

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11
	:
SAS AB, <i>et al.</i> ,	: Case No. 22-10925 (___)
	:
Debtors. ¹	: (Joint Administration Requested)
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**DECLARATION OF ERNO HILDÉN PURSUANT TO RULE 1007-2 OF
LOCAL BANKRUPTCY RULES FOR SOUTHERN DISTRICT OF NEW YORK**

I, Erno Hildén, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am an Executive Vice President and the Chief Financial Officer of SAS AB and have served in this role since April 2022. Prior to being appointed Chief Financial Officer of SAS AB, from 2016 to 2018, I was the Executive Vice President for Privatization at Saudia, the flag carrier airline of Saudia Arabia. Prior to that, I served as Chief Financial Officer of Finnair, the flag carrier airline of Finland, from 2010 to 2015 and Chief Operating Officer of Finnair from 2009 to 2010. I hold a master's degree in Economics and Business Administration from University of Tampere, Finland.

2. On the date hereof (the "**Commencement Date**"), SAS AB and 13 of its direct and indirect subsidiaries (collectively, the "**Company**" or the "**Debtors**" and, together with their non-debtors affiliates, "**SAS**") each commenced with the Court a voluntary case under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). I am knowledgeable about and familiar with the Debtors' day-to-day operations, business, financial affairs, books and

¹ The Debtors in these chapter 11 cases are SAS AB, SAS Danmark A/S, SAS Norge AS, SAS Sverige AB, Scandinavian Airlines System Denmark-Norway-Sweden, Scandinavian Airlines of North America Inc. (2393), Gorm Asset Management Ltd., Gorm Dark Blue Ltd., Gorm Deep Blue Ltd., Gorm Sky Blue Ltd., Gorm Warm Red Ltd., Gorm Light Blue Ltd., Gorm Ocean Blue Ltd., and Gorm Engine Management Ltd. The Debtors' mailing address is AVD kod: STOUU-T, SE-195 87 Stockholm, Sweden.

records, and the circumstances leading to the commencement of these chapter 11 cases (the “**Chapter 11 Cases**”).

3. Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by employees of SAS, my opinion based upon experience, knowledge, and information concerning SAS’s operations, financial condition, and the aviation industry, and my discussions with the Company’s restructuring advisors, including Seabury Securities LLC (“**Seabury**”), Skandinaviska Enskilda Banken AB (“**SEB**”), and FTI Consulting Inc. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

4. I submit this Declaration pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”) to assist the Court and other parties in interest in understanding the events and circumstances that led to the commencement of these Chapter 11 Cases and in support of the voluntary petitions for relief and the motions and other applications that the Debtors have filed with the Court, including the “first day pleadings” (the “**First Day Pleadings**”). I understand the Debtors are also submitting the *Declaration of Michael Healy in Support of First Day Motions and Applications* (the “**Healy Declaration**”), which has been or will be filed with the Court contemporaneously herewith.

5. This Declaration is organized into five sections. **Section I** provides an overview of SAS and these Chapter 11 Cases. **Section II** provides background information on SAS’s business. **Section III** describes SAS’s corporate and capital structure. **Section IV** describes

the circumstances that led to the commencement of these Chapter 11 Cases. **Section V** attaches and identifies the schedules of information required by Local Rule 1007-2.²

I. Overview

6. The COVID-19 pandemic has battered the airline industry. SAS is no exception. Over the past two years, SAS has experienced substantial reductions in revenue directly attributable to the COVID-19 pandemic and measures put in place to prevent it from spreading. These measures, including travel bans, border closings, and social distancing policies, have directly and significantly impacted the demand for air travel. As a result, SAS's revenues during fiscal years 2020 (the early part of which pre-dated the onset of the COVID-19 pandemic) and 2021 fell approximately 56% and 70%, respectively, compared to fiscal year 2019.

7. In the immediate aftermath of the onset of the pandemic, SAS faced a severe liquidity challenge and instituted various measures to stabilize the business, including raising liquidity in 2020 through a recapitalization of its capital structure. The recapitalization included:

- a directed issue of common shares of approximately \$200 million³ to the governments of Denmark and Sweden;
- a rights issue of common shares of approximately \$400 million to existing shareholders;
- an issue of new hybrid notes to the governments of Denmark and Sweden totaling approximately \$500 million;
- an issue of new hybrid notes to the government of Denmark totaling approximately \$100 million;
- a conversion of existing hybrid notes totaling approximately \$150 million to common shares; and
- a conversion of existing senior bonds totaling approximately \$225 million to \$60 million in common shares and \$160 million in new commercial hybrid notes.

² Unless otherwise indicated, the financial information contained herein is provided on a consolidated basis, which includes certain of the Debtors' non-debtor affiliates (collectively, the "**Non-Debtor Affiliates**").

³ For the purposes of this Declaration, all amounts have been stated in their United States dollar equivalents, unless stated otherwise.

8. This financial support was predicated on SAS achieving significant cost improvements and an assumed increased passenger demand for air travel. The planned cost improvements included (i) a workforce reduction of up to 5,000 full time employees, (ii) postponement of certain aircraft deliveries and an accelerated phase-out of older aircraft, (iii) renegotiated collective bargaining agreements, and (iv) renegotiated supplier contracts.

9. Concurrently with the recapitalization, SAS began implementing certain of these cost-cutting measures. Despite these efforts (which are not yet concluded), SAS has continued to experience operating losses in the billions of dollars in the past two fiscal years.⁴ That financial distress was triggered largely by the emergence of COVID variants, including Delta and Omicron, which caused passenger demand to recover at a much slower pace than anticipated. In that regard, business travel, a critical source of pre-pandemic revenue for SAS, fell dramatically during the last two fiscal years compared to pre-pandemic levels and continues to be substantially below historical levels (particularly in the case of intercontinental travel).

10. SAS also faces mounting competition in the European markets from low cost and ultra-low cost carriers and in its long-haul markets by network carriers. These competitors generally have lower labor, aircraft and other costs, lower levels of debt, and superior access to equity capital when compared to SAS. Also, the closure of Russian airspace as a result of the ongoing war in Ukraine led the Company to suspend most long-haul routes to Asia. The situation also has led to increased operating costs with respect to the Company's long-haul traffic and spiking jet fuel prices.

⁴ The Company's EBIT for the past two fiscal years was approximately negative \$1.5 billion.

11. To address this ongoing distress, in the fall of 2021, SAS engaged restructuring professionals and, together with these advisors, began exploring additional measures to revitalize its business. This led to the development of the SAS FORWARD plan. SAS FORWARD, announced on February 22, 2022, is a broad and comprehensive transformation plan, designed to place SAS on solid financial footing by significantly deleveraging the Company's capital structure, reducing costs, and adjusting the Company's fleet and network. The main components of the plan include:

- approximately \$750 million in annual cost savings;
- debt-to-equity conversions totaling approximately \$2 billion;
- an approximately \$950 million equity capital raise;
- a redesigned fleet and network;
- a revamped operating model;
- a digital transformation; and
- various sustainability objectives.

12. Since announcing SAS FORWARD, the Company has made notable progress on implementing the plan. For example, the governments of Denmark, Sweden, and Norway recently announced their intentions to support SAS FORWARD, including by agreeing to convert their debt holdings to equity, provided other stakeholders also agree to concessions. In addition, the Company has received significant interest from potential lenders regarding the equity capital raise. The Company also is in advanced discussions with those potential lenders to secure debtor-in-possession financing to support the Company's liquidity during these Chapter 11 Cases and ensure the Company has sufficiently capital to complete its SAS FORWARD plan. The Company believes it will secure binding financing commitments in the coming weeks.

13. Despite this progress, certain challenges remain. Most notably, despite efforts by management and the Company's advisors, the Company has not obtained concessions

from aircraft lessors on renegotiated lease terms. Many of the Company's leases are significantly above market and several are on account of surplus aircraft that no longer fit SAS's streamlined network and route strategies.

14. The Company also has been unsuccessful in reaching agreements with labor to reduce labor costs. Indeed, on July 4, 2022, the day before the Commencement Date, the SAS Scandinavia pilots' unions formally instituted a strike involving approximately 900 pilots.⁵ The strike is expected to result in the cancellation of approximately 50% of scheduled flights for the duration of the strike, which is not yet known. The Company estimates the strike will cause it to lose \$10-13 million each day.

15. Without concessions from these key stakeholders, and in light of the significant uncertainty and strain the labor action places on the Company, the Company concluded it could not complete the necessary debt-for-equity exchange and attract new equity capital from the market. Accordingly, the Company decided it would be prudent to file chapter 11 now, while it continues negotiations with lessors, to maximize its current liquidity runway and finalize its DIP financing (which will lengthen its runway) thereby mitigating the adverse effects of the strike on its cash position and preserving its prospects for reorganization.

16. While the Company is extremely disappointed the strike has occurred and with the negative impact it has on SAS's business and customers, it remains optimistic that these Chapter 11 Cases will provide an organized and efficient forum in which to reach agreements with key stakeholders, restructure the Company's debt obligations, reconfigure the fleet, and emerge with a significant capital injection that will allow SAS to participate in the market as a strong competitor for the long term.

⁵ The unions gave written notice of the strike on June 9, 2022.

II. SAS's Business

A. SAS's History

17. SAS was founded in 1946 by national aircraft companies owned by the governments of Denmark, Norway, and Sweden. In the same year, SAS operated its first intercontinental flight from Stockholm to New York. In February 1951, SAS was reorganized into a single entity, "Scandinavian Airlines System Denmark – Norway – Sweden" (the "**Consortium**"), owned by limited liability companies that are now known as SAS Danmark A/S ("**SASD**"), SAS Norge AS ("**SASN**"), and SAS Sverige AB ("**SASS**") and, collectively with SASD and SASN, the "**Consortium Constituents**").⁶ The Consortium is SAS's main operating entity and historically has operated the vast majority of flights sold by SAS.

18. By 1980, SASD, SASN, and SASS were listed on the Copenhagen, Oslo, and Stockholm stock exchanges, respectively, and were 50% owned by their respective governments and 50% owned by private interests.

19. In 2001, SAS completed a restructuring by creating a holding company, SAS AB, which made three parallel public offers to the shareholders of each of the Consortium Constituents to exchange their shares for the same number of newly issued shares in SAS AB. As a result, SAS AB currently owns 100% of the shares in each of the Consortium Constituents. On July 6, 2001, SAS AB was listed on the Stockholm Stock Exchange (now known as Nasdaq Stockholm) with secondary listings in Copenhagen and Oslo.

⁶ The Consortium Constituents' obligations with respect to the Consortium is governed by that certain *Consortium Agreement*, dated as of February 8, 1951 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "**Consortium Agreement**") among the Consortium, SASD, SASN, and SASS. Under the Consortium Agreement, the Consortium Constituents are jointly and severally liable for the obligations of the Consortium.

20. Since its formation more than 75 years ago, SAS has grown to be Scandinavia's leading airline and is the flag carrier of Denmark, Norway, and Sweden.

B. SAS's Fleet

21. SAS's fleet is currently comprised of 100 aircraft, including 20 owned aircraft, 63 aircraft leased under operating leases, 15 aircraft subject to Japanese operating leases with a call option ("JOLCO"), and two aircraft financed under finance leases. On average, SAS's aircraft are approximately 7.9 years old. These aircraft consist of the following:

- i. Owned – seven Boeing 737s, four Airbus A319s, two Airbus A320-200s, four Airbus A321s, and three Airbus A330s;
- ii. Leased – 41 Airbus A320-200Neos, nine Airbus A320-200s, three Airbus A321s, three Airbus A321LR's, five Airbus A330s, one Airbus A350, and one Boeing 737, each of which is leased by the Consortium, Gorm Dark Blue Limited, Gorm Deep Blue Limited, Gorm Light Blue Limited, or Gorm Sky Blue Limited;
- iii. JOLCOs – nine Airbus A320-200Neos, three Airbus A350s, and three Boeing 737s, each of which is leased by the Consortium or Gorm Ocean Blue Limited (together with Gorm Dark Blue Limited, Gorm Deep Blue Limited, Gorm Light Blue Limited, and Gorm Sky Blue Limited, the "**Gorm Leasing Entities**"); and
- iv. Financing Leases – two Airbus A350s, which are leased by Gorm Dark Blue Limited.

22. The aircraft leased to the Gorm Leasing Entities are subject to head leases with third-party leasing companies.⁷ The Gorm Leasing Entities then sublease the aircraft to the Consortium and Non-Debtor Affiliates Scandinavian Airlines Ireland Limited (d/b/a SAS

⁷ The third-party lessors include, among others, ACS Aero Management Limited; AerCap Holdings N.V.; Aero Capital Limited; Aero Capital Solutions, Inc.; Air Lease Corporation (ALC); Aircastle Advisor LLC; ALAFCO Aviation Lease and Finance Company K.S.C.P.; Avolon Aerospace Leasing Limited; CAVIC Aviation Leasing (Ireland) Co.; The Carlyle Group, L.P.; CDB Aviation Lease Finance Designated Activity Company; DAC; Dubai Aerospace Enterprise Limited (DAE); FPG Asset & Investment Management BV; ICBCIL Aviation Company Limited; ITOCHU Corporation; Jackson Square Aviation Ireland Limited; JP Lease Products & Services Co. Ltd; Jin Shan 7 Ireland Company Limited (BoComm); KOSÉ, ORIX Aviation Systems Limited; Pembroke Capital Limited; SDH Wings International Leasing Limited; SMBC Aviation Capital Limited; and Standard Chartered Bank (SCB) and/or such subsidiaries or entities acting on their behalf.

Connect) and SAS Link AB. SAS Connect “wet leases”⁸ certain of its subleased aircraft to the Consortium.

23. Prior to the Commencement Date, the Company paid approximately \$33.5 million each month on account of operating leases, JOLCO leases, and finance leases. Additionally, as of October 31, 2021, SAS’s aircraft lease liabilities were approximately \$1.53 billion and its aircraft finance liabilities were approximately \$960 million. SAS AB guarantees all of the Consortium’s and the Gorm Leasing Entities’ obligations under aircraft financing and lease agreements.

24. SAS is currently taking measures to modernize its fleet and has entered into several agreements to receive new deliveries of aircraft in the coming years, including 32 firm orders of aircraft through 2025. As of the Commencement Date, SAS had aircraft orders for 30 A320-200Neos and two A350-900s.⁹ The contracted future purchase commitment for these aircraft orders totals approximately \$1.8 billion. The new aircraft will be 15-30% more fuel efficient than the aircraft they will replace, and will help SAS reach its goal of reducing its total CO2 emissions by 25% by 2025 as compared to 2005 levels.¹⁰

C. SAS’s Route Network

25. SAS operates an extensive route network that included approximately 113 destinations in 34 countries in fiscal year 2021. In total, SAS operated 212 routes among these destinations in fiscal year 2021, a decrease from 299 routes in fiscal year 2019. Additionally, SAS

⁸ Pursuant to a wet lease, an airline leases an aircraft, crew, and maintenance to another airline and also provides the relevant insurance coverage.

⁹ Due to COVID-19, delivery of eight A320-200Neos has been postponed from 2024 to 2025 and delivery of the two A350-900s has been postponed from 2023 to 2024.

¹⁰ SAS is also a world leader in usage of Sustain Aviation Fuels (SAF), which reduce CO2 emissions by up to 80% in the lifecycle, compared to fossil fuel. By 2025, SAS aims to have up to 10% of its fuel consumption consist of SAF.

is one of the founding members of the Star Alliance, a global airline alliance with 26 member airlines. Star Alliance airlines collectively serve more than 1,300 destinations in approximately 190 countries.

26. SAS's main hubs are Copenhagen Airport, Oslo Airport, and Stockholm Arlanda Airport. As of the Commencement Date, SAS offered passenger service to locations in the following countries:

Region	Countries¹¹
Scandinavia	Denmark, Norway, Sweden
Europe (other than Scandinavia)	Austria, Belgium, Croatia, Czech Republic, England, Estonia, Faroe Islands, Finland, France, Germany, Greece, Ireland, Iceland, Italy, Lithuania, Malta, Montenegro, The Netherlands, Poland, Scotland, Spain, Switzerland, Portugal, Turkey
North America	Canada, United States (including New York)
Asia and Other	China, Japan, Lebanon

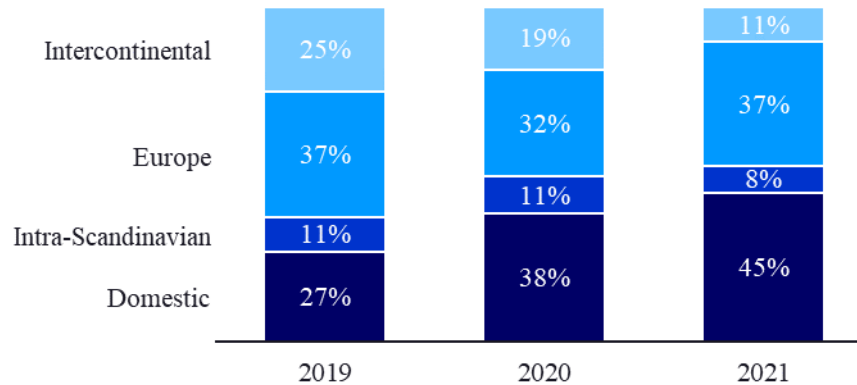
D. SAS's Passenger Operations

27. Through its extensive route network, SAS operated, on average, more than 270 daily scheduled flights and served more than 7.5 million passengers in fiscal year 2021. In this regard, SAS's passenger operations generated approximately SEK 8,401 million (\$840 million) in revenue, representing approximately 60% of SAS's total revenue.

28. SAS prioritizes traffic flows to, from, and within Scandinavia. In 2019, prior to the COVID-19 pandemic, SAS's percentage share of seat capacity to, from, and within Denmark, Norway, and Sweden was 34%, 38%, and 35%, respectively, which was more than any other airline in those markets. Approximately 75% of passenger revenue in fiscal year 2021 was

¹¹ Prior to the Commencement Date, SAS offered passenger service to Ukraine and Russia but SAS currently is not flying to either country as a result of Russia's invasion of Ukraine.

generated from sales originating in Denmark, Norway, and Sweden. The chart below sets forth the geographical distribution of SAS's passenger revenue for fiscal years 2019 through 2021.



29. As set forth above, passenger revenue in 2021 was significantly impacted by the COVID-19 pandemic. In fiscal year 2019, prior to the pandemic, SAS carried more than 30 million passengers, averaged more than 800 daily departures, and its passenger revenue totaled approximately SEK 35,479 million (\$3.5 billion). SAS has experienced an uptick in revenue and passenger traffic through the second fiscal quarter of 2022. Passenger traffic increased 28% in the second quarter compared to the previous quarter, and total revenue was up 265% compared to second fiscal quarter of 2021. Overall, in the second fiscal quarter of 2022, SAS carried the highest number of passengers since the pandemic began. Revenue and passenger traffic, however, remain below the Company's expectations, particularly with respect to business travel and long-haul flights.

E. SAS's Charter Operations

30. SAS also generates significant revenue through the sale of charter flights. SAS sells charters to individuals and businesses as well as private charter companies. Revenue from charter operations totaled approximately SEK 384 million (\$38 million) in fiscal year 2021, representing approximately 2.75% of SAS's total revenue. Charter revenue has also been

negatively impacted by the COVID-19 pandemic. In fiscal year 2019, prior to the pandemic, SAS generated approximately SEK 2,117 million (\$211 million) in revenue from charter operations.

F. SAS's Cargo Operations

31. In addition to passenger and charter operations, SAS generates revenue from its cargo operations. SAS operates its cargo business through non-Debtor SAS Cargo Group A/S (“**SAS Cargo**”). SAS Cargo is the leading provider of airfreight solutions to, from, and within Scandinavia. SAS uses the belly space on its passenger flights to transport cargo between airports. SAS Cargo purchases the belly capacity from the Consortium pursuant to a belly agreement.

32. In fiscal year 2021, SAS's cargo operations served approximately 136 destinations in 31 countries. During such time, SAS transported, on average, 141 tons of cargo daily. In fiscal year 2021, SAS's cargo operations generated approximately SEK 1,166 million (\$116 million) in revenue, representing approximately 8.4% of total revenue. While cargo revenue in fiscal year 2021 went down approximately 21% compared to pre-COVID-19 levels due to limited capacity,¹² cargo revenue increased by approximately 33% in fiscal year 2021 compared to fiscal year 2020.

G. Other Traffic Revenue

33. SAS also generates revenue through fees charged for advanced seat selections, fees charged for extra bags, unused tickets, and revenue adjustments (“**Other Traffic Revenue**”). In fiscal year 2021, Other Traffic Revenue totaled approximately SEK 1,613 million (\$161 million), down from SEK 2,936 million (\$293 million) in fiscal year 2019.

¹² Cargo revenue totaled approximately SEK 1,506 million (\$150 million) in fiscal year 2019.

H. SAS EuroBonus

34. SAS operates Scandinavia's largest and most recognized loyalty program—SAS EuroBonus (“**EuroBonus**”). EuroBonus was established in 1992 and has grown to nearly 5 million members in Scandinavia and approximately 7 million members worldwide. EuroBonus membership has increased by more than 80% since 2014, while revenue has increased by over 70% during that time.¹³

35. EuroBonus is owned and operated by non-Debtor SAS EuroBonus AB, a corporation organized under the laws of Sweden and wholly owned by Debtor SAS AB. SAS EuroBonus AB purchased EuroBonus from the Consortium in October 2020. To fund the purchase, SAS AB loaned SAS EuroBonus AB approximately SEK 2.6 billion (\$260 million), of which approximately SEK 1.4 billion (\$140 million) remains outstanding.

36. Through EuroBonus, members earn points each time they purchase an eligible ticket and fly with SAS, Wideroe Airline, or a Star Alliance member airline. Members can also earn points when making purchases through one of SAS EuroBonus AB's more than 100 network partners, which include hotels, rental car companies, and various stores and restaurants, or when making purchase using a co-branded SAS EuroBonus Credit Card. Points can be redeemed for a variety of benefits, including flights, hotel stays, lounge access, and flight upgrades.

I. SAS Employees

37. As of the Commencement Date, SAS had approximately 8,800 employees, most of which (approximately 98%) are located in either Denmark, Norway, or Sweden. As of the Commencement Date, SAS had 200 employees located outside Scandinavia, including approximately 25 in the United States. Approximately 80% of SAS's employees are members of

¹³ Attached revenue mainly consists of point sales to commercial partners, mainly related to payment and credit card partners, and travel partners such as hotel chains and rental car providers.

unions. There are currently 38 unions representing SAS employees, with some unions representing more than one category of employee. Substantially all of SAS's pilots and a large percentage of the cabin crew and ground crew belong to unions, as do many of its corporate employees (with the exception of senior managers). SAS has collective bargaining agreements with these unions.

38. The reduced demand caused by the COVID-19 pandemic caused SAS to undergo workforce reductions. In 2020 and 2021, SAS furloughed approximately 11,000 employees, including approximately 5,000 employees who were eventually laid off. A large majority of the furloughed employees were located in Denmark, Norway, and Sweden. Many of the furloughs were instituted in connection newly passed legislation and with state support. The layoffs were instituted in January through September 2020. Layoffs, consistent with applicable labor law practices, were typically based on seniority with a last in, first out policy, and employees were generally entitled to a notice period prior to having their employment officially terminated. A significant number of the furloughed employees have since returned to SAS's workforce.

III. Corporate and Capital Structure

A. Corporate Structure

39. As stated above, SAS AB is the ultimate parent entity of the Debtors¹⁴ and their Non-Debtor Affiliates, and is a publicly traded corporation with its primary listing on Nasdaq

¹⁴ Each Debtor has property in the United States in the form of \$50,000 in an account maintained by Weil, Gotshal & Manges LLP in New York, which amounts are not to be applied as a retainer against the provision of legal services unless and until certain fee advance payments are exhausted, and otherwise are to be returned to each Debtor. In that regard, certain of the Debtors' advisors hold fee advance payments in which the Debtors own reversionary interests. In addition, the Consortium (i) holds a permit from the Port Authority of New York and New Jersey to occupy space and operate a passenger lounge at Newark Liberty International Airport in New Jersey, (ii) holds a permit to use certain gates at Dulles International Airport in Washington D.C., (iii) has a lease to occupy certain premises at Dulles International Airport, and (iv) owns 100% of the equity of Debtor Scandinavian Airlines of North America Inc., which is incorporated in New York and leases an office at 301 Route 17 North, Suite 500, Rutherford, NJ 07070. The Consortium also owns rights to slots at various airports in the United States, including at Newark Liberty International Airport, Boston Logan International Airport, Chicago O'Hare International Airport, Dulles International Airport, Los Angeles International Airport, and San Francisco International Airport. Each Debtor may own additional property in the United States and reserves the right to supplement this list, if needed.

Stockholm. SAS AB's two largest shareholders are the governments of Denmark and Sweden, which each own approximately 21.8% of SAS AB's outstanding and issued shares. SAS AB's next largest shareholder is Wallenberg Investments AB, which owns approximately 3.4% of SAS AB's outstanding and issued shares. All of the other Debtors are direct or indirect wholly-owned subsidiaries of SAS AB. An organizational chart showing SAS's corporate structure is annexed hereto as **Exhibit A**.

40. SAS AB's board has eleven members, led by Carsten Dilling, Chairman of the Board. The board members are:

Name	Position
Carsten Dilling	Chairman
Lars-Johan Jarnheimer	Vice Chairman
Nina Bjornstad	Board Member
Monica Caneman	Board Member
Michael Friisdahl	Board Member
Henriette Hallberg Thygesen	Board Member
Kay Kratky	Board Member
Oscar Stege Unger	Board Member
Kim John Christiansen	Board Member (employee representative)
Jens Lippestad	Board Member (employee representative)
Tommy Nilsson	Board Member (employee representative)

41. SAS's senior executive team consists of:

Name	Position
Anko van der Werff ¹⁵	President and Chief Executive Officer
Kjetil Håbjørg	Executive Vice President and Chief Service Officer
Carina Malmgren Heander	Executive Vice President and Chief of Staff
Erno Hildén	Executive Vice President and Chief Financial Officer
Simon Pauck Hansen	Executive Vice President and Chief Operating Officer
Charlotte Svensson	Executive Vice President and Chief Information Officer
Thérèse Lorenius	Co-acting Chief Commercial Officer
Erik Westman	Co-acting Chief Commercial Officer

B. Capital Structure

i. Funded Debt Obligations

42. As of the Commencement Date, the Debtors had outstanding funded debt obligations in the aggregate principal amount of approximately \$1.35 billion, excluding claims against guarantors and co-liable parties.¹⁶ All of the Debtors' funded debt obligations are unsecured. The below chart sets forth the Debtors' funded debt obligations by borrower/issuer and seniority.¹⁷ Each funded debt obligation is described in more detail below.

SAS AB	Outstanding Principal	Guarantor/Co-Liable Party
Nordea Term Loan	\$152 million	Consortium/Consortium Constituents/Eksfin
Commercial Hybrid Bonds	\$162 million	
Swiss Bonds ¹⁸	\$133 million	Consortium Constituents
State Hybrid Bonds 1	\$500 million	
State Hybrid Bonds 2	\$100 million	
Total Funded Debt	\$1,047 million	

¹⁵ Mr. van der Werff was appointed President and CEO in April 2021. Prior to his appointment, he was President and CEO of Avianca Holdings S.A.

¹⁶ On August 7, 2017, the Consortium issued two tranches of EUR 5 million notes under the Euro Medium Term Note Programme (the "EMTNs"). The EMTNs were redeemed pursuant to their terms in June 2022.

¹⁷ Senior debt is listed first and junior debt is shaded.

¹⁸ SAS AB is liable for the Consortium's obligations with respect to the Swiss Bonds under the Irrevocable Undertaking (as defined below). The Swiss Bonds are senior to the State Hybrid Bonds 1 and State Hybrid Bonds 2, but are subordinated to the claims under the Nordea Term Loan and the Commercial Hybrid Bonds.

Consortium	Outstanding Principal	Guarantor/Co-Liable Party
Danish Term Loan	\$155 million	Consortium Constituents
Swedish Term Loan	\$150 million	Consortium Constituents
Nordea Term Loan ¹⁹	\$152 million	Consortium Constituents/Eksfin
Swiss Bonds	\$133 million	SAS AB/Consortium Constituents
Total Funded Debt	\$590 million	

Each Consortium Constituent²⁰	Outstanding Principal	Guarantor/Co-Liable Party
Danish Term Loan	\$155 million	Consortium
Swedish Term Loan	\$150 million	Consortium
Nordea Term Loan	\$152 million	Consortium /Eksfin
Swiss Bonds	\$133 million	SAS AB/Consortium
Total Funded Debt	\$590 million	

43. Nordea Term Loan. SAS AB is party to that certain *Facility Agreement*, dated as of December 18, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the “**Nordea Term Loan**”) among SAS AB, as borrower, the Consortium, as guarantor, Nordea Bank Abp, filial i Sverige, as facility agent and documentation agent (the “**Agent**”), and the lenders party to the Nordea Term Loan (the “**Nordea Term Loan Lenders**”). The aggregate outstanding principal amount under the Nordea Term Loan facility is NOK 1,497,500,000 (approximately \$152 million), with interest accruing at a rate of NIBOR plus a margin of 0.55% per annum. Accrued interest on each loan made under the facility is payable on the last day of the Interest Period selected by SAS AB for the applicable loan. The Interest Period can be three months or any such shorter period as may be agreed between SAS AB and the Agent. The Interest Period cannot extend beyond the applicable loan’s repayment date, or

¹⁹ The Consortium guaranteed SAS AB’s obligations with respect to the Nordea Term Loan.

²⁰ As explained above, under the Consortium Agreement, the Consortium Constituents are jointly and severally liable for the obligations of the Consortium.

the termination date of the loan facility, which is the earlier of (i) the date falling three years after the date of the most recent loan and (ii) June 30, 2024 (the “**Termination Date**”).

44. Loans made under the Nordea Term Loan facility must be repaid on the earlier of the third anniversary of when the relevant loan was advanced, and the Termination Date of the loan facility.

45. Claims of the Nordea Term Loan Lenders under the Nordea Term Loan rank (i) *pari passu* with claims of other unsecured and unsubordinated creditors of SAS AB, the Consortium, and the Consortium Constituents, except for those mandatorily preferred by law and (ii) senior to the Swiss Bonds and the State Hybrid Bonds (as defined below).

46. SAS AB’s obligations under the Nordea Term Loan are guaranteed by the Consortium. In addition, under the Consortium Agreement, the Consortium Constituents are jointly and severally liable for the Consortium’s obligations as guarantor.

47. The Norwegian Guarantee Institute for Export Credits (“**Eksfin**”), previously known as Garantiinstituttet for Eksportkreditt (GIEK), also issued guarantee policies in favor of the Nordea Term Loan Lenders pursuant to which Eksfin agreed to guarantee, as principal obligor, the payment obligations of SAS AB under the Nordea Term Loan facility, up to an aggregate amount of NOK 1,497,500,000 (approximately \$152 million), plus the amount of any accrued but unpaid interest and expenses, subject to a limit of NOK 1,500,000,000 (approximately \$153 million).

48. On June 23, 2022, Eksfin purchased the position of each Nordea Term Loan Lender under the Nordea Term Loan and also replaced the Agent as agent.

49. Commercial Hybrid Bonds. On October 23, 2020, SAS AB issued SEK 1.615 billion (approximately \$162 million) in aggregate principal amount of unsubordinated

perpetual bonds, pursuant to those certain *Terms and Conditions for SAS AB (publ) SEK 1,615,000,000 Unsubordinated Perpetual Floating Rate Callable Capital Securities* (the “**Commercial Hybrid Bonds**”). The Commercial Hybrid Bonds are perpetual and have no specified maturity date. They accrue interest at a variable rate, which increases at various intervals over a 10-year period, before reaching a rate of STIBOR plus a margin of 15.90% per annum on October 23, 2030 through redemption. Interest is paid twice per year on April 23 and October 23 of each year. SAS AB deferred the interest payment due in April 2022, which is permissible under the terms of the Commercial Hybrid Bonds.

50. SAS AB, at any time, may redeem all, but not some, of the outstanding Commercial Hybrid Bonds in full at a price per bond equal to 100% of the outstanding principal amount of each bond plus deferred interest and any other unpaid accrued interest. SAS AB, at any time, may redeem less than all of the outstanding Commercial Hybrid Bonds by reducing the outstanding principal amount of each bond *pro rata* at a price equal to 100% of the principal amount of each bond plus deferred interest and any other unpaid accrued interest on the redeemed amount.

51. The Commercial Hybrid Bonds rank (i) senior to the Swiss Bonds, State Hybrid Bonds, and any other obligation expressed to rank as junior to the Commercial Hybrid Bonds, and (ii) *pari passu* with other unsubordinated and unsecured obligations of SAS AB.

52. State Hybrid Bonds 1. On October 26, 2020, SAS AB issued SEK 5 billion (approximately \$500 million) in aggregate principal amount of subordinated perpetual bonds to the Kingdom of Denmark and the Kingdom of Sweden,²¹ pursuant to those certain *Terms and Conditions for SAS AB (publ) SEK 5,000,000,000 Subordinated Perpetual Floating Rate Callable*

²¹ The Kingdom of Denmark and the Kingdom of Sweden each hold SEK 2.5 billion of State Hybrid Bonds 1.

Capital Securities (the “**State Hybrid Bonds 1**”). The State Hybrid Bonds 1 are perpetual and have no specified maturity date. The State Hybrid Bonds 1 accrue interest at a variable rate, which increases at various intervals over a 7-year period, before reaching a rate of STIBOR plus a margin of 10.40% per annum on October 26, 2027 through redemption. Interest is paid twice per year on April 26 and October 26 of each year. SAS AB deferred the interest payment due in April 2022, which is permissible under the terms of the State Hybrid Bonds 1.

53. SAS AB, at any time, may redeem all, but not some, of the outstanding State Hybrid Bonds 1 in full at a price per bond equal to 100% of the outstanding principal amount of the bond plus deferred interest and any other unpaid accrued interest up to the time of redemption. SAS AB, at any time, may redeem less than all of the outstanding State Hybrid Bonds 1 by reducing the outstanding principal amount of each bond pro rata at a price equal to 100% of the outstanding principal amount of each bond plus deferred interest and any other unpaid accrued interest on the redeemed amount.

54. The State Hybrid Bonds 1 rank (i) *pari passu* with obligations expressed to rank *pari passu*, including the State Hybrid Bonds 2, and (ii) junior to all unsubordinated obligations and subordinated indebtedness of SAS AB, including the Nordea Term Loan, the Commercial Hybrid Bonds, the Swiss Bonds, and lessor guarantee claims.

55. State Hybrid Bonds 2. On October 26, 2020, SAS AB issued SEK 1 billion (approximately \$100 million) in aggregate principal amount of subordinated perpetual bonds to the Kingdom of Denmark, pursuant to those certain *Terms and Conditions for SAS AB (publ) SEK 1,000,000,000 Subordinated Perpetual Floating Rate Callable Capital Securities* (the “**State Hybrid Bonds 2**” and, together with the State Hybrid Bonds 1, the “**State Hybrid Bonds**”). The State Hybrid Bonds 2 are perpetual and have no specified maturity date. They accrue interest at a

variable rate, which increases at various intervals over a 7-year period, before reaching a rate of STIBOR plus a margin of 11.40% per annum on October 26, 2027 through redemption. Interest is paid twice per year on April 26 and October 26 of each year. SAS AB deferred the interest payment due in April 2022, which is permissible under the terms of the State Hybrid Bonds 2.

56. SAS AB, at any time, may redeem all, but not some, of the outstanding State Hybrid Bonds 2 in full at a price per bond equal to 100% of the outstanding principal amount of the bond plus deferred interest and any other unpaid accrued interest. SAS AB, at any time, may redeem less than all of the outstanding State Hybrid Bonds 2 by reducing the outstanding principal amount of each bond pro rata at a price equal to 100% of the outstanding principal amount of each bond plus deferred interest and any other unpaid accrued interest on the redeemed amount.

57. The State Hybrid Bonds 2 rank (i) *pari passu* with obligations expressed to rank *pari passu*, including the State Hybrid Bonds 1, and (ii) junior to all unsubordinated obligations and subordinated indebtedness of SAS AB, including the Nordea Term Loan, the Commercial Hybrid Bonds, the Swiss Bonds, and lessor guarantee claims.

58. Danish Term Loan. The Consortium is party to that certain *On-Lending Facility Agreement*, dated as of July 8, 2021 among the Consortium, as borrower, the central bank of Denmark (Danmarks Nationalbank), and The Kingdom of Denmark, as lender (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the “**Danish Term Loan**”). The aggregate outstanding principal amount under the Danish Term Loan is DKK 1,099,050,000 (approximately \$155 million), with interest accruing at a rate that is the aggregate of the interest rate of the government bonds issued to fund loans under the Danish Term Loan plus a margin of 3.14% per annum, subject to a minimum interest rate of 2.11% per annum.

59. Loans advanced under the Danish Term Loan were funded by The Kingdom of Denmark (acting through The Danish Ministry of Finance) issuing government bonds in Danish Kroner. The loans advanced under the Danish Term Loan must be repaid in accordance with the terms and conditions set out in the government bonds issued to fund such loans, provided that all amounts outstanding must be repaid by the termination date of December 31, 2026.

60. Except with the written consent of the Danmarks Nationalbank, the Consortium may not prepay any loans advanced under the Danish Term Loan. If the Consortium makes any prepayment under the Swedish Term Loan (as defined below), then it must also repay the same amount under the Danish Term Loan on the same date.

61. Claims of Denmark under the Danish Term Loan rank (i) *pari passu* with claims of other unsecured and unsubordinated creditors of the Consortium, including claims under the Swedish Term Loan and Nordea Term Loan guarantee, and (ii) senior to the Swiss Bonds.

62. Under the Consortium Agreement, the Consortium Constituents are jointly and severally liable for the Consortium's obligations under the Danish Term Loan.

63. Swedish Term Loan. The Consortium is party to that certain *Term Facility Agreement*, dated as of July 16, 2021 among the Consortium, as borrower, and The Swedish National Debt Office, as lender (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the “**Swedish Term Loan**” and, together with the Danish Term Loan, the “**State Term Loans**”). The aggregate outstanding principal amount under the Swedish Term Loan is SEK 1,500,000,000 (approximately \$150 million), with interest accruing at the “Base Rate”²² plus a margin of 3.14% per annum, subject to a minimum interest rate of 2.11% per annum. Interest is payable quarterly.

²² “Base Rate” means the interest rate *per annum* that is: (a) equal to the Lender's deemed cost of funds (based on the data on bonds and treasury bills issued by the Kingdom of Sweden available to the Lender in Lender's system “Statens

64. Loans advanced under the Swedish Term Loan must be repaid in full on December 31, 2026. Except with the written consent of The Swedish National Debt Office, the Consortium may not prepay any loans advanced under the Swedish Term Loan. If the Consortium makes any prepayment under the Danish Term Loan, then it must also repay the same amount under the Swedish Term Loan on the same date.

65. Claims of Sweden under the Swedish Term Loan rank (i) *pari passu* with claims of other unsecured and unsubordinated creditors of the Consortium, including claims under the Danish Term Loan and the Nordea Term Loan guarantee, and (ii) senior to the Swiss Bonds.

66. Under the Consortium Agreement, the Consortium Constituents are jointly and severally liable for the Consortium's obligations under the Swedish Term Loan.

67. Swiss Bonds. In 1986, the Consortium issued CHF 200 million (approximately \$209 million) in aggregate principal amount of 5.34% subordinated bonds pursuant to that certain prospectus, dated as of December 6, 1985, between the Consortium, as issuer, and Citicorp Bank (Switzerland), as principal paying agent (the "**Swiss Bonds**"). Since their issuance, the Consortium has repurchased some of the Swiss Bonds, resulting in a current aggregate outstanding principal amount of approximately CHF 127,000,000 (\$133 million).

68. The Swiss Bonds have a variable interest rate that adjusts every ten years. The interest rate is the mean of the SBC-Foreign Bonds Index and the Pictet-new foreign Bond Issue Index, rounded up if necessary to the nearest $\frac{1}{8}\%$, as determined on the tenth business day prior to the beginning of each ten year period. The current interest rate is 0.625% per annum. It

internbankssystem") for an amount equal to the Loan or Unpaid Sum; (b) determined for a period comparable to the Interest Period for that Loan or Unpaid Sum; and (c) calculated on the second Business Day prior to the beginning of that period.

will next adjust on January 14, 2026. Interest is paid annually in arrears on January 14 of each year.

69. The maturity date of the Swiss Bonds must be at least two business days after a resolution has been passed by the Consortium Constituents to liquidate the Consortium. The Swiss Bonds otherwise have no maturity. The Consortium has the option to redeem all of the Swiss Bonds on (i) the fifth anniversary of the Closing Date (*i.e.*, January 14, 1986) and thereafter on the date that is five years following each tenth anniversary of the Closing Date at a price of 102.5% of the then outstanding principal amount of the bonds and (ii) each tenth anniversary of the Closing Date at a price of 100% of the then outstanding principal amount of the bonds.

70. The Swiss Bonds rank junior to all other indebtedness of the Consortium that is not expressly subordinated to, or expressed to rank *pari passu* with, the Swiss Bonds, including the State Term Loans and claims under the Nordea Term loan guarantee.

71. Under the Consortium Agreement, the Consortium Constituents are jointly and severally liable for the Consortium's obligations, which includes amounts owing under the Swiss Bonds. In addition, SAS AB, pursuant to the Irrevocable Undertaking (as defined below), is liable for the Consortium's obligations under the Swiss Bonds.

72. The Irrevocable Undertaking. SAS AB is party to that certain *Irrevocable Undertaking*, dated as of February 11, 2004 (the "**Irrevocable Undertaking**"), pursuant to which SAS AB undertook to be liable for all interest bearing liabilities, leasing obligations, and other financial obligations of the Consortium then in existence or arising in the future. Under the Irrevocable Undertaking, any liabilities and obligations subordinated by contract against other creditors of the Consortium are subordinated to the same extent and on the same terms against creditors of SAS AB. The Irrevocable Undertaking became effective as of December 31, 2003

and continues in effect with respect to all obligations incurred through September 30, 2020. The Irrevocable Undertaking does not apply to any interest bearing liabilities, leasing obligations, and other financial obligations of the Consortium incurred after September 30, 2020.

ii. Other Specified Obligations

73. Carlyle PDP Facility. On August 21, 2021, Rofford Limited, as borrower (“**PDP Borrower**”)²³ entered into a pre-delivery payment facility agreement with Carlyle Aviation Management Limited, as agent, Runway Three Lender LLC, as security trustee, and Runway Three Lender LLC, as lender, to finance pre-delivery payments relating to the purchase by the Consortium of ten Airbus A320-200Neo aircraft (the “**Carlyle PDP Facility**”) from Airbus S.A.S. Gorm Asset Management Limited is liable to PDP Borrower for the amount of any loan under the Carlyle PDP Facility repayable by PDP Borrower to Runway Three Lender LLC. PDP Borrower’s obligations under the Carlyle PDP Facility are guaranteed by SAS AB and are secured by a security interest in the purchase agreement with respect to the aircraft and the shares of PDP Borrower. As of the Commencement Date, the principal amount outstanding under the Carlyle PDP Facility was approximately \$102.9 million.

74. Emission Rights. Pursuant to certain International Swaps and Derivatives Association, Inc. Master Agreements (the “**ISDA Agreements**”), certain financial institutions (the “**Buyers**”) purchase EU emission rights allowances from the Consortium, in accordance with the European Union emissions trading scheme, a cap and trade system for carbon emissions to encourage applicable industries to reduce such emissions. SAS accounts for the EU emission rights allowance trades made under the ISDA Agreements in the Consortium’s books and records as interest-bearing liabilities. In accordance with the ISDA Agreements, the Buyers currently hold

²³ PDP Borrower is not an affiliate of the Debtors.

approximately \$70.5 million in emission rights allowances sold by SAS. As part of each transaction completed under the ISDA Agreements, the Buyers holdback or defer a portion of the purchase price (usually 20–25%) through maturity as security. SAS's current emission rights allowances trades are set to mature in 2023, at which time the ISDA Agreements give SAS the right to purchase EU emission rights allowances back from the Buyers at agreed-upon prices.

IV. Events Leading to Commencement of Chapter 11 Cases

75. The COVID-19 pandemic and actions taken in response to reduce its spread, including travel restrictions, have resulted in significant disruptions for the airline industry, including SAS's operations. As detailed above, SAS's revenue has experienced significant deterioration since the pandemic began, including a decline in total revenue in fiscal years 2020 and 2021 by approximately 56% and 70%, respectively, compared to 2019. SAS had expected passenger traffic to increase in 2021 as travel restrictions eased, but an upturn did not fully materialize. Moreover, business travel, and in particular intercontinental travel, continues to rebound at a slower pace compared to leisure travel, and SAS does not expect improvement in this area at a minimum in the near term.

76. SAS has also faced increased pressure from competitors in the low cost carrier and ultra-low cost carrier segments, and from network carriers in its long-haul market. From December 2016 to January 2020, low cost carriers expanded their intra-European seat capacity from SAS's three main hubs by approximately 30% on a rolling 12-months basis. In the same period, full-service carriers, including SAS, expanded their seat capacity by less than 5% at those airports. Consequently, low cost carriers have been able to acquire a large portion of the growth in seat capacity at SAS's three main hubs as compared to SAS, and SAS expects low cost carriers to increase their capacity further in 2022. With respect to its long-haul markets, both

Finnair and Delta recently began operating out of Arlanda Airport in Stockholm and are projected to acquire a significant portion of the U.S./Arlanda market share in summer 2022.

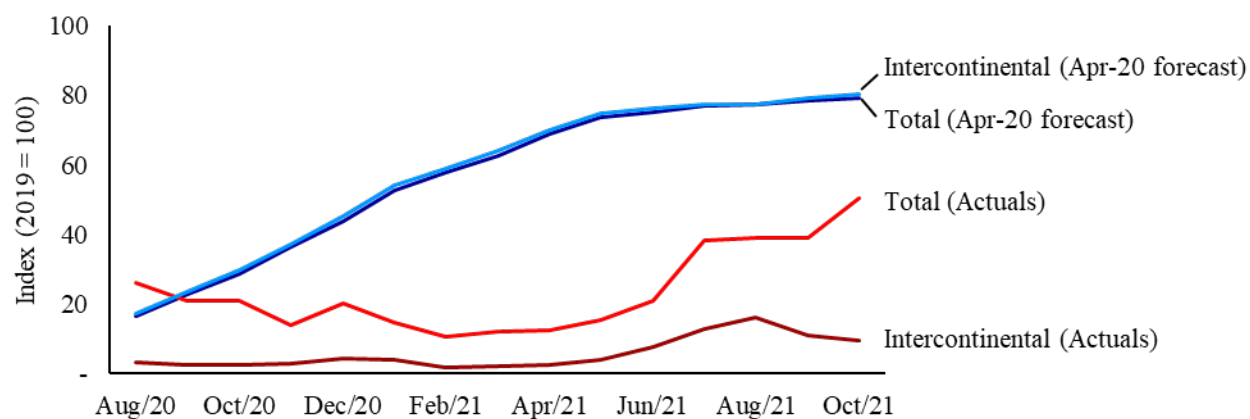
77. **2020 Recapitalization.** In the early stages of the pandemic, SAS took various measures to address the challenges facing the business. In early 2020, key stakeholders, including the governments of Denmark and Sweden, came together to provide approximately \$1.2 billion of financial support to SAS (the “**2020 Recapitalization**”), which included:

- a directed issue of common shares of SEK 2 billion (approximately \$200 million) to the governments of Denmark and Sweden;
- a rights issue of common shares amounting to SEK 4 billion (approximately \$400 million);
- an issue of new hybrid notes of SEK 5 billion (approximately \$500 million) to the governments of Denmark and Sweden (the State Hybrid Bonds 1); and
- an issue of new hybrid notes of SEK 1 billion (approximately \$100 million) to the government of Denmark (the State Hybrid Bonds 2).

78. In addition, SAS AB converted (i) SEK 1.5 billion (approximately \$150 million) in existing hybrid notes into common shares at 90% nominal value, and (ii) SEK 2.25 billion (approximately \$225 million) in existing senior bonds to SEK 600 million (approximately \$60 million) in common shares and SEK 1.6 billion (approximately \$160 million) in new commercial hybrid notes (*i.e.*, the Commercial Hybrid Bonds). In total, the 2020 Recapitalization increased liquidity by SEK 12 billion (approximately \$1.2 billion), decreased liabilities by SEK 2.25 billion (approximately \$225 million), and strengthened equity by SEK 14.25 billion (approximately \$1.425 billion). Furthermore, in July 2021, the Consortium entered into the State Term Loans, which provided additional liquidity of approximately \$300 million.

79. The long-term success of the 2020 Recapitalization was predicated on an assumed rapid recovery from COVID-19, including an expected 90% recovery in air travel in 2022 and onwards, and achieving annual cost improvements of approximately SEK 4 billion

(approximately \$400 million). Unfortunately, the targeted cost reductions were not achieved because of, among other things, a lack of concessions from labor and aircraft lessors. As of the end of the fiscal year 2021, SAS had only achieved roughly 50% of the cost improvements contemplated in connection with the 2020 Recapitalization. Additionally, the chart below sets forth SAS's actual and expected demand recovery in terms of monthly passenger numbers from August 2020 through October 2021 as compared to 2019.



80. In addition to slower than expected recovery in passenger demand, SAS has not been able to achieve sufficient concessions from aircraft lessors, OEMs, and labor unions on renegotiated agreements. The ongoing war in Ukraine has also had a negative impact on SAS's business, including increased operating costs. Due to the closure of Russian airspace in March 2022, SAS was forced to pause all flights between Denmark and Japan and adjust routes for flights between Scandinavia and China, resulting in flight time extensions of approximately two hours. The conflict has also caused jet fuel prices to spike.

81. **SAS FORWARD.** To further address these challenges and be able to better compete within the aviation industry, SAS developed a broader and more comprehensive transformation plan—SAS FORWARD—which was announced on February 22, 2022. The key elements of the plan include:

- a reduction in annual costs by SEK 7.5 billion (approximately \$750 million),²⁴ with comprehensive burden sharing across all major stakeholder and creditor groups;
- an overhauled operating model to improve flexibility and efficiency and adapt to changed market demand and competition;
- a redesigned fleet, network, and product offerings;
- a strengthened balance sheet through deleveraging and raising new capital;
- a digital transformation that will deliver major improvement in customer experience; and
- a continued emphasis on sustainability efforts, including modern fuel-efficient aircraft and sustainable aviation fuels.

82. Each of these key initiatives is summarized in more detail below.

a. Annual Cost Reductions of SEK 7.5 billion

83. SAS FORWARD expands on the 2020 Recapitalization to include an additional SEK 3.5 billion (approximately \$350 million) in annual cost savings for a total of SEK 7.5 billion (approximately \$750 million) in savings between fiscal years 2019 and 2026 (the full SEK 7.5 billion savings are aimed at being realized in 2026). SAS seeks these cost reductions so that it can lower its cost per available seat kilometers and better defend its market position at its main hubs.

b. Overhauled Operating Model

84. SAS has adopted a new operating model to increase cost efficiencies and allow for more flexible operations across the business. Instead of placing all routes in the Consortium, operations are now conducted through four platforms—SAS Scandinavia, SAS

²⁴ The SEK 7.5 billion in annual costs reduction is inclusive of the SEK 4 billion in cost savings announced under the 2020 Recapitalization.

Connect, SAS Link, and external production.²⁵ The table below outlines the key features of each production platform:

SAS			
SAS Scandinavia	SAS Connect	SAS Link	External production
			
- Harmonized Airbus fleet of diversified size (by Oct-22) - Focus on larger business travel markets complemented by leisure routes during peaks - Crew bases: Oslo, Stockholm & Copenhagen	- Next generation A320-family fleet - Focus on highly competitive markets to secure SAS presence and provide seasonal flexibility - Crew bases: London & Scandinavia	- Fleet of midsize aircraft - Focus on thinner routes and feeder traffic to our hubs - Crew bases: Scandinavia	- Complementing ATR and CRJ - Focus on providing market reach and right-sizing smallest markets and shortest sector - Crew bases: Scandinavia (whenever network allows)
			
Simplify	Scale-up	Start-up	Phase out (CRJ)

85. By using different production platforms, SAS will simplify operations in each part of the organization, achieve higher cost efficiencies, and increase SAS’s ability to adapt to specific customer needs.

c. Redesigned Fleet, Network, and Product Offerings

86. The Company is redesigning its network to optimize resource allocation and reduce complexity. This will allow for increased capacity in leisure markets and additional flights during peak season to high demand destinations.

87. SAS is also redesigning its short-haul route mix, including adding routes to more southern European countries, to adapt to greater leisure travel demand, and refocusing its long-haul network on achieving higher margins with less risk. SAS is further developing its

²⁵ Each of these platforms, with the exception of external production, has its own air operator’s certificate (“AOC”) and aircraft operating license(s) (“AOL”). SAS Scandinavia’s AOC is held by the Consortium and its AOLs are held by the Consortium Constituents, SAS Connect’s AOC and AOL are held by non-Debtor Scandinavian Airlines Ireland Limited, and SAS Link’s AOC and AOL are held by non-Debtor SAS Link AB.

unbundled offerings (*e.g.*, tickets, seats, and check-in luggage separately), as well as its ancillary services, EuroBonus, SAS Plus, and SAS Business offerings.

d. Debt Conversion and Capital Raise

88. The SAS FORWARD plan contemplates the conversion of approximately SEK 20 billion (\$2 billion) of existing debt and hybrid notes to common equity. In addition to debt conversions, SAS is seeking to raise approximately SEK 9.5 billion (approximately \$950 million) in equity capital. The capital infusion is projected to provide sufficient liquidity to fund operations through the full implementation of SAS FORWARD and the recovery in passenger demand.

e. Digital Transformation

89. SAS's digital transformation is focused on (i) meeting changing consumer demands, (ii) improving SAS's position in the leisure market, (iii) delivering smooth customer-centric end-to-end travel experience, and (iv) ensuring efficient service operation and process. SAS intends to build out a new in-house department to implement this "digital-first" approach throughout SAS.

f. Sustainability Efforts

90. SAS seeks to position itself as the leader in sustainable aviation. Its goals include (i) reducing CO2 emissions in 2025 by 25% as compared to 2005, (ii) increasing usage of sustainable aviation fuels, and (iii) net zero carbon emissions by 2050. SAS will achieve these goals by investing in modern fuel-efficient aircraft, sustainable aviation fuels, and other emerging technologies and products.

91. **Prepetition Negotiations with Creditors.** After the announcement of SAS FORWARD, SAS embarked on negotiations with the various stakeholder groups in its capital

structure in hopes of achieving the transformation plan. The cornerstone of the SAS FORWARD plan is a redesigned fleet. The Company is party to a number of aircraft lease agreements that are significantly above market or no longer fit SAS's go-forward business plan. Accordingly, the Company has sought various concessions from aircraft lessors, including amending existing leases on mark-to-market terms and returning aircraft. Negotiations are ongoing, but the Company to date has been unable to achieve the level of concessions from aircraft lessors needed to successfully implement SAS FORWARD.

92. SAS has also been in consistent communication with the governments of Denmark, Sweden, and Norway regarding SAS FORWARD. In addition to each owning approximately 21.8% of SAS AB's equity, both Denmark and Sweden hold a significant amount of SAS's funded debt, including the entirety of the loans issued under the State Term Loans and entirety of the bonds issued under the State Hybrid Bonds. Norway, through Eksfin, holds claims under the Nordea Term Loan. Any agreement to convert such debt to equity through these Chapter 11 Cases requires the consent of Sweden, Denmark, and Norway as well as approval from the European Commission and the European Free Trade Association Surveillance Authority with regards to state aid. Without Denmark, Sweden, and Norway's consent and their help in facilitating the state aid process, SAS FORWARD would not be possible.

93. The negotiations with Denmark, Sweden, and Norway led to positive announcements by each government in support of SAS FORWARD. On June 7, 2022, the Swedish government announced it proposed to the Riksdag, Sweden's national legislature, that the Riksdag authorize the government to convert its outstanding claims under the Swedish Term Loan and State Hybrid Bonds 1 to equity. The Riksdag subsequently authorized the debt conversion. On June 10, 2022, the Danish government and a broad majority of the Danish parliament

announced they intend to support SAS by agreeing to convert the government's outstanding claims under the Danish Term Loan and the State Hybrid Bonds to equity. The Danish government also announced it potentially would invest new capital in SAS, if private investors also committed to investing in SAS. On June 28, 2022, Norway announced it would be willing to convert its claims under the Nordea Term Loan to equity.

94. **Capital Raise Efforts/DIP Financing.** SAS also has been actively seeking investors to infuse SEK 9.5 billion (approximately \$950 million) in new equity capital to finance SAS's post-chapter 11 operations in accordance with SAS FORWARD. Prior to the Commencement Date, Seabury and SEB, on behalf of the Debtors, launched a solicitation process for such equity capital, contacting a broad range of over 90 private and state financing sources, both in and outside of Scandinavia, a number of which indicated interest in providing financing to SAS, both during and following these Chapter 11 Cases.

95. The Company also solicited bids from these financing sources for approximately \$700 million in debtor-in-possession financing ("**DIP Financing**"). Prior to the Commencement Date, the Company received strong interest from investors and initially anticipated filing these Chapter 11 Cases with committed capital to fund the DIP Financing. However, as a consequence of the strike and resulting uncertainty and liquidity impact, the Company was forced to commence these Chapter 11 Cases prior to securing DIP Financing commitments. The Company expects to complete this process in the near term and return to this Court with a request for approval of such financing within the coming weeks.

96. Despite filing these Chapter 11 Cases earlier than anticipated and without DIP Financing in place, the Company remains confident it will secure the necessary financing to fund these Chapter 11 Cases and ongoing operations.

97. **Pilot Strike.** Over the past several months, SAS has engaged with its labor unions regarding labor's participation in the cross-stakeholder burden sharing required under SAS FORWARD. Concessions from labor unions are an important aspect of SAS FORWARD, representing in the aggregate approximately 20% of targeted annual cost improvements.

98. This includes the unions that represent more than 1,000 pilots in Denmark, Norway, and Sweden. The pilot unions' collective bargaining agreement expired in March 2022, and SAS and the unions have been in negotiations over a new agreement. On June 9, 2022, the pilot unions issued a strike warning for no earlier than June 29, 2022 after SAS and the unions failed to come to terms on a new agreement. On July 4, 2022, the pilots formally instituted a strike.

99. The strike has greatly altered SAS's contingency planning efforts because of the negative impact it poses to SAS's liquidity. Accordingly, SAS needed to enter chapter 11 earlier than anticipated to preserve cash. SAS is engaged in ongoing mediation with the pilot unions, and is hopeful that through continued dialogue, the parties' disagreements can be resolved, which will assist the Company in moving swiftly through these Chapter 11 Cases.

100. SAS FORWARD is an ambitious but essential plan to secure SAS's financial future. The debt conversions, reconfigured fleet, and capital infusion are all necessary to keep SAS competitive in the airline industry and at its main hubs. The Company intends to use the chapter 11 process to achieve those goals, and is confident that by restructuring its capital structure through these Chapter 11 Cases, the Company will be able maintain its position as Scandinavia's leading airline.

V. Information Required by Local Rule 1007-2

101. In accordance with Local Rule 1007-2, the schedules attached hereto provide certain information related to the Debtors.

102. Pursuant to Local Rule 1007-2(a)(3), **Schedule 1** hereto lists the names and addresses of the members of, and attorneys for, any committee organized prior to the Commencement Date and a brief description of the circumstances surrounding the formation of the committee and the date of its formation.

103. Pursuant to Local Rule 1007-2(a)(4), **Schedule 2** hereto lists the holders of the Debtors' 30 largest unsecured claims on a consolidated basis, excluding claims of insiders.

104. Pursuant to Local Rule 1007-2(a)(5), **Schedule 3** hereto lists the holders of the five largest secured claims against the Debtors on a consolidated basis.

105. Pursuant to Local Rule 1007-2(a)(6), **Schedule 4** hereto provides a summary of the consolidated assets and liabilities for the Debtors and their Non-Debtor Affiliates.

106. Pursuant to Local Rule 1007-2(a)(7), **Schedule 5** hereto provides the following information: the number and classes of shares of stock, debentures, and other securities of the Debtors that are publicly held, and the number of record holders thereof; and the number and classes of shares of stock, debentures, and other securities of the Debtors that are held by the Debtors' directors and officers, and the amounts so held.

107. Pursuant to Local Rule 1007-2(a)(8), **Schedule 6** hereto provides a list of all of the Debtors' property in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, secured creditor, or agent for any such entity, giving the name, address, and telephone number of each such entity and the location of the court in which any proceeding relating thereto is pending.

108. Pursuant to Local Rule 1007-2(a)(9), **Schedule 7** hereto provides a list of the premises owned, leased, or held under other arrangement from which the Debtors operate their businesses.

109. Pursuant to Local Rule 1007-2(a)(10), **Schedule 8** hereto provides the location of the Debtors' substantial assets, the location of their books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States.

110. Pursuant to Local Rule 1007-2(a)(11), **Schedule 9** hereto provides a list of the nature and present status of each action or proceeding, pending or threatened, against the Debtors or their property where a judgment against the Debtors or a seizure of their property may be imminent.

111. Pursuant to Local Rule 1007-2(a)(12), **Schedule 10** hereto provides a list of the names of the individuals who comprise the Debtors' existing senior management, their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.

112. Pursuant to Local Rule 1007-2(b)(1)-(2)(A), **Schedule 11** hereto provides the estimated amount of weekly payroll to the Debtors' employees (not including officers, directors, stockholders, and partners) and the estimated amount to be paid to officers, stockholders, directors, members of any partnerships, and financial and business consultants retained by the Debtors for the 30 day period following the filing of the Chapter 11 Cases as the Debtors intend to continue to operate their businesses.

113. Pursuant to Local Rule 1007-2(b)(3), **Schedule 12** hereto provides, for the 30-day period following the filing of the Chapter 11 Cases, a list of estimated cash receipts and disbursements, net cash gain or loss, obligations, and receivables expected to accrue that remain unpaid, other than professional fees.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing
is true and correct to the best of my information, knowledge, and belief.

Dated: July 5, 2022
Stockholm, Sweden

/s/ Erno Hildén
Erno Hildén

Exhibit A

Organizational Chart

Legend

Nordea Term Loan Borrower

Nordea Term Loan Guarantor

Commercial Hybrid Bonds Issuer

State Hybrid Bonds 1 Issuer

State Hybrid Bonds 2 Issuer

Danish Term Loan Borrower

Swedish Term Loan Borrower

Swiss Bonds Issuer

Liable for Swiss Bond Obligations (Irrev. Under.)

Debtor

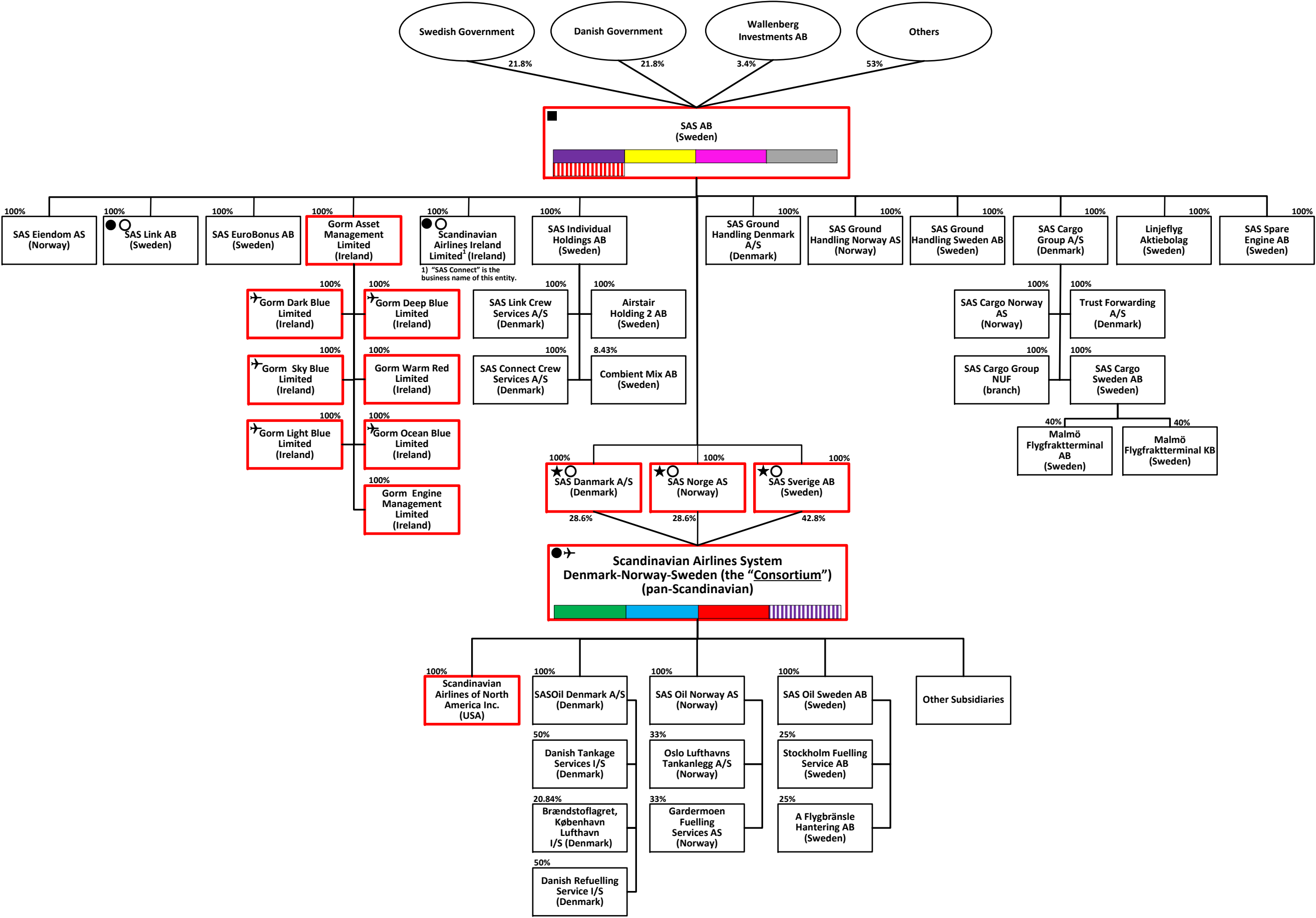
Jointly and Severally Liable for Consortium's Obligations

Liable for Consortium's Obligations Incurred Through September 30, 2020 (Irrev. Under.)

Aircraft Lessee/Finance Counterparty

Holder of Air Operator's Certificate

Holder of Aircraft Operating License



This organizational chart excludes certain direct and indirect subsidiaries of the Consortium.

Schedule 1

Committees

Pursuant to Local Rule 1007-2(a)(3), to the best of the Debtors' knowledge and belief, no official committee has been organized prior to the Commencement Date.

Schedule 2**Consolidated List of 30 Largest Unsecured Claims (Excluding Insiders)**

Pursuant to Local Rule 1007-2(a)(4), the following is a list of creditors holding, as of the Commencement Date, the 30 largest unsecured claims against the Debtors, on a consolidated basis, excluding claims of insiders as defined in section 101 of the Bankruptcy Code.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1.	Intertrust (Sweden) AB Attn.: Shankar Iyer, CEO Sveavägen 9, 10th Floor Stockholm 111 57 Sweden	Attn.: Shankar Iyer, CEO Phone: +46 8 402 72 00 Facsimile: +46 8 402 72 99 Email: trustee@intertrustgroup.com	State Hybrid Bonds				\$599,424,352.40
2.	Intertrust (Sweden) AB Attn.: Shankar Iyer, CEO Sveavägen 9, 10th Floor Stockholm 111 57 Sweden	Attn.: Shankar Iyer, CEO Phone: +46 8 402 72 00 Facsimile: +46 8 402 72 99 Email: trustee@intertrustgroup.com	Commercial Hybrid Bonds				\$161,363,435.45
3.	Kingdom of Denmark Attn.: Nicolai Halby Wammen, Minister of Finance The Danish Ministry of Finance Christiansborg Slotsplads 1 Copenhagen 1218 Denmark	Attn.: Nicolai Halby Wammen, Minister of Finance Phone: +45 3392 3333 Email: fm@fm.dk adblb@fm.dk anrje@fm.dk	Danish Term Loan				\$154,274,443.15
4.	Eksportfinansiering Norge Attn.: Tone Lunde Bakker, CEO PB 1763 Vika Oslo N 0122 Norway	Attn.: Tone Lunde Bakker, CEO Phone: +47 22 87 62 00 Facsimile: +47 22 01 22 02 Email: post@eksfin.no	Nordea Loan				\$150,732,766.73
5.	Swedish National Debt Office Attn.: Karolina Ekholm, Director General The National Debt Office Stockholm 103 74 Sweden	Attn.: Karolina Ekholm, Director General Phone: +46 8 613 45 00 Facsimile: +46 8 21 21 63 Email: guarantees-loans@rikskalden.se	Swedish Term Loan				\$149,586,277.50
6.	Citibank N.A., Zurich Attn.: Jane Fraser, CEO Prime Tower Hardstrasse 201 Zurich 8010 Switzerland	Attn.: Jane Fraser, CEO Phone: +41 58 750 50 00 Facsimile: +41 58 750 55 88 Email: jane.fraser@citi.com; jane.fraser@citigroup.com	Swiss Bond				\$133,937,328.71
7.	Københavns Lufthavne A/S Attn.: Thomas Woldbye, CEO Postboks 74 Lufthavnsboulevarden 6 Kastrup 2770 Denmark	Attn.: Thomas Woldbye, CEO Phone: Email: trainingplanning.cc@sas.se	Authorities				\$25,560,924.95

Name of creditor and complete mailing address, including zip code		Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
8.	Avinor AS Attn.: Abraham Foss, CEO Postboks 150 Gardermoen 2061 Norway	Attn.: Abraham Foss, CEO Phone: +47 64 81 20 01 Facsimile: +47 67 03 00 00 Email: linda.bath@avinor.no	Authorities				\$14,122,454.90
9.	Eurocontrol Attn.: Eamonn Brennan, Director General Den Danske Bank Holmens Kanal 2-12 København K 1092 Denmark	Attn.: Eamonn Brennan, Director General Phone: +32 2 729 90 11 Facsimile: +32 2 729 90 44 Email: eamonn.brennan@eurocontrol.int	Authorities				\$11,827,687.73
10.	Swedavia AB Attn.: Jonas Abrahamsson, CEO Stockholm Arlanda Airport Stockholm-Arlanda SE-190 45 Sweden	Attn.: Jonas Abrahamsson, CEO Phone: +46 (0) 10 109 00 00 Facsimile: +46 (0) 10-109 05 00 Email: jacob.jensen@swedavia.se avs@swedavia.se	Authorities				\$7,848,128.02
11.	JAI Aviation Fund 2016-01 LLC Attn.: President or General Counsel c/o Sakura Horwath & Co 1-11 Kanda Jimbocho Chiyoda Ku Tokyo Japan	Attn.: President or General Counsel Phone: +91 9326879845 Email: AR@willislease.com; info@jaiaviation.com	Fleet - Leases				\$6,276,152.00
12.	Rolls Royce PLC Attn.: Warren East CBE, CEO P.O. Box 31 Derby DE248BJ United Kingdom	Attn.: Warren East CBE, CEO Phone: 01332 242424 Facsimile: 01332 249936 Email: warren.east@roll-royce.com; eu.affairs@rolls-royce.com	Aircraft Maintenance				\$5,078,875.93
13.	Lufthansa Technik AG Attn.: Soeren Stark, CEO P.O. Box 630 300 Hamburg 22313 Germany	Attn.: Soeren Stark, CEO Phone: +49 40 8818 7102 Email: abadzfe@iht.dlh.de	Aircraft Maintenance				\$4,765,041.77
14.	Regional Jet OU Attn.: President or General Counsel Lennujaama Tee 13 Tallinn 11101 Estonia	Attn.: President or General Counsel	Wet Lease				\$4,655,693.53
15.	CityJet Attn.: Pat Byrne, Executive Chairman Swords Business Campus Balheary Road Swords Ireland	Attn.: Pat Byrne, Executive Chairman Phone: +353872414751 Facsimile: +353 1 87 00 115	Wet Lease				\$4,273,738.32
16.	Jin Shan 7 Ireland Company Limited Attn.: President or General Counsel 2 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland	Attn.: President or General Counsel	Aircraft Lessor				\$3,895,644.00

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
17.	Tata Consultancy Services Sverige AB Attn.: Rajesh Gopinathan, CEO Mäster Samuelsgatan 42 Stockholm 111 57 Sweden	Attn.: Rajesh Gopinathan, CEO Phone: +91-22-6778 9999 Facsimile: +91-22-6778 3000 Email: tcs.sasinvoicepo@tcs.com	Digital & IT				\$3,731,917.89
18.	Geodis Denmark A/S Attn: Marie-Christine Lombard, CEO Oliefabriksvej 29-43 Kastrup DK2770 Denmark	Attn: Marie-Christine Lombard, CEO Phone: +91-22-6778-9999 Facsimile: +45 36 99 80 81 Email: ursula.breull@geodis.com	Logistics				\$3,685,354.05
19.	Workforce Logiq Sweden AB Attn.: Kevin Akeroyd, CEO Sveavägen 13, 11 TR Stockholm 111 57 Sweden	Attn.: Kevin Akeroyd, CEO Phone: +46 (0)8-6648000 Facsimile: +46 (0)8-6648001 Email: sas@workforcelogiq.com	Professional Services				\$3,515,491.15
20.	Altuna Hangar KB Attn.: President or General Counsel Tornvägen 17A Stockholm-Arlanda 190 60 Sweden	Attn.: President or General Counsel Phone: +46 77 570 00 00	Authorities				\$3,459,457.95
21.	CFM International SA Attn.: Gaël Méheust, President & CEO 2 BLD DU General Martial Valin Paris Cedex 75724 France	Attn.: Gaël Méheust, President & CEO Email: laurence.crepet@safrangroup.com	Aircraft Maintenance				\$2,917,724.39
22.	Hellenic Fuels and Lubricants Industrial and Commercial S.A. Attn: John Costopoulos, CEO Athens Tower, Messogion Ave 2 Athens Greece	Attn: John Costopoulos, CEO Phone: 30 2106302000 Facsimile: 30 2106302510 Email: e.moshovou@eko.gr	Fuel				\$2,316,270.42
23.	Gate Gourmet Denmark APS Attn.: Christoph Schmitz, CEO Kystvejen 42 Hovedstaden Kastrup 2770 Denmark	Attn.: Christoph Schmitz, CEO Phone: +41 44 533 7000 Facsimile: +41 44 533 7172	Customer Products & Services				\$2,110,115.40
24.	Jackson Square Aviation Ireland Limited Attn.: Kevin McDonald, CEO 5th Floor, 3 Ballsbridge Park Ballsbridge Dublin D04 C7H2 Ireland	Attn.: Kevin McDonald, CEO Phone: +353 1 551 8883 Facsimile: +353 1 634 9985	Aircraft Lessor				\$2,074,353.00
25.	TRANSPORTSTYRELSEN Attn.: Jonas Bjelfvenstam, Director General Tunnlandsgatan 1 Örebro 701 81 Sweden	Attn.: Jonas Bjelfvenstam, Director General Phone: +46 771 503 503 Facsimile: 019-26 26 12 Email:	Authorities				\$1,879,776.22

Name of creditor and complete mailing address, including zip code		Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
26.	SYKES Sweden AB Attn.: Chuck Sykes, President & CEO Box 631 Stockholm 101 32 Sweden	Attn.: Chuck Sykes, President & CEO Phone: +46 8 590 095 00 Email: searn-op-fakturaunderlag@sykes.com	Professional Services				\$1,825,154.43
27.	Select Service Partner AS Attn: Patrick Coveney, CEO Henirk Ibsens VEG 7 Flyporten Gardermoen, Akershus Gardermoen 2060 Norway	Attn: Patrick Coveney, CEO Phone: +47 982 05 555 Email: hilde.hogstad@ssp.no	Ground Operation				\$1,432,741.33
28.	Wideroe Ground Handling AS Attn.: Stein Nilsen, CEO Langstranda 6 Postboks 247 Bodo 8003 Norway	Attn.: Stein Nilsen, CEO Phone: +47 75 51 35 00 Facsimile: +47 75 51 35 81	Ground Operations				\$1,410,676.49
29.	Gate Gourmet Denmark APS Attn.: Christoph Schmitz, CEO P.O. Box 124 Stockholm-Arlanda 2060 Sweden	Attn.: Christoph Schmitz, CEO Phone: +46 720 858 763 Facsimile: +41 44 533 7172	Customer Products & Services				\$1,315,023.77
30.	Flying Food Group Attn.: David Cotton, CEO 1650 Northwest 70th Avenue Miami, Florida 33126-1312	Attn.: David Cotton, CEO Phone: (305) 718-3800 Facsimile: (305) 718-4049	Customer Products & Services				\$1,264,203.36

Schedule 3

Consolidated List of Holders of Five Largest Secured Claims

Pursuant to Local Rule 1007-2(a)(5), to the best of the Debtors' knowledge and belief, the following chart lists the creditors holding, as of the Commencement Date, the five largest secured, non-contingent claims against the Debtors, on a consolidated basis.

No.	Creditor	Contact Information	Approximate Amount of Claim¹	Type of Collateral
1.	CDB Aviation Lease Finance DAC	Wilmington Trust SP Services (Dublin) Ltd. (not in its individual capacity but solely as owner trustee) Fourth Floor, 3 George's Dock, International Financial Services Centre, Dublin 1, Ireland Attn: Mr. Robert E. Melson and Mr. Takahiro Kawaguchi Fax: +81 3 3597 6421 Email: irishownertrusts@wilmingtontrust.com Cc: robert.melson@klgates.com and Takahiro.Kawaguchi@klgates.com	\$278,157,715	Op. lease PO (A350) (Aircraft Financing for MSN418 and MSN484)
2.	Flip No. 247 Co., Ltd.	Flip No. 247 Co., Ltd., Flip No. 248 Co., Ltd. and Flip No. 249 Co., Ltd. JP Tower, 29th Floor 2-7-2 Marunouchi, Chiyoda-ku 100-7029 Tokyo, Japan Attn: Mr. Robert E. Melson Fax: +81 3 3597 6421 Email: sf@fpg.jp Cc: robert.melson@klgates.com	\$143,796,997	JOLCO (Aircraft Financing for MSN378)
3.	FS World Leasing Co., Ltd. and Gyldenias Leasing, Ltd.	FS World Leasing Co., Ltd. c/o Fuyo General Lease Co., Ltd. 3-3-23, Chiyoda-ku, Kanda-Misaki-cho 101-8381 Tokyo, Japan Attn: Stéphanie Gaudin Fax: +33 1 4189 8575 / +33 1 4189 9196 Email: kaihatueigyoku_bu@fgl.co.jp and gyomukanri_group@fgl.co.jp Cc: pierre-antoine.levayer@ca-cib.com / priscille.campos@ca-cib.com	\$141,387,489	JOLCO (Aircraft Financing for MSN391)

¹ The information included on this Schedule 3 shall not be binding on the Debtors as to the value of any collateral securing the claims of the creditors listed herein.

No.	Creditor	Contact Information	Approximate Amount of Claim ¹	Type of Collateral
4.	JPA No. 199 Co., Ltd.	Kasumigaseki Common Gate Tower 34F, 3-2-1 Kasumigaseki, Chiyoda-ku 100-0013, Tokyo, Japan Attn: Mr. Robert E. Melson and Mr. Takahiro Kawaguchi Fax: +81 3 3597 6421 Email: jlps-notices@jlps.co.jp Cc: robert.melson@klgates.com and takahiro.kawaguchi@klgates.com	\$141,385,624	JOLCO (Aircraft Financing for MSN 358)
5.	Carlyle Aviation Management Ltd.	C/o Carlyle Aviation Management Limited Connaught House, 1 Burlington Road, Dublin 4, Ireland Email: CAMLnotices@carlyle.aero	\$103,344,629	PDP Financing (PDP Financing)

Schedule 4

**Summary of Assets and Liabilities
as of May 31, 2022²**

Pursuant to Local Rule 1007-2(a)(6), the following are estimates of the Debtors' total assets and liabilities on a consolidated basis as of May 31, 2022. The following financial data is the latest available information reflecting the Debtors' financial condition, as consolidated among affiliated Debtors.

On a consolidated basis, as of May 31, 2022, the total value of the Debtors' assets is approximately \$12.43 billion and the total amount of the Debtors' liabilities is approximately \$9.41 billion.

² The information contained herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim included herein is a disputed claim or debt, and to challenge the priority, nature, amount, or status of any such claim or debt.

Schedule 5

Publicly Held Securities

Pursuant to Local Rule 1007-2(a)(7), the following lists the number and classes of shares of stock, debentures, and other securities of the Debtors that are publicly held (the “Securities”) and the number of holders thereof. The Securities held by the Debtors’ directors and officers are listed separately.

SAS AB Common Shares³

Type of Security	Number of Shares	Approximate Number of Record Holders	As of
Common shares	7,266,039,292 shares outstanding	236,388	May 31, 2022

SAS AB Common Shares Held By Debtors’ Directors

Name of Director	Number of Shares Owned	As of
Carsten Dilling	352,220	October 31, 2021
Lars-Johan Jarnheimer	100,000	October 31, 2021
Monica Caneman	40,000	October 31, 2021
Michael Friisdahl	521,800	October 31, 2021
Kay Kratky	50,000	October 31, 2021
Oscar Stege Unger	100,00	October 31, 2021
Jens Lippestad	110,00	October 31, 2021

³ SAS AB has three classes of shares: common shares, subordinated shares, and class C shares. There are not currently any subordinated shares or class C shares issued or outstanding.

SAS AB Common Shares Held By Debtors' Executive Officers

Name of Executive Officer	Number of Shares Owned	As of
Charlotte Svensson	50,000	October 31, 2021
Carina Malmgren Heander	40,000	October 31, 2021
Simon Pauck Hansen	100,000	October 31, 2021
Kjetil Håbjørg	25,000	October 31, 2021

Public Bonds, Notes, and Other Debentures

Type of Security	Aggregate Principal Face Amount⁴	Approximate Number of Record Holders
Swiss Bonds	\$210,00,000	Undetermined
Commercial Hybrid Bonds	\$161,500,000	200+

⁴ All aggregate principal face amounts included herein have been converted to and are represented in U.S. dollars.

Schedule 6

Debtors' Property Not in Debtors' Possession

Pursuant to Local Rule 1007-2(a)(8), in the ordinary course of business, on any given day, property of the Debtors is likely to be in the possession of various third parties, including lessees, maintenance providers, shippers, common carriers, materialmen, custodians, or agents. Through these arrangements, the Debtors' ownership interests are not affected. Because of the constant movement of this property, providing a comprehensive list of the persons or entities in possession of the property, their addresses and telephone numbers, and the location of any court proceeding affecting the property would be impractical.

Schedule 7

Pursuant to Local Rule 1007-2(a)(9), the following lists the property or premises owned, leased, or held under other arrangement from which the Debtors operate their business.

Owned Property

Debtor	Street Address	City	State	Zip Code	Country
Scandinavian Airlines System Denmark-Norway-Sweden	Micheletsvei 1, 7502 Stjørdal	Trondheim	n/a	n/a	Norway
Scandinavian Airlines System Denmark-Norway-Sweden	Kystveien 2-4, 2770 Kastrup	Copenhagen	n/a	n/a	Denmark
SAS Eiendom AS ⁵	Flyplassveien 214, 4055 Sola	Stavanger	n/a	n/a	Norway

Leased Property⁶

Debtor	Street Address	City	State	Zip Code	Country
Scandinavian Airlines System Denmark-Norway- Sweden	Stockholm Arlanda Flyplass, 190 45 Sigtuna	Sigtuna	n/a	n/a	Sweden
Scandinavian Airlines System Denmark-Norway- Sweden	Stockholm Arlanda Flyplass, 190 45 Sigtuna	Sigtuna	n/a	n/a	Sweden
Scandinavian Airlines System Denmark-Norway- Sweden	Stockholm Arlanda Flyplass, 190 45 Sigtuna	Sigtuna	n/a	n/a	Sweden

⁵ SAS Eiendom AS is a non-Debtor affiliate.

⁶ The classification of the contractual agreements listed herein as real property leases or property held by other arrangements is not binding upon the Debtors. In addition, due to the size and complexity of the Debtors' business operations, this list may not be inclusive of all of the real property leased by the Debtors.

Debtor	Street Address	City	State	Zip Code	Country
Scandinavian Airlines System Denmark-Norway-Sweden	Frösundaviks allé 1, 169 70 Solna	Solna	n/a	n/a	Sweden
Scandinavian Airlines System Denmark-Norway-Sweden	Göteborg Landvetter Flyplass, 438 80 Gothenburg	Gothenburg	n/a	n/a	Sweden
Scandinavian Airlines System Denmark-Norway-Sweden	Edvard Griegsveg 3, 2060 Gardermoen	Gardermoen	n/a	n/a	Norway
Scandinavian Airlines System Denmark-Norway-Sweden	Roald Amundsensveg 1, 2060 Gardermoen	Gardermoen	n/a	n/a	Norway
Scandinavian Airlines System Denmark-Norway-Sweden	Trygve Grans veg 1, 2060 Gardermoen	Gardermoen	n/a	n/a	Norway
Scandinavian Airlines System Denmark-Norway-Sweden	Thor Heyerdalsveg 142, 2060 Gardermoen	Gardermoen	n/a	n/a	Norway
Scandinavian Airlines System Denmark-Norway-Sweden	Sigrid Undseths Plass 1, 2060 Gardermoen	Gardermoen	n/a	n/a	Norway
Scandinavian Airlines System Denmark-Norway-Sweden	Lufthavnveien 11, 7502 Stjørdal	Trondheim	n/a	n/a	Norway
Scandinavian Airlines System Denmark-Norway-Sweden	Lysker Torg 15, 1366 Lysaker	Oslo	n/a	n/a	Norway

Debtor	Street Address	City	State	Zip Code	Country
Scandinavian Airlines System Denmark-Norway-Sweden	Lufthavnsboulevarden 6, 2770 Kastrup	Copenhagen	n/a	n/a	Denmark
Scandinavian Airlines System Denmark-Norway-Sweden	Lufthavnsboulevarden 6, 2770 Kastrup	Copenhagen	n/a	n/a	Denmark
Scandinavian Airlines System Denmark-Norway-Sweden	Lufthavnsboulevarden 6, 2770 Kastrup	Copenhagen	n/a	n/a	Denmark
Scandinavian Airlines System Denmark-Norway-Sweden	Lufthavnsboulevarden 6, 2770 Kastrup	Copenhagen	n/a	n/a	Denmark
Scandinavian Airlines System Denmark-Norway-Sweden	Lufthavnsboulevarden 6, 2770 Kastrup	Copenhagen	n/a	n/a	Denmark
Scandinavian Airlines System Denmark-Norway-Sweden	Kystveien 40, 2770 Kastrup	Copenhagen	n/a	n/a	Denmark
Scandinavian Airlines System Denmark-Norway-Sweden	Peterdalsvej 1, 2770 Kastrup	Copenhagen	n/a	n/a	Denmark
Scandinavian Airlines System Denmark-Norway-Sweden	Amager Strandvej 390, 2770 Kastrup	Copenhagen	n/a	n/a	Denmark
Scandinavian Airlines System Denmark-Norway-Sweden	Kornmarken 1, 7990 Billund	Billund	n/a	n/a	Denmark

Debtor	Street Address	City	State	Zip Code	Country
Scandinavian Airlines of North America Inc.	Cargo Building 340, 3 Brewster Rd	Newark	NJ	07114	United States
Scandinavian Airlines of North America Inc.	301 Route 17 North Suite 500	Rutherford	NJ	07070	United States

Schedule 8

Location of Debtors' Assets, Books, and Records

Pursuant to Local Rule 1007-2(a)(10), the following lists the locations of the Debtors' substantial assets, the location of their books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States.

Location of Debtors' Substantial Assets

The vast majority of the Debtors' assets are located outside of the United States. The Debtors have assets of approximately \$13.36 million in the United States, consisting of cash, trade notes and accounts receivable, buildings and other depreciable assets, and other current assets.

Books and Records

The Debtors' books and records are primarily located at Frösundaviks Allé 1, SE – 169 70, Solna, Sweden.

Debtors' Assets Outside the United States

The Debtors, together with their non-Debtor affiliates, have assets in numerous locations throughout the world. The Debtors' assets located outside of the United States include various leaseholds, cash, contract rights, equipment, and aircraft. The aggregate net book value of all assets located outside the United States as of May 31, 2022 is approximately \$5.98 billion.

Schedule 9

Litigation

Pursuant to Local Rule 1007-2(a)(11), to the best of the Debtors' knowledge, belief, and understanding, there are no actions or proceedings pending or threatened against the Debtors or their property, as of the Commencement Date, where a judgement against the Debtors or a seizure of their property may be imminent.

Schedule 10

Senior Management

Pursuant to Local Rule 1007-2(a)(12), the following provides the names of the individuals who comprise the Debtors' existing senior management, a description of their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.

Name & Position	Responsibilities & Experience
Anko van der Werff <i>President and Chief Executive Officer</i>	Mr. van der Werff was appointed President and Chief Executive Officer of SAS AB in April 2021. Prior to his appointment as CEO of SAS AB, Mr. van der Werff served as President and CEO of Avianca Holdings S.A. from 2019-2021. He also formerly served as Executive Vice President & Chief Commercial Officer of Aeromexico from 2014-2019. Mr. van der Werff's experience in aviation executive management also includes several leading management positions held at Qatar Airways and Air France KLM from 2006-2014. Mr. van der Werff has a law degree from Leiden University and an executive degree in General Management from Harvard Business School.
Erno Hildén <i>Chief Financial Officer</i>	Mr. Hildén was appointed Executive Vice President and Chief Financial Officer of SAS AB in April of 2022. Prior to his appointment as CFO, Mr. Hildén held several operational leadership positions in the global airline industry, including Executive Vice President for Privatization at Saudia Airlines from 2016-2018, Chief Financial Officer of Finnair from 2010-2015, and Chief Operating Officer of Finnair from 2009-2010. Mr. Hildén has a master's degree in Economics and Business Administration from the University of Tampere, Finland.
Charlotte Svensson <i>Chief Information Officer</i>	Ms. Svensson was appointed Executive Vice President and Chief Information Officer of SAS AB in 2020. In addition to serving as a board member for certain of the Debtors, she also currently serves as a board member of Combient Mix AB, Tranholmen Invest AB, and ICA Gruppen AB. Prior to her appointment as CIO of SAS AB, Ms. Svensson served as Head of Digital & Communication Services (member of the GET group) of PostNord from 2017-2020. She also formerly served as Chief Technology Officer for Bonnier AB from 2016-2017.

Name & Position	Responsibilities & Experience
	Ms. Svensson has an executive degree in Strategy from Stanford University and studied physics and mathematics at Chalmers University of Technology as well as systems science at Karlstad University.
Carina Malmgren Heander <i>Chief of Staff</i>	Ms. Heander was appointed Executive Vice President and Chief of Staff of SAS AB in 2015. In addition to serving as a board member for certain of the Debtors, she currently serves as Chairman of the Board of Directors of Svenska Flygbranschens AB and as a board member of Projektengagemang AB, Transportföretagen AB, and the Confederation of Swedish Enterprise. Prior to her appointment as Chief of Staff of SAS AB, Ms. Heander served as Senior Vice President of AB Electrolux and held several leading HR positions at Electrolux, Sandvik, and ABB. Ms. Heander has a master's degree in Business Administration from Linköping University.
Simon Pauck Hansen <i>Chief Operating Officer</i>	Mr. Hansen was appointed Executive Vice President and Chief Operating Officer of SAS AB in 2019. He currently serves as Chairman of the Board of Directors of Luftfartens Klimapartnerskab and as a board member of Industrial Employers in Denmark (IAD) and Confederation of Danish Industry (DI). Prior to his appointment as COO of SAS AB, Mr. Hansen was a senior manager at Spanair from 2006-2009. Mr. Hansen has a master's degree in Business Administration and Marketing from Copenhagen Business School.
Kjetil Håbjørg <i>Executive Vice President Airline Services</i>	Mr. Håbjørg was appointed Executive Vice President Airline Services of SAS AB in 2019. He also currently serves as a board member of the Federation of Norwegian Aviation Industries (NHO Luftfart). Prior to his appointment as Executive Vice President Airline Services of SAS AB, Mr. Håbjørg served as Vice President of SAS Ground Handling and held several other senior positions at SAS. Mr. Håbjørg has a master's degree in Business Administration and Strategic Management from NHH Norwegian School of Economics.

Name & Position	Responsibilities & Experience
Thérèse Lorenius <i>Co- Acting Chief Commercial Officer (responsible for Product, Insight & Loyalty, Customer Communication, and Global Sales)</i>	Ms. Lorenius was appointed as Co-Acting Chief Commercial Officer of SAS AB in 2022. Prior to her appointment as Co-Acting Chief Commercial Officer of SAS AB, Mr. Lorenius served as Vice President of Product, Insights and Loyalty for SAS AB. Ms. Lorenius also worked for Procter & Gamble before joining SAS in 2014. Ms. Lorenius has a master's degree in Business from the University of Lund and a bachelor's degree in Corporate Finance/International Finance.
Erik Westman <i>Co- Acting Chief Commercial Officer (responsible for Network, Revenue, Management, and Commercial Development)</i>	Mr. Westman was appointed as Co-Acting Chief Commercial Officer of SAS AB in 2022. Prior to his appointment as Co-Acting Chief Commercial Officer of SAS AB, Mr. Westman served as Vice President of Revenue Management for SAS AB from 2017-2022 and Vice President of Group Strategy for SAS AB from 2014-2017. Mr. Westman also worked at McKinsey prior to joining SAS in 2013. Mr. Westman has a master's degree in Engineering Physics from KTH Royal Institute of Technology.

Schedule 11

Payroll

Pursuant to Local Rule 1007-2(b)(1)-(2)(A) and (C), the following provides the estimated amount of weekly payroll to the Debtors' employees (not including officers, directors, and stockholders) and the estimated amount to be paid to officers, directors, stockholders, and financial and business consultants retained by the Debtors for the 30-day period following the Commencement Date.

Payments to Employees (Not Including Officers, Directors, and Stockholders)	\$27,136,382
Payments to Officers, Directors, and Stockholders	\$442,580
Payments to Financial and Business Consultants	\$0

Schedule 12

**Cash Receipts and Disbursements,
Net Cash Gain or Loss, Unpaid Obligations and Receivables**

Pursuant to Local Rule 1007-2(b)(3), the following provides, for the 30-day period following the Commencement Date, the estimated cash receipts and disbursements, net cash gain or loss, and obligations and receivables expected to accrue that remain unpaid, other than professional fees.

Cash Receipts	\$289, 946, 330
Cash Disbursements	\$(326, 643, 138)
Net Cash Loss	\$(36, 696, 807)
Unpaid Obligations	\$(120,745,472)
Uncollected Receivables	\$130, 395, 999