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**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 (MEW)
	:	
Debtors. ¹	:	(Jointly Administered)
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NOTICE OF SUCCESSFUL THIRD-PARTY BID

On July 5, 2022, SAS AB and its debtor subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”).

On May 15, 2023, the Bankruptcy Court entered the *Order Approving (I) Equity Solicitation Procedures and (II) Form and Manner of Notice Related Thereto* [ECF No. 1155], which, among other things, approved the equity solicitation procedures attached thereto as Exhibit 1 (the “**Equity Solicitation Procedures**”).²

I. Successful Third-Party Bid Notice

In accordance with the Equity Solicitation Procedures, pursuant to this notice (the “**Successful Third-Party Bid Notice**”), the Debtors hereby designate Castl lake, L.P., on

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.

² Capitalized terms used but not defined herein shall have respective meanings ascribed to such terms in the Equity Solicitation Procedures.

behalf of certain funds or affiliates (“**Castlelake**”), Air France-KLM S.A. (“**Air France-KLM**”), and Lind Invest ApS (“**Lind Invest**”), together with the Danish State, as the Successful Third-Party Bidders. The Successful Third-Party Bid is affirmatively supported by the Official Committee of Unsecured Creditors appointed in these chapter 11 cases.

II. Overview of the Transaction

The transaction involving a proposed investment in, and issuance of new equity interests and secured convertible debt by, Reorganized SAS (the “**Transaction**”) is expected to include, among other things, and subject to final documentation, a total investment in Reorganized SAS corresponding to \$1.175 billion (SEK 12.925 billion),³ including \$475 million (SEK 5.225 billion) in new unlisted equity and \$700 million (SEK 7.7 billion) in secured convertible debt. Additionally, the Successful Third-Party Bid indicates that \$325 million (SEK 3.575 billion) is expected to be allocated to general unsecured creditors in cash and equity.

The Transaction is expected, subject to entry into definitive documentation, to result in a shareholder structure post-reorganization (based on total equity, but pre-conversion of the convertible debt) where (i) Castlelake holds approximately 32.0% of the equity and 55.1% of the convertible debt, (ii) the Danish State holds approximately 25.8% of the equity and 29.9% of the convertible debt, (iii) Air France-KLM holds approximately 19.9% of the equity and 5.0% of the convertible debt, (iv) Lind Invest holds approximately 8.6% of the equity and 10.0% of the convertible debt, and (v) the remaining approximately 13.6% of the equity will most likely be distributed among, and held by, certain creditors who may receive a recovery in equity.⁴ The convertible debt is expected to be secured and have a maturity of seven years and an interest rate of SOFR⁵ + 650bps per year, and may be converted into common shares based upon certain terms and valuation metrics.

In addition, the Transaction also contemplates (i) refinancing the DIP Credit Agreement with a new \$500 million (SEK 5.5 billion) term loan provided by Castlelake, to be repaid in connection with emergence from the Debtors’ chapter 11 cases, (ii) implementing the Chapter 11 Plan in Sweden, which is likely to entail Debtor SAS AB (the listed parent company of the Debtors) filing for a company reorganization in Sweden (the “**Swedish Reorganization**”), and (iii) cancelling and redeeming all of Debtor SAS AB’s common shares and all listed commercial hybrid bonds and, consequently, a delisting from Nasdaq Stockholm, Nasdaq Copenhagen, and Oslo Børs following completion of the anticipated Swedish Reorganization.

Additional details related to the Transaction will be included in the disclosure statement and the Chapter 11 Plan to be filed with the Bankruptcy Court after the details and final documentation related to the Transaction have been finalized.

³ All amounts cited are based upon a USD/SEK exchange rate of 11.00.

⁴ The percentage of equity to be distributed to general unsecured creditors as part of the anticipated \$325 million recovery for general unsecured creditors is subject to change, which may lead to minor adjustments to the equity percentage holdings for the Successful Third-Party Bidders.

⁵ “**SOFR**” means the Secured Overnight Financing Rate.

III. Additional Information

Copies of the Equity Solicitation Procedures and any other documents filed with the Bankruptcy Court may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by their claims and noticing agent, Kroll Restructuring Administration LLC, located at <https://cases.ra.kroll.com/SAS/>.

Dated: October 3, 2023
New York, New York

/s/ Lauren Tauro

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