since payments are received from customers before the performance obligation is discharged by the Group. Information about the discharge of performance obligations can be found in Note 1 under the headings “Passenger revenue” and “EuroBonus.”

The unearned transportation liability was MSEK 7,175 (6,676) on October 31. Future, unmet, performance obligations are expected to be essentially discharged in the 12 months following October 31, 2024. During the year, MSEK 4,806 (3,531) of the year’s opening liability was recognized in revenue. During the year, MSEK 1,121 (841) of the year’s opening liability was paid in tax.

The liability pertaining to the EuroBonus loyalty program was MSEK 1,592 (1,529) on October 31. EuroBonus points earned are valid for five years. Since uncertainty exists in terms of when the EuroBonus points will be used, the whole liability is recognized as long-term. The Group’s assessment is that one quarter of the EuroBonus points will be used and recognized as revenue within 12 months from October 31, 2024 and the remainder at a declining rate over future years.

**NOTE 25 FINANCIAL RISK MANAGEMENT AND FINANCIAL DERIVATIVES**

The SAS Group is exposed to various types of financial risks. All risk management is handled centrally and in accordance with the policies set by the Board. The SAS Group uses derivative instruments as part of its financial risk management to limit its fuel, currency and interest-rate exposure.

**FUEL PRICE RISK**

The SAS Group is exposed to changes in jet-fuel prices. Exposure is handled by continuously hedging 40–80% of the forecast fuel consumption for the coming 12 months. Under the current uncertain and volatile market conditions SAS has temporarily adjusted the financial policy with regard to the hedging ratio for jet fuel. The exception applies for FY 2024 and permits hedging between 0 and 80% of the anticipated volumes for the next 12 months. The main financial derivatives used for hedging jet fuel are options and swaps. As of October 31, 2024, the Group had signed derivative agreements covering approximately 0% of the Group’s forecast jet-fuel requirement for November 2024–October 2025. In November 2023–October 2024, jet-fuel-related costs accounted for 23% of the Group’s operating expenses (including leases, amortization and depreciation), compared with 24% in November 2022–October 2023.

**CURRENCY RISK**

The SAS Group has currency exposure both to transaction risk and to translation risk.

*Transaction risk* arises when flows in foreign currencies are exposed to currency fluctuations. To manage the transaction risk to which the SAS Group is exposed, the projected commercial currency flows are hedged using currency derivatives. According to the financial policy, the hedge level must be 40–80% of a 12-month rolling liquidity forecast. Future contracted aircraft purchases denominated in USD can be hedged by up to 80% of the contracted amount. Additionally, future aircraft sales can be hedged with currency derivatives and loans in USD in an amount up to 80% of the carrying amounts of the aircraft fleet. As of October 31, 2024, the Group had signed agreements for derivatives covering approximately 40% of the Group’s forecast commercial currency exposure for November 2024–October 2025.

*Translation risk* arises during conversion of balance-sheet items in foreign currencies due to currency fluctuations. To limit translation risk, the policy is to keep the financial net debt mainly in the presentation currency of the respective subsidiary. 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 lease liabilities into SEK is significant. Forecast future USD revenue is hedged using the external USD denominated lease liabilities as hedging instruments to manage a specific portion of this risk.



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INTEREST-RATE RISK

The SAS Group is exposed to interest-rate risk when the market value of the financial net debt (interest-bearing assets and liabilities) is affected by movements in the yield curve (market interest rates at different maturities). Group borrowing includes loans at both fixed and floating interest rates. To manage the interest-rate risk, interest-rate derivatives are used to change the fixed-interest term of the underlying gross financial debt. The target of current policy is for the average fixed-interest term of the gross financial debt to correspond to 3 years, with a permitted interval of 1–5 years. In addition, the development of the gross financial debt for the forthcoming 12 months and contracted future aircraft purchases is taken into consideration. As of October 31, 2024, the average fixed-interest term, including the hybrid bonds, was 1.9 years (1.3).

SENSITIVITY ANALYSIS, REVALUATION EFFECT ON CLOSING DATE

The sensitivity analysis concerning fuel price shows the immediate revaluation effect of a 10% parallel shift in the price curve for fuel derivatives.

The sensitivity analysis concerning currency shows the immediate revaluation effect on the closing date for cash-flow hedges, accounts receivable and accounts payable of a 10% strengthening or weakening of the Swedish krona against all currencies the SAS Group is exposed to. In addition to the revaluation effect, a 1% weakening of the USD against the SEK would have a positive impact of about MSEK 189 on the SAS Group's net financial items based on lease liabilities of around MUSD 1,772. A 1% strengthening of the USD against the SEK would have the corresponding negative effect on net financial items.

The sensitivity analysis for market interest rates shows the immediate revaluation effect on the closing date for interest-rate derivatives and short-term investments with a 1-percentage-point parallel shift in the yield curve. Beyond the revaluation effect, the SAS Group's net interest for the November 2023–October 2024 period is affected by around MSEK 72 (69) if short-term market rates rise by 1 percentage point. However, if short-term market rates fall by 1 percentage point the corresponding negative effect on net interest is MSEK -72 (-69).

SENSITIVITY ANALYSIS, REVALUATION EFFECT ON CLOSING DATE

			Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023
Market risk	Change	Currency	Earnings impact	Earnings impact	Equity impact	Equity impact
Fuel price	+/-10%		-/-	-/-	-/-	-/-
Currency risk, SEK	+/-10%	CHF	-/-	1/-1	-/-	12/-12
Currency risk, SEK	+/-10%	DKK	10/-10	16/-16	-/-	49/-49
Currency risk, SEK	+/-10%	EUR	15/-15	20/-20	-/-	21/-21
Currency risk, SEK	+/-10%	GBP	3/-3	8/-8	-/-	29/-29
Currency risk, SEK	+/-10%	NOK	22/-22	19/-19	282/-282	284/-284
Currency risk, SEK	+/-10%	USD	15/-15	27/-27	-365/365	-214/214
Currency risk, SEK	+/-10%	OTHER	-3/3	2/-2	-/-	-/-
Market interest rates	+/-1%		-/-	-/-	-/-	-/-

FINANCIAL DERIVATIVES

Different types of currency derivatives, such as currency forward contracts, currency swap contracts and currency options, are used to manage currency exposure. Furthermore, interest-rate exposure is managed by different types of interest-rate derivatives such as forward rate agreements (FRAs), futures, interest-rate swap contracts and currency interest-rate swap contracts. The Group holds interest-rate derivatives that are exposed to LIBOR. These will not be affected by the ongoing IBOR reform, since these interest-rate swap contracts will expire prior to the reform entering force. As of October 31, 2024, the fair value of the SAS Group's derivative instruments outstanding totaled MSEK 67 (33), broken down according to the table below.

	Oct 31, 2024 Fair value			Oct 31, 2023		
	Volume outstanding	Assets	Liabilities	Net	Volume outstanding	Fair value, net
Currency derivatives	19,801	98	-31	67	31,510	33
Interest-rate derivatives	0	0	0	0	0	0
Fuel derivatives	0	0	0	0	0	0
<b>Total</b>	<b>19,801</b>	<b>98</b>	<b>-31</b>	<b>67</b>	<b>31,510</b>	<b>33</b>

As of the balance-sheet date, fair value is consistent with carrying amounts.

The fair value is the amount received or paid if outstanding financial instruments are sold on the closing date. Derivatives not subject to hedge accounting are classified as financial instruments at FVTPL. Volume outstanding means the nominal amount of derivative contracts expressed in absolute terms.

The total carrying amount for the Group's derivative financial instruments is presented in the balance-sheet items in the table below.

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**OFFSETTING OF FINANCIAL DERIVATIVES**

To reduce credit risks for bank receivables related to derivatives, SAS has entered into netting agreements, under ISDA agreements, signed with all of its counterparties.

The information in the following table includes financial assets and liabilities that are subject to enforceable master netting arrangements and similar agreements that cover financial instruments.

	Oct 31, 2024	Oct 31, 2023
Other receivables	98	67
<b>Total derivative assets</b>	<b>98</b>	<b>67</b>
Current liabilities	-31	-34
<b>Total derivative liabilities</b>	<b>-31</b>	<b>-34</b>
<i>Derivative assets/liabilities net at end of the period</i>	<b>67</b>	<b>33</b>
Allocation of derivatives according to the following:		
Cash-flow hedges	63	40
Derivatives not designated as hedges for accounting purposes	4	-7
<b>Derivative assets/liabilities net at end of the period</b>	<b>67</b>	<b>33</b>

	Oct 31, 2024			Oct 31, 2023		
	Financial assets	Financial liabilities	Total	Financial assets	Financial liabilities	Total
Gross amount	98	-31	67	67	-34	33
Amount offset	0	0	0	0	0	0
<b>Recognized in the balance sheet</b>	<b>98</b>	<b>-31</b>	<b>67</b>	<b>67</b>	<b>-34</b>	<b>33</b>
Amounts covered by netting agreements	-31	31	0	-34	34	0
<b>Net amount after netting agreements</b>	<b>67</b>	<b>0</b>	<b>67</b>	<b>33</b>	<b>0</b>	<b>33</b>

**HEDGE-ACCOUNTED DERIVATIVES, CASH-FLOW HEDGE**

**Hedging of aircraft**

The hedging of future contracted aircraft purchases/sales represents hedging transactions since it is the payment flow in foreign currency during a future purchase/sale that is hedged according to the cash-flow method. The loans and the currency forward contracts included in hedging relationships are translated at the relevant closing rate and the change that is calculated as effective is recognized in other comprehensive income. As of October 31, 2024, the accumulated currency effect on cash-flow-hedged loans and derivatives relating to future aircraft purchases and sales was recognized after tax in the hedging reserve in equity in the amount of MSEK 305 (369).

**Commercial flows**

Currency derivatives are used to manage the transaction risk relating to projected commercial flows. These currency derivatives represent hedging transactions according to the cash-flow method and their accounting policies are matched with those of the underlying liquidity projection. Provided that the effectiveness of the hedges can be demonstrated, the accumulated change in market value of each hedging transaction is recognized in equity until it is recycled to the statement of income as a cost/revenue. As of October 31, 2024, the accumulated currency effect of these cash-flow-hedged currency derivatives was recognized after tax in the hedging reserve in equity in the amount of MSEK 59 (213).

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 are recognized in other comprehensive income and reported 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. As of October 31, 2024, the accumulated currency effect of these cash-flow-hedged derivatives was recognized after tax in the hedging reserve in equity in the amount of MSEK -119 (-299).

**Interest-rate derivatives**

When the SAS Group borrows at floating interest rates and changes its interest-rate exposure by entering into interest-rate swap contracts whereby floating interest is received and fixed interest is paid, the hedging relationship is classified as a cash-flow hedge. When hedge accounting is applied, the effective portion of the change in value of the hedge instrument is recognized in other comprehensive income. The terms of the interest-rate derivatives used for hedging transactions are matched with those of the individual loans. On the closing date October 31, 2024, the accumulated effect on these cash-flow-hedged interest-rate derivatives was recognized after tax in the hedging reserve in equity in the amount of MSEK -321 (-399).

**Fuel derivatives**

Fuel derivatives are used to manage the price risk relating to jet fuel. These derivatives represent hedging transactions according to the cash-flow method and their accounting policies are matched with those of the underlying forecast jet-fuel requirement. As of October 31, 2024, the accumulated effect on these cash-flow-hedged fuel derivatives was recognized after tax in the hedging reserve in equity in the amount of MSEK 0 (0).

Altogether, MSEK -76 (-116) was recognized after tax in the hedging reserve in equity on October 31, 2024, and is expected to affect the statement of income in the following years as per the following table:

	FY25	FY26	FY27	FY28	FY29	FY30>	Total
Aircraft	82	93	69	30	20	94	388
Commercial flows, revenue	-59	-30	-30	-32	-	-	-151
Commercial flows, other	75	-	-	-	-	-	75
Interest-rate derivatives	-70	-70	-70	-65	-57	-76	-408
Fuel derivatives	-	-	-	-	-	-	-
Deferred tax	-6	2	7	14	8	-4	20
<b>Effect on equity</b>	<b>22</b>	<b>-5</b>	<b>-24</b>	<b>-53</b>	<b>-29</b>	<b>14</b>	<b>-76</b>

**DERIVATIVES NOT SUBJECT TO HEDGE ACCOUNTING**

Other derivatives not subject to hedge accounting are remeasured on an ongoing basis and recognized at fair value through profit or loss. Nor are interest-rate derivatives that cannot be linked to specific borrowing subject to hedge accounting and are remeasured on an ongoing basis at their fair value through profit or loss.

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**CREDIT RISK**

The Group's financial transactions give rise to exposure to credit risk vis-à-vis the financial counterparties. Credit risk or counterparty risk pertains to the risk of loss if a counterparty does not fulfill its contractual obligations. The financial policy prescribes that transactions may only be entered into with counterparties with high credit ratings, defined as category A3/P-1 or better according to Moody's or alternatively A-/A-1 according to Standard & Poor's.

Limits are set for each counterparty and are continuously revised. To further reduce counterparty risks, ISDA agreements (netting agreements) are signed with most counterparties. 97% of the credit-related exposure is geographically concentrated in the Nordic countries. The breakdown of the remaining credit exposure is 1% in the rest of Europe and 2% in the rest of the world. The maximum credit exposure for derivative instruments is matched by carrying amounts/fair values, see the above table under the heading Financial derivatives. For cash and cash equivalents, the size of the credit risk is the carrying amount and is distributed as follows:

Rating (Moody's)	Carrying amount	
	Oct 31, 2024	Oct 31, 2023
Aaa/P-1	–	–
Aa1/P-1	–	–
Aa2/P-1	3	1
Aa3/P-1	66	96
A1/P-1	11,378	5,936
A2/P-1	21	24
A3/P-1	78	103
<b>Total</b>	<b>11,546</b>	<b>6,160</b>

Under other long-term receivables, credit risk is allocated between financial institutions, external aircraft lessors, external aircraft operators and various property companies. The same regulations as those defined above for financial counterparties apply for financial institutions. With regard to external aircraft lessors, the majority of claims consist of pledged collateral for leasing fees as well as costs for return requirements. Since the cost of meeting the return requirements largely relates to those costs incurred dependent on the usage of the aircraft, the credit-related exposure is substantially neutralized.

The payments structure in agreements with external aircraft operators is designed so that SAS Group's receivables in the form of pledged collateral are often or always lower than the current liabilities/expenses of the SAS Group to these external operators.

In relation to the SAS Group's accounts receivable, the credit risk is spread over a large number of customers including private individuals and companies in various industries. Credit information is required for credit sales with the aim of minimizing the risk of bad debt losses and is based on intra-Group information on payment history supplemented with credit and business information from external sources.

The maximum credit risk for the SAS Group accords with the carrying amounts of financial assets according to the categorization table.

**LIQUIDITY AND BORROWING RISK**

Liquidity and borrowing risks refer to the risk that sufficient liquidity is not available when required, and that refinancing of matured loans will be costly or problematic.

The target is for financial preparedness to amount to a minimum of 25% of the SAS Group's fixed costs. The financial preparedness equals cash and cash equivalents plus total unutilized credit facilities. As of October 31, 2024, financial preparedness amounted to MSEK 11,546 (10,052), with cash and cash equivalents amounting to MSEK 11,546 (6,160) and unutilized credit facilities with maturities longer than three months totaling MSEK 0 (3,892) or 37% (60%) of the Group's fixed costs. The SAS Group's cash and cash equivalents are held in instruments with good liquidity or short maturity with a credit rating of no lower than A3/P-1 according to Moody's or A-/A-1 according to Standard & Poor's.

The following tables show remaining contractual terms for SAS' financial liabilities. The figures shown are contractual undiscounted cash flows. The tables show the contracted date when SAS is liable to pay or receive, and includes both interest and nominal amounts. Future interest flows at variable rates are estimated using the current interest rate on the closing date, which means the amounts may differ.

As of October 31, 2024, the Group's interest-bearing liabilities amounted to MSEK 35,884 (42,492); 0% (12) of the interest-bearing liabilities have financial key ratio covenants for cash flow and liquidity. The term of the interest-bearing gross debt amounted to approximately 5.9 years (2.0) at year end.

**FINANCIAL NET DEBT**

MSEK	Net financial debt
Long-term receivables	399
Other receivables	2,310
Short-term investments	289
Cash and bank balances	11,257
Subordinated loans	–
Bonds	–
Other loans	-11,919
Lease liabilities	-19,236
Other long-term	-388
Current portion of long-term loans	-362
Current portion of lease liabilities	-3,175
Short-term loans	-804
<b>Net financial debt</b>	<b>-21,629</b>

Note 25 continued

**LIQUIDITY RISK**

The following table illustrates the SAS Group's outflows and inflows of financial liabilities and financial derivatives as of October 31, 2023 and as of October 31, 2024. The amounts are contracted, undiscounted cash flows including interest.

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Oct 31, 2024	FY25	FY26	FY27	FY28	FY29	FY30>	Oct 31, 2023	FY24	FY25	FY26	FY27	FY28	FY29>
<b>Financial liabilities</b>							<b>Financial liabilities</b>						
Subordinated loans	-	-	-	-	-	-	Subordinated loans	-10	-10	-10	-10	-10	-1,579
Convertible notes	-807	-836	-803	-809	-810	-10,188	DIP financing	-4,898	-	-	-	-	-
Aircraft financing liabilities	-531	-523	-797	-757	-1,746	-1,553	Aircraft financing liabilities <sup>1</sup>	-2,269	-567	-1,891	-712	-666	-2,379
Other loans	-1	-283	-142	-	-	-	Other loans	-4	-388	-288	-145	-107	-
Government guaranteed loans	-	-	-	-	-	-	Government guaranteed loans	-1,957	-157	-143	-3,249	-	-
Short-term loans	-475	-	-	-	-	-	Short-term loans	-1,172	-	-	-	-	-
Lease liabilities	-3,175	-3,076	-3,019	-2,915	-2,511	-7,715	Lease liabilities	-4,393	-3,397	-3,007	-2,873	-1,881	-5,875
Accounts payable and other liabilities	-1,778	-	-	-	-	-	Accounts payable and other liabilities	-5,748	-	-	-	-	-
<b>Derivatives (financial assets)</b>							<b>Derivatives (financial assets)</b>						
Fuel derivatives	-	-	-	-	-	-	Fuel derivatives	-	-	-	-	-	-
Currency derivatives	98	-	-	-	-	-	Currency derivatives	67	-	-	-	-	-
Interest-rate derivatives	-	-	-	-	-	-	Interest-rate derivatives	-	-	-	-	-	-
<b>Derivatives (financial liabilities)</b>							<b>Derivatives (financial liabilities)</b>						
Fuel derivatives	-	-	-	-	-	-	Fuel derivatives	-	-	-	-	-	-
Currency derivatives	-31	-	-	-	-	-	Currency derivatives	-34	-	-	-	-	-
Interest-rate derivatives	-	-	-	-	-	-	Interest-rate derivatives	-	-	-	-	-	-
<b>Total</b>	<b>-6,700</b>	<b>-4,718</b>	<b>-4,761</b>	<b>-4,481</b>	<b>-5,067</b>	<b>-19,456</b>	<b>Total</b>	<b>-20,418</b>	<b>-4,519</b>	<b>-5,339</b>	<b>-6,989</b>	<b>-2,664</b>	<b>-9,834</b>

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## CONTRACTED CREDIT FACILITIES

From time to time, the Group arranges various credit facilities in order to provide additional funding if needed. In the process of the now completed Chapter 11 reconstruction process, SAS obtained a new DIP loan from Castllake in November 2023 at the same time as the exit financing was secured. At the same time, the contracted credit facility that was part of the financial preparedness on October 31, 2023 (MUSD 350 in DIP loan with Apollo) was returned. In conjunction with the completion of the restructuring proceedings in August 2024, the exit financing of a total of MUSD 1,200 in new capital, divided into MUSD 475 in new unlisted shares and MUSD 725 in secured convertible notes, was finally put in place. The Group concurrently concluded the new DIP loan from Castllake and, as part of the debt settlement, extinguished the claims under the other credit facilities in full. With the exit financing in place and with the liquidity raised for the Group, no new decisions on credit facilities have been taken. The following table shows the Group's facilities as of October 31, 2024.

Facility	Maturity	Total facility	Utilized facility	Oct 31,	
				2024	2023
Credit facility, MUSD 700	2023	–	–	–	3,892
Credit facility, MNOK 1,498	2024	–	–	–	–
Credit facility, MSEK 1,500	2026	–	–	–	–
Credit facility, MDKK 1,092	2026	–	–	–	–
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>3,892</b>

## MEASUREMENT AT FAIR VALUE

Under IFRS 7, disclosures pertaining to financial instruments measured at fair value in the balance sheet are to be provided if the method for establishing fair value utilizes a fair value hierarchy consisting of three levels. The levels reflect the extent to which fair value is based on observable market data or own assumptions. Below is a description of the different levels for determining fair value.

### Level 1

Financial instruments for which fair value is based on observable (unadjusted) quoted prices in active markets for identical assets and liabilities. A market is considered active if quoted prices from an exchange, bank, pricing service (such as Thomson Reuters) or supervisory body are readily and regularly available and those prices represent actual and regularly occurring arm's length market transactions.

This category includes mainly standardized derivatives where the quoted price is used in the valuation.

### Level 2

Financial instruments for which fair value is based on models that utilize 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).

Examples of observable data in level 2 is data that can serve as a basis for assessing prices, such as market interest rates and yield curves.

This category includes mainly certificates and non-standard derivative instruments (interest-rate, currency and fuel swaps as well as currency and fuel options) not traded in an active market and the fair value is determined using valuation techniques based essentially on observable market data.

### Level 3

Financial instruments for which fair value is based on valuation models, whereby significant input is based on unobservable data.

The SAS Group currently has no financial assets and liabilities where the valuation is essentially based on unobservable data.

## DETERMINATION OF FAIR VALUE — VALUATION TECHNIQUES

### Other holdings of securities

The balance-sheet item "Other participations" MSEK 2 (3) comprises share-holdings that are not affiliated companies or subsidiaries.

The entire balance-sheet item is measured at cost because its fair value cannot be reliably measured as a justifiable expense. For this reason, the balance-sheet item "Other holdings of securities" is not included in the adjacent table "Financial assets and liabilities measured at fair value."

## Interest-rate derivatives

*Interest-rate swaps:* The fair value of interest-rate swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of yield curves based in turn on market rates prevailing at the closing date.

*Futures:* Standardized futures contracts with daily settlement. Fair value is thus determined by daily "mark-to-market" valuation.

*Forward Rate Agreement, (FRA):* The fair value of OTC FRAs is determined by discounting estimated future cash flows. Discounting takes place on the basis of yield curves based in turn on market rates prevailing at the closing date. Standardized FRAs with cash settlement are measured at fair value using quoted bid and ask rates at year end for an FRA with a corresponding term to maturity.

## Currency derivatives

*Currency swaps:* The fair value of currency swaps is determined by discounting estimated future cash flows in each currency and interest rate. Discounting is based on yield curves on the closing date. Translation of the currency component is based on exchange rates prevailing at the closing date.

*Currency options:* The fair value of options is determined by application of the Black and Scholes valuation model, a recognized and accepted valuation model in financial markets. The model is based primarily on observable data such as spot price, exercise price, term to maturity, interest rate, volatility, etc.

## Fuel derivatives

*Fuel options:* The fair value of fuel options is determined by application of the Black and Scholes valuation model. The model is based primarily on observable data such as the fuel swap curve, exercise price, term to maturity, interest rate, volatility, etc.

*Fuel swaps:* The fair value of fuel swaps is determined according to the fuel swap curve at the closing date.

## Short-term investments

Short-term investments classified as held for trading comprise treasury bills, mortgage bonds and commercial paper with a maximum remaining term to maturity of three months. Fair value is determined by discounting on the basis of yield curves on the closing date.

## Cash and bank balances

Cash and bank balances comprise cash on hand and demand deposits at banks and corresponding financial institutions. Carrying amounts correspond to fair value.

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**CATEGORIZATION OF FINANCIAL ASSETS AND LIABILITIES**

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	Derivatives at FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost	Derivatives at fair value, hedge-accounted	Total carrying amount	Total fair value <sup>1</sup>
<b>Oct 31, 2024</b>						
<b>ASSETS</b>						
Other long-term receivables	–	1,019	–	–	1,019	1,019
Accounts receivable	–	1,048	–	–	1,048	1,048
Other receivables	–	2,618	–	–	2,618	2,618
Fuel derivatives	–	–	–	–	0	0
Currency derivatives	31	–	–	67	98	98
Accrued income	–	629	–	–	629	629
Cash and cash equivalents	–	11,546	–	–	11,546	11,546
<b>Total</b>	<b>31</b>	<b>16,860</b>	<b>0</b>	<b>67</b>	<b>16,958</b>	<b>16,958</b>
<b>LIABILITIES</b>						
Subordinated loans	–	–	–	–	0	0
Convertible notes	–	–	7,755	–	7,755	10,704
Bonds <sup>2</sup>	–	–	–	–	0	0
Other loans	–	–	4,523	–	4,523	4,534
Other non-current liabilities	–	–	388	–	388	388
Current portion of long-term loans	–	–	362	–	362	331
Short-term loans	–	–	773	–	773	773
Fuel derivatives	–	–	–	–	0	0
Currency derivatives	27	–	–	4	31	31
Interest-rate derivatives	–	–	–	–	0	0
Accounts payable	–	–	1,778	–	1,778	1,778
Other liabilities	–	–	567	–	567	567
Accrued expenses	–	–	2,895	–	2,895	2,895
<b>Total</b>	<b>27</b>	<b>0</b>	<b>19,041</b>	<b>4</b>	<b>19,072</b>	<b>22,001</b>

1) The fair values of subordinated loans have been set entirely by the use of official price quotes. The fair values of other financial assets and liabilities have been set in part by the use of official price quotes, such as discounting of future cash flows at quoted interest rates. The fair value of derivatives has been established pursuant to Level 2.  
 2) The remaining debt is included in the current portion of long-term loans.

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	Derivatives at FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost	Derivatives at fair value, hedge-accounted	Total carrying amount	Total fair value <sup>1</sup>
<b>Oct 31, 2023</b>						
<b>ASSETS</b>						
Other long-term receivables	–	1,364	–	–	1,364	1,364
Accounts receivable	–	1,255	–	–	1,255	1,255
Other receivables	–	3,714	–	–	3,714	3,714
Fuel derivatives	–	–	–	–	–	–
Currency derivatives	17	–	–	50	67	67
Accrued income	–	425	–	–	425	425
Cash and cash equivalents	–	6,160	–	–	6,160	6,160
<b>Total</b>	<b>17</b>	<b>12,918</b>	<b>–</b>	<b>50</b>	<b>12,985</b>	<b>12,985</b>
<b>LIABILITIES</b>						
Subordinated loans	–	–	1,569	–	1,569	74
Bonds <sup>2</sup>	–	–	0	–	0	0
Other loans	–	–	8,730	–	8,730	9,129
Other non-current liabilities	–	–	817	–	817	817
Current portion of long-term loans	–	–	3,276	–	3,276	3,402
Short-term loans	–	–	6,668	–	6,668	5,965
Fuel derivatives	–	–	–	–	–	–
Currency derivatives	24	–	–	10	34	34
Interest-rate derivatives	–	–	–	–	–	–
Accounts payable	–	–	2,202	–	2,202	2,202
Other liabilities	–	–	562	–	562	562
Accrued expenses	–	–	2,982	–	2,982	2,982
<b>Total</b>	<b>24</b>	<b>–</b>	<b>26,806</b>	<b>10</b>	<b>26,840</b>	<b>25,167</b>

1) The fair values of subordinated loans have been set entirely by the use of official price quotes. The fair values of other financial assets and liabilities have been set in part by the use of official price quotes, such as discounting of future cash flows at quoted interest rates. The fair value of derivatives has been established pursuant to Level 2.

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**NOTE 26 PROVISIONS**

	Restructuring		Undertakings pertaining to aircraft under operating leases		Other provisions		Total	
	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023
	Opening provisions	50	93	3,699	2,313	2	2	3,751
Reclassifications	-	-	-	-	-	-	-	-
New provisions	27	9	1,983	1,612	-	-	2,010	1,621
Utilized provisions	-26	-54	-89	-256	-	-	-115	-310
Dissolved provisions	-1	-	-11	-	-	-	-12	-
Currency effects	-1	2	-187	30	-	-	-188	32
<b>Closing provisions</b>	<b>49</b>	<b>50</b>	<b>5,396</b>	<b>3,699</b>	<b>2</b>	<b>2</b>	<b>5,446</b>	<b>3,751</b>
<b>Breakdown in balance sheet:</b>	<b>Oct 31, 2024</b>	<b>Oct 31, 2023</b>	<b>Oct 31, 2024</b>	<b>Oct 31, 2023</b>	<b>Oct 31, 2024</b>	<b>Oct 31, 2023</b>	<b>Oct 31, 2024</b>	<b>Oct 31, 2023</b>
Non-current liabilities	7	0	4,946	3,388	1	0	4,954	3,388
Current liabilities	42	50	450	311	-	2	492	363
	<b>49</b>	<b>50</b>	<b>5,396</b>	<b>3,699</b>	<b>1</b>	<b>2</b>	<b>5,446</b>	<b>3,751</b>

**RESTRUCTURING**

The restructuring provisions are attributable to the cost cutting and efficiency measures initiated in the last few years. These measures entail radical changes and simplification of operations, and will generate a reduction in unit cost.

In addition to restructuring provisions for personnel, the reserve also comprises provisions for property costs.

The long-term portion of the restructuring reserve will be fully utilized within five years.

The provision for restructuring costs includes no reversed unutilized amounts.

**UNDERTAKINGS PERTAINING TO AIRCRAFT UNDER OPERATING LEASES**

SAS makes ongoing provisions for undertakings related to aircraft leasing. The undertakings primarily pertain to engines, but also include landing gear, air frames and APUs. The long-term portion pertains primarily to a large number of undertakings with an average duration of around four years. The longest undertaking extends for just less than twelve years.

**NOTE 27 CURRENT INTEREST-BEARING LIABILITIES**

	Oct 31, 2024	Oct 31, 2023
Current portion of non-current liabilities	363	3,272
Accrued interest	305	500
Derivatives	31	34
DIP financing	-	4,813
Other short-term loans	467	1,355
<b>Total</b>	<b>1,166</b>	<b>9,974</b>

**NOTE 28 ACCRUED EXPENSES AND PREPAID INCOME**

	Oct 31, 2024	Oct 31, 2023
Vacation pay liability	753	708
Other accrued personnel expenses	393	475
Selling costs	68	93
Jet-fuel costs	1,041	945
Air traffic charges	278	232
Technical aircraft maintenance	8	25
Handling costs	182	259
Computer and telecommunication costs	96	123
Other accrued expenses	1,222	1,305
<b>Total</b>	<b>4,041</b>	<b>4,165</b>

**NOTE 29 PLEDGED ASSETS**

	Oct 31, 2024	Oct 31, 2023
<i>Related to liabilities:</i>		
Aircraft, carrying amount	-	-
Prepayments, carrying amount	-	-
<i>Related to deposits:</i>		
Deposits and blocked bank funds	2,756	3,375
<b>Total</b>	<b>2,756</b>	<b>3,375</b>

As of October 31, 2024, the liability outstanding related to aircraft mortgages was MSEK 0 (0) and the liability outstanding for financing aircraft prepayments was MSEK 0 (0). In addition to the above, the carrying amount for aircraft-related assets subject to title reservation agreements totaled MSEK 4,732 (7,167) with liabilities outstanding of MSEK 4,877 (7,277).

In addition to the above, during the year SAS issued convertible notes of MUS\$ 725 to the four largest owners: Air France/KLM, Castlelake, the Danish State and Lind Invest.

The convertible notes are secured in the form of collateral in take-off and landing slots at London Heathrow Airport; shares in SAS EuroBonus AB (which owns all rights to the EuroBonus loyalty program); material registered intellectual property in SAS Consortium and SAS EuroBonus AB as well as all unencumbered aircraft and engines (now existing or hereafter acquired). The carrying amount for the aircraft and engines pledged as collateral under the convertible notes (during FY23 under DIP-loan) totals MSEK 2,254 (2,432).



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**NOTE 30 CONTINGENT LIABILITIES**

	Oct 31, 2024	Oct 31, 2023
<i>Guarantees related to:</i>		
Other	34	23
<b>Total</b>	<b>34</b>	<b>23</b>

The Group is involved in various claims and legal proceedings arising in the ordinary course of business. These claims relate to, but are not limited to, the Group's business practices, employment matters, and tax matters. Provisions have been recognized for such matters in accordance with probable and quantifiable loss risks. On the basis of information currently available, those issues not requiring any provisions will not have any material adverse effect on the Group's earnings, nor will they be recognized as contingent liabilities. However, litigation is inherently unpredictable and, even though the provisions were assessed as adequate and/or that the Group has valid defenses in these matters, unfavorable results could occur. This could have a material adverse effect on the Group's earnings in future accounting periods.

**NOTE 31 LEASE COMMITMENTS**

**October 31, 2024**

In addition to the leasing commitments included in the recognized lease liabilities, the SAS Group has entered into the following contracts, with specification of the total annual rent for:

	FY25	FY26	FY27	FY28	FY29	FY30>	Total
Aircraft	85	186	186	186	187	1,082	<b>1,912</b>
<b>Total</b>	<b>85</b>	<b>186</b>	<b>186</b>	<b>186</b>	<b>187</b>	<b>1,082</b>	<b>1,912</b>

Rental contracts with an annual rental cost in excess of MSEK 0.5 and which are not encompassed by lease liabilities have been included in the above table. The contracts pertain to contracted aircraft leases starting after October 31, 2024. For information on the Group's lease liabilities, see Note 23.

**October 31, 2023**

In addition to the leasing commitments included in the recognized lease liabilities, the SAS Group has entered into the following contracts, with specification of the total annual rent for:

	FY24	FY25	FY26	FY27	FY28	FY29>	Total
Aircraft	297	354	354	354	354	1,766	<b>3,479</b>
<b>Total</b>	<b>297</b>	<b>354</b>	<b>354</b>	<b>354</b>	<b>354</b>	<b>1,766</b>	<b>3,479</b>

Rental contracts with an annual rental cost in excess of MSEK 0.5 and which are not encompassed by lease liabilities have been included in the above table. The contracts pertain to contracted aircraft leases starting after October 31, 2023.

**NOTE 32 ADJUSTMENT FOR OTHER NON-CASH ITEMS, ETC.**

	FY24	FY23
Income from shares in affiliated companies	-20	-18
Dividends from affiliated companies	21	20
Capitalized interest on aircraft prepayments	-94	-169
Revaluation of lease liabilities IFRS 16	-743	181
Earnings impact from measuring financial instruments	28	124
Revaluations of pension commitments	-333	-349
Accrued interest, DIP financing fees	1,469	1,651
Write down of interest-bearing loans in conjunction with the completion of the Chapter 11 process/company reorganization in Sweden.	-5,915	-
Other	188	23
<b>Total</b>	<b>-5,399</b>	<b>1,463</b>

**NOTE 33 ACQUISITION AND DIVESTMENT OF SUBSIDIARIES AND AFFILIATED COMPANIES**

	FY24	FY23
Non-current assets	-	33
Deferred tax assets	-	23
Current assets	-	1
Cash and cash equivalents	-	47
Current liabilities	-	0
<b>Total</b>	<b>-</b>	<b>104</b>
<b>Purchase price (Total)</b>	<b>-</b>	<b>-104</b>
Cash and cash equivalents in divested companies	-	47
<b>Impact on the Group's cash and cash equivalents</b>	<b>-</b>	<b>-57</b>

One acquisition was completed in the fiscal year and comprised the acquisition of one subsidiary for MSEK 0 (57). After the end of the fiscal year, on November 1, 2024, SAS acquired 100% of the Irish company Aviation Crew Services Ltd for MSEK 0. The company's assets and liabilities amount to MSEK 0. The company changed its name to SAS Crew Services Limited in November 2024.

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**NOTE 34 LIABILITIES IN FINANCING ACTIVITIES**

	Interest-bearing liabilities, non-current		Interest-bearing lease liabilities, non-current		Interest-bearing liabilities, current		Interest-bearing lease liabilities, current		Total	
	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023
Opening balance	11,091	16,627	17,033	17,686	9,974	7,379	4,394	3,827	42,491	45,519
Proceeds from borrowings	8,857	250	7,471	3,289	5,560	1,585	–	–	21,888	5,124
Reclassification debt <sup>1</sup>	-6,145	-2,628	-1,709	–	-3,605	-319	-883	-759	-12,342	-3,706
Repayment of borrowings	–	–	–	–	-10,764	-3,364	-3,148	-2,796	-13,912	-6,160
Exchange-rate differences	-160	226	-621	160	-587	27	-126	18	-1,494	431
Accrued interest/fees	-306	–	–	–	-554	1,350	–	–	-860	1,350
Derivatives	–	–	–	–	4	-67	–	–	4	-67
Reclassification to short-term	-1,030	-3,383	-2,939	-4,102	1,138	3,382	2,939	4,102	108	–
<b>Debt outstanding</b>	<b>12,307</b>	<b>11,091</b>	<b>19,236</b>	<b>17,033</b>	<b>1,166</b>	<b>9,974</b>	<b>3,175</b>	<b>4,394</b>	<b>35,884</b>	<b>42,491</b>

1) Of which, SEK 9.8 billion (0) pertained to loan impairment, SEK 2.4 billion to modification of lease liabilities in conjunction with the completion of Chapter 11 and SEK 0 billion (3.6) to the rejection of contracts as part of Chapter 11.

**NOTE 35 AUDITORS' FEES**

The following remuneration was paid to auditing firms for auditing services.

	FY24	FY23
Auditing services		
KPMG	9	9
Other statutory assignments		
KPMG	0	0
Tax consultancy services		
KPMG	–	–
Other		
KPMG	1	1
<b>Total</b>	<b>10</b>	<b>10</b>

KPMG Sweden: Fees totaled MSEK 5.3 (5.4) for auditing services, MSEK 0.2 (0) for other statutory assignments, MSEK 0 (0) for tax and MSEK 0.9 (1.3) for other.

**NOTE 36 TRANSACTIONS WITH AFFILIATED COMPANIES**

Revenue from sales to affiliated companies amounted to MSEK 31 (37).  
Cost of purchases from affiliated companies was MSEK 27 (29).

**NOTE 37 SEGMENT REPORTING**

The Group's airline operations and other appurtenant operations are reported as one operating segment.

The following geographical breakdown of traffic revenue is based on the destination flown. Sales generating other operating revenue are allocated geographically by source country as follows. Refer to Note 2 for the Group's material source countries of sales revenue.

**GEOGRAPHICAL BREAKDOWN**

	Domestic		Intra-Scandinavian		Europe		Intercontinental		Total	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
Passenger revenue	8,029	7,901	3,253	3,085	13,913	12,853	8,964	8,397	34,159	32,236
Cargo revenue	6	3	4	4	52	43	994	1,133	2,236	1,183
Charter revenue	-	-	-	-	2,236	2,096	-	-	1,056	2,096
Other traffic revenue	864	737	348	286	1,490	1,190	959	779	3,661	2,992
<b>Total traffic revenue</b>	<b>8,899</b>	<b>8,641</b>	<b>3,605</b>	<b>3,375</b>	<b>17,691</b>	<b>16,182</b>	<b>10,917</b>	<b>10,309</b>	<b>41,112</b>	<b>38,507</b>

	Denmark		Norway		Sweden		Europe		Other countries		Total	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
<b>Other operating revenue</b>	<b>213</b>	<b>527</b>	<b>1,033</b>	<b>875</b>	<b>829</b>	<b>467</b>	<b>1,484</b>	<b>667</b>	<b>1,212</b>	<b>1,000</b>	<b>4,771</b>	<b>3,536</b>

In fiscal year 2024 and fiscal year 2023, there was no single customer who accounted for more than 10% of the Group's revenue.

The Group's assets and liabilities are mainly located in Scandinavia. Total non-current assets, including prepayments for tangible assets, which do not comprise financial instruments, deferred tax assets or assets pertaining to post-employment benefits are allocated geographically as follows. The group, Not allocated, includes prepayments to Airbus and others for future aircraft deliveries amounting to MSEK 1,527 (3,513), refer to Note 12. Aircraft are utilized in a flexible manner across the route network, and are not allocated.

	Denmark		Norway		Sweden		Other countries		Not allocated		Total	
	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023	Oct 31, 2024	Oct 31, 2023
<b>Non-current assets</b>	<b>539</b>	<b>696</b>	<b>835</b>	<b>1,074</b>	<b>1,986</b>	<b>2,095</b>	<b>170</b>	<b>728</b>	<b>17,752</b>	<b>28,861</b>	<b>21,282</b>	<b>33,454</b>

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**NOTE 38 SUBSIDIARIES IN THE SAS GROUP**

					Oct 31, 2024	Oct 31, 2023
	Domicile	Corp. Reg. No.	Total owned shares	Holding	Carrying amount	Carrying amount
<i>Owned by SAS AB:</i>						
SAS Sverige AB	Sigtuna	556042-5414	70,500,000	100	42	42
SAS Norge AS	Bærum	811176702	47,000,000	100	2,756	2,756
SAS Danmark A/S	Copenhagen	56994912	47,000,000	100	3,127	3,127
SAS Crew Services AB	Stockholm	556063-8255	610,000	100	595	595
Linjeflyg AB	Sigtuna	556062-8454	2,000,000	100	237	237
SAS Cargo Group A/S	Tårnby	25736443	200,500	100	0	0
SAS Ground Handling Denmark A/S	Tårnby	32339026	55,000	100	45	45
SAS Ground Handling Norway AS	Oslo	912056228	5,000	100	0	0
SAS Ground Handling Sweden AB	Stockholm	556934-7924	445,000	100	35	35
SAS EuroBonus AB	Stockholm	559224-9782	50,000	100	200	200
Scandinavian Airlines Ireland Ltd	Dublin	601918	2,000,000	100	80	80
SAS Link AB	Stockholm	559150-1910	50,000	100	55	55
Gorm Asset Management Ltd	Dublin	592913	1	100	0	0
SAS Oil Sweden AB	Stockholm	556269-6459	2,000	100	8	5
Other					1	1
					<b>7,181</b>	<b>7,173</b>
<i>Owned by SAS Consortium:</i>						
SAS Ejendom Denmark ApS	Tårnby	902001-7720 25711734	573,001	100	104	104
Other					1	6
					<b>105</b>	<b>110</b>
<i>Owned by SAS Crew Services AB:</i>						
SAS Link Crew Services A/S	Copenhagen	24202941	500	100	1	1
SAS Connect Crew Services A/S	Copenhagen	40995269	400	100	0	0
SAS Crew Services Denmark A/S	Copenhagen	43211781	400,000	100	1	1
Other					0	0
					<b>2</b>	<b>2</b>
<i>Owned by SAS Cargo Group A/S:</i>						
SAS Cargo Sverige AB	Stockholm	556891-0490	50,000	100	2	2
<i>Owned by Gorm Asset Management Ltd:</i>						
Gorm Dark Blue Ltd	Dublin	593238	1	100	0	0
Gorm Deep Blue Ltd	Dublin	593239	1	100	0	0
Gorm Sky Blue Ltd	Dublin	593240	1	100	0	0
Gorm Light Blue Ltd	Dublin	617208	1	100	0	0
Gorm Warm Red Ltd	Dublin	627405	1	100	0	0
Gorm Ocean Blue Ltd	Dublin	627406	1	100	0	0
Gorm Engine Management Ltd	Dublin	656777	1	100	0	0

**NOTE 39 EFFECTS FROM SAS' COMPLETION OF THE CHAPTER 11 PROCESS/COMPANY REORGANIZATION IN SWEDEN**

SAS completed its Chapter 11 process/company reorganization in Sweden in fiscal year 2024. In conjunction with the completion, the SAS common shares were canceled and new subordinated shares issued, and SAS raised new capital of SEK 5.7 billion. Recovery to creditors as part of the Chapter 11 process/company reorganization in Sweden were disbursed and interest-bearing liabilities decreased SEK 16.5 billion (including amortization of DIP loan). Hybrid bond of SEK 7.6 billion in equity were canceled. In addition to the above, liabilities totaling SEK 5.4 billion were rejected during the period SAS was in Chapter 11 (July 2022 to Aug 2024).

	FY24
Recovery to creditors in the reorganization, incl. effect of impaired operational liabilities	-2,060
Recognized loss on disposal of aircraft	-83
Gain on right-of-use assets	270
Gain on impairment of interest-bearing loans	6,074
<b>Impact on statement of income</b>	<b>4,201</b>
<b>Impact on balance sheet</b>	
Recognized sale of aircraft	-2,982
Net change in right-of-use assets	220
Financial non-current assets	-264
Cash balances net after new capital, recovery to creditors and amortization of DIP loan	2,930
<b>Impact on assets</b>	<b>-96</b>
New equity, incl. above earnings impact and recovery to hybrid holders	9,483
Change in lease liabilities	-461
Interest-bearing loans, incl. amortization of DIP loans	-16,583
Convertible notes	7,795
Other operating liabilities	-330
<b>Total debt impact</b>	<b>-96</b>

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### NOTE 40 RELATED-PARTY TRANSACTIONS

The recapitalization plan was completed in October 2020, when a total of 1,729,170,833 common shares were issued to the governments of Denmark and Sweden through the directed share issue, in addition to the major shareholders' participation in the rights issue. In total, the recapitalization plan resulted in the governments of Denmark and Sweden each holding 1,584,296,144 common shares, corresponding to a holding of approximately 21.8% for each government. The governments of Denmark and Sweden also subscribed for MSEK 6,000 in new hybrid bonds. Interest payments of MSEK 320 (474) were deferred in fiscal year 2023.

In July 2021, a credit facility totaling SEK 3 billion was entered into with the governments of Denmark and Sweden as lenders. The credit facility was utilized in fiscal year 2022.

During August 2024, SAS completed its Chapter 11 process in the US and its company reorganization in Sweden. In conjunction with the completion of the restructuring proceedings, all of SAS AB's common shares were redeemed and cancelled. In connection to this, new share issue was made and the new principal owners of the reorganized company are Castlelake, Air France-KLM, Lind Invest and the Danish State. SAS AB issued convertible notes to the new principal owners of USD 725 million. During the course of the restructuring proceedings, SAS has, in accordance with the current agreements, paid various fees and expenses to consultants and other counterparties in Chapter 11, including to the Danish state.

Aside from the above, no significant related-party transactions took place in fiscal year 2024 or in fiscal year 2023 except those between Group companies, and in ordinary course of business with Air France KLM, where transactions are conducted subject to market terms and conditions. No significant transactions occurred with related parties aside from the above and the information in Note 3 regarding the remuneration of senior executives.

### NOTE 41 SIGNIFICANT EVENTS AFTER THE CLOSING DATE

There are no significant events after the end of the reporting period to report.

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### STATEMENT OF INCOME

MSEK	Note	FY24	FY23
Revenue		1,478	872
Personnel expenses	1	-28	-33
Other operating expenses		-3,483	-1,035
<b>Operating income (EBIT)</b>		<b>-2,033</b>	<b>-196</b>
Impairment of shares in subsidiaries		-	-1,840
Interest income and similar income items		2,105	584
Interest expenses and similar income items		-324	-105
<b>Income before tax (EBT)</b>		<b>-252</b>	<b>-1,557</b>
Tax	2	0	0
<b>Net income for the year</b>		<b>-252</b>	<b>-1,557</b>

The Parent Company recognized no items in other comprehensive income for fiscal year 2024 and fiscal year 2023, respectively. Accordingly, net income for the year for the Parent Company corresponds to comprehensive income.

### BALANCE SHEET

ASSETS, MSEK	Note	Oct 31, 2024	Oct 31, 2023
<b>Non-current assets</b>			
<i>Financial non-current assets</i>			
Participations in subsidiaries	3	7,181	7,173
Other holdings of securities	4	2	2
Deferred tax assets	2	719	719
Receivables from Group companies		23,361	12,713
Other long-term receivables		16	16
<b>Total non-current assets</b>		<b>31,279</b>	<b>20,623</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Receivables from Group companies		1,252	348
Other receivables		3	35
Prepaid expenses and accrued income		16	16
		<b>1,271</b>	<b>399</b>
Cash and bank balances		1	1
<b>Total current assets</b>		<b>1,272</b>	<b>400</b>
<b>TOTAL ASSETS</b>		<b>32,551</b>	<b>21,023</b>

SHAREHOLDERS' EQUITY AND LIABILITIES, MSEK	Note	Oct 31, 2024	Oct 31, 2023
<b>Shareholders' equity</b>			
<b>Restricted equity</b>			
Share capital		10,291	8,650
Statutory reserve		447	447
<b>Unrestricted equity</b>			
Share premium reserve		2,729	2,729
Hybrid bonds		0	7,615
Retained earnings		10,901	1,202
Net income for the year		-252	-1,557
<b>Total shareholders' equity</b>		<b>24,116</b>	<b>19,086</b>
<b>Non-current liabilities</b>			
Non-current liabilities		7,413	14
<b>Total non-current liabilities</b>		<b>7,413</b>	<b>14</b>
<b>Current liabilities</b>			
Liabilities to Group companies		579	81
Accounts payable		6	8
Other liabilities		164	1,631
Accrued expenses and prepaid income		273	203
<b>Total current liabilities</b>		<b>1,022</b>	<b>1,923</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>32,551</b>	<b>21,023</b>

Information regarding the Parent Company's contingent liabilities is available in Note 6.

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**CHANGES IN SHAREHOLDERS' EQUITY**

	Restricted equity		Unrestricted equity			Total shareholders' equity
	Share capital	Statutory reserve	Share premium reserve	Hybrid bonds	Retained earnings	
<b>MSEK</b>						
<b>Opening shareholders' equity in accordance with approved balance sheet, October 31, 2022</b>	<b>8,650</b>	<b>447</b>	<b>2,729</b>	<b>7,615</b>	<b>1,202</b>	<b>20,643</b>
Hybrid bond interest					–	–
Net income for the year					-1,557	-1,557
<b>Closing balance, October 31, 2023</b>	<b>8,650</b>	<b>447</b>	<b>2,729</b>	<b>7,615</b>	<b>-355</b>	<b>19,086</b>
Hybrid bond cancellation in Chapter 11/company reorganization in Sweden				-7,615	7,615	–
Recovery to hybrid holders in Chapter 11/company reorganization in Sweden					-509	-509
Cancellation of shares in Chapter 11/company reorganization in Sweden	-8,650				8,650	–
New share issue	5,791					5,791
Bonus issue	4,500				-4,500	–
Net income for the year					-252	-252
<b>Closing balance, October 31, 2024</b>	<b>10,291</b>	<b>447</b>	<b>2,729</b>	<b>–</b>	<b>10,648</b>	<b>24,116</b>

**CASH-FLOW STATEMENT**

	FY24	FY23
<b>MSEK</b>		
<b>OPERATING ACTIVITIES</b>		
Income before appropriations and tax	-252	-1,557
Impairment of subsidiaries	0	1,840
Other non-cash items, etc.	-884	0
<b>Cash flow from operations before change in working capital</b>	<b>-1,136</b>	<b>283</b>
<i>Change in:</i>		
Operating receivables	-32	164
Operating liabilities	236	96
<b>Cash flow from change in working capital</b>	<b>204</b>	<b>260</b>
<b>Cash flow from operating activities</b>	<b>-932</b>	<b>543</b>
<b>INVESTING ACTIVITIES</b>		
Investment in subsidiaries	8	–
<b>Cash flow from investing activities</b>	<b>8</b>	<b>0</b>
<b>FINANCING ACTIVITIES</b>		
New issue	5,001	–
Recovery to creditors	-802	–
Lending to subsidiaries	-11,552	-542
Repayment from subsidiaries	498	–
Disbursement of deposits	0	-1
Proceeds from borrowings	7,795	–
Other change in interest-bearing liabilities	-16	0
<b>Cash flow from financing activities</b>	<b>924</b>	<b>-543</b>
<b>Cash flow for the year</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at beginning of the year	1	1
<b>Cash and cash equivalents at year end</b>	<b>1</b>	<b>1</b>

Disclosure of interest paid:

During the year, interest received amounted to MSEK 793 (581). During the year, interest paid amounted to MSEK 356 (99).

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**NOTE 1 NO. OF EMPLOYEES, SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES**

The average number of employees amounted to 1 (2), all of whom were employed in Sweden.

	FY24		FY23	
	Men	Women	Men	Women
Sweden	1	0	1	1
<b>Total men and women</b>	<b>1</b>		<b>2</b>	

For salaries, remuneration and social security expenses as well as remuneration and benefits paid to Board members, the President and other senior executives of SAS AB, see SAS Group Note 3.

**NOTE 2 TAX**

	FY24	FY23
Current tax	–	–
Deferred tax	–	–
<b>Total tax</b>	<b>–</b>	<b>–</b>
<b>Reconciliation of deferred tax, net</b>		
Opening balance	719	719
Tax effect on items in equity	–	–
Change according to statement of income	–	–
<b>Deferred tax, net, on October 31</b>	<b>719</b>	<b>719</b>

**NOTE 3 PARTICIPATIONS IN SUBSIDIARIES**

	FY24	FY23
Opening balance	7,173	9,013
Contributions	8	0
Impairment	0	-1,840
<b>Closing balance</b>	<b>7,181</b>	<b>7,173</b>

See also SAS Group Note 38 — Subsidiaries in the SAS Group.

**NOTE 4 OTHER HOLDINGS OF SECURITIES**

	Oct 31, 2024	Oct 31, 2023
Incorporate Cell Company	2	2
<b>Total</b>	<b>2</b>	<b>2</b>

**NOTE 5 PLEDGED ASSETS**

During the year SAS AB issued convertible notes of MUS\$ 725 to the four largest owners: Air France/KLM, Castlelake, the Danish State and Lind Invest. The convertible notes are secured in the form of collateral in take-off and landing slots at London Heathrow Airport; shares in SAS EuroBonus AB (which owns all rights to the EuroBonus loyalty program); material registered intellectual property in SAS Consortium and SAS EuroBonus AB as well as all unencumbered aircraft and engines (now existing or hereafter acquired). The carrying amount in SAS AB for the shares pledged as collateral for the convertible notes totals MSEK 200.

**NOTE 6 CONTINGENT LIABILITIES**

SAS AB has provided an irrevocable undertaking to assume liability, as for its own debt, for the SAS Consortium's contractual interest-bearing obligations, leasing commitments and other financial obligations with some reservations in terms of subordinations and with the proviso that the obligations were entered into from the date the irrevocable undertaking entered force until it terminated on September 30, 2020.

Furthermore, SAS AB provides downstream guarantees for subsidiaries on a case-by-case basis. These guarantees may cover, wholly or in part, a subsidiary's general obligations or be for a fixed sum or a specific purpose. The downstream guarantees mainly include undertakings pursuant to purchase contracts, aircraft financing, and leasing of aircraft and other equipment.

Moreover, SAS AB has also issued time-limited capital adequacy guarantees for certain subsidiaries.

**NOTE 7 AUDITORS' FEES**

	FY24	FY23
Auditing services		
KPMG	9	9
Other statutory assignments		
KPMG	0	0
Tax consultancy services		
KPMG	–	–
Other	1	1
KPMG	1	1
<b>Total</b>	<b>10</b>	<b>10</b>

Auditors' fees are invoiced to the Parent Company which, in turn, invoices the Group subsidiaries for their respective costs.

KPMG Sweden: Fees totaled MSEK 5.3 (5.4) for auditing services, MSEK 0.2 (0) for other statutory assignments, MSEK 0 (0) for tax and MSEK 0.9 (1.3) for other.



## SIGNATURES

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Auditors' report

The Board of Directors and the President hereby give their assurance that this Annual Report has been prepared pursuant to the Swedish Annual Accounts Act and RFR 2, *Accounting for Legal Entities*, and provides a true and fair view of the company's financial position and earnings and that the Report by the Board of Directors provides a true and fair overview of the company's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the company is exposed.

The Board of Directors and President hereby give their assurance that the consolidated financial statements have been prepared pursuant to the International Financial Reporting Standards (IFRS) as adopted by the EU, and provide a true and fair view of the Group's financial position and earnings, and that the Report by the Board of Directors for the Group provides a true and fair overview of the performance of the Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the companies in the Group are exposed.

Stockholm, 2025

**Kåre Schultz**  
Board Chairman

**Joe McConnell**  
Board member

**Jude Bricker**  
Board member

**Henriette Fenger Ellekrog**  
Board member

**Peter Stensgaard Mørch**  
Board member

**Alexandre Boissy**  
Board member

**Anders Boyer-Søgaard**  
Board member

**Jens Lippestad**  
Board member

**Karl Lennart Selggren**  
Board member

**Kim John Christiansen**  
Board member

**Anko Van der Werff**  
President and CEO

Our auditors' report was submitted on 2025

KPMG AB

**Tomas Gerhardsson**  
Authorized Public Accountant

As stated above, the annual accounts and the consolidated accounts were approved for issuance by the Board of Directors on 2025. The consolidated statement of income and balance sheet and the Parent Company's statement of income and balance sheet will be subject to adoption by the Annual General Shareholders' Meeting on 2025.

## AUDITORS' REPORT

To the general meeting of the shareholders of SAS AB, corp. id 556606-8499

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### REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

#### Opinions

We have audited the annual accounts and consolidated accounts of SAS AB for the financial year 2023-11-01—2024-10-31, except for the sustainability report on pages 11-48. The annual accounts and consolidated accounts of the company are included on pages 50-112 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of October 31, 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of October 31, 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the sustainability report on pages 11-48. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

#### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-49 and 116-119. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Chief

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Executive Officer are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated

accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.
- Conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of SAS AB for the financial year 2023-11-01—2024-10-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance

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with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

### ***Basis for Opinions***

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### ***Responsibilities of the Board of Directors and the Chief Executive Officer***

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization

is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### ***Auditor's responsibility***

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Chief Executive Officer in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed

appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, January 30, 2025

KPMG AB

Tomas Gerhardsson  
Authorized Public Accountant

# OTHER



## DEFINITIONS

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### FINANCIAL DEFINITIONS

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

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

**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.

**Capital employed** – Total capital according to the balance sheet less non-interest-bearing liabilities.

**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.

**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.

**EBIT** – Operating income.

**EBIT margin** – EBIT 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.

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

**Financial net debt/Adjusted EBITDA** – Average financial net debt in relation to Adjusted EBITDA.

**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 expenses 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. Low Cost Carrier.

**Load factor** – RPK divided by ASK. Describes the capacity utilization of available seats.

**NPV** – Net present value. Used to calculate capitalized future costs of operating leases 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 November 1, 2019, SAS Group applies IFRS 16 – Leases. See Right-of-use assets.

**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.

**Right-of-use assets (RoU)** – As of November 1, 2019, SAS Group applies IFRS 16 – 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).

**Sale and leaseback** – Sale of an asset (aircraft, building, etc.) that is then leased back.

**Unit cost, (CASK)** – Total personnel 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).

**WACC** – Weighted average cost of capital includes the average cost of liabilities and equity. The sources of funds are calculated and weighted in accordance with the current market value of equity and liabilities.

**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.

## SUSTAINABILITY DEFINITIONS

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**Average number of employees** – is defined as the average number of employees expressed in full-time equivalents, excluding leave of absence, parental leave and long-term sick leave. This definition is also used in financial reporting. Sometimes the term FTE (Full-Time Equivalent) is used.

**Biofuels** – are solid or liquid fuels of biological origin. Liquid fuels for vehicle/ship/aircraft engines. They are considered carbon neutral to various degrees. The EU renewables directive (2009/28/EC) and biofuels directive (2003/30/EC) define the EU's mandates on biofuels and degree of carbon neutrality.

**Carbon dioxide (CO<sub>2</sub>)** – is a colorless gas that is formed in the combustion of all fossil fuels.

**Cargo tonne kilometer** – includes all freight and mail (in metric tonnes) multiplied by the great circle distance flown for all flights performed.

**CDP** – is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Read more at <http://www.cdp.net>.

**CFCs** – are a group of chlorofluorocarbons that may also contain hydrogen and/or bromide. A class of stable chemical compounds mostly known under the trade names Freon or Halon. Their manufacture is prohibited by the Montreal Protocol because of their depletion of the ozone layer. Aviation has an exception for use under a critical use clause due to the lack of approved alternatives. Research for alternatives is ongoing.

**Charges for infrastructure** – imposed by the operators of the infrastructure and which are intended to cover operating and capital costs for airlines and air traffic management.

**CO<sub>2</sub>** – Carbon dioxide (see definition).

**CO<sub>2</sub> passenger or cargo share** – is the amount of CO<sub>2</sub> emissions from passenger or cargo transport.

**Code of Conduct** – is the ethics rules and guidelines of a particular business.

**CSR** – Corporate Social Responsibility.

**dB** – Decibel, a logarithmic unit of measurement that expresses the magnitude of a physical quantity relative to a specified or implied reference level.

**Environmental related charges** – are charges imposed by the airport operators to motivate aircraft operators to operate aircraft with high eco-efficiency with respect to noise and other emissions such as NO<sub>x</sub>, as well as surcharges imposed by airport operators to motivate aircraft operators to avoid take-offs and landings at night.

**Environmental related investments** – Investments in assets to prevent, reduce or restore environmental damage arising from operations and/or aimed at meeting upcoming, more stringent environmental requirements.

**Environmentally related taxes** – Taxes that, in contrast to other corporate taxation, are motivated by environmental grounds. Examples are the environmentally motivated passenger charge in the UK and the environmentally related fiscal CO<sub>2</sub> charges in Sweden and Norway.

**External environmental related costs** – are the sum of environmental charges and environmentally related charges and taxes.

**Fossil fuels** – are fuels consisting of organic carbon and hydrogen compounds in sediment or underground deposits – especially coal, oil and natural gas.

**Global Compact** – is a challenge from the former UN Secretary General Kofi Annan to business and industry to live up to ten principles of human rights, employee rights, the environment and anti-corruption, as formulated by the UN. [www.unglobalcompact.org](http://www.unglobalcompact.org)

**Greenhouse effect** – Carbon dioxide and other gases trap and reradiate incoming solar radiation that would otherwise be reflected back into space. Most scientists agree that human use of fossil fuels is causing global warming. Other gases that contribute to the greenhouse effect are CFCs (see definition), methane and nitrous oxide.

**GRI** – Global Reporting Initiative is an organization that provides companies and organizations with a global sustainability reporting framework and thereby allows comparisons between companies from a social, environmental and economic perspective. [www.globalreporting.org](http://www.globalreporting.org)

**Halons** – See CFCs.

**Jet A-1** – is the common jet fuel specification outside North America. Jet A and Jet A-1 are very similar and throughout this Sustainability Report the term 'jet fuel' is used to describe fuel used by the aviation industry.

**MRV** – Monitoring, Reporting and Verification of CO<sub>2</sub> emissions and production in tonne-kilometers in the EU Emissions Trading Scheme.

**Nitrogen oxides** – (NO<sub>x</sub>) Formed during combustion in jet engines. The high temperature and pressure in aircraft engines cause the atmospheric nitrogen and oxygen to react with each other. This mainly occurs during take-off and ascent when the engine temperature is at a maximum.

**Noise** – includes environmentally detrimental, undesirable sounds. The environmental impact of air traffic in the form of noise is primarily a local issue. Noise is normally described and measured in dB(A), an A-weighted sound level.

**NO<sub>x</sub>** – Nitrogen oxides (see definition).

**Occupational accident** – is the number of injuries employees incur by accident due to a sudden, unforeseen and external incident, resulting in at least one day of absence.

**PK** – (used in the sustainability-related reporting) – Passenger Kilometers, includes all passengers (100 kg per passenger including luggage) excluding active crew multiplied by the great circle distance flown for all flights performed.

**SAF** – Sustainable Aviation Fuel is a term for fuel made for aviation, that is produced in a sustainable way and with sustainable raw material, aimed to reduce the greenhouse gas emissions. It includes biofuel, but is not limited to biofuel.

**SAFUG** – Sustainable Aviation Fuel Users Group. Aviation industry organization focused on accelerating the development and commercialization of sustainable aviation fuels.

**Tonne kilometers** – are the number of transported metric tonnes of passengers and cargo multiplied by the distance flown.

**Weighted noise contour** – is calculated based on the number of takeoffs per day at a given airport, with regard to the aircraft types the airline uses at that airport. The weighted noise contour defines the area in km<sup>2</sup> that is subjected to a noise footprint of 85 dB(A) or more in connection with take-off.

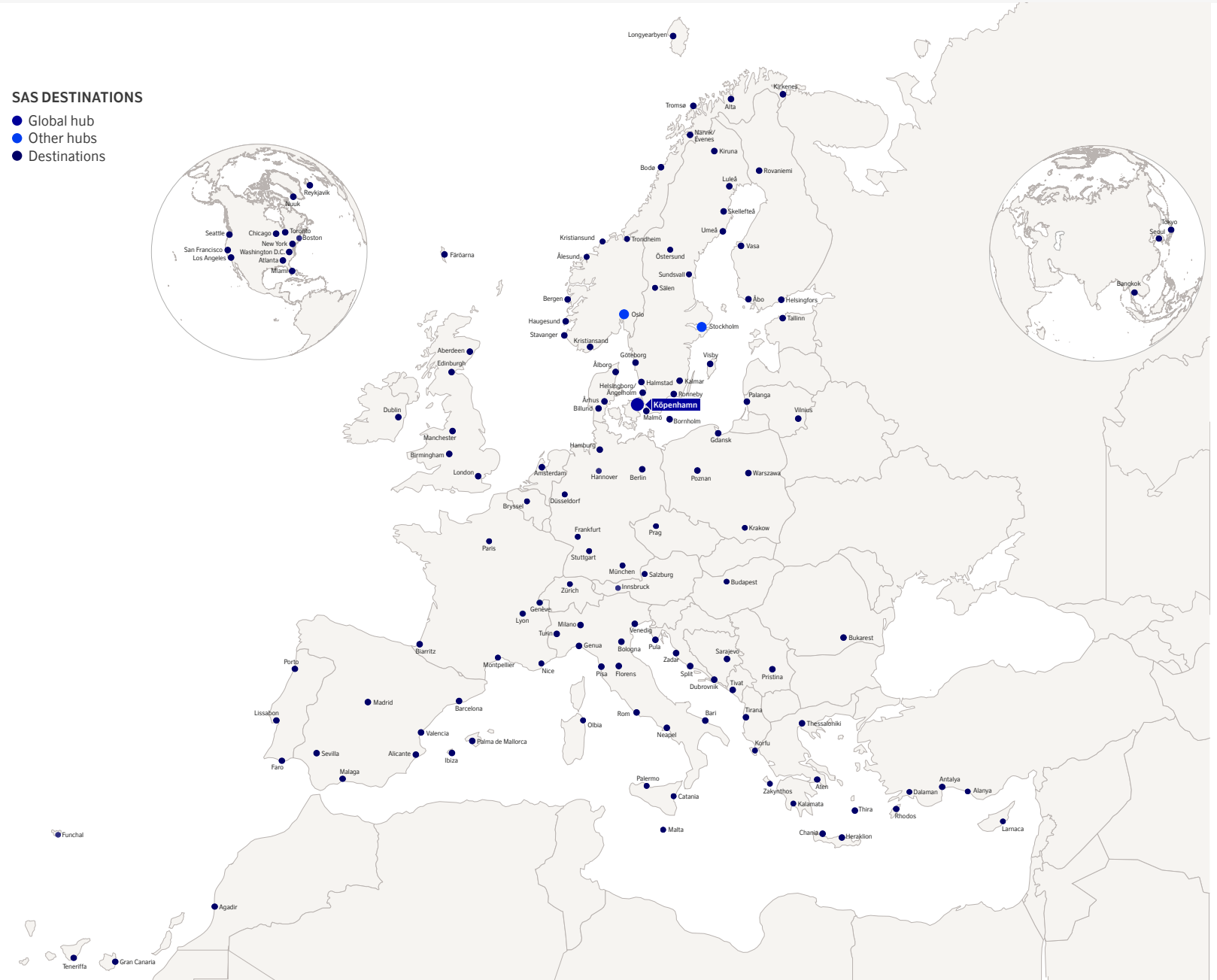
Other

Definitions

> Destinations

SAS DESTINATIONS

- Global hub
- Other hubs
- Destinations



Production: SAS and Narva Communications.  
 Design: Narva Communications.  
 Photo: Peter Gherke, Philip Gundersen,  
 Louise Whitehouse, Petter Bäcklund, Studio  
 Dreyer + Hensley, Maja Johansson, Karl  
 Nordlund, Bildinstitutet, Jessica Furtney, Luca  
 Michelli, Gautam Krishnan, Lightscape, Jessica  
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