Annual and sustainability report

Fiscal year 2025

Comments by the CEO

The past year stands out as one of the most significant in SAS' history. In July, Air France-KLM announced that it would initiate proceedings to take a majority stake in SAS. This marked a new strategically important chapter for SAS and a landmark development in the European aviation landscape, sending a strong signal of confidence in the direction we are heading.

Concluding the year, we delivered solid operational and financial performance, with passenger numbers up 12% to 28.3 million, revenues rising by 7% to MSEK 49,106, and EBIT of MSEK 3,030, demonstrating steady progress in our transformation. We have taken several important steps, including our largest direct aircraft order in nearly 30 years, a significantly expanded route and partnership network and continued improvements in customer experience and sustainability. And we are progressing in our ambition to further strengthen Copenhagen as Scandinavia's global hub.

A new chapter with Air France-KLM
One of the most significant milestones of the year was the announcement this summer that Air France-KLM initiated proceedings to become the majority owner of SAS. The ambition is to close the transaction in the second half of 2026. Once completed, subject to regulatory approvals and certain conditions, the transaction will provide SAS with the backing of one of the world's leading airline groups. It brings stability, deeper industrial integration and new opportunities for both customers and employees, reflecting SAS' long-term commitment to building a stronger, more connected, and competitive airline.

Major fleet renewal and significantly expanded route network
In July, as part of our long-term fleet renewal strategy, we placed our largest jet order direct from a manufacturer since 1996. SAS has entered into an agreement to acquire 45 Embraer E195-E2, with purchase rights for an additional ten. This is a world-class aircraft combining outstanding performance with excellent fuel efficiency and comfort. With first deliveries scheduled for late 2027 and further deliveries extending over approximately four years, they will play a vital role in enabling future growth and improved connectivity across Scandinavia and Europe. The investment enables us to serve more routes with lower emissions, better economics, and an enhanced premium experience for our passengers.

Further reinforcing Copenhagen's role as Scandinavia's global hub, we broadened our offering with numerous new destinations and partnerships. This includes the unveiling of our most extensive summer program ever in 2026, featuring two new Airbus A350's and more destinations and better connectivity than ever before. We also resumed flights to important destinations such as Seattle and Nuuk, and announced a new destination, Mumbai, starting in summer 2026. Additionally, we launched our first ever non-stop service to Seoul, South Korea, strengthening the ties between Scandinavia and one of Asia's most vibrant hubs.

New codeshare agreements were established with Air Europa, Vietnam Airlines, and WestJet, and we entered a major contract with Sunweb to operate charter flights. In addition, existing partnerships with Delta, Air France-KLM, and Virgin Atlantic were expanded to further enhance connectivity and improve the travel experience for passengers flying between Scandinavia and a wide range of global destinations. Altogether these initiatives reflect the strong momentum we are having as a company, underscoring our commitment to developing Copenhagen as a leading global hub and enhancing its role as Scandinavia's gateway to the world.

Customer experience and sustainability in focus
SAS is dedicated to delivering outstanding travel experiences. During the past year SAS has been ranked the world's most punctual airline several times, highlighting our focus on reliability and demonstrating the progress we are making in operational excellence. In September, once again SAS was recognized among the world's best, earning a Five Star rating in the 2025 APEX Global Airline Rankings – for the third consecutive year. Additionally, SAS was awarded the Frequent Traveler People's Award for best airline loyalty credit card EMEA at the FT Awards. These achievements highlight SAS' strong commitment to delivering excellence both in the air and through its loyalty program.

We also enhanced our customer offering through the introduction of Business Class on European flights, providing our passengers with the comfort of extra space and personal service after a busy day, as well as the launch of the new food and beverage concept *Flavors by SAS*, and a new lounge at Stockholm Arlanda. The travel experience was further strengthened with a major upgrade to SAS' Business Class product, enabling access to 35 new partner lounges. In parallel, SAS was recognized for the second year in a row as the most sustainable brand in the aviation industry based on consumer perceptions in Sweden and Denmark – an achievement we are very proud of. We remain firmly committed to further reducing our emissions and supporting the broader transformation of the aviation industry.

Building a stronger and more competitive SAS
Looking back on the year, I want to extend my heartfelt thanks to every colleague across SAS for your hard work and relentless dedication. This has been a year where we could truly celebrate operational excellence, with on-time performance that was not only exceptional but world-leading, and with a significantly strengthened customer offering. And our passengers have noticed – the appreciation we've received shows just how much reliable operations mean to those who fly with us. This year's progress has given SAS a solid foundation to continue delivering smooth journeys and memorable experiences, with 2026 shaping up to be our most exciting year yet.

Anko van der Werff,
President & CEO

Report by the Board of Directors

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Dividends and disposition of earnings

Report by the Board of Directors

Summary of fiscal year 2025

- Revenue for the year: MSEK 49,106 (45,883)
- The total number of passengers increased 12% and amounted to 28.3 million
- Adjusted EBITDA before items affecting comparability amounted to MSEK 7,035 (4,157)
- Income before tax was MSEK 888 (1,736)
- Income before tax and items affecting comparability: MSEK 1,008 (-2,400)
- Net income for the year was MSEK 517 (1,579)

The Board of Directors and the President of the Parent Company, SAS AB, hereby submit the annual and sustainability report for SAS AB and the SAS Group for fiscal year 2025 (November 1, 2024–October 31, 2025). SAS AB is registered in Stockholm and the address of its head office is Frösundaviks allé 1, Solna, Stockholm, Sweden, and its corporate registration number is 556606-8499. The company conducts airline operations, including ground handling, technical maintenance and cargo, in a Scandinavian and international network.

Income November 2024 – October 2025

The number of passengers who traveled with SAS increased by 12%, totaling 28.3 million in FY 2025. SAS generated an EBIT of MSEK 3,030 (-2,111). Income before tax amounted to MSEK 888 (1,736) and income after tax was MSEK 517 (1,579). During the year, tax amounted to MSEK -371 (-157).

Year-on-year, the exchange-rate trend had a negative impact on revenue of MSEK 1,248 and a positive effect on operating expenses of MSEK 1,394. Foreign exchange rates thus had a positive impact on operating income of MSEK 146. Net financial items were negatively impacted by currency items amounting to MSEK 516 compared to last year. The items mainly related to currency revaluations for lease liabilities, amounted to a cost of MSEK 34 during FY2025, compared to an income of MSEK 578 last year. In total, currency effects had a net negative impact of MSEK 369 on EBT.

Revenue

Revenue totaled MSEK 49,106 (45,883), see Note 2. Currency-adjusted revenue was up MSEK 4,470 year-on-year. The increase in revenue mainly related to increased production and increased demand.

Currency-adjusted passenger revenue rose 13%. The increase was a result of higher scheduled capacity (ASK) which, based on the preceding year's circumstances, had a positive impact on revenue of MSEK 2,352. The higher load factor had a positive effect of MSEK 1,040. The higher yield had a positive effect of MSEK 929 on passenger revenue.

Currency-adjusted cargo revenue decreased MSEK 37 and currency-adjusted charter revenue decreased MSEK 39 year-on-year. Other traffic revenue (currency-adjusted) was up MSEK 237.

Other operating revenue (currency-adjusted) was down MSEK 11 year-on-year.

Operational and financial expenses

Personnel expenses amounted to MSEK -9,968 (-8,882). After adjustment for currency and IAC, personnel expenses increased MSEK 1,130 year-on-year. The increase was mainly due to more employees.

Jet-fuel costs amounted to MSEK -10,691 (-10,913). Adjusted for currency, jet-fuel costs decreased 0.7%. Volume effects had a negative impact on costs of MSEK 593. Lower jet-fuel prices had a positive impact on costs of MSEK 1,122. The cost of emission rights increased MSEK 701 year-on-year.

Air traffic charges amounted to MSEK -4,841 (-4,111). Adjusted for currency, air traffic charges increased 21%. The increase pertained mainly to higher traffic volumes.

Other external expenses amounted to MSEK -16,721 (-19,900), see Note 4. Year-on-year, other external expenses (currency-adjusted and adjusted for IAC) decrease MSEK 481. The decreased pertained primarily to lower administration costs.

Depreciation and amortization amounted to MSEK -3,919 (-4,352), a decrease of MSEK 433 year-on-year. See Note 5.

Financial income and expenses amounted net to MSEK -2,142 (3,848), representing a year-on-year reduction in financial net of MSEK 5,990 compared to last year which included gains from write down of loans when SAS emerged from Chapter 11 in FY24.

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Operating income amounted to MSEK 3,030 (-2,111) and EBT amounted to MSEK 888 (1,736).

Net income for the year was MSEK 517 (1,579) and tax amounted to MSEK -371 (-157). Income tax for the year was largely attributable to the effects of change of temporary differences.

Items affecting comparability
Total items affecting comparability amounted to MSEK 120 (4,136) for the year and pertained mainly to restructuring costs. Last year it included the effect from SAS emergence of Chapter 11 (see more information in Note 38). The items affecting comparability also include sale of one A321 and five airframes which amounted to MSEK 30. Last year included sale and leaseback of ten A320 aircraft and the sale of three A321.

Income before tax and items affecting comparability, MSEK	FY25	FY24
Income before tax (EBT)	888	1,736
Write down of loans and recovery to creditors in Chapter 11/company reorganization in Sweden	-	-4,201
Restructuring costs	150	20
Capital gains/losses[1]	-30	45
Income before tax and items affecting comparability	**1,008**	**-2,400**

1) Capital gains/losses include aircraft sales amounting to MSEK 30 (-45), of which sale and leaseback amounted to MSEK 0 (-28).

Balance sheet & financial position

Assets
Intangible and tangible fixed assets have increased MSEK 405 since October 31, 2024. Changes for the year included investments of MSEK 2,213, amortization and depreciation of MSEK -761, sales of MSEK -86 and other effects of MSEK -961. The amount for investments included advance payments of MSEK 586 as well as delivery payments for two A320 of MSEK 656. Other investments totaled MSEK 971 and mainly comprised airframes, APU and BFE material and capitalized expenditure for engine maintenance and modifications. Other effects included translation differences of MSEK -798.

Right-of-use assets decreased MSEK 363 during the year. New leases amounted to MSEK 2,891, and mainly pertained to new leases for five E195 and three A320. Changes in indexation and modification decreased net assets by MSEK 88. Depreciation was MSEK -3,159. The currency revaluations had an impact of MSEK -7.

Financial assets increased MSEK 731 mainly due to remeasurements of SAS' defined-benefit pension plans.

Deferred tax assets decreased MSEK 636. The decreased was primarily due to the effects of change of temporary differences.

Current receivables decreased MSEK 709. This decrease was mainly attributable to release of blocked bank funds.

Cash and cash equivalents were MSEK 13,168 (11,546) as of October 31, 2025. Unutilized contracted credit facilities amounted to MSEK 0 (0). Financial preparedness amounted to MSEK 13,168 (50%) of SAS' fixed costs.

Shareholders' equity and liabilities
Shareholders' equity increased MSEK 1,917 to MSEK 1,304. The increase pertained mainly net income for the year of MSEK 517. A positive actuarial effect on defined-benefit pension plans increased equity by MSEK 304. Changes in cash-flow hedging negativly impacted equity by MSEK 271 and lease liability hedging had a positive impact on equity of MSEK 1,653. Additionally, a share issue has been made of MSEK 25.

Non-current liabilities decreased MSEK 3,283 and current liabilities increased MSEK 2,470. The total decrease in liabilities was MSEK 813 and was mainly due to strengthening of SEK.

Interest-bearing liabilities
On October 31, 2025, interest-bearing liabilities amounted to MSEK 31,754 (35,884), a decrease of MSEK 4,130 since October 31, 2024. New loans and repayments for the year were MSEK 0 and MSEK 303 respectively. New leases and amortization of lease liabilities amounted to MSEK 2,891 and MSEK 3,199 respectively. Currency revaluations have reduced debt by about MSEK 3,716. Other items, mainly related to accrual of interest on convertible debt has increased the debt with MSEK 729.

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Financial net debt
As of October 31, 2025, financial net debt amounted to MSEK 17,823 (21,629), a decrease of MSEK 3,806 since October 31, 2024. The decrease was primarily attributable to a positive cash flow from operating and investing activities of MSEK 5,966 off set by new leases of MSEK 2,891 and paid interest of MSEK 759. Currency had a positive effect of approx. MSEK 2,300.

Cash-flow statement
Cash flow for the year amounted to MSEK 3,060 (5,646). Cash and cash equivalents amounted to MSEK 13,168, compared with MSEK 11,546 on October 31, 2024.

Cash flow from operating activities
Cash flow from operating activities before changes in working capital amounted to MSEK 5,760 (531) for the year. The change in working capital was positive for the year and amounted to MSEK 2,326 (2,506). Cash flow from operating activities for the year amounted to MSEK 8,086 (3,037).

Investing activities
Investments amounted to MSEK 2,213 (4,858), of which most pertained to aircraft.

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

During the year, 0 aircraft were sold and leased back, generating inflows of MSEK 0 (5,160).

Financing activities
New share issue had an inflow of MSEK 25.
New loans amounted to MSEK 0 (14,417), while repayments totaled MSEK 375 (10,472).
Amortization of lease liabilities totaled MSEK 3,200 (3,148).

Parent company
The Parent Company SAS AB conducts limited intraGroup services. Revenue totaled MSEK 46 (1,478) and operating expenses MSEK -38 (-3,511).
Net financial items totaled MSEK 6 (1,781).
Net income for the year was MSEK 13 (-252).

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Financing and capital management

Financing

SAS can use bank loans, capital market products, export credits and leases as sources of financing. In connection with aircraft transactions, the financing method is a very important factor that is taken into account together with residual value risks and financing costs. New loans raised during the fiscal year amounted to MSEK 0 (14,417).

Aircraft fleet

The aircraft fleet consists of the Airbus A320 family, Airbus A330/350, Embraer E195-100 and Boeing 737NG aircraft. In addition, SAS wet-leases 24 aircraft through strategic business partners. SAS is developing and planning to have four operational platforms: SAS Scandinavia, SAS Connect, SAS Link and Wet Lease. The aircraft fleet is SAS' largest tangible asset. SAS depreciates directly-owned aircraft over 20 years utilizing a residual value of 10%, excluding aircraft engines. Aircraft engines are depreciated over around eight years. Maintenance of leased aircraft is set off on an ongoing basis related to use, whereas maintenance of owned aircraft is capitalized and depreciated. Passenger aircraft are generally used for 20 to 25 years in commercial passenger traffic but aircraft that are well maintained can operate for longer periods. There are still items of value in an aircraft after it has been taken out of service, for example engines and spare parts.

Financing of aircraft orders

As of October 31, 2025 SAS had aircraft orders for one E-195, four Airbus A320neo and two Airbus A350 for delivery through 2026. In addition, SAS announced in July 2025, that it had ordered 45 Embraer E195-E2s with option for 10 additional aircraft. Deliveries are contracted for 2027-2031.

In financing aircraft, SAS uses a combination of leases and secured bank loans and credit facilities. SAS aims to maintain a balance between owned and leased aircraft based on a cost, risk and flexibility perspective. SAS intends to utilize a mix of bank loans, leases and bank facilities to finance its aircraft.
When leasing, which can be conducted via sale and leaseback agreements, aircraft are sold on delivery and leased back over an eight- to twelve-year period.

SAS has secured funding for the two A350-900 aircraft on order and is currently in the process of selecting financing for the four remaining Airbus A320neos on order.

AIRCRAFT ON FIRM ORDER 2026–2031 AS OF OCTOBER 31, 2025

	FY26	FY27	FY28	FY29	FY30>
Airbus 320neo	4	-	-	-	-
Airbus 350	2	-	-	-	-
E195	1	4	12	12	17
Total	**7**	**4**	**12**	**12**	**17**

As of October 31, 2025, SAS' remaining contracted future purchase commitments for aircraft orders with delivery in the 2026–2031 period totaled MUSD 2.5.

CONTRACTED MATURITY OF LEASED AIRCRAFT

	FY26	FY27	FY28	FY29	FY30>
Operating leases, aircraft	3	4	8	11	14
Wet-leased aircraft	-	-	-	8	19
Total	**3**	**4**	**8**	**19**	**33**

Financing of pre-delivery payments for aircraft

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

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

Seasonal effects and cash-flow optimization

SAS analyzes balance-sheet items and operating trends to optimize cash flow with the aim of attaining the lowest possible funding cost within the framework of SAS' financial policy. As a result of operating liabilities exceeding current assets, working capital amounted to MSEK -18,005 (-15,434) at October 31, 2025, representing a year-on-year change of MSEK -2,571.

Sustainability report

In accordance with the Annual Acconts Act in accordance with the older wording that applied before 1 July 2024, SAS has prepared a statutory Sustainability Report, which has been incorporated into the Annual and Sustainability Report Fiscal Year 2025, separate from the Report by the Board of Directors, on pages 56 to 78. The auditor's opinion regarding the statutory Sustainability Report is included on page 80.

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The SAS aircraft fleet as of October 31, 2025

SAS Group Aircraft Fleet	Age	Owned	Leased	Wet lease	Total	SAS Scandinavia	SAS Connect	SAS Link	Wet lease	In SAS Group traffic	Firm order purchase	Firm order lease
Airbus A330	14.2	3	5		8	8				8		
Airbus A350	5.0		4		4	4				4	2	
Airbus A320 family	6.0	17	71		88	56	32			88	4	
Boeing 737NG	25.7	1			1	1				1		
Embraer E195-100	13.8		15		15			15		15	45	1
Bombardier CRJ	15.4			12	12				12	12		
ATR-72	12.8			12	12				12	12		
Total aircraft in operation		**21**	**95**	**24**	**140**	**69**	**32**	**15**	**24**	**140**	**51**	**1**
Aircraft undergoing phase-out												
Airbus A320-200	18.0		1		1							
Boeing 737NG1[1)]	16.7	4			4							
Total		**4**	**1**		**5**							

1) Of which four are under lease as of October 31, 2025

Legal issues

The European Commission's decision in November 2010 found SAS and many other airlines guilty of alleged participation in a global air cargo cartel in the 1999–2006 period and ordered SAS to pay a fine of MEUR 70.2. SAS appealed the decision in January 2011 and in December 2015, the Court of Justice of the European Union (CJEU) annulled the European Commission's decision including the MEUR 70.2 fine. The CJEU's ruling entered into force and the MEUR 70.2 fine was repaid to SAS at the beginning of March 2016. The European Commission took a new decision on the same issue in March 2017 and again imposed fines on SAS and many other airlines for alleged participation in a global air cargo cartel in the 1999–2006 period. The fine of MEUR 70.2 was the same as that imposed under the 2010 decision. SAS appealed the European Commission's decision and a hearing was held in the CJEU in July 2019. Judgement was announced on March 30, 2022. SAS was partly successful with its appeal and the fine paid in under 2017 was slightly reduced. SAS has appealed the judgement. According to the registry of the European Court of Justice, the judgment from the European Court of Justice will be issued on 26 February 2026.

As a consequence of the European Commission's decision in the cargo investigation in November 2010 and the renewal of that decision in March 2017, SAS and other airlines fined by the Commission are involved in various civil lawsuits initiated by cargo customers in certain countries for example Norway. SAS contests its responsibility in all these legal processes. Unfavorable outcomes in these disputes could have a significantly negative financial impact on SAS. Further lawsuits by cargo customers cannot be ruled out. No provisions have been made.

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Risk management

SAS faces a broad spectrum of risks—market, employee, operational, sustainability, legal, financial, IT, and extraordinary events. The objective of risk management is to optimize value for stakeholders by balancing growth, profitability, and risk, ensuring long-term sustainable profitability.

Risk area	Risk	Description
1. Market Risks	1.1 Macroeconomic Development	The global reach of SAS business means the SAS is sensitive to adverse changes in the international political landscape, as adverse changes in the political landscape can quickly affect demand and conditions for air travel between different countries. There is a risk that geopolitical tensions and conflicts negatively impact the demand for leisure and business travel as well SAS supply of fuel, cost of fuel, and other inputs. Currency volatility, especially a strong USD against weak NOK and SEK, impacts both demand and operational costs, making profitability sensitive to exchange rate movements.
	1.2 Market and Competition	The post-pandemic landscape has shifted, with increased focus on leisure travel and incremental growth. Any significant increase in capacity could disrupt the market and negatively affect SAS's earnings.
2. Financial Risks	2.1 Liquidity, Refinancing, and Funding	Seasonal cash flow variations, reliance on various financial instruments create ongoing risks around liquidity and access to funding.
	2.2 Exchange Rates	Volatility in currency markets, especially the USD, impacts both revenue and costs.
	2.3 Interest Rates	Rising interest rates increase the cost of borrowing and leasing.
	2.4 Jet-Fuel Price and Emission Rights	Jet-fuel costs are the largest expense and are highly volatile. Emission rights trading also impacts financial results.
	2.5 Counterparty Losses	Exposure to credit and lease agreements with external parties could result in losses if counterparties default.
3. Legal and Political Risks	3.1 Political and Regulatory Risks	Operating globally, SAS is exposed to changing political and regulatory environments, which can significantly impact operations and finances. Increasing sustainability regulation and customer protection laws are particularly relevant.
	3.2 Fraud and Other Crime	High volume of online transactions regarding ticket sales presents risks related to credit card fraud and other cyber-crimes.
	3.3 Legal and Insurance Risks	Compliance with diverse legal frameworks and the potential for litigation or arbitration are ongoing risks for a global airline.
	3.4 Personal data	If personal data pertaining to SAS customers were hacked, there would be a risk that such a breach may harm customer confidence in SAS and result in potential liabilities.
4. IT Risks	4.1 Operational Reliability and Dependability, Cyber Security	SAS IT systems, as well as external integrated partners' systems and related data, can be vulnerable to, and can be disrupted or damaged by, among other things, internal error, sabotage, cyber-related fraud, false invoice fraud, computer viruses, ransomware, software error, physical damage or other events beyond the Debtors' or their subcontractors' control. The degree to which any prolonged or severe disruptions to the SAS IT systems may affect SAS is uncertain and presents a significant risk to the Debtors' daily operations and revenues.
5. Operational Risks	5.1 Incidents and Accidents	Airlines risk suffering significant losses if an aircraft is lost or subject to an accident, major defect, or operational malfunction. The occurrence of any substantial accident in relation to SAS fleet could result in harm to SAS revenue and operations, reputation, and customer confidence.
	5.2 Suppliers	Increasing dependence on external suppliers for both operational and administrative functions introduces risks related to quality, efficiency, and sustainability compliance.
	5.3 Cost Competitiveness and Efficiency	SAS's historically high-cost structure limits competitiveness. The company is undergoing a transformation to improve efficiency and reduce costs, but risks remain if these initiatives do not deliver as planned.

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Risk management cont.

SAS faces a broad spectrum of risks—market, employee, operational, sustainability, legal, financial, IT, and extraordinary events. The objective of risk management is to optimize value for stakeholders by balancing growth, profitability, and risk, ensuring long-term sustainable profitability.

Risk area	Risk	Description
6. Sustainability Risks	6.1 Environmental Requirements	SAS faces growing regulatory and societal demands for sustainability, including stricter laws on emissions and noise. Non-compliance could result in financial and reputational damage.
	6.2 Human Rights	As a major purchaser, SAS is exposed to risks if suppliers or subcontractors fail to meet human rights standards, potentially leading to legal or reputational consequences.
7. Personnel Risks	7.1 Capability/ Capacity	SAS operations are labor intensive and dependent on being able to attract and retain highly qualified and motivated personnel. There is intense competition for engineers, revenue managers, mechanical staff, and digital talent within the airline industry. There is a risk that SAS in the future will be unable to retain key personnel or recruit a sufficient number of new colleagues with appropriate skills at a reasonable and/or competitive cost to satisfy the SAS business needs.
	7.2 Engagement	Maintaining high colleague engagement is critical in a competitive market, as disengagement could impact service quality and operational effectiveness.
	7.3 Processes and Systems	The need for further standardization and automation of people processes remains, with risks around inefficiency and lack of harmonization.
	7.4 Labor Actions	The risk of labor disputes or lack of consensus with unions could disrupt operations.
8. Other Events	8.1 Extraordinary Events	Natural disasters, terrorism, conflicts, other attacks on infrastructure and epidemics can have sudden and severe impacts on operations and finances.
	8.2 Brand and Reputation	Negative publicity, rumors, or misinformation can damage SAS's brand and market position, affecting customer trust and preference.

Report by the Board of Directors
Report by the Board of Directors
> Dividends and disposition of earnings

Dividend and disposition of earnings

Dividend
The Board of Directors proposes to the 2026 AGM that no dividend be distributed to holders of SAS AB's shares for fiscal year 2025.

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

	SEK
Share premium reserve/Retained earnings	23,645,611,286
Net income for the year	13,315,919
Unrestricted equity, October 31, 2025	**23,658,927,205**

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

	SEK
To be carried forward	23,658,927,205
Total	**23,658,927,205**

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Consolidated statement of income including statement of other comprehensive income

MSEK	Note	FY25	FY24
Revenue	2	49,106	45,883
Personnel expenses	3	-9,968	-8,882
Jet-fuel costs		-10,691	-10,913
Air traffic charges		-4,841	-4,111
Other external expenses	4	-16,721	-19,900
Depreciation, amortization and impairment	5	-3,919	-4,352
Income from shares in affiliated companies	6	34	20
Income from the sale and return of aircraft, and other non-current assets	7	30	144
Operating income (EBIT)		**3,030**	**-2,111**
Financial income	8	1,030	8,014
Financial expenses	8	-3,172	-4,166
Income before tax (EBT)		**888**	**1,736**
Tax	9	-371	-157
Net income for the year		**517**	**1,579**
OTHER COMPREHENSIVE INCOME			
Items that may later be reversed to net income:			
Exchange-rate differences in translation of foreign operations		-311	-86
Cash-flow hedges – hedging reserve, net after tax		1,382	57
Items that will not be reversed to net income:			
Revaluations of defined-benefit pension plans, net after tax		304	-1,335
Total other comprehensive income, net after tax		**1,375**	**-1,364**
Comprehensive income for the year		**1,892**	**215**
Attributable to Parent Company shareholders:			
Net income for the year		517	1,579
Comprehensive income for the year		1,892	215

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Consolidated balance sheet

ASSETS, MSEK	Note	Oct 31, 2025	Oct 31, 2024
NON-CURRENT ASSETS			
Intangible assets	10	623	655
Aircraft and spare engines/parts	11	7,744	7,562
Other tangible assets	11	556	427
Prepayments for aircraft	12	1,651	1,527
Right-of-use assets	13	19,168	19,531
Participations in affiliated companies	6	22	23
Other participations	14	2	2
Pension funds, net	15	7,366	6,723
Long-term receivables	14	1,108	1,019
Deferred tax assets	9	1,313	1,949
Total non-current assets		**39,553**	**39,418**
CURRENT ASSETS			
Inventories and expendable spare parts	16	700	644
Accounts receivable	17	1,113	1,048
Receivables from affiliated companies		0	0
Other receivables	18	1,636	2,757
Prepaid expenses and accrued income	19	1,291	944
Cash and cash equivalents	20	13,168	11,546
Total current assets		**17,908**	**16,939**
TOTAL ASSETS		**57,461**	**56,357**

SHAREHOLDERS' EQUITY AND LIABILITIES, MSEK	Note	Oct 31, 2025	Oct 31, 2024
SHAREHOLDERS' EQUITY	21		
Share capital		48	10,291
Other contributed capital		2,924	2,899
Reserves		1,006	-65
Hybrid bonds		–	–
Retained earnings incl. net income for the year		-2,674	-13,738
Shareholders' equity attributable to Parent Company shareholders		**1,304**	**-613**
Non-controlling interests		0	0
Total shareholders' equity		**1,304**	**-613**
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	22	11,021	12,307
Interest-bearing lease liabilities	23	16,615	19,236
Other liabilities	24	8	7
Provisions	26	5,492	4,954
Deferred tax liabilities	9	539	454
Total non-current liabilities		**33,675**	**36,958**
CURRENT LIABILITIES			
Interest-bearing liabilities	27	974	1,166
Interest-bearing lease liabilities	23	3,144	3,175
Accounts payable		2,067	1,778
Unearned transportation liability	24	8,395	7,175
Tax liabilities		87	8
Other liabilities	24	2,649	2,177
Accrued expenses and prepaid income	28	4,524	4,041
Provisions	26	642	492
Total current liabilities		**22,482**	**20,012**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**57,461**	**56,357**

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Consolidated statement of changes in equity

MSEK	Share capital	Other contributed capital	Hedging reserves	Translation reserve	Hybrid bonds	Retained earnings	Total shareholders' equity attributable to Parent Company shareholders
Opening shareholders' equity in accordance with approved balance sheet, October 31, 2023	8,650	2,899	-109	73	7,615	-25,238	-6,110
Hybrid bond cancellation in Chapter 11/company reorganization in Sweden					-7,615	7,615	–
Recovery to hybrid holders in Chapter 11/company reorganization in Sweden						-509	-509
Cancellation of shares in Chapter 11/company reorganization in Sweden	-8,650					8,650	–
New share issue	5,791						5,791
Bonus issue	4,500					-4,500	–
Net income for the year						1,579	1,579
Other comprehensive income for the year			57	-86		-1,335	-1,364
Closing balance, October 31, 2024	**10,291**	**2,899**	**-52**	**-13**	**–**	**-13,738**	**-613**
Reduction of share capital	-10,243					10,243	–
New share issue	0	25					25
Net income for the year						517	**517**
Other comprehensive income for the year			1,382	-311		304	**1,375**
Closing balance, October 31, 2025	**48**	**2,924**	**1,330**	**-324**	**–**	**-2,674**	**1,304**

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Consolidated cash-flow statement

MSEK	Note	FY25	FY24
OPERATING ACTIVITIES			
Income before tax (EBT)		888	1,737
Depreciation, amortization and impairment		3,919	4,352
Income from sale of aircraft, buildings and shares		-30	-144
Adjustment for other non-cash items, etc.	32	983	-5,399
Tax paid		–	-15
Cash flow from operations before change in working capital		**5,760**	**531**
Change in:			
Inventories and expendable spare parts		-56	-200
Operating receivables		-85	210
Operating liabilities		2,467	2,496
Cash flow from change in working capital		**2,326**	**2,506**
Cash flow from operating activities		**8,086**	**3,037**
INVESTING ACTIVITIES			
Aircraft		-1,155	-4,281
Buildings, equipment and investment in progress		-464	-35
Shares and participations, intangible assets, etc.		-8	-13
Prepayments for aircraft		-586	-529
Acquisition and sale of subsidiaries/affiliated companies	33	–	–
Sale of aircraft, spare engines and buildings		94	5,157
Sale of fixed assets, etc.		–	4
Cash flow from investing activities		**-2,119**	**303**

MSEK	Note	FY25	FY24
FINANCING ACTIVITIES	34		
New share issue		25	5,001
Proceeds from borrowings		–	14,417
Repayment of borrowings		-375	-10,472
Amortization of lease liabilities		-3,200	-3,148
Payments of deposits and blocked bank funds		–	-1,555
Repayments of deposits and blocked bank funds		1,937	2,520
Defined-benefit pension payments		-61	-89
Paid interest convertible notes (FY24: Fees DIP financing)		-759	-2,423
Recovery to creditors in Chapter 11 process/company reorganization in Sweden		–	-993
Other financing activities		-474	-952
Cash flow from financing activities		**-2,907**	**2,306**
Cash flow for the year		**3,060**	**5,646**
Translation difference in cash and cash equivalents		-1,438	-260
Cash and cash equivalents at beginning of the year		11,546	6,160
Cash and cash equivalents at year end	20	**13,168**	**11,546**

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NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

GENERAL

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

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

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

The consolidated financial statements for SAS AB have been prepared in accordance with the Annual Accounts Act, recommendation RFR 1 – *Supplementary Accounting Rules for Corporate Groups*, and the EU-approved IFRS Accounting standards and interpretations issued by IFRS Interpretations Committée that apply for fiscal years starting November 1, 2024. These standards have been consistently applied to all periods presented in the consolidated financial statements. The financial statements have been prepared on a cost basis, except for the remeasurement of certain financial assets and liabilities. The principal accounting policies adopted are set out below.

The annual accounts and the consolidated accounts were prepared on January 20, 2026 and approved for issuance by the Board of Directors on January 22, 2026.

ACCOUNTING ESTIMATES AND ASSUMPTIONS IN THE FINANCIAL STATEMENTS

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

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

CHAPTER 11 AND COMPANY REORGANIZATION IN SWEDEN 2024

The COVID-19 pandemic has significantly affected the whole aviation industry, including SAS. SAS has worked continuously and intensively with various cost reduction measures, limiting non-business-critical investments and utilizing various financing solutions to protect its liquidity. On July 5, 2022, SAS voluntarily filed for Chapter 11 in the US and on March 27, 2024, SAS applied for company reorganization in Sweden. On August 28, 2024, SAS completed its Chapter 11 process in the US and its company reorganization in Sweden. SAS' share was delisted in conjunction with the new ownership of the company consisting of the investors Castlelake (32.0%), the Danish state (26.4%), Air France-KLM (19.9%), Lind Invest (8.6%) and others (13.1%).

NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLICABLE FOR FISCAL YEAR 2025

No material amendments occurred in IFRS Accounting Standards in FY 2025 that affected the Group, with the exception of the new amendments to IAS 1 Presentation of financial statements where the contract liability for the Eurobonus loyalty program has been reclassified from a long term liability to a short term liability. Prior year's amount has been adjusted accordingly.

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

No material new and amended standards, agenda decisions and interpretations have been issued for the accounting of the Group for fiscal years beginning on or after November 1, 2025 with exception of IFRS 18, see below.

IFRS 18 Presentation of and disclosures in financial statements

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

PRINCIPLES OF CONSOLIDATION

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

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

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

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

BUSINESS COMBINATIONS

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

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

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

Non-controlling interests

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

Loss of controlling influence

When the Parent Company loses controlling influence of a subsidiary, the divestment gain or loss is calculated as the difference between:

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

INVESTMENTS IN AFFILIATED COMPANIES

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

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

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

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

Geographic information about revenue from external customers
The Group's operational monitoring of traffic revenue is destination based. Traffic revenue from domestic services in Denmark, Norway and Sweden as well as traffic between the three countries is allocated to Scandinavia. Other traffic revenues are allocated to the geographical area where the destination is located. Sales generating other operating revenue are allocated geographically by source country. In addition to the above, the Group's total revenue broken down by country of sales is presented in Note 2.

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

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

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

EXCHANGE RATES

			Closing rate		Average rate	
			Oct 31, 2025	Oct 31, 2024	FY25	FY24
Denmark	DKK	100	146.49	155.25	149.18	153.19
Norway	NOK	100	93.79	97.29	95.19	98.55
U.S.	USD		9.47	10.97	10.03	10.52
U.K.	GBP		12.43	13.85	13.12	13.39
Switzerland	CHF	100	1,178.75	1,232.94	1,187.54	1,196.18
Japan	JPY	100	6.13	7.02	6.72	6.98
EMU countries	EUR		10.94	11.58	11.13	11.42

FINANCIAL INSTRUMENTS, ACCOUNTING POLICIES

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

The fair value of a financial asset is generally determined by reference to official market quotes. When market quotes are not available, the fair value is determined using generally accepted valuation methods, such as discounted future cash flows based on observable market inputs.

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

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

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

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

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

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

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

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

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

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

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

Hybrid bonds FY2024
New hybrid bonds were issued in October 2020 to the governments of Denmark and Sweden for a total amount of MSEK 6,000. In October 2020, MSEK 2,250 of bond debt was converted into hybrid bonds with a par value of MSEK 1,615 and the remaining amount was exchanged for shares. In fiscal year 2024, the hybrid bonds were cancelled in conjunction with the completion of the Chapter 11 process/company reorganization in Sweden.

Convertibe notes
During the fiscal year 2024, SAS AB issued convertible notes to the four largest owners: Castlelake, Air France-KLM, Lind Invest and the Danish state. The convertible notes have a maximum maturity of 7 years with an annual interest rate of 6.5% + 3M TERM SOFR and is treated in its entirety as a liability pursuant to IFRS 9. Subject to meeting certain requirements, the convertible note allows the holders to either convert the loan into shares, with different values for the conversion option depending on the timing of any conversion. In the event this were to take place, a risk exists that the other owners' holdings could be diluted. If the owners of the convertible notes elect to redeem the debt rather than convert into shares, the convertible note holders are entitled to additional interest compensation. SAS has no control of how the convertible notes will be handled. SAS has valued the

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option component of the convertible notes (the embedded derivative) at fair value based on SAS' knowledge of, inter alia, the owners, the air travel market as a whole and the terms of the convertible notes. The actual outcome for the convertible notes could differ from the management's estimate, which would in turn impact the Group's earnings.

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

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

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

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

LEASES
SAS applies the accounting standard IFRS 16 – Leases, whereby the lessee recognizes an asset (a right-of-use asset) and a financial liability in the balance sheet. An expense for depreciation of the right-of-use asset is recognized in profit or loss together with an interest expense for the financial liability. SAS applies IFRS 16 for all leases. IFRS 16 permits exceptions for short-term leases and where the underlying asset is of low value (<USD 5,000). Short-term leases are leases that at the commencement date have a lease term of 12 months or less and do not include a purchase option. Lease payments relating to short-term leases or low value leases will be recognized in the income statement over the lease term, primarily on a straight-line basis and recognized in EBIT as lease expenses.

Aircraft
Lease term
Normally, the lease term used for aircraft lease agreements is the non-cancellable period stated in the lease agreement. Some lease agreements contain extension options or options to purchase the asset, and options are taken into consideration in the lease term if the Group is reasonably certain to exercise these options. The Group does not generally include options in the lease term, since there is a significant uncertainty as to whether they will be exercised. Closer to the end of the lease term and the relevant option, the Group has a better understanding of whether it is beneficial to start negotiations to keep the aircraft for an extended period. If the Group decides to use an extension option, or an option to purchase the asset, the lease liability will be remeasured. Other facts indicating that an option could be used are major modifications of the aircraft, such as a cabin facelift.

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

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

Costs for restoring the asset
SAS has an obligation to return the leased aircraft and their engines according to redelivery conditions specified in the lease agreement. If the condition of the aircraft and its engines, at the time of redelivery, differs from the agreed redelivery condition, the Group needs to settle the difference in cash to the lessor or maintain the aircraft and its engines so that it meets the agreed conditions. Under IFRS 16, SAS has divided the maintenance costs into two main groups: costs incurred independent of the usage of the aircraft and costs incurred dependent on the usage of the aircraft.

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

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

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

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

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

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

Costs for restoring the asset
There is no material return obligation relating to the leased properties.

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

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

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

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

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

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

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

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

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

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

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

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

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

PROVISIONS AND CONTINGENT LIABILITIES
Provisions are reported when the Group identifies legal or informal commitments as a result of historic events, where the outcome is probable, and where the financial resources required to settle these commitments can be estimated with reasonable certainty.
A restructuring obligation is considered to have arisen and a provision for the obligation is recognized when the Group has adopted a detailed and formal restructuring plan. The plan must have been communicated to affected parties and have been commenced or publicly announced.

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

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

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes severance pay when such an obligation exists according to employment contracts or for termination as a result of an offer made to encourage voluntary redundancy.

Sharebased payments
At the AGM in 2025 SAS approved and initiated a long-term incentive program (LTI) for members of SAS executive leadership team (ELT). The program offered members to invest in SAS via a share issue, and thereafter received phantom shares (PPS) based on the size on their investment (which can maximum be 2 years of salary) and an assigned applicable value factor. The PPS will be paid out in cash at the end program, which will run until latest August 2032 or until certain defined events has taken place. If the defined events have not happened at the date of expiring, no PPS will be paid out. The value of one PPS equals to the value of one SAS share, limited with a floor of a minimum value of one SAS share that must be fulfilled in order for the PPS to be paid out. The PPS also has a cap of how high the value can be regardless of the fair value of SAS share.

Since SAS is no longer a listed company, the value of SAS share has been calculated based on SAS Enterprise value minus net debt where the enterprise value has been calculated based on next 12 month budgeted EBITDA and a multiple factor from similar airlines. The value of that has thereafter been calculated in a Montecarlo model based on expected duration, volatility and risk-free rate. During the year the total cost for PPS amounts to MSEK 6 with an expected expiration between 1-5 years. The actual outcome for the PPS could differ from the management's estimate, which would in turn impact the Group's earnings.

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

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

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

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

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

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

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

The Group periodically evaluates the estimated short-term unearned transportation liability and records any resulting adjustments in other traffic revenue in the period in which the assessments are completed. These adjustments relate primarily to refunds, exchanges, transactions with other airlines and other items

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for which final settlement occurs in periods subsequent to the sale of the related tickets at amounts other than the original sales price.

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

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

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

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

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

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

BORROWING EXPENSES
Borrowing expenses that arise in operations are expensed in the period in which they are incurred. Borrowing expenses on aircraft pre-delivery payments (PDPs) are capitalized as part of the process of obtaining qualified production resources. If a decision is made to sell and lease back an asset, capitalization of interest expense ceases. Amortization of capitalized borrowing expenses commences when aircraft are put into service, as per the main principle for aircraft.

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

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

Deferred tax liabilities are recognized for all taxable temporary differences attributable to investments in subsidiaries and affiliated companies except in cases where the Group can control the timing of reversal of the temporary differences, and it is probable that such reversal will not take place in the foreseeable future. Deferred tax is estimated on the basis of the tax rates and fiscal regulations that have been decided or announced as of the closing date. Deferred tax is expensed, except when it relates to items charged or credited in other comprehensive income or directly in equity, in which case the deferred tax is also dealt with in other comprehensive income or directly in equity, respectively.

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

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

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

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

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

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

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

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

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

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

Other financial assumptions are based on anticipated developments during the term of the obligation. The assessment of future salary adjustments corresponds to the assumed rate of inflation in the respective countries and life expectancies are set under DUS23 for Sweden and K2013BE for Norway, refer to Note 15 for additional information.

The interest expense on the obligation and the expected return on plan assets are reported as "net interest," which is calculated using the discount rate. SAS classifies this net interest as a personnel expense and recognizes the net interest expense in profit or loss.

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

Sensitivity to changes in individual parameters can be estimated as follows: A one percentage point change in the discount rate of interest has approximately a SEK 1.7 billion impact on the obligation and a one percentage point change in the inflation assumption has an impact of about SEK 1.6 billion.

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

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

Convertible notes
During the fiscal year 2024, SAS AB issued convertible notes to the four largest owners: Castlelake, Air France-KLM, Lind Invest and the Danish state. The convertible notes have a maximum maturity of 7 years with an annual interest rate of 6.5% + 3M TERM SOFR and is treated in its entirety as a liability pursuant to IFRS 9. Subject to meeting certain requirements, the convertible note allows the holders to either convert the loan into shares, with different values for the conversion option depending on the timing of any conversion. In the event this were to take place, a risk exists that the other owners' holdings could be diluted. If the owners of the convertible notes elect to redeem the debt rather than convert into shares, the convertible note holders are entitled to additional interest compensation. SAS has no control of how the convertible notes will be handled. SAS has valued the option component of the convertible notes (the embedded derivative) at fair value based on SAS' knowledge of, inter alia, the owners, the air travel market as a whole and the terms of the convertible notes. The actual outcome for the convertible notes could differ from the management's estimate, which would in turn impact the Group's earnings.

Sharebased payments
At the AGM in 2025 SAS approved and initiated a long-term incentive program (LTI) for members of SAS executive leadership team (ELT). The program offered members to invest in SAS via a share issue, and thereafter received phantom shares (PPS). The value of one PPS equals to the value of one SAS share, limited with a floor of a minimum value of one SAS share that must be fulfilled in order for the PPS to be paid out. The PPS also has a cap of how high the value can be regardless of the fair value of SAS share.

During the year the total cost for PPS amounts to MSEK 6 with an expected expiration between 1-5 years. The actual outcome for the PPS could differ from the management's estimate, which would in turn impact the Group's earnings.

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

THE DIFFERENCES BETWEEN THE GROUP'S AND THE PARENT COMPANY'S ACCOUNTING POLICIES ARE LISTED BELOW:
Pensions: Current pension premiums are recognized as an expense.
Shares in subsidiaries and affiliated companies: Recognized at cost. Acquisition-related expenses for subsidiaries, which are expensed in the consolidated financial statements, are included as part of the cost for holdings in subsidiaries.

Other shares and participations: Recognized at cost.

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NOTE 2 REVENUE

SAS recognizes passenger and charter revenue when the transportation has been performed, cargo revenue when the transportation has been completed and other revenue when the goods have been delivered or the service performed. The performance obligations identified are fulfilled at a defined point in time.

REVENUE BY CATEGORY

	FY 2025	FY 2024
Traffic revenue:		
Passenger revenue	37,512	34,159
Charter revenue	2,140	2,236
Cargo revenue	996	1,056
Other traffic revenue	3,801	3,661
Total traffic revenue	**44,449**	**41,112**
Total other operating revenue	**4,657**	**4,771**
Total	**49,106**	**45,883**

Refer to the table below for the Group's revenue broken down on a country basis (point of sale).

REVENUE BY COUNTRY (POINT OF SALE)

Traffic revenue	FY 2025	FY 2024
Sweden	11,020	10,068
Norway	11,129	10,807
Denmark	5,891	5,679
Other	16,409	14,558
Total traffic revenue	**44,449**	**41,112**
Total other operating revenue	**4,657**	**4,771**
Total	**49,106**	**45,883**

The following geographical breakdown of traffic revenue is based on the destination flown.

REVENUE BY GEOGRAPHICAL REGION (DESTINATION FLOWN)

Traffic revenue	FY 2025	FY 2024
Scandinavia	14,129	12,504
Europe	19,535	17,691
Intercontinental	10,785	10,917
Total traffic revenue	**44,449**	**41,112**
Total other operating revenue	**4,657**	**4,771**
Total	**49,106**	**45,883**

In fiscal year 2025 and fiscal year 2024, there was no single customer who accounted for more than 10% of the Group's revenue.

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NOTE 3 PERSONNEL EXPENSES

AVERAGE NUMBER OF EMPLOYEES

In fiscal year 2025, the average number of employees in the SAS Group was 9,075 (8,591). A breakdown of the average number of employees by country is provided in the table below.
The average number of employees totaled 3,403 (3,012) in Denmark, 2,385 (2,407) in Norway, and 2,844 (2,781) in Sweden and 443 (391) in Other countries.

	FY 2025		FY 2024	
	Men	Women	Men	Women
Denmark	2,118	1,285	2,064	948
Norway	1,442	943	1,606	801
Sweden	1,713	1,131	1,773	1,008
Other countries	240	203	217	174
Total	**5,513**	**3,562**	**5,660**	**2,931**
Total men and women	**9,075**		**8,591**	

GENDER BREAKDOWN OF SENIOR EXECUTIVES IN THE GROUP

	Oct 31, 2025		Oct 31, 2024	
	Closing date total	of which, men	Closing date total	of which, men
Board members	48	68%	49	76%
President and other senior executives	42	64%	48	67%

SALARIES, REMUNERATION AND SOCIAL SECURITY EXPENSES

The SAS Group's total payroll expenses amounted to MSEK 9,306 (8,363), of which social security expenses comprised MSEK 1,220 (1,115) and pensions MSEK 722 (515).
Salaries, remuneration and social security expenses include restructuring costs of MSEK 150 (0).

	FY 2025		FY 2024	
	Salaries & other remuneration	Soc. sec. exp. (of which pension cost)[2]	Salaries & other remuneration	Soc. sec. exp. (of which pension cost)[1]
SAS AB	31	16 (5)	17	13 (5)
Subsidiaries	7,333	1,926 (717)	6,716	1,617 (510)
SAS Group, total	**7,364**	**1,942**	**6,733**	**1,630**

1) The pension cost for all CEOs and other senior executives of SAS Group companies amounted to MSEK 14 (16).

	FY 2025		FY 2024	
	Board, CEO & senior executives (of which variable salary)	Other employees	Board, CEO & senior executives (of which variable salary)	Other employees
SAS AB	31 (8)	–	17 (–)	–
Subsidiaries	92 (10)	7,241	83 (0)	6,632
SAS Group, total	**123 (18)**	**7,241**	**100 (0)**	**6,632**

Pension costs	FY 2025	FY 2024
Defined-benefit pension plans	-194	-332
Defined-contribution pension plans	916	847
Total	**722**	**515**

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

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

REMUNERATION AND BENEFITS TO THE PRESIDENT AND OTHER SENIOR EXECUTIVES IN FISCAL YEAR 2025, MSEK

Role	Fixed salary[1,2]	Variable remuneration[5]	Other benefits[3]	Pension[4]
CEO, Board and ELT	44	18	1	14
Total	**44**	**18**	**1**	**14**

1) Includes holiday compensation.
2) Includes CEO in SAS AB, board members in SAS AB and personnel in ELT that reports to directly CEO but not employed by SAS AB.
3) Other benefits include company car, travel benefits, health insurance and group life insurance.
4) Includes health insurance.
5) Includes accrual for share based payments of MSEK 4.

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

Role	Fixed salary[1,2]	Variable remuneration	Other benefits[3]	Pension[4]
CEO, Board and ELT	38	–	1	10
Total	**38**	**–**	**1**	**10**

1) Includes holiday compensation.
2) Includes CEO in SAS AB, board members in SAS AB and personnel in ELT that reports to directly CEO but not employed by SAS AB.
3) Other benefits include company car, travel benefits, health insurance and group life insurance.
4) Includes health insurance.

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NOTE 4 OTHER EXTERNAL EXPENSES

	FY 2025	FY 2024
Sales, distribution, computer and telecommunication costs	4,549	4,277
Catering costs	1,439	1,356
Handling costs	2,876	2,691
Technical aircraft maintenance	4,222	4,005
Administrative services	308	2,027
Other	3,327	5,544 1)
Total	**16,721**	**19,900**

1) Includes emergence effect in Chapter 11/company reorganization in Sweden with MSEK -2,060.

NOTE 5 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	FY 2025	FY 2024
Amortization and depreciation		
Intangible assets	1	0
Right-of-use assets	3,158	3,384
Buildings and fittings	40	47
Aircraft	623	816
Spare engines and spare parts	63	76
Workshop and aircraft servicing equipment and other equipment and vehicles	34	29
Total	**3,919**	**4,352**

NOTE 6 SHARE OF INCOME AND EQUITY IN AFFILIATED COMPANIES

Income from shares in affiliated companies:	FY 2025	FY 2024
Malmö Flygfraktterminal AB	8	9
Other	26	11
Total	**34**	**20**
Total revenue of affiliated companies	621	445
Income after tax in affiliated companies	92	70

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

Equity in affiliated companies	Oct 31, 2025	Oct 31, 2024
Opening cost	23	20
Contributions	–	–
Income from shares in affiliated companies	34	20
Dividends	-35	-21
Reclassification	–	4
Exchange-rate differences	0	0
Closing accumulated cost	**22**	**23**

				Share of equity	
Equity in affiliated companies	**Corporate registration no.**	**Domicile**	**Share of equity %**	**Oct 31, 2025**	**Oct 31, 2024**
Malmö Flygfraktterminal AB	556061-7051	Malmö, Sweden	40.0	14	15
Other				8	8
Total				**22**	**23**
Total assets of affiliated companies				454	302
Total liabilities in affiliated companies				-330	-217
Closing accumulated cost				**124**	**85**

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

	FY 2025	FY 2024
Airbus A320 (sale and leaseback)	–	-27
Airbus A321	-1	-16
Engines	31	–
Recognized capital gain on completion of the Chapter 11 process/ company reorganization in Sweden	–	187
Total	**30**	**144**

NOTE 8 NET FINANCIAL ITEMS

Financial income	FY 2025	FY 2024
Interest income on financial assets not measured at fair value	531	408
Interest income on financial assets measured at fair value	499	995
Other financial income	–	6,082 1)
Exchange-rate differences interest-bearing liabilities, net	0	529
Total	**1,030**	**8,014**

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

Financial expenses	FY 2025	FY 2024
Interest expense on interest-bearing liabilities not measured at fair value	-1,683	-2,262
Interest expense on interest-bearing liabilities measured at fair value	-450	-918
Interest expense lease liabilities	-981	-966
Other financial expenses	-7	-20
Exchange-rate differences interest-bearing liabilities, net	-51	0
Total	**-3,172**	**-4,166**
Total net financial items	**-2,142**	**3,848**

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NOTE 9 TAX

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

	FY 2025	FY 2024
Current tax	-147	-7
Deferred tax	-224	-150
Total tax recognized in net income for the year	**-371**	**-157**
Tax recognized in other comprehensive income	-456	356
Total tax recognized in other comprehensive income	**-456**	**356**

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

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

	FY25	FY25 (%)	FY24	FY24 (%)
Income before tax (EBT)	888		1,736	
Tax according to weighted average tax rate	-190	21.4	-372	21.4
Tax effect of non-tax-deductible costs	-396	44.6	-98	5.6
Tax effect of non-taxable income	108	12.1	20	1.2
Tax effect of different tax rates	58	6.5	0	0
Tax effect of non-capitalized loss carryforwards	67	7.5	–	–
Other	-18	2	293	16.9
Tax and effective tax rate for the fiscal year	**-371**	**42**	**-157**	**9**

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

Deferred tax liability in the balance sheet:	Oct 31, 2025	Oct 31, 2024
Non-current assets	1,284	1,261
Pensions	1,068	939
Other temporary differences	215	254
Cash-flow hedges	0	0
Netting of deferred tax assets/ liabilities	-2,028	-2,001
Total	**539**	**453**

Deferred tax assets in the balance sheet:	Oct 31, 2025	Oct 31, 2024
Pensions	179	205
Other temporary differences	899	1,563
Tax loss carryforwards	2,263	2,182
Netting of deferred tax assets/ liabilities	-2,028	-2,001
Total	**1,313**	**1,949**

Reconciliation of deferred tax, net:	Oct 31, 2025	Oct 31, 2024
Opening balance	1,495	1,308
Change according to statement of income	-224	-150
Change in cash-flow hedging according to OCI	-376	-6
Change in defined-benefit pension plans according to OCI	-81	362
Exchange-rate differences, etc.	-40	-19
Deferred tax, net, on October 31	**774**	**1,495**

On the closing date, the Group had unutilized loss carryforwards of slightly more than MSEK 30,000 (30,000). Based on these loss carryforwards, the Group recognized a deferred tax asset of MSEK 2,263 (2,182). Deferred tax assets are recognized to the extent that there are factors indicating that taxable profits will be created. The assessment of the respective Group companies' future profit performance is based on earnings reported in recent years as well as improved profitability prospects. Of recognized loss carryforwards totaling MSEK 2,263, MSEK 774 pertains to operations in Denmark, MSEK 330 to Norway, MSEK 1,094 to Sweden and MSEK 65 to Ireland. For loss carryforwards amounting to MSEK 4,244 (4,107), no deferred tax asset is recognized due to uncertainty as regards future profit earnings. There are no expiration dates for the loss carryforwards.

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

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

The OECD/G20 Inclusive Framework (IF) has published model rules for global minimum tax (Pillar 2) as part of its efforts to address the challenges that the digitalization of the global economy poses to taxation.

Following the implementation of Pillar 2 in national legislation, SAS is subject to the rules as from fiscal year 2025, meaning top-up tax is required to be paid on the difference between the effective tax rate and the minimum tax rate of 15%, as calculated under the Pillar 2 GloBE rules. Temporary so-called safe harbour rules are available during the initial three fiscal years. At year-end 2025, the assessment was made that SAS could benefit from these temporary rules in every jurisdiction in which SAS operates. SAS has applied the exception under IAS12 from recognizing deferred tax related to Pillar 2.

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NOTE 10 INTANGIBLE ASSETS

	Goodwill		IT system		Total intangible assets	
	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024
Opening cost	688	705	650	638	1,338	1,343
Investments	–	–	8	12	8	12
Sales/disposals	–	–	-131	–	-131	–
Exchange-rate differences	-25	-17	–	–	-25	-17
Closing accumulated cost	**663**	**688**	**527**	**650**	**1,190**	**1,338**
Opening amortization	-69	-71	-614	-609	-683	-680
Amortization and impairment for the year	–	–	-1	-5	-1	-5
Disposal	–	–	115	–	115	–
Exchange-rate differences	2	2	–	–	2	-2
Closing accumulated amortization	**-67**	**-69**	**-500**	**-614**	**-567**	**-683**
Carrying amount	**596**	**619**	**27**	**36**	**623**	**655**

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

Goodwill:	Oct 31, 2025	Oct 31, 2024
SAS Scandinavian Airlines Norway	596	619
Total goodwill	**596**	**619**

TESTING FOR IMPAIRMENT OF INTANGIBLE ASSETS

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

The projected cash flows are based on assumptions regarding volume trends, unit revenue, operating margins and discount rates, which have been established by the management based on historical experience and market data. The discount rate has been estimated based on a weighted capital cost of 9.15% (8.7%) before tax, and of 7.63% (7.25%) after tax. To support the impairment tests performed on goodwill in the Group, a comprehensive analysis was performed of the sensitivity in the variables used in the model. A weakening of any of the significant assumptions included in the business plans or a weakening of the annual growth rate in revenue and operating margins beyond the plan period, or an increase in the discount rate that, individually, is reasonably probable, shows that a margin still exists between the recoverable amount and carrying amount. Management therefore determined that there was no need for impairment of goodwill and other intangible assets at the close of October 2025.

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NOTE 11 TANGIBLE ASSETS

	Aircraft		Engines /spare parts		Total aircarft and engines / spare parts	
	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024
Opening cost	12,289	19,110	2,198	2,049	14,487	21,159
Investments	1,077	4,277	4	4	1,081	4,281
Sales/disposals	-2,409	-10,331	-497	-15	-2,906	-10,346
Reclassifications	379	-786	-28	191	351	-595
Exchange-rate differences	-798	19	-82	-31	-880	-12
Closing accumulated cost	**10,538**	**12,289**	**1,595**	**2,198**	**12,133**	**14,487**
Opening depreciation	-6,214	-10,261	-712	-673	-6,925	-10,934
Depreciation and impairment for the year	-623	-816	-63	-76	-686	-892
Sales/disposals	2,278	1,871	497	14	2,775	1,885
Reclassifications	280	2,922	-31	22	249	2,944
Exchange-rate differences	187	71	12	1	199	72
Closing accumulated depreciation	-4,092	**-6,214**	-297	-712	-4,389	**-6,925**
Carrying amount	**6,446**	**6,076**	**1,298**	**1,486**	**7,744**	**7,562**

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

CONTRACTUAL PURCHASE COMMITMENTS

The Group had the following commitments relating to future acquisition of tangible assets. On October 31, 2025, contracted orders amounted to four Airbus A320neo and two Airbus A350 aircraft and one Embraer E195 and 45 E195-E2s with delivery through to 2031 amounting to a total future purchase commitment, including spares, of BUSD 2.5.

	Buildings and land		Other equipment & vehicles		Investment in progress		Workshop & servicing equipment; aircraft		Total other tangible fixed assets	
	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024
Opening cost	1,244	1,277	315	374	22	6	377	356	1,958	2,013
Investments	34	6	78	2	348	–	79	27	539	35
Sales/disposals	-121	–	-87	-54	0	–	-1	-2	-209	-56
Reclassifications	17	-30	2	-5	-323	15	-4	-3	-308	-23
Exchange-rate differences	-20	-9	0	-2	0	1	-3	-1	-23	-11
Closing accumulated cost	**1,154**	**1,244**	**308**	**315**	**47**	**22**	**448**	**377**	**1,957**	**1,958**
Opening depreciation	-963	-959	-311	-354	–	–	-257	-236	-1,531	-1,549
Depreciation and impairment for the year	-40	-42	-8	-3	–	–	-26	-22	-74	-67
Sales/disposals	111	–	83	49	–	–	-1	1	193	50
Reclassifications	**–**	**30**	**4**	**–**	**–**	**–**	**-12**	**–**	**-8**	**30**
Exchange-rate differences	**18**	**8**	**0**	**-3**	**–**	**–**	**1**	**–**	**19**	**5**
Closing accumulated depreciation	**-874**	**-963**	**-232**	**-311**	**–**	**–**	**-295**	**-257**	**-1,401**	**-1,531**
Carrying amount	**280**	**281**	**76**	**4**	**47**	**22**	**153**	**120**	**556**	**427**

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NOTE 12 PREPAYMENTS FOR AIRCRAFT

	Prepayment	
	Oct 31, 2025	Oct 31, 2024
Opening cost	1,527	3,513
Investments	586	529
Capitalized interest	72	94
Reclassifications	-353	-2,584
Exchange-rate differences	-181	-25
Closing accumulated cost	**1,651**	**1,527**

NOTE 13 RIGHT-OF-USE ASSETS

Right-of-use assets	Aircraft	Properties	Ground handling equipment	Total FY25	Total FY24
Carrying amount	17,681	1,594	256	19,531	17,164
New contracts	2,838	24	29	2,891	7,339
Contract modifications and index or interest rate changes to agreements	-93	54	-49	-88	-1,867
Reclassifications	–	–	–	–	282
Currency revaluations	–	-1	-6	-7	-5
Depreciation over the fiscal year	-2,710	-375	-74	-3,159	-3,382
Carrying amount	**17,716**	**1,296**	**156**	**19,168**	**19,531**

New contracts during the year with terms longer than 12 months are recognized under the line item *New contracts* and mainly comprised leases for four new A320neo and five E195 aircraft plus increased wetleased contracts. For information on SAS' lease liabilities, see notes 23 and 31.

NOTE 14 NON-CURRENT FINANCIAL ASSETS

	Other holdings of securities		Other long-term receivables[1]		Total non-current financial assets	
	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024
Opening cost	**72**	**73**	**1,019**	**1,402**	**1,091**	**1,475**
Contributions	–	–	240	419	240	419
Sales	–	-1	–	-	-	-1
Amortization	–	–	-78	-779	-78	-779
Reclassifications	-70	–	–	-2	-70	-2
Exchange-rate differences	–	–	-73	-21	-73	-21
Closing accumulated cost	**2**	**72**	**1,108**	**1,019**	**1,110**	**1,091**
Opening impairment	**-70**	**-70**	**–**	**–**	**-70**	**-70**
Scrapped	70	–	–	–	70	–
Closing accumulated impairment	**–**	**-70**	**–**	**–**	**–**	**-70**
Carrying amount	**2**	**2**	**1,108**	**1,019**	**1,110**	**1,021**

1) The carrying amount includes blocked bank funds of MSEK 405 (371).

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NOTE 15 POST-EMPLOYMENT BENEFITS

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

Pension funds in the balance sheet	Oct 31, 2025	Oct 31, 2024
Present value of funded obligations	-13,583	-14,419
Fair value of plan assets[1]	21,105	21,323
Surplus in funded plans	**7,522**	**6,904**
Present value of unfunded obligations	-156	-181
Surplus in defined-benefit pension plans (net pension funds)	**7,366**	**6,723**

1) Includes Swedish payroll tax of MSEK 1,468 (1,345).

Recognized in profit or loss pertaining to[1]	FY25	FY24
Defined-benefit pension plans	194	332
Defined-contribution pension plans	-916	-847
	-722	**-515**
Remeasurements of defined-benefit pension plans[2]	304	-1,335

1) Expenses recognized in profit or loss include the current service cost, past service cost, net interest expense and gains and losses on settlements.
2) Recognized under other comprehensive income, net after tax.

DEFINED-BENEFIT PENSION PLANS

Most personnel pension plans in Scandinavia are now defined-contribution based. Defined-contribution pension plans are in place for the majority of personnel in Denmark and Norway, and in Sweden for aircraft crew, younger salaried employees and personnel covered by the SAF-LO collective agreement. The majority of the remaining defined-benefit pension plans are secured through insurance companies in the respective countries. In Sweden, pension plans are mainly placed with Alecta and SPP, in Denmark with Danica and in Norway with DNB. Premiums for defined-benefit retirement pensions are individual and depend, inter alia, on the insured party's age, salary and previously vested pension rights. Expected fees in the next fiscal year (FY 2026) for defined-benefit pension plans under the Alecta plan are expected to amount to about MSEK 20. The collective consolidation level comprises the market value of Alecta's assets as a percentage of insurance undertakings estimated pursuant to Alecta's actuarial assumptions, which do not comply with IAS 19. Collective consolidation, in the form of a collective consolidation level, is normally permitted to range between 125% and 175%. If Alecta's collective consolidation level falls below 125% or exceeds 175%, actions must be taken to create conditions enabling the consolidation level to revert to the normal interval. Alecta's surplus can be allocated to the policy holders or the insured parties if the collective consolidation level exceeds 175%. However, Alecta applies reductions in premiums to avoid an excessive surplus arising. At the end of the fiscal year, Alecta's surplus in the form of the consolidated collective consolidation level was 167% (163%). According to a statement by the Swedish Financial Reporting Board, UFR 10, this constitutes a multi-employer defined-benefit plan and enterprises covered by a multi-
employer pension plan classified as defined-benefit must account for their proportional share of the plan's obligations, plan assets and costs in the same way as for any other defined-benefit plan. SAS is provided with information that enables SAS to report its proportional allocated share of the Alecta plan's commitments, plan assets and costs in accordance with IAS 19 rules regarding defined-benefit pension plans. SAS therefore reports net defined-benefit assets since the future economic benefits are available to SAS in the form of future reductions in premiums, cover for future pension indexing or a cash refund.
IAS 19 – Employee Benefits entails that all deviations in estimates are to be immediately recognized in other comprehensive income. Furthermore, the discount rate on the defined-benefit plan obligation or pension asset is calculated net, and this net interest expense is recognized by SAS as a personnel expense in profit or loss. SAS reports special payroll tax in line with the rules in IAS 19, which means that those actuarial assumptions made in the calculation of defined-benefit pension plans must also include taxes payable on pension benefits.
As per October 31, 2025, the remaining pension plans in Sweden reported a surplus of about SEK 5.8 billion and, accordingly, special payroll tax was recognized for the surplus. On October 31, 2025, special payroll tax totaled about SEK 1.5 billion (1.3).

Defined-benefit pension plans	FY25	FY24
Current service cost	-20	-20
Past service cost and gains and losses on settlements	-7	-6
Interest expense on pension obligations	-480	-553
Interest income on plan assets	657	840
Payroll tax	44	70
Total impact recognized in profit and loss for defined-benefit pension plans	**192**	**332**

The above earnings effect is recognized in its entirety as personnel expenses.

Changes in the present value of defined-benefit plan obligations	Oct 31, 2025	Oct 31, 2024
Opening balance, pension obligations	14,600	12,627
Current service cost	20	20
Settlements	0	0
Interest expense	480	553
Reclassification	–	–
Pensions paid out	-926	-911
Exchange-rate differences	-95	20
	14,077	**12,309**
Remeasurements:		
– Gain/loss (-/+) from change in demographic assumptions	0	-3
– Gain/loss (-/+) from change in financial assumptions	-334	1,718
– Experience gains/losses (-/+)	-5	576
Closing balance, pension obligations, October 31	**13,738**	**14,600**

Change in fair value of plan assets	Oct 31, 2025	Oct 31, 2024
Opening balance, plan assets	21,323	20,628
Settlements	0	0
Interest income	657	840
Contributions/premiums paid	16	16
Other expenses/revenue	36	70
Reclassification	–	–
Pensions paid out	-882	-838
Exchange-rate differences	-90	20
	21,060	**20,736**
Remeasurements:		
– Special payroll tax	80	-312
– Return on plan assets (excluding amounts included in interest income)	-35	899
Closing balance, plan assets, October 31	**21,105**	**21,323**

Change in pension funds (net)	Oct 31, 2025	Oct 31, 2024
Opening balance, pension funds (net)	**6,723**	**8,001**
Total recognized in net income for the year	192	333
Remeasurements	385	-1,704
Contributions/premiums paid	61	89
Exchange-rate differences	5	4
Closing balance, pension funds (net), October 31	**7,366**	**6,723**

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NOTE 15 POST-EMPLOYMENT BENEFITS CONT.

Breakdown of the defined-benefit plan obligations and plan assets by country	Oct 31, 2025				Oct 31, 2024			
	Sweden	Norway	Other	Total	Sweden	Norway	Other	Total
Present value of obligation	-12,810	-145	-783	-13,738	-13,514	-163	-922	-14,600
Fair value of plan assets	20,318	0	787	21,105	20,385	0	938	21,323
Pension funds, net	**7,508**	**-145**	**4**	**7,366**	**6,871**	**-163**	**17**	**6,723**

Remeasurements – analysis of amounts recognized under other comprehensive income	FY25	FY24
– Gain/loss (+/-) from change in demographic assumptions	0	3
– Gain/loss (+/-) from change in financial assumptions	334	-1,718
– Experience gains/losses (+/-)	5	-576
– Special payroll tax	80	-312
– Return on plan assets (excluding amounts included in interest income)	-35	899
Total remeasurements	**384**	**1,704**

During the year, the discount rate was raised for all countries. The discount rate for Sweden was increased by 0.20 percentage points to 3.50%. During the fiscal year, the inflation assumption was unchanged for the Swedish pension plans at 2.0%. The total impact, primarily from changed discount rates and inflation, entailed a postive impact on other comprehensive income of SEK 0.3 billion. The return on plan assets was below the discount rate, which entailed a positive impact on other comprehensive income of SEK 0 billion.

ACTUARIAL ASSUMPTIONS

The measurement to be applied under IAS 19 when measuring defined-benefit plans is known as the projected unit credit method. This method requires several assumptions (actuarial parameters) for calculating the present value of the defined-benefit obligation. Actuarial assumptions comprise both demographic and financial assumptions. Since assumptions must be neutral and mutually compatible, they should be neither imprudent nor overly conservative. They should reflect the economic relationships between factors such as inflation, rates of salary increase, the return on plan assets and discount rates. This means that they should be realistic, based on known financial relations and reflect SAS' best assessment of the factors that will determine the ultimate cost of providing post-employment benefits, that is pension costs. In calculating pension obligations, the current service cost and the return on plan assets, locally set parameters are applied in the respective countries on the basis of the local market situation and expected future trends. This means that the parameters are based on market expectations at the end of the reporting period regarding the time period in which the obligation will be settled.

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

	Oct 31, 2025				Oct 31,2024			
Key actuarial assumptions	Sweden	Norway	Other	Total	Sweden	Norway	Other	Total
Discount rate	3.50%	4.15%	5.10%		3.30%	4.25%	4.70%	
Inflation	2.00%	0–1.75%	3.20%[1]		2.00%	0–1.75%	3.40%[1]	
Salary growth rate	2.00%	0.00%	0.00%		2.00%	0.00%	0.00%	
Pension growth rate	2.00%	0–1.75%	3.10%		2.00%	0–1.75%	3.20%	

1) Pertains solely to UK plans.

The average duration of defined-benefit pension plans was as follows:	Sweden	Norway	Other
Fiscal year 2025	10.67	6.00	12.00
Fiscal year 2024	11.15	6.20	13.00

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NOTE 15 POST-EMPLOYMENT BENEFITS CONT.

	Oct 31, 2025		Oct 31, 2024	
Plan assets are comprised as follows[1]:	**Total**	**%**	**Total**	**%**
Alecta (Sweden):				
Equities, of which 38% (34) is invested in Swedish equities	2,801	29	3,293	34
Interest-bearing securities	5,128	53	4,628	48
Properties	1,764	18	1,822	18
	9,623	**100**	**9,743**	**100**
SPP (Sweden):				
Equities, of which 23% (21) was invested in Swedish equities	2,106	23	2,138	23
Interest-bearing securities	5,860	64	6,043	65
Properties	1,099	12	1,116	12
Other	92	1	–	–
	9,156	**100**	**9,297**	**100**
Other countries:				
Equities	–	–	–	–
Interest-bearing securities	720	91	762	81
Other	67	9	176	19
	787	**100**	**938**	**100**

1) The plan assets in the Swedish pension plans exclude special payroll tax, which is not included in the plan assets managed by Alecta and SPP. Only an insignificant share of the plan assets is invested in SAS shares.

Membership statistics on October 31, 2025	Active employees	Taken early retirement	Deferred pensioners	Pensioners
The Alecta plan	1,032	101	2,709	4,439
SPP	6	–	164	1,220
Other plans in Sweden (unfunded)	–	–	–	5
DnB	–	–	–	289
Danica	–	–	–	–
Other	–	–	289	363
Total	**1,038**	**101**	**3,162**	**6,316**

The effect on/sensitivity of the defined-benefit pension obligation to changes in the key assumptions, MSEK:	Sweden	Norway	Other	Total
Discount rate, -1%	1,555	9	102	1,665
Inflation, +1%[1]	1,589	-6	26	1,610
Salary, +1%	27	0	0	27

The above sensitivity analyses are based on a change in one assumption while holding all other assumptions constant.

1) Corresponds with sensitivity in terms of pension increases.

NOTE 16 INVENTORIES AND EXPENDABLE SPARE PARTS

	Oct 31, 2025	Oct 31, 2024
Expendable spare parts, flight equipment	498	414
Expendable spare parts, other	64	65
Inventories	138	165
Total	**700**	**644**
Measured at cost	667	600
Measured at net realizable value	33	44
Total	**700**	**644**

NOTE 17 ACCOUNTS RECEIVABLE

Net impairment of accounts receivable and recovered accounts receivable, as well as the impairment of other current receivables, had an earnings impact of MSEK 6 (5).

Age analysis of accounts receivable	Oct 31, 2025	Oct 31, 2024
Accounts receivable not yet due	747	931
Due <31 days	292	91
Due 31–90 days	73	14
Due 91–180 days	1	9
Due >180 days	0	2
Total	**1,113**	**1,048**

Provision for expected credit losses on accounts receivable	Oct 31, 2025	Oct 31, 2024
Opening provision	82	110
Provision for expected losses	6	5
Reversed provisions	-54	-32
Closing provision	**37**	**82**

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NOTE 18 OTHER RECEIVABLES

	Oct 31, 2025	Oct 31, 2024
Derivatives	80	98
Other receivables	1,556	2,659
Total	**1,636**	**2,757**

NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

	Oct 31, 2025	Oct 31, 2024
Prepaid expenses	603	315
Accrued income	688	629
Total	**1,291**	**944**

Accrued income is categorized as contract assets. Further information is provided in Note 24.

NOTE 20 CASH AND CASH EQUIVALENTS

	Oct 31, 2025	Oct 31, 2024
Cash and bank balances	8,320	11,258
Deposits	4,755	185
Tax deduction account in Norway	93	104
Total	**13,168**	**11,546**

The carrying amount of short-term investments corresponds with the fair value. Fair value is the amount that should have been received for short-term investments outstanding if sold on the closing date. Short-term investments are categorized as financial assets at amortized cost.

All investments have a term of no more than three months.

Disclosure of interest paid
During the year, interest received amounted to MSEK 979 (1,408), of which MSEK 488 (998) pertained to forward premiums for currency derivatives. During the year, interest paid amounted to MSEK 1,444 (3,264), of which MSEK 446 (919) pertained to forward premiums for currency derivatives.

NOTE 21 SHAREHOLDERS' EQUITY

SHARE CAPITAL
FY2025
As of October 31, 2025, there were 4,886,301,035 (4,865,104,689) subordinated shares in SAS AB. During the year a reduction of SAS ABs share capital has been made to MSEK 48 and a new share issue has been made with 21,196,346 new shares, increasing SAS ABs share capital with MSEK 0 resulting a quotient value of SEK 0.01.

FY2024
In August 2024, SAS AB completed its company reorganization and canceled the existing 7,266,039,292 common shares. In conjunction with the completion of the company reorganization, 4,865,104,689 subordinated shares were issued in SAS AB with a quotient value of about SEK 2.12, representing a registered share capital of SEK 10,291,444,924.

OTHER CONTRIBUTED CAPITAL
Comprises equity contributed by the owners. Includes share premiums paid in conjunction with issues. Due to the new share issue during FY25 the amount of other contributed capital has increased with MSEK 25.

RESERVES

Translation reserve	2025	2024
Opening translation reserve	-13	72
Translation differences for the year	-311	-86
Closing translation reserve, October 31	**-324**	**-13**
Hedging reserve		
Opening hedging reserve	-52	-109
Cash-flow hedges:		
– Recognized directly in other comprehensive income	1,735	64
– Change in statement of income	23	9
– Tax attributed to year's change in hedging reserve	-376	-16
Closing hedging reserve, October 31	**1,330**	**-52**
Total reserves		
Opening reserves	-65	-36
Change in reserves for the year:		
– Translation reserve	-311	-86
– Hedging reserve	1,382	57
Closing reserves, October 31	**1,006**	**-65**

Translation reserve
The translation reserve includes all exchange-rate differences arising in conjunction with the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than Swedish kronor.

Hedging reserve
The hedging reserve includes the effective part of the cumulative net change in fair value on a cash-flow instrument attributable to hedging transactions that have not yet transpired.

HYBRID BONDS
FY2024
In conjunction with the completion by SAS AB of its company reorganization in August 2024, SAS' hybrid bonds were canceled.

RETAINED EARNINGS
Encompass net income for the year and profits earned in the Parent Company and its Group companies. Retained earnings also include revaluations related to post-employment benefits. In fiscal year 2025, retained earnings were also impacted by the companys reduction of share capital with MSEK 10,243. During FY2024 retained earnings were impacted due to the reorganization of SAS, since SAS AB's common shares and hybrid bonds were cancelled.

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NOTE 22 INTEREST-BEARING LIABILITIES

Maturity profile for interest-bearing liabilities

	FY26	FY27	FY28	FY29	FY30	FY31<	Oct 31, 2025	Oct 31, 2024
Convertible notes	–	7,244	–	–	–	–	7,244	7,411
Other loans	974	714	563	1,382	248	870	4,750	6,062
Total	**974**	**7,958**	**563**	**1,382**	**248**	**870**	**11,995**	**13,473**
Less amortization FY25 and FY24							-974	-1,166
Total	**974**	**7,958**	**563**	**1,382**	**248**	**870**	**11,021**	**12,307**

BONDS
In May 2001, a MEUR 1,000 European Medium-Term Note program was established. The EMTN program makes it possible for the Group to issue bonds with fixed or floating interest rates in any currency. On the closing date, the SAS Group's issued bonds amounted to MSEK 0 (0).

CONVERTIBLE NOTES
During the fiscal year 2024, SAS AB issued secured convertible notes for MUSD 725 to the four largest owners: Castlelake, Air France-KLM, Lind Invest and the Danish state. The convertible notes have a maximum maturity of 7 years with an annual interest rate of 6.5% + 3M TERM SOFR and are treated in their entirety as a liability pursuant to IFRS 9. The nominal value on the balance-sheet date was MSEK 7,244 (7,411) and the fair value was MSEK 8,222 (10,704).

Subject to meeting certain requirements, the convertible notes allow the holders to either convert the loan into shares, with different values for the conversion option depending on the timing of any conversion. In the event this were to take place, a risk exists that the other owners' holdings could be diluted. If the owners of the convertible notes elect to redeem the debt rather than convert into shares, the convertible note holders are entitled to additional interest compensation. SAS has no control of how the convertible notes will be handled. SAS has valued the option component of the convertible notes (the embedded derivative) at fair value based on SAS' knowledge of, inter alia, the owners, the air travel market as a whole and the terms of the convertible notes. The actual outcome for the convertible notes could differ from the management's estimate, which would in turn impact the Group's earnings.

	Oct 31,2025		Oct 31,2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Aircraft financing liabilities	3,979	4,025	4,870	4,848
Convertible notes	7,244	8,222	7,411	10,704
Other long-term loans	133	133	388	388
Other short-term loans	272	272	469	469
Accrued interest	329	329	304	304
Derivatives	38	38	31	31
Total before amortization	**11,995**	**13,019**	**13,473**	**16,744**
Less amortization FY25 and FY24	-974	-950	-1,166	-1,133
Total other loans	**11,021**	**12,069**	**12,307**	**15,611**

Maturity profile of other loans	FY26	FY27	FY28	FY29	FY30	FY31<	Total
Aircraft financing liabilities	335	581	563	1,382	248	870	3,979
Other long-term loans	–	7,377	–	–	–	–	7,377
Other current liabilities	639	–	–	–	–	–	639
Total	**974**	**7,958**	**563**	**1,382**	**248**	**870**	**11,995**

Other loans are recognized at amortized cost.

Aircraft financing liabilities and convertible loans are denominated in USD and amounted to MSEK 11,552 other loans are mainly denominated in SEK. Aircraft financing liabilities include some liabilities linked to assets subject to title reservation agreements. The average interest rate on the closing date amounted to 4.4% for aircraft financing liabilities and 2.5% for other loans. The interest rate for the convertible loans amounted to 10.8%, excluding periodized transaction costs.

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NOTE 23 INTEREST-BEARING LEASE LIABILITIES

	Oct 31,2025	Oct 31, 2024
Non-current lease liabilities	16,615	19,236
Current lease liabilities	3,144	3,175
Total	**19,759**	**22,411**

Lease liabilities	FY26	FY27	FY28	FY29	FY30<	Oct 31, 2025	Oct 31, 2024
Aircraft	3,587	3,420	3,190	2,703	8,513	21,413	24,313
Properties	350	302	298	253	286	1,489	1,855
Ground handling equipment	54	46	41	26	8	175	301
Total	**3,991**	**3,768**	**3,529**	**2,982**	**8,807**	**23,077**	**26,469**
Discounting effect	-847	-674	-540	-408	-849	-3,318	-4,058
Total	**3,144**	**3,094**	**2,989**	**2,574**	**7,958**	**19,759**	**22,411**

The Group leases aircraft, properties and ground handling equipment for which the present values of contractual lease commitments have been reported as interest-bearing liabilities. The terms of the above contracts extend for 1–12 years and are subject to various conditions, such as linking to different indices as well as interest rates. Lease liabilities are denominated in the following currencies: USD (MSEK 17,368), EUR (MSEK 909), SEK (MSEK 790), NOK (MSEK 492), DKK (MSEK 197) and other currencies (MSEK 3). For more information about assets leased by the Group (right-of-use assets), see Note 13.

Amortization of lease liabilities amounted to MSEK 3,200 (3,148) for the year and the interest expense on lease liabilities was MSEK 981 (966) for the year. Remeasurement of currencies in lease liabilities had an impact on earnings of MSEK -34 (578) for the year. During the year, the Group had rental costs linked to short-term contracts and variable fees as well as for low value assets amounting to MSEK 201 (225).

NOTE 24 CONTRACT ASSETS AND LIABILITIES

The Group has identified contract assets, which are recognized as accrued income, refer to Note 19. The identified contract assets pertain mainly to passenger revenue and EuroBonus points sold that have yet to be invoiced to customers.

The Group has identified the following contract liabilities:

	Oct 31, 2025	Oct 31, 2024
Unearned transportation liability	8,395	7,175
Loyalty program	2,120	1,592
Other long term liabilties	8	7
Other short term liabilties	529	585
Total	**11,052**	**9,359**

The unearned transportation liability and the loyalty program are recognized as contract liabilities since payments are received from customers before the performance obligation is discharged by the Group. Information about the discharge of performance obligations can be found in Note 1 under the headings "Passenger revenue" and "EuroBonus."

The unearned transportation liability was MSEK 8,395 (7,175) on October 31. Future, unmet, performance obligations are expected to be essentially discharged in the 12 months following October 31, 2025. During the year, MSEK 5,134 (4,806) of the year's opening liability was recognized in revenue.

The liability pertaining to the EuroBonus loyalty program was MSEK 2,120 (1,592) on October 31. EuroBonus points earned are valid for five years. Since uncertainty exists in terms of when the EuroBonus points will be used, the whole liability is recognized as short term in accordance to IFRS (see note 1). The Group's assessment is that one third of the EuroBonus points will be used and recognized as revenue within 12 months from October 31, 2025 and the remainder at a declining rate over future years.

NOTE 25 FINANCIAL RISK MANAGEMENT AND FINANCIAL DERIVATIVES

The SAS Group is exposed to various types of financial risks. All risk management is handled centrally and in accordance with the policies set by the Board. The SAS Group uses derivative instruments as part of its financial risk management to limit its fuel, currency and interest-rate exposure.

FUEL PRICE RISK

The SAS Group is exposed to changes in jet-fuel prices. Exposure is handled by continuously hedging 40–80% of the forecast fuel consumption for the coming 12 months. Under the current uncertain and volatile market conditions SAS has temporarily adjusted the financial policy with regard to the hedging ratio for jet fuel. The exception applies for FY 2025 and permits hedging between 0 and 80% of the anticipated volumes for the next 12 months. The main financial derivatives used for hedging jet fuel are options and swaps. As of October 31, 2025, the Group had signed derivative agreements covering 0% of the Group's forecast jet-fuel requirement for November 2025–October 2026. In November 2024–October 2025, jet-fuel-related costs accounted for 23% of the Group's operating expenses (including leases, amortization and depreciation), compared with 23% in November 2023–October 2024.

CURRENCY RISK

The SAS Group has currency exposure both to transaction risk and to translation risk.

Transaction risk arises when flows in foreign currencies are exposed to currency fluctuations. To manage the transaction risk to which the SAS Group is exposed, the projected commercial currency flows are hedged using currency derivatives. According to the financial policy, the hedge level must be 40–80% of a 12-month rolling liquidity forecast. Future contracted aircraft purchases denominated in USD can be hedged by up to 80% of the contracted amount. Additionally, future aircraft sales can be hedged with currency derivatives and loans in USD in an amount up to 80% of the carrying amounts of the aircraft fleet. As of October 31, 2025, the Group had signed agreements for derivatives covering approximately 47% of the Group's forecast commercial currency exposure for November 2025–October 2026.

Translation risk arises during conversion of balance-sheet items in foreign currencies due to currency fluctuations. To limit translation risk, the policy is to keep the financial net debt mainly in the presentation currency of the respective subsidiary. In IFRS 16, future lease payments are recognized as an asset (right-of-use asset) and a financial lease liability. Most of the right-of-use assets are denominated in SEK but the corresponding lease liabilities are denominated in foreign currencies, mainly USD. The currency exposure from recalculating USD lease liabilities into SEK is significant. Forecast future USD revenue is hedged using the external USD denominated lease liabilities as hedging instruments to manage a specific portion of this risk. During the year the hedge has been increased to cover almost 100% of the revaluation.

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NOTE 25 FINANCIAL RISK MANAGEMENT AND FINANCIAL DERIVATIVES CONT.

INTEREST-RATE RISK

The SAS Group is exposed to interest-rate risk when the market value of the financial net debt (interest-bearing assets and liabilities) is affected by movements in the yield curve (market interest rates at different maturities). Group borrowing includes loans at both fixed and floating interest rates. To manage the interest-rate risk, interest-rate derivatives are used to change the fixed-interest term of the underlying gross financial debt. The target of current policy is for the average fixed-interest term of the gross financial debt (excluding IFRS 16 debt) to correspond to 3 years, with a permitted interval of 1–5 years. In addition, the development of the gross financial debt (excluding IFRS 16 debt) for the forthcoming 12 months and contracted future aircraft purchases is taken into consideration. As of October 31, 2025, the average fixed-interest term (excluding IFRS 16 debt), was 1.3 years (1.9).

SENSITIVITY ANALYSIS, REVALUATION EFFECT ON CLOSING DATE

The sensitivity analysis concerning fuel price shows the immediate revaluation effect of a 10% parallel shift in the price curve for fuel derivatives.

The sensitivity analysis concerning currency shows the immediate revaluation effect on the closing date for cash-flow hedges, accounts receivable and accounts payable of a 10% strengthening or weakening of the Swedish krona against all currencies the SAS Group is exposed to. In addition to the revaluation effect, a 1% weakening of the USD against the SEK would have a positive impact of about MSEK 174 on the SAS Group's OCI based on lease liabilities of around MUSD 1,830. A 1% strengthening of the USD against the SEK would have the corresponding negative effect on OCI.

The sensitivity analysis for market interest rates shows the immediate revaluation effect on the closing date for interest-rate derivatives and short-term investments with a 1-percentage-point parallel shift in the yield curve. Beyond the revaluation effect, the SAS Group's net interest for the November 2024–October 2025 period is affected by around MSEK 63 (72) if short-term market rates rise by 1 percentage point. However, if short-term market rates fall by 1 percentage point the corresponding negative effect on net interest is MSEK -63 (-72).

SENSITIVITY ANALYSIS, REVALUATION EFFECT ON CLOSING DATE

			Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024
Market risk	**Change**	**Currency**	**Earnings impact**	**Earnings impact**	**Equity impact**	**Equity impact**
Fuel price	+/-10%		–/–	–/–	–/–	–/–
Currency risk, SEK	+/-10%	DKK	10/-10	10/-10	–/–	–/–
Currency risk, SEK	+/-10%	EUR	15/-15	15/-15	–/–	–/–
Currency risk, SEK	+/-10%	GBP	3/-3	3/-3	–/–	–/–
Currency risk, SEK	+/-10%	NOK	29/-29	22/-22	357/-357	282/-282
Currency risk, SEK	+/-10%	USD	-2/2	15/-15	-546/546	-365/365
Currency risk, SEK	+/-10%	OTHER	-3/3	-3/3		–/–
Market interest rates	+/-1%		–/–	–/–	–/–	–/–

FINANCIAL DERIVATIVES

Different types of currency derivatives, such as currency forward contracts, currency swap contracts and currency options, are used to manage currency exposure. Furthermore, interest-rate exposure is managed by different types of interest-rate derivatives such as forward rate agreements (FRAs), futures, interest-rate swap contracts and currency interest-rate swap contracts. As of October 31, 2025, the fair value of the SAS Group's derivative instruments outstanding totaled MSEK 42 (67), broken down according to the table below.

	Oct 31, 2025	Fair value			Oct 31, 2024	
	Volume outstanding	**Assets**	**Liabilities**	**Net**	**Volume outstanding**	**Fair value, net**
Currency derivatives	33,180	80	-38	42	19,801	67
Interest-rate derivatives	–	–	–	–	–	–
Fuel derivatives	–	–	–	–	–	–
Total	**33,180**	**80**	**-38**	**42**	**19,801**	**67**

As of the balance-sheet date, fair value is consistent with carrying amounts.

The fair value is the amount received or paid if outstanding financial instruments are sold on the closing date. Derivatives not subject to hedge accounting are classified as financial instruments at FVTPL. Volume outstanding means the nominal amount of derivative contracts expressed in absolute terms.
The total carrying amount for the Group's derivative financial instruments is presented in the balance-sheet items in the table below.

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NOTE 25 FINANCIAL RISK MANAGEMENT AND FINANCIAL DERIVATIVES CONT.

OFFSETTING OF FINANCIAL DERIVATIVES

To reduce credit risks for bank receivables related to derivatives, SAS has entered into netting agreements, under ISDA agreements, signed with all of its counterparties.

The information in the following table includes financial assets and liabilities that are subject to enforceable master netting arrangements and similar agreements that cover financial instruments.

	Oct 31, 2025	Oct 31, 2024
Other receivables	80	98
Total derivative assets	**80**	**98**
Current liabilities	-38	-31
Total derivative liabilities	**-38**	**-31**
Derivative assets/liabilities net at end of the period	**42**	**67**
Allocation of derivatives according to the following:		
Cash-flow hedges	42	63
Derivatives not designated as hedges for accounting purposes	–	4
Derivative assets/liabilities *net at end of the period*	**42**	**67**

	Oct 31, 2025			Oct 31, 2024		
	Financial assets	Financial liabilities	Total	Financial assets	Financial liabilities	Total
Gross amount	80	-38	42	98	-31	67
Amount offset	0	0	0	0	0	0
Recognized in the balance sheet	**80**	**-38**	**42**	**98**	**-31**	**67**
Amounts covered by netting agreements	-38	38	0	-31	31	0
Net amount after netting agreements	**42**	**0**	**42**	**67**	**0**	**67**

HEDGE-ACCOUNTED DERIVATIVES, CASH-FLOW HEDGE

Hedging of aircraft

The hedging of future contracted aircraft purchases/sales represents hedging transactions since it is the payment flow in foreign currency during a future purchase/sale that is hedged according to the cash-flow method. The loans and the currency forward contracts included in hedging relationships are translated at the relevant closing rate and the change that is calculated as effective is recognized in other comprehensive income. As of October 31, 2025, the accumulated currency effect on cash-flow-hedged loans and derivatives relating to future aircraft purchases and sales was recognized after tax in the hedging reserve in equity in the amount of MSEK 241 (305).

Commercial flows

Currency derivatives are used to manage the transaction risk relating to projected commercial flows. These currency derivatives represent hedging transactions according to the cash-flow method and their accounting policies are matched with those of the underlying liquidity projection. Provided that the effectiveness of the hedges can be demonstrated, the accumulated change in market value of each hedging transaction is recognized in equity until it is recycled to the statement of income as a cost/revenue. As of October 31, 2025, the accumulated currency effect of these cash-flow-hedged currency derivatives was recognized after tax in the hedging reserve in equity in the amount of MSEK -203 (59).

Certain projected future USD revenue is hedged using the external USD denominated lease liabilities as hedging instruments. Changes in the USD/SEK spot rate for the designated part of the USD denominated lease liability are recognized in other comprehensive income and reported as a separate component (cash-flow hedge reserve) in equity. When the hedged expected cash flows impact profit or loss as revenue, the corresponding part of the cash-flow hedge reserve is reclassified from other comprehensive income to profit or loss. As of October 31, 2025, the accumulated currency effect of these cash-flow-hedged derivatives was recognized after tax in the hedging reserve in equity in the amount of MSEK 1,551 (-119).

Interest-rate derivatives

When the SAS Group borrows at floating interest rates and changes its interest-rate exposure by entering into interest-rate swap contracts whereby floating interest is received and fixed interest is paid, the hedging relationship is classified as a cash-flow hedge. When hedge accounting is applied, the effective portion of the change in value of the hedge instrument is recognized in other comprehensive income. The terms of the interest-rate derivatives used for hedging transactions are matched with those of the individual loans. On the closing date October 31, 2025, the accumulated effect on these cash-flow-hedged interest-rate derivatives was recognized after tax in the hedging reserve in equity in the amount of MSEK -265 (-321).

Fuel derivatives

Fuel derivatives are used to manage the price risk relating to jet fuel. These derivatives represent hedging transactions according to the cash-flow method and their accounting policies are matched with those of the underlying forecast jet-fuel requirement. As of October 31, 2025, the accumulated effect on these cash-flow-hedged fuel derivatives was recognized after tax in the hedging reserve in equity in the amount of MSEK 0 (0).

Altogether, MSEK 1,324 (-76) was recognized after tax in the hedging reserve in equity on October 31, 2025, and is expected to affect the statement of income in the following years as per the following table:

	FY26	FY27	FY28	FY29	FY30	FY31<	Total
Aircraft	205	57	18	7	6	14	307
Commercial flows, revenue	-258	–	–	–	–	–	-258
Commercial flows, other	379	364	338	304	253	335	1,973
Interest-rate derivatives	-70	-70	-65	-57	-42	-34	-338
Fuel derivatives	–	–	–	–	–	–	0
Deferred tax	-55	-75	-62	-54	-46	-68	-360
Effect on equity	**201**	**276**	**229**	**200**	**171**	**247**	**1,324**

Derivatives not subject to hedge accounting

Other derivatives not subject to hedge accounting are remeasured on an ongoing basis and recognized at fair value through profit or loss. Nor are interest-rate derivatives that cannot be linked to specific borrowing subject to hedge accounting and are remeasured on an ongoing basis at their fair value through profit or loss.

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CREDIT RISK
The Group's financial transactions give rise to exposure to credit risk vis-à-vis the financial counterparties. Credit risk or counterparty risk pertains to the risk of loss if a counterparty does not fulfill its contractual obligations. The financial policy prescribes that transactions may only be entered into with counterparties with high credit ratings, defined as category A3/P-1 or better according to Moody's or alternatively A-/A-1 according to Standard & Poor's.

Limits are set for each counterparty and are continuously revised. To further reduce counterparty risks, ISDA agreements (netting agreements) are signed with most counterparties. 99% of the credit-related exposure is geographically concentrated in the Nordic countries. The breakdown of the remaining credit exposure is 0% in the rest of Europe and 1% in the rest of the world. The maximum credit exposure for derivative instruments is matched by carrying amounts/fair values, see the above table under the heading Financial derivatives. For cash and cash equivalents, the size of the credit risk is the carrying amount and is distributed as follows:

	Carrying amount	
Rating (Moody's)	**Oct 31, 2025**	**Oct 31, 2024**
Aaa/P-1	–	–
Aa1/P-1	–	–
Aa2/P-1	1	3
Aa3/P-1	12,986	66
A1/P-1	165	11,378
A2/P-1	16	21
A3/P-1	–	78
Total	**13,168**	**11,546**

Under other long-term receivables, credit risk is allocated between financial institutions, external aircraft lessors, external aircraft operators and various property companies. The same regulations as those defined above for financial counterparties apply for financial institutions. With regard to external aircraft lessors, the majority of claims consist of pledged collateral for leasing fees as well as costs for return requirements. Since the cost of meeting the return requirements largely relates to those costs incurred dependent on the usage of the aircraft, the credit-related exposure is substantially neutralized. The payments structure in agreements with external aircraft operators is designed so that SAS Group's receivables in the form of pledged collateral are often or always lower than the current liabilities/expenses of the SAS Group to these external operators.

In relation to the SAS Group's accounts receivable, the credit risk is spread over a large number of customers including private individuals and companies in various industries. Credit information is required for credit sales with the aim of minimizing the risk of bad debt losses and is based on intra-Group information on payment history supplemented with credit and business information from external sources.
The maximum credit risk for the SAS Group accords with the carrying amounts of financial assets according to the categorization table.

LIQUIDITY AND BORROWING RISK
Liquidity and borrowing risks refer to the risk that sufficient liquidity is not available when required, and that refinancing of matured loans will be costly or problematic.

The target is for financial preparedness to amount to a minimum of 25% of the SAS Group's fixed costs. The financial preparedness equals cash and cash equivalents plus total unutilized credit facilities. As of October 31, 2025, financial preparedness amounted to MSEK 13,168 (11,546), with cash and cash equivalents amounting to MSEK 13,168 (11,546) and unutilized credit facilities with maturities longer than three months totaling MSEK 0 (0) or 50% (37%) of the Group's fixed costs. The SAS Group's cash and cash equivalents are held in instruments with good liquidity or short maturity with a credit rating of no lower than A3/P-1 according to Moody's or A-/A-1 according to Standard & Poor's.

The following tables show remaining contractual terms for SAS' financial liabilities. The figures shown are contractual undiscounted cash flows. The tables show the contracted date when SAS is liable to pay or receive, and includes both interest and nominal amounts. Future interest flows at variable rates are estimated using the current interest rate on the closing date, which means the amounts may differ.

As of October 31, 2025, the Group's interest-bearing liabilities amounted to MSEK 31,755 (35,884); 0% (0) of the interest-bearing liabilities have financial key ratio covenants for cash flow and liquidity. The term of the interest-bearing gross debt amounted to approximately 5,0 years (5.9) at year end.

FINANCIAL NET DEBT

MSEK	Net financial debt
Long-term receivables	430
Other receivables	335
Cash and bank balances and short-term investments	13,168
Other loans long term	-11,021
Lease liabilities long term	-16,615
Current portion of long-term loans and other short-term loans	-974
Current portion of lease liabilities	-3,144
Net financial debt	**-17,823**

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LIQUIDITY RISK

The following table illustrates the SAS Group's outflows and inflows of financial liabilities and financial derivatives as of October 31, 2025 and as of October 31, 2024. The amounts are contracted, undiscounted cash flows including interest.

Oct 31, 2025	FY26	FY27	FY28	FY29	FY30	FY31>
Financial liabilities						
Convertible notes	-733	-8,024	–	–	–	–
Aircraft financing liabilities	-465	-705	-663	-1,579	-332	-1,014
Other loans	–	-135	–	–	–	–
Short-term loans	-273	–	–	–	–	–
Lease liabilities	-3,144	-3,094	-2,989	-2,574	-2,044	-5,914
Accounts payable and other liabilities	-2,067	–	–	–	–	–
Derivatives (financial assets)						
Currency derivatives	80	–	–	–	–	–
Interest-rate derivatives	–	–	–	–	–	–
Derivatives (financial liabilities)						
Currency derivatives	-38	–	–	–	–	–
Interest-rate derivatives	–	–	–	–	–	–
Total	**-6,640**	**-11,958**	**-3,652**	**-4,153**	**-2,376**	**-6,928**

Oct 31, 2024	FY25	FY26	FY27	FY28	FY29	FY30>
Financial liabilities						
Convertible notes	-807	-836	-803	-809	-810	-10,188
Aircraft financing liabilities	-531	-523	-797	-757	-1,746	-1,553
Other loans	-1	-283	-142	–	–	–
Short-term loans	-475	–	–	–	–	–
Lease liabilities	-3,175	-3,076	-3,019	-2,915	-2,511	-7,715
Accounts payable and other liabilities	-1,778	–	–	–	–	–
Derivatives (financial assets)						
Currency derivatives	98	–	–	–	–	–
Interest-rate derivatives	–	–	–	–	–	–
Derivatives (financial liabilities)						
Currency derivatives	-31	–	–	–	–	–
Interest-rate derivatives	–	–	–	–	–	–
Total	**-6,700**	**-4,718**	**-4,761**	**-4,481**	**-5,067**	**-19,456**

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CONTRACTED CREDIT FACILITIES
If needed, the Group arranges various credit facilities in order to provide additional funding. The Group's credit facilities as of October 31, 2025 amounted to 0 (0).

MEASUREMENT AT FAIR VALUE
Under IFRS 7, disclosures pertaining to financial instruments measured at fair value in the balance sheet are to be provided if the method for establishing fair value utilizes a fair value hierarchy consisting of three levels. The levels reflect the extent to which fair value is based on observable market data or own assumptions. Below is a description of the different levels for determining fair value.

Level 1
Financial instruments for which fair value is based on observable (unadjusted) quoted prices in active markets for identical assets and liabilities. A market is considered active if quoted prices from an exchange, bank, pricing service (such as Thomson Reuters) or supervisory body are readily and regularly available and those prices represent actual and regularly occurring arm's length market transactions.

This category includes mainly standardized derivatives where the quoted price is used in the valuation.

Level 2
Financial instruments for which fair value is based on models that utilize observable data for the asset or liability other than the quoted prices included within level 1, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Examples of observable data in level 2 is data that can serve as a basis for assessing prices, such as market interest rates and yield curves. This category includes mainly certificates and non-standard derivative instruments (interest-rate, currency and fuel swaps as well as currency and fuel options) not traded in an active market and the fair value is determined using valuation techniques based essentially on observable market data.

Level 3
Financial instruments for which fair value is based on valuation models, whereby significant input is based on unobservable data.

The SAS Group currently has no financial assets and liabilities where the valuation is essentially based on unobservable data.

DETERMINATION OF FAIR VALUE — VALUATION TECHNIQUES
Other holdings of securities
The balance-sheet item "Other participations" MSEK 2 (2) comprises shareholdings that are not affiliated companies or subsidiaries.

The entire balance-sheet item is measured at cost because its fair value cannot be reliably measured as a justifiable expense. For this reason, the balance-sheet item "Other holdings of securities" is not included in the adjacent table "Financial assets and liabilities measured at fair value."

Interest-rate derivatives
Interest-rate swaps: The fair value of interest-rate swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of yield curves based in turn on market rates prevailing at the closing date.

Futures: Standardized futures contracts with daily settlement. Fair value is thus determined by daily "mark-to-market" valuation.

Forward Rate Agreement, (FRA): The fair value of OTC FRAs is determined by discounting estimated future cash flows. Discounting takes place on the basis of yield curves based in turn on market rates prevailing at the closing date. Standardized FRAs with cash settlement are measured at fair value using quoted bid and ask rates at year end for an FRA with a corresponding term to maturity.

Currency derivatives
Currency swaps: The fair value of currency swaps is determined by discounting estimated future cash flows in each currency and interest rate. Discounting is based on yield curves on the closing date. Translation of the currency component is based on exchange rates prevailing at the closing date.

Currency options: The fair value of options is determined by application of the Black and Scholes valuation model, a recognized and accepted valuation model in financial markets. The model is based primarily on observable data such as spot price, exercise price, term to maturity, interest rate, volatility, etc.

Fuel derivatives
Fuel options: The fair value of fuel options is determined by application of the Black and Scholes valuation model. The model is based primarily on observable data such as the fuel swap curve, exercise price, term to maturity, interest rate, volatility, etc.

Fuel swaps: The fair value of fuel swaps is determined according to the fuel swap curve at the closing date.

Short-term investments
Short-term investments classified as held for trading comprise treasury bills, mortgage bonds and commercial paper with a maximum remaining term to maturity of three months. Fair value is determined by discounting on the basis of yield curves on the closing date.

Cash and bank balances
Cash and bank balances comprise cash on hand and demand deposits at banks and corresponding financial institutions. Carrying amounts correspond to fair value.

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CATEGORIZATION OF FINANCIAL ASSETS AND LIABILITIES

	Derivatives at FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost	Derivatives at fair value, hedge-accounted	Total carrying amount	Total fair value[1]
Oct 31, 2025						
ASSETS						
Other long-term receivables	–	1,108	–	–	1,108	1,108
Accounts receivable	–	1,113	–	–	1,113	1,113
Other receivables	–	1,556	–	–	1,556	1,556
Fuel derivatives	–	–	–	–	0	0
Currency derivatives	26	–	–	54	80	80
Accrued income	–	688	–	–	688	688
Cash and cash equivalents	–	13,168	–	–	13,168	13,168
Total	**26**	**17,633**	**0**	**54**	**17,713**	**17,713**
LIABILITIES						
Convertible notes	–	–	7,341	–	7,341	8,222
Bonds[2]	–	–	–	–	0	0
Other loans	–	–	3,990	–	3,990	4,025
Other non-current liabilities	–	–	133	–	133	133
Current portion of long-term loans	–	–	335	–	335	335
Short-term loans	–	–	601	–	601	601
Fuel derivatives	–	–	–	–	0	0
Currency derivatives	27	–	–	11	38	38
Interest-rate derivatives	–	–	–	–	0	0
Accounts payable	–	–	2,067	–	2,067	2,067
Other liabilities	–	–	618	–	618	618
Accrued expenses	–	–	3,198	–	3,198	3,198
Total	**27**	**0**	**18,283**	**11**	**18,321**	**19,237**

1) The fair values of subordinated loans have been set entirely by the use of official price quotes.
The fair values of other financial assets and liabilities have been set in part by the use of official price quotes, such as discounting of future cash flows at quoted interest rates.
The fair value of derivatives has been established pursuant to Level 2.
2) The remaining debt is included in the current portion of long-term loans.

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CATEGORIZATION OF FINANCIAL ASSETS AND LIABILITIES CONT.

	Derivatives at FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost	Derivatives at fair value, hedge-accounted	Total carrying amount	Total fair value[1]
Oct 31, 2024						
ASSETS						
Other long-term receivables	–	1,019	–	–	1,019	1,019
Accounts receivable	–	1,048	–	–	1,048	1,048
Other receivables	–	2,618	–	–	2,618	2,618
Fuel derivatives	–	–	–	–	0	0
Currency derivatives	31	–	–	67	98	98
Accrued income	–	629	–	–	629	629
Cash and cash equivalents	–	11,546	–	–	11,546	11,546
Total	**31**	**16,860**	**0**	**67**	**16,958**	**16,958**
LIABILITIES						
Convertible notes	–	–	7,755	–	7,755	10,704
Bonds[2]	–	–	–	–	0	0
Other loans	–	–	4,523	–	4,523	4,534
Other non-current liabilities	–	–	388	–	388	388
Current portion of long-term loans	–	–	362	–	362	331
Short-term loans	–	–	773	–	773	773
Fuel derivatives	–	–	–	–	0	0
Currency derivatives	27	–	–	4	31	31
Interest-rate derivatives	–	–	–	–	0	0
Accounts payable	–	–	1,778	–	1,778	1,778
Other liabilities	–	–	567	–	567	567
Accrued expenses	–	–	2,895	–	2,895	2,895
Total	**27**	**0**	**19,041**	**4**	**19,072**	**22,001**

1) The fair values of subordinated loans have been set entirely by the use of official price quotes.
The fair values of other financial assets and liabilities have been set in part by the use of official price quotes, such as discounting of future cash flows at quoted interest rates.
The fair value of derivatives has been established pursuant to Level 2.
2) The remaining debt is included in the current portion of long-term loans.

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NOTE 26 PROVISIONS

	Restructuring		Undertakings pertaining to aircraft under operating leases		Other provisions		Total	
	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024
Opening provisions	49	50	5,396	3,699	2	2	5,446	3,751
Reclassifications	–	–		–	–	–	–	–
New provisions	150	27	1,850	1,983	–	–	2,000	2,010
Utilized provisions	-39	-26	-546	-89	–	–	-585	-115
Dissolved provisions	–	-1	-82	-11	-2	–	-82	-12
Currency effects	0	-1	-645	-187	–	–	-645	-188
Closing provisions	**160**	**49**	**5,974**	**5,396**	**–**	**2**	**6,134**	**5,446**

Breakdown in balance sheet:	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024
Non-current liabilities	48	7	5,444	4,946	–	1	5,492	4,954
Current liabilities	112	42	530	450	–	–	642	492
	160	**49**	**5,974**	**5,396**	**–**	**1**	**6,134**	**5,446**

RESTRUCTURING
The restructuring provisions are attributable to the cost cutting and efficiency measures initiated in the last few years. These measures entail radical changes and simplification of operations, and will generate a reduction in unit cost.

In addition to restructuring provisions for personnel, the reserve also comprises provisions for property costs.

The long-term portion of the restructuring reserve will be fully utilized within three years.

The provision for restructuring costs includes no reversed unutilized amounts.

UNDERTAKINGS PERTAINING TO AIRCRAFT UNDER OPERATING LEASES
SAS makes ongoing provisions for undertakings related to aircraft leasing. The undertakings primarily pertain to engines, but also include landing gear, air frames and APUs. The long-term portion pertains primarily to a large number of undertakings with an average duration of around four years. The longest undertaking extends for just less than twelve years.

NOTE 27 CURRENT INTEREST-BEARING LIABILITIES

	Oct 31, 2025	Oct 31, 2024
Current portion of non-current liabilities	335	363
Accrued interest	329	305
Derivatives	38	31
Other short-term loans	272	467
Total	**974**	**1,166**

NOTE 28 ACCRUED EXPENSES AND PREPAID INCOME

	Oct 31, 2025	Oct 31, 2024
Vacation pay liability	790	753
Other accrued personnel expenses	536	393
Jet-fuel costs	1,540	1,041
Air traffic charges	295	278
Technical aircraft maintenance	197	8
Handling costs	177	182
Computer and telecommunication costs	120	96
Other accrued expenses	869	1,290
Total	**4,524**	**4,041**

NOTE 29 PLEDGED ASSETS

	Oct 31, 2025	Oct 31, 2024
Related to liabilities:		
Aircraft, carrying amount	–	–
Prepayments, carrying amount	–	–
Related to deposits:		
Deposits and blocked bank funds	1,226	2,756
Total	**1,226**	**2,756**

As of October 31, 2025, the liability outstanding related to aircraft mortgages was MSEK 0 (0) and the liability outstanding for financing aircraft prepayments was MSEK 0 (0). In addition to the above, the carrying amount for aircraft-related assets subject to title reservation agreements totaled MSEK 3,979 (4,732) with liabilities outstanding of MSEK 3,990 (4,877).

In addition to the above, during the year 2024 SAS issued convertible notes of MUSD 725 to the four largest owners: Air France/KLM, Castlelake, the Danish State and Lind Invest.

The convertible notes are secured in the form of collateral in take-off and landing slots at London Heathrow Airport; shares in SAS EuroBonus AB (which owns all rights to the EuroBonus loyalty program); material registered intellectual property in SAS Consortium and SAS EuroBonus AB as well as all unencumbered aircraft and engines (now existing or hereafter acquired). The carrying amount for the aircraft and engines pledged as collateral under the convertible notes totals MSEK 2,024 (2,245).

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NOTE 30 CONTINGENT LIABILITIES

	Oct 31, 2025	Oct 31, 2024
Guarantees related to:		
Other	43	34
Total	**43**	**34**

The Group is involved in various claims and legal proceedings arising in the ordinary course of business. These claims relate to, but are not limited to, the Group's business practices, employment matters, and tax matters. Provisions have been recognized for such matters in accordance with probable and quantifiable loss risks. On the basis of information currently available, those issues not requiring any provisions will not have any material adverse effect on the Group's earnings, nor will they be recognized as contingent liabilities. However, litigation is inherently unpredictable and, even though the provisions were assessed as adequate and/or that the Group has valid defenses in these matters, unfavorable results could occur. This could have a material adverse effect on the Group's earnings in future accounting periods.

NOTE 31 LEASE COMMITMENTS

October 31, 2025
In addition to the leasing commitments included in the recognized lease liabilities, the SAS Group has entered into the following contracts, with specification of the total annual rent for:

	FY26	FY27	FY28	FY29	FY30	FY31<	Total
Aircraft	9	14	14	14	14	0	**64**
Total	**9**	**14**	**14**	**14**	**14**	**0**	**64**

Rental contracts with an annual rental cost in excess of MSEK 0.5 and which are not encompassed by lease liabilities have been included in the above table. The contracts pertain to contracted aircraft leases starting after October 31, 2025. For information on the Group's lease liabilities, see Note 23.

October 31, 2024
In addition to the leasing commitments included in the recognized lease liabilities, the SAS Group has entered into the following contracts, with specification of the total annual rent for:

	FY25	FY26	FY27	FY28	FY29	FY30<	Total
Aircraft	85	186	186	186	187	1,082	**1,912**
Total	**85**	**186**	**186**	**186**	**187**	**1,082**	**1,912**

Rental contracts with an annual rental cost in excess of MSEK 0.5 and which are not encompassed by lease liabilities have been included in the above table. The contracts pertain to contracted aircraft leases starting after October 31, 2024.

NOTE 32 ADJUSTMENT FOR OTHER NON-CASH ITEMS, ETC.

	FY25	FY24
Income from shares in affiliated companies	-34	-20
Dividends from affiliated companies	35	21
Capitalized interest on aircraft prepayments	-72	-94
Revaluation of lease liabilities IFRS 16	-2,254	-743
Earnings impact from measuring financial instruments	1,797	28
Revaluations of pension commitments	-192	-333
Accrued interest, DIP financing fees	–	1,469
Write down of interest-bearing loans in conjunction with the completion of the Chapter 11 process/company reorganization in Sweden.	–	-5,915
Interest cost convertible	1,459	182
Restructuring cost	150	0
Other	94	6
Total	**983**	**-5,399**

NOTE 33 ACQUISITION AND DIVESTMENT OF SUBSIDIARIES AND AFFILIATED COMPANIES

	FY25	FY24
Non-current assets	0	–
Deferred tax assets	–	–
Current assets	0	–
Cash and cash equivalents	–	–
Current liabilities	0	–
Total	**0**	**–**
Purchase price (Total)	**0**	**–**
Cash and cash equivalents in divested companies	–	–
Impact on the Group's cash and cash equivalents	**0**	**–**

On November 1, 2024, SAS acquired 100% of the Irish company Aviation Crew Services Ltd for MSEK 0. The company's assets and liabilities amount to MSEK 0. The company changed its name to SAS Crew Services Limited in November 2024.

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NOTE 34 LIABILITIES IN FINANCING ACTIVITIES

	Interest-bearing liabilities, non-current		Interest-bearing lease liabilities, non-current		Interest-bearing liabilities, current		Interest-bearing lease liabilities, current		Total	
	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024	Oct 31, 2025	Oct 31, 2024
Opening balance	12,307	11,091	19,236	17,033	1,166	9,974	3,175	4,394	35,884	42,491
Proceeds from borrowings	–	8,857	2,891	7,471	–	5,560	–	–	2,891	21,888
Reclassification debt[1]	–	-6,145	-120	-1,709	–	-3,605	31	-883	-89	-12,342
Repayment of borrowings	-3	–	–	–	-776	-10,764	-3,200	-3,148	-3,979	-13,912
Exchange-rate differences	-1,316	-160	-1,935	-621	-92	-587	-320	-126	3,663	-1,494
Accrued interest/fees	676	-306	–	–	26	-554	–	–	702	-860
Derivatives	–	–	–	–	7	4	–	–	7	4
Reclassification to short-term	-643	-1,030	-3,457	-2,939	643	1,138	3,457	2,939	0	108
Debt outstanding	**11,021**	**12,307**	**16,615**	**19,236**	**974**	**1,166**	**3,144**	**3,175**	**31,754**	**35,884**

1) Of which, SEK 0 billion (9.8) pertained to loan impairment, SEK 0 (2.4) billion to modification of lease liabilities in conjunction with the completion of Chapter 11.

NOTE 35 AUDITORS' FEES

The following remuneration was paid to auditing firms for auditing services.

	FY25	FY24
Auditing services		
KPMG	9	9
Other statutory assignments		
KPMG	0	0
Tax consultancy services		
KPMG	–	–
Other		
KPMG	1	1
Total	**10**	**10**

KPMG Sweden: Fees totaled MSEK 5 (5) for auditing services, MSEK 0 (0) for other statutory assignments, MSEK 0 (0) for tax and MSEK 1 (1) for other.

NOTE 36 TRANSACTIONS WITH AFFILIATED COMPANIES

Revenue from sales to affiliated companies amounted to MSEK 0 (0). Cost of purchases from affiliated companies was MSEK 151 (71).

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NOTE 37 SUBSIDIARIES IN THE SAS GROUP

	Domicile	Corp. Reg. No.	Total owned shares	Holding	Oct 31, 2025 Carrying amount	Oct 31, 2024 Carrying amount
Owned by SAS AB:						
SAS Sverige AB	Sigtuna	556042-5414	70,500,000	100	42	42
SAS Norge AS	Bærum	811176702	47,000,000	100	2,756	2,756
SAS Danmark A/S	Copenhagen	56994912	47,000,000	100	3,127	3,127
SAS Crew Services AB	Stockholm	556063-8255	610,000	100	595	595
Linjeflyg AB	Sigtuna	556062-8454	2,000,000	100	237	237
SAS Cargo Group A/S	Tårnby	25736443	200,500	100	0	0
SAS Ground Handling Denmark A/S	Tårnby	32339026	55,000	100	45	45
SAS Ground Handling Norway AS	Oslo	912056228	5,000	100	0	0
SAS Ground Handling Sweden AB	Stockholm	556934-7924	445,000	100	35	35
SAS EuroBonus AB	Stockholm	559224-9782	50,000	100	200	200
Scandinavian Airlines Ireland Ltd	Dublin	601918	2,000,000	100	80	80
SAS Link AB	Stockholm	559150-1910	50,000	100	55	55
Gorm Asset Management Ltd	Dublin	592913	1	100	0	0
SAS Oil Sweden AB	Stockholm	556269-6459	2,000	100	8	8
Other					2	1
					7,182	**7,181**
Owned by SAS Consortium:		*902001-7720*				
SAS Ejendom Denmark ApS	Tårnby	25711734	573,001	100	104	104
Other					0	1
					104	**105**
Owned by SAS Crew Services AB:						
SAS Link Crew Services A/S	Copenhagen	24202941	500	100	1	1
SAS Connect Crew Services A/S	Copenhagen	40995269	400	100	0	0
SAS Crew Services Denmark A/S	Copenhagen	43211781	400,000	100	1	1
Other					0	0
					2	**2**
Owned by SAS Cargo Group A/S:						
SAS Cargo Sverige AB	Stockholm	556891-0490	50,000	100	2	2
					2	**2**
Owned by Gorm Asset Management Ltd:						
Gorm Dark Blue Ltd	Dublin	593238	1	100	0	0
Gorm Deep Blue Ltd	Dublin	593239	1	100	0	0
Gorm Sky Blue Ltd	Dublin	593240	1	100	0	0
Gorm Light Blue Ltd	Dublin	617208	1	100	0	0
Gorm Warm Red Ltd	Dublin	627405	1	100	0	0
Gorm Ocean Blue Ltd	Dublin	627406	1	100	0	0
Gorm Engine Management Ltd	Dublin	656777	1	100	0	0

NOTE 38 EFFECTS FROM SAS' COMPLETION OF THE CHAPTER 11 PROCESS/COMPANY REORGANIZATION IN SWEDEN

SAS completed its Chapter 11 process/company reorganization in Sweden in fiscal year 2024. In conjunction with the completion, the SAS common shares were canceled and new subordinated shares issued, and SAS raised new capital of SEK 5.7 billion. Recovery to creditors as part of the Chapter 11 process/company reorganization in Sweden were disbursed and interest-bearing liabilities decreased SEK 16.5 billion (including amortization of DIP loan). Hybrid bond of SEK 7.6 billion in equity were canceled. In addition to the above, liabilities totaling SEK 5.4 billion were rejected during the period SAS was in Chapter 11 (July 2022 to Aug 2024).

	FY25	FY24
Recovery to creditors in the reorganization, incl. effect of impaired operational liabilities	–	-2,060
Recognized loss on disposal of aircraft	–	-83
Gain on right-of-use assets	–	270
Gain on impairment of interest-bearing loans	–	6,074
Impact on statement of income	–	**4,201**
Impact on balance sheet		
Recognized sale of aircraft	–	-2,982
Net change in right-of-use assets	–	220
Financial non-current assets	–	-264
Cash balances net after new capital, recovery to creditors and amortization of DIP loan	–	2,930
Impact on assets	**–**	**-96**
New equity, incl. above earnings impact and recovery to hybrid holders	–	9,483
Change in lease liabilities	–	-461
Interest-bearing loans, incl. amortization of DIP loans	–	-16,583
Convertible notes	–	7,795
Other operating liabilities	–	-330
Total debt impact	–	**-96**

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NOTE 39 RELATED-PARTY TRANSACTIONS

FY2025
During the year SAS initiated a new long term incentive program where members of SAS Executive Leadership Team were offered to invest in SAS AB. 21,196,346 new shares were issued corresponding to an amount of MSEK 25 in new equity for SAS which, at the point of investment, equaled fair value for SAS shares.

During the year, and in accordance with an investment agreement, SAS AB has also paid invoices on behalf of its principal owners for costs related to their advisors. SAS AB has also made payments under the Convertible Note Indenture to its principal owners who are all Noteholders under the Convertible Note Indenture. The cost of MSEK 9 is booked in SAS administration costs.

During the year SAS has leased one engine from one of the principals owners. The condition in the contract was made on market terms and conditions.

FY2024
During august 2024, SAS completed its Chapter 11 process in the US and its company reorganization in Sweden. In conjunction with the completion of the restructuring proceedings, all of SAS AB's common shares were redeemed and cancelled. In connection to this, new share issue was made and the new principal owners of the reorganized company are Castlelake, Air France-KLM, Lind Invest and the Danish State. SAS AB issued convertible notes to the new principal owners of USD 725 million. During the course of the restructuring proceedings, SAS has, in accordance with the current agreements, paid various fees and expenses to consultants and other counterparties in Chapter 11, including to the Danish state.

FY2024 and FY2025
With the exception of the above and except those between Group companies and in ordinary course of business with Air France-KLM, where transactions are conducted subject to market terms and conditions, no significant related-party transactions took place in fiscal year 2025 or in fiscal year 2024. Additional information regarding the remuneration of senior executives is available in Note 3.

NOTE 40 SIGNIFICANT EVENTS AFTER THE CLOSING DATE

There are no significant events after the end of the reporting period to report.

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STATEMENT OF INCOME

MSEK	Note	FY25	FY24
Revenue		46	1,478
Personnel expenses	1	-42	-28
Other operating expenses		4	-3,483
Operating income (EBIT)		**8**	**-2,033**
Impairment of shares in subsidiaries		–	–
Interest income and similar income items		2,306	2,105
Interest expenses and similar expense items		-2,301	-324
Income before tax (EBT)		**13**	**-252**
Tax	2	–	–
Net income for the year		**13**	**-252**

The Parent Company recognized no items in other comprehensive income for fiscal year 2025 and fiscal year 2024, respectively. Accordingly, net income for the year for the Parent Company corresponds to comprehensive income.

BALANCE SHEET

ASSETS, MSEK	Note	Oct 31, 2025	Oct 31, 2024
Non-current assets			
Financial non-current assets			
Participations in subsidiaries	3	7,182	7,181
Other holdings of securities	4	2	2
Deferred tax assets	2	719	719
Receivables from Group companies		23,831	23,361
Other long-term receivables		19	16
Total non-current assets		**31,753**	**31,279**
Current assets			
Current receivables			
Receivables from Group companies		185	1,252
Other receivables		4	3
Prepaid expenses and accrued income		1	16
		190	**1,271**
Cash and bank balances		0	1
Total current assets		**190**	**1,272**
TOTAL ASSETS		**31,943**	**32,551**

SHAREHOLDERS' EQUITY AND LIABILITIES, MSEK	Note	Oct 31, 2025	Oct 31, 2024
Shareholders' equity			
Restricted equity			
Share capital		48	10,291
Statutory reserve		447	447
Unrestricted equity			
Share premium reserve		2,754	2,729
Retained earnings		20,892	10,901
Net income for the year		13	-252
Total shareholders' equity		**24,154**	**24,116**
Non-current liabilities			
Non-current liabilities		7,246	7,413
Total non-current liabilities		**7,246**	**7,413**
Current liabilities			
Liabilities to Group companies		308	579
Accounts payable		8	6
Other liabilities		199	164
Accrued expenses and prepaid income		28	273
Total current liabilities		**543**	**1,022**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**31,943**	**32,551**

Information regarding the Parent Company's contingent liabilities is available in Note 6.

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CHANGES IN SHAREHOLDERS' EQUITY

	Restricted equity		Unrestricted equity			
MSEK	**Share capital**	**Statutory reserve**	**Share premium reserve**	**Hybrid bonds**	**Retained earnings**	**Total shareholders' equity**
Opening shareholders' equity inaccordance with approved balance sheet, October 31, 2023	**8,650**	**447**	**2,729**	**7,615**	**-355**	**19,086**
Hybrid bond cancellation in Chapter 11/company reorganization in Sweden				-7,615	7,615	–
Recovery to hybrid holders in Chapter 11/company reorganization in Sweden					-509	-509
Cancellation of shares in Chapter 11/company reorganization in Sweden	-8,650				8,650	–
New share issue	5,791					5,791
Bonus issue	4,500				-4,500	–
Net income for the year					-252	-252
Closing balance, October 31, 2024	**10,291**	**447**	**2,729**	**–**	**10,649**	**24,116**
Reduction of share capital	-10,243				10,243	–
New share issue	0		25			25
Net income for the year					13	13
Closing balance, October 31, 2025	**48**	**447**	**2,754**		**20,905**	**24,154**

CASH-FLOW STATEMENT

MSEK	**FY25**	**FY24**
OPERATING ACTIVITIES		
Income before appropriations and tax	13	-252
Other non-cash items, etc.	0	-884
Cash flow from operations before change in working capital	**13**	**-1,136**
Change in:		
Operating receivables	-148	-32
Operating liabilities	-550	236
Cash flow from change in working capital	**-698**	**204**
Cash flow from operating activities	**-685**	**-932**
INVESTING ACTIVITIES		
Investment in subsidiaries	-1	-8
Cash flow from investing activities	**-1**	**-8**
FINANCING ACTIVITIES		
New issue	24	5,001
Recovery to creditors	–	-802
Lending and repayment to subsidiaries	789	-11,054
Proceeds from borrowings	–	7,795
Other change in interest-bearing liabilities	-128	-16
Cash flow from financing activities	**685**	**924**
Cash flow for the year	**-1**	**0**
Cash and cash equivalents at beginning of the year	1	1
Cash and cash equivalents at year end	**0**	**1**

Disclosure of interest paid:
During the year, interest received amounted to MSEK 1,232 (793).
During the year, interest paid amounted to MSEK 765 (356).

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NOTE 1 NO. OF EMPLOYEES, SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES

The average number of employees amounted to 1 (1), all of whom were employed in Sweden.

	FY25		FY24	
	Men	Women	Men	Women
Sweden	1	0	1	0
Total men and women	**1**		**1**	

For salaries, remuneration and social security expenses as well as remuneration and benefits paid to Board members, the President and other senior executives of SAS AB, see SAS Group Note 3.

NOTE 2 TAX

	FY25	FY24
Current tax	–	–
Deferred tax	–	–
Total tax in statement of income	–	–
Reconciliation of deferred tax, net		
Opening balance	719	719
Tax effect on items in equity	–	–
Change according to statement of income	–	–
Deferred tax, net, on October 31	**719**	**719**

NOTE 3 PARTICIPATIONS IN SUBSIDIARIES

	FY25	FY24
Opening balance	7,181	7,173
Contributions	1	8
Closing balance	**7,182**	**7,181**

See also SAS Group Note 37 – Subsidiaries in the SAS Group.

NOTE 4 OTHER HOLDINGS OF SECURITIES

	Oct 31, 2025	Oct 31, 2024
Incorporate Cell Company	2	2
Total	**2**	**2**

NOTE 5 PLEDGED ASSETS

During the year 2024 SAS AB issued convertible notes of MUSD 725 to the four largest owners: Air France/KLM, Castlelake, the Danish State and Lind Invest.

The convertible notes are secured in the form of collateral in take-off and landing slots at London Heathrow Airport; shares in SAS EuroBonus AB (which owns all rights to the EuroBonus loyalty program); material registered intellectual property in SAS Consortium and SAS EuroBonus AB as well as all unencumbered aircraft and engines (now existing or hereafter acquired). The carrying amount in SAS AB for the shares pledged as collateral for the convertible notes totals MSEK 200.

NOTE 6 CONTINGENT LIABILITIES

SAS AB has provided an irrevocable undertaking to assume liability, as for its own debt, for the SAS Consortium's contractual interest-bearing obligations, leasing commitments and other financial obligations with some reservations in terms of subordinations and with the proviso that the obligations were entered into from the date the irrevocable undertaking entered force until it terminated on September 30, 2020.

Furthermore, SAS AB provides downstream guarantees for subsidiaries on a case-by-case basis. These guarantees may cover, wholly or in part, a subsidiary's general obligations or be for a fixed sum or a specific purpose. The downstream guarantees mainly include undertakings pursuant to purchase contracts, aircraft financing, and leasing of aircraft and other equipment.
Moreover, SAS AB has also issued time-limited capital adequacy guarantees for certain subsidiaries.

NOTE 7 AUDITORS' FEES

	FY25	FY24
Auditing services		
KPMG	9	9
Other statutory assignments		
KPMG	0	0
Tax consultancy services		
KPMG	–	–
Other		
KPMG	1	1
Total	**10**	**10**

Auditors' fees are invoiced to the Parent Company which, in turn, invoices the Group subsidiaries for their respective costs.

KPMG Sweden: Fees totaled MSEK 5 (5) for auditing services, MSEK 0 (0) for other statutory assignments, MSEK 0 (0) for tax and MSEK 1 (1) for other.

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The Board of Directors and the President hereby give their assurance that this Annual Report has been prepared pursuant to the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities, and provides a true and fair view of the company's financial position and earnings and that the Report by the Board of Directors provides a true and fair overview of the company's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the company is exposed.

The Board of Directors and President hereby give their assurance that the consolidated financial statements have been prepared pursuant to the International Financial Reporting Standards (IFRS) as adopted by the EU, and provide a true and fair view of the Group's financial position and earnings, and that the Report by the Board of Directors for the Group provides a true and fair overview of the performance of the Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the companies in the Group are exposed.

Stockholm, January 22, 2026

Kåre Schultz
Board Chairman

Joe McConnell
Board member

Jude Bricker
Board member

Henriette Fenger Ellekrog
Board member

Peter Stensgaard Mørch
Board member

Steven Zaat
Board member

Anders Boyer-Søgaard
Board member

William Nielsen
Board member

Karl Lennart Selggren
Board member

Pål Gisle Andersen
Board member

Anko van der Werff
President and CEO

Our auditors' report was submitted on January 22, 2026

KPMG AB

Tomas Gerhardsson
Authorized Public Accountant

As stated above, the annual accounts and the consolidated accounts were approved for issuance by the Board of Directors on , 2026.
The consolidated statement of income and balance sheet and the Parent Company's statement of income and balance sheet will be subject to adoption by the Annual General Shareholders' Meeting on 2026.

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To the general meeting of the shareholders of SAS AB, corp. id 556606-8499

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of SAS AB for the financial year 2024-11-01–2025-10-31. The annual accounts and consolidated accounts of the company are included on pages 4-52 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of October 31, 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of October 31, 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-3 and 56-83. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer
The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Chief Executive Officer are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting.

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The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.

- Conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of SAS AB for the financial year 2024-11-01–2025-10-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

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Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Chief Executive Officer
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Chief Executive Officer in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, January 22, 2026

KPMG AB

Tomas Gerhardsson
Authorized Public Accountant

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Sustainability

SAS' primary strategic focus is to attain a sustainable and profitable business. To facilitate the shift toward more sustainable air travel, we aim to be a driving force in sustainable aviation.

For over three decades, SAS has diligently worked to reduce the environmental footprint of its operations. Since 1996, we have showcased our progress through transparent and externally validated reports. During the year we have increased our utilization of Sustainable Aviation Fuel (SAF), primarily through the European mandate and with the support of our customers who are dedicated to purchasing SAF to reduce the climate impact of their flights.

Our dedicated work towards decarbonization continued during FY 2025 with the delivery of 5 new aircraft, boasting 15-30% lower fuel consumption each. At the end of the year, our fleet included a total of 78 A320neo aircraft. SAS is a significant operator of modern and fuel-efficient aircraft in Europe, continuously advancing the use of next-generation aviation technology. There are four additional A320neo on order to be delivered.

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

Environmental responsibility
SAS acknowledges its responsibility in minimizing its environmental footprint and is focused on reducing the impact on the climate and the environment from its operations. Our primary areas of environmental concern include aircraft fuel efficiency, resource utilization, and waste reduction. Our aim is to decrease our carbon emissions and optimize resource use.

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

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

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and global trade. By employing people across the world in different parts of SAS operations, SAS contributes to job creation, tax inflow, and growth.

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

SAS sustainability strategy
In 2025 SAS adopted a new sustainability strategy with the aim of being "A driving force in sustainable aviation".

The new strategy includes five key objectives:
1. Leadership through partnership
2. Operational sustainability excellence
3. Short-term SAF investment
4. Sustainable travel made rewarding
5. Proactive, editorial positioning

Governance and transparency are cross-cutting themes. The new strategy aims to integrate sustainability into SAS's enterprise planning, capital allocation, and performance, supporting long-term profitability. With responsibilities and planning shared between stakeholders within different parts of SAS operations, progress towards SAS sustainability objectives will be a joint effort.

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

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

Stakeholder engagement

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

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

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

SAS Stakeholders

Customers; Corporate customers, Passengers, Cargo Customers, Distributors.

Employees; Current & future employees, Apprentices, Interims & Consultants, Work councils, Unions.

Investors.

Authorities & Influencers; UN Policy makers, National & International policy makers, FAA/EASA, Airport owners & Air traffic control, Media, Opinion leaders.

Communities; Environmental NGOs, Local resident associations, Humanitarian & Development NGOs, Foundations, Schools & Universities.

Suppliers & Partners; Airline & Industry partners, Alliance partners, Business partners, Airports, Manufacturers.

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Materiality assessment

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

In 2025 SAS initiated a process to update the materiality assessment to a Double Materiality Assessment (DMA) in line with the EU Corporate Sustainability Reporting Directive. The DMA is expected to be finalized early 2026 and SAS will thereafter develop its reporting structure in accordance with the delegated act of European Sustainability Reporting Standards once SAS falls within the scope of the regulation. Until the new DMA is adopted, the previous materiality assessment is in use.

Identification of material aspects
In FY 2022, SAS conducted a materiality assessment with support from an independent third party to ensure confidentiality and objectivity. The process included interviews with 11 external stakeholders and 19 internal stakeholders, as well as an employee survey.

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

The most material issues to include in strategy, risk management and related business processes	Material issues to include in reporting	Material aspects to monitor in regards to development
Environment • Reduce climate impact • Fleet development • Sustainable aviation fuel • Efficient flight operation • Waste management	**Environment** • Pollution prevention • Climate change adaption • Noise pollution	**Environment** • Biodiversity • Water management
Social • Responsible employer • Employee health & safety • Diversity and equality • Labor relations • Accident and safety management	**Social** • Responsible supply chain • Human rights • Societal engagement	**Governance & Economic** • Loyalty program
Governance & Economic • Financial performance • Market competitiveness • Innovation & digitalization • Business ethics	**Governance & Economic** • Stakeholder dialogue	

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

Our most material issues

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

To reduce our climate impact, we:
- Continue fleet modernization
- Expanding the use of SAF
- Enhancing flight efficiency
- Minimizing onboard weight
- Work together with Air traffic control
- Find disruptive technologies that are or will be used to reduce CO_2 emissions in aviation.

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

Responsible employer
The well-being of SAS employees is a key priority and a fundamental aspect of our sustainability agenda. By encompassing physical and mental health, working conditions, hazard identification, monitoring, auditing, incident reporting processes,

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

and company health services the work spans all aspects of well-being. We are committed to fostering a safe and healthy working environment. We ensure this through promoting a positive business culture and strong leadership, offering training and human resource development programs, conducting performance and development reviews for our employees as well as employee engagement surveys.

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

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

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

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

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

UN Sustainable development goals

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

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

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

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

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

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

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

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

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

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

Environmental performance

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

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

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

Environmental goals and performance indicators

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

2025
- 25% lower total CO_2 emissions compared with 2005 (absolute emissions)

2030
- Sustainable aviation fuel equivalent to SAS' domestic production
- 50% noise reduction compared with 2010
- 100% sustainable materials in SAS' customer offering
- 100% recycling where possible

2050
- Net zero carbon emissions in line with IATA's updated ambition

We have achieved our 2025 target, yet we recognize that aviation continues to have a considerable climate impact. We remain committed to further reducing our emissions and contributing to the industry's broader transition.

Industry emissions goals
SAS supports the emission targets set by IATA and ICAO, working alongside industry peers to advance aviation sustainability. We share IATA's ambition of achieving net-zero carbon emissions by 2050 and have improved fuel efficiency by approximately 2% annually since 2010.

To meet these goals, SAS leverages a combination of new technologies, sustainable aviation fuels (SAF), alternative energy sources, enhanced air traffic management, and collaborative efforts to improve infrastructure and operational conditions. For details on our emissions reduction initiatives, see page 63.

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GREENHOUSE GAS EMISSIONS, SCOPE 1

	Unit	FY 2025	FY 2024	Base year 2010
Flight Operations				
CO_2 total	1,000 tonnes	3,345	3,171	3,522
as of domestic flights	1,000 tonnes	525	480	
as of flights to/from EU/EEA/GB	1,000 tonnes	1,535	1,425	
as of flights to/from outside EU/EEA	1,000 tonnes	1,285	1,266	
as of biogenic CO_2 emission[1)]	1,000 tonnes	57.7	36.2	-
CO_2 passenger share	1,000 tonnes	3,161	2,973	3,254
NOx	1,000 tonnes	12.3	11.8	14.3
SO_2	1,000 tonnes	1.05	1.0	
CO	1,000 tonnes	3.75	3.3	
HC[2)]	1,000 tonnes	0.16	0.12	-
Passenger kilometers	million	39,996	36,612	29,572
Tonne kilometer	million	4,387	4,064	3,480
Departures	1,000	245	224	279
CO_2/passenger kilometer	gram	79	81	110
CO_2/available tonne kilometer[6)]	gram	52	52	74
CO_2 /tonne kilometer	gram	763	780	1,012
CO_2e total[3)] Flight operations	1,000 tonnes	3,366	3,191	3,544
Ground Handling				
CO_2 Vehicle Petrol[4)]	tonnes	40	41	
CO_2 Vehicle Diesel[4)]	tonnes	1,299	1,956	
HVO	tonnes	57	71	
Maintenance Productions				
CO_2 Vehicle Petrol[4)]	tonnes	25	26	
CO_2 Vehicle Diesel[4)]	tonnes	48	56	
HVO	tonnes	1	3	
SAS Cargo Group				
CO_2 cargo share flown	1,000 tonnes	184	198	231
Cargo tonne kilometer flown	million	387	403	570
CO_2 /cargo tonne kilometer flown	gram	475	491	405
CO_2 /cargo tonne kilometer trucked	gram	80	85	
Total CO_2e [5)]	**1,000 tonnes**	**3,368**	**3,193**	
Aircraft Noise – takeoff	**85 db area in km² per dep**	1.48	1,55	2.40

1) Biogenic CO_2 from 18,267 tonnes SAF with emission factor 3,16
2) HC in kerosene including CH4
3) Emission factor 3.18 for CO_2e (DEFRA)
4) SAS only report on main bases ARN, CPH and OSL
5) Total CO_2e includes Flight operation, Ground handling and Maintenance production
6) KPI updated FY25

In addition, SAS complies with ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), introduced in 2021 to ensure carbon-neutral growth without distorting competition and in line with the UN principle of common but differentiated responsibility (CBDR). We are fully prepared to meet all reporting requirements under CORSIA.

Climate change mitigation

FY 2025, absolute CO_2 emissions from aircraft operations rose by 5.5% compared to the previous year. This increase was primarily driven by higher production, with tonne-kilometers up by 7.9% and passenger-kilometers up by 9.2%.

CO_2 emissions per passenger-kilometer decreased by 2.4%, reaching 79 grams (down from 81 grams). This improvement was driven by a higher load factor (up from 80.6% to 82.8%) and a 1.4% reduction in CO_2 per available tonne-kilometer. The enhanced fuel efficiency reflects thereby both increased passenger load factor and more efficient aircraft operations.

Throughout FY 2025, SAS utilized 18,267 tonnes of Sustainable Aviation Fuel (SAF), marking 59% increase compared to previous year (11,455 tonnes). This growth is driven by customer participation through the purchase of SAF products, as well as compliance with mandates. SAF stands for 1.73% of the total fuel consumption.

25% lower total CO_2 emissions compared with 2005

FY 2025 marks the target year for SAS emissions reduction objective, aiming to reduce carbon emissions by 25% compared to 2005.
SAS has achieved a 24.97% reduction in Scope 1 emissions, from an adjusted baseline of 4,458 tonnes of CO_2 in 2005 to 3,345 tonnes in 2025, while the production measured in tonne-kilometers has increased (+8%). Including the estimated lifecycle benefits of Sustainable Aviation Fuel (SAF), emissions for 2025 are approximately 3,299 tonnes CO_2, corresponding to an overall reduction of ~26%.

This achievement reflects efficiency improvements in our fleet, improved fuel efficiency and increased used of SAF, among other contributing factors. Having met our 2025 target, we remain committed to continue reduce our emissions.

What are our relative and absolute emissions?

Absolute emissions pertain to the total quantity of emissions, typically measured in tonnes of CO_2.

Relative emissions denote emissions per production unit, such as grams of CO_2 per tonne-kilometer, grams of CO_2 per

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passenger-kilometer, grams of CO_2 per cargo tonne-kilometer, or grams of CO_2 per available seat-kilometer.

Share of CO_2 emissions
In our analysis of total CO_2 emissions for FY 2025, we made the following observations: Flights under 500 km accounted for 11.5% of emissions, flights spanning 500 to 800 km for 10.8%, those between 800 and 3,000 km for 36.9%, and flights exceeding 3,000 km for 40.8%. Domestic flights contributed to 15.7% of emissions, while international flights were responsible for the remainder.

Non-CO_2 emissions
The European Union requires Monitoring, Reporting, and Verification (MRV) of non-CO_2 emissions for all commercial intra-EU flights starting January 1, 2025. SAS uses NEATS, a tool developed by the European Commission, to support this monitoring.

Our focus areas to reduce emissions
SAS's environmental programs centre around several emission-related areas:

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

Fleet renewal

Continuous fleet renewal has long been central to our strategy for reducing greenhouse gas emissions from aircraft operations while supporting long-term profitability. In FY2025, our fleet, whether owned, leased, or wet-leased, was operated by SAS Scandinavia, SAS Connect, SAS Link, and regional partners using regional jets and turboprop aircraft.

In the 140–200 seat category, we're moving towards operating a uniform fleet once all A320neo aircraft are delivered. According to performance data, the A320neo aircraft exhibits a substantial improvement in fuel efficiency and noise reduction. This boast's 15–18% lower fuel consumption on typical short-haul flights compared to the previous generation A320.

Throughout the year, we welcomed five A320neo, and five E195 aircraft, while phased out four older A320 aircraft. By year end, SAS operated with a total of 78 A320neo in the fleet.

At the end of FY2025, the SAS fleet comprised 140 aircraft (15 long-haul aircraft, 101 short-haul aircraft, and 24 aircraft operated by regional production partners) with an average fleet age of 8.9 years.

Fuel efficiency

Fuel efficiency program
SAS runs a comprehensive fuel-saving program across all operations, ensuring employees have the skills to promote efficiency. We continuously optimize procedures and systems to improve fuel use, always prioritizing flight safety and balancing efficiency with operational costs such as maintenance and airspace charges.

Right sizing
A flexible, adaptable fleet is key to reducing emissions. With regional partners and aircraft of varying sizes and ranges, SAS can match capacity to demand, optimize fuel use, and lower emissions per seat-kilometer while maintaining an extensive route network.

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

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

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CO_2 EMISSIONS FOR SCANDINAVIAN AIRLINES AIRCRAFT OPERATIONS FISCAL YEAR 2025

	1,000s tonnes CO_2	% of total aircraft operation CO_2
Denmark		
Domestic Flights	27	0.8%
Flights to EU/EES/GB	389	11.6%
Flights to outside EU/EES/GB	565	16.9%
Norway		
Domestic Flights	252	7.5%
Flights to EU/EES/GB	322	9.6%
Flights to outside EU/EES/GB	46	1.4%
Sweden		
Domestic Flights	166	5.0%
Flights to EU/EES/GB	262	7.8%
Flights to outside EU/EES/GB	65	1.9%
Finland		
Flights to outside EU/EES/GB	19	0.6%
EU/EEA/GB		
Departing EU/EEA/GB[1] for outside EU/EEA/GB[1]	2	0.0%
Departures within EU/EES/GB[1]	620	18.5%
Outside EU/EEA/GB		
Departures outside EU/EES/GB[1] to Scandinavia and Finland	604	18.1%
Total	**3,345**	**100%**

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

SAF - Alternative aviation fuel & emerging technologies

For over a decade, SAS has supported the development and commercialization of approved alternative aviation fuels such as Sustainable Aviation Fuel (SAF), a key alternative to fossil fuels. We request SAF quotes in all jet-fuel tenders and actively engage in national and international initiatives such as IATA/ATAG, SAFUG, NISA, and Fossil Free Aviation 2045 to accelerate SAF production in Scandinavia.

Our focus is on certified, practical pathways that avoid competition with food and water, minimize biodiversity impact, and use land efficiently. SAF can reduce lifecycle CO_2 emissions by up to 80%.

Mandates are driving adoption: Norway introduced a 0.5% SAF blending mandate since 2020, Sweden implemented a reduction mandate in 2021. Under EU's ReFuelEU Aviation Regulation applicable from 2025, all unition airports must include 2% Sustainable Aviation Fuel, increasing to 6% by 2030. SAS customers also contribute through the Corporate Sustainability Program, Biofuel Ancillary. The Ticket Type Biofuel was saleable until September 30 and thereafter discontinued due to technical limitations when implementing Business class on short haul.

To ensure that future supply of SAF are in line with aviation's climate targets, the development and deployment of synthetic SAF (e-SAF) is required. The commercialization of e-SAF is highly dependent on supportive political and regulatory frameworks, including access to affordable renewable electricity, dedicated investment incentives and long-term policy certainty. Without such enabling conditions, the scale-up of e-SAF risks being delayed, limiting aviation's ability to meet long-term climate targets.

The ALIGHT project
The ALIGHT project is a Horizon 2020 initiative funded by the European Union. The project brings together a consortium of 17 partners from 10 European countries, representing a diverse cross-section of the aviation ecosystem. Copenhagen Airport, SAS, and DLR, launched the campaign "FuelTrack" during 2025, a study to support optimization of jet fuel compositions, evaluation of sustainable aviation fuel blends, air quality improvements, and targeted emissions reduction strategies.

Future lower emission aircraft
Advances in aerodynamics, lighter materials, and new propulsion technologies are expected to enable commercial low-emission aircraft within 5–15 years. Current development includes next-generation jet turbines using jet fuel or SAF, hydrogen-powered turbines, and electric engines using batteries or hydrogen fuel cells. Smaller manufacturers aim to introduce 10–15 seat aircraft with 1–2 hour range before 2030, while major producers target 100–150 seat short-haul aircraft by around 2040.

Collaboration for lower emissions
SAS has signed a Memorandum of Understanding (MoU) together with Airbus, Swedavia, Vattenfall, and Avinor to jointly investigate the feasibility of infrastructure for hydrogen-fueled aircraft at airports in Norway and Sweden. The goal of the

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collaboration is to develop a framework for the rollout of hydrogen-powered flights in both countries.

Since 2019, SAS has partnered with Heart Aerospace to advance electric aircraft. In 2022, we signed a letter of support for the ES-30, a potential step toward zero-emission regional flights. SAS also contributes to Heart Aerospace's Industry Advisory Board.

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

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

Emissions of ozone-depleting substances
Airlines are required to submit reports annually on the use, consumption, leakage, and storage of halon to the authorities. In FY 2025, two instances of halon use were reported. Four cabin halon extinguishers were discharged on an aircraft and one forward cargo fire bottle was discharged during a maintenance procedure.

Glycol, diesel, and petrol consumption
De-icing prevents build-up or removes snow and ice on the wings and tail of an aircraft, ensuring the safety of flights. Our usage of glycol for aircraft de-icing was 1,406,935 liters in FY 2025, a reduction with 57% compared to last year, partly driven by reduced number of de-icings. Also to mitigate the environmental impact of de-icing glycol runoff SAS has implemented advanced circular glycol capture and treatment systems, which allow us to recover and recycle de-icing glycol and reducing the release of harmful substances into the environment.

SAS utilizes vehicles for maintenance and ground-related services at airports, adhering to regulations promoting the adoption of vehicles with lower environmental impact. At our main bases, all vehicles are leased, with contracts and fuel consumption continuously monitored. SAS Cargo also tracks CO_2 emissions per cargo tonne-kilometer from its subcontracted ground trucking operations. Any spillages during ground handling are managed in accordance with established procedures.

EU Emission Trading System Support for SAF
To support the transition from fossil fuels and incentivize the uptake of eligible aviation fuels, the EU Emissions Trading System includes a dedicated mechanism whereby up to 20 million emission allowances are reserved to help bridge part of the remaining price gap between conventional fossil jet fuel and approved alternative aviation fuels such as SAF for commercial operators during the period 2024–2030.

For the 2024 emission year, SAS reported its results in March 2025 and, in September 2025, was granted 62,739 emission allowances free of charge, as decided by the Swedish Environmental Protection Agency.

Energy and emissions

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

GREENHOUSE GAS EMISSIONS, SCOPE 2

	Unit	FY 2025	FY 2024	Base year 2010
Energy				
CO_2 energy	1,000 tonnes	2.5	3.0	24.9
As of CO_2 electricity	1,000 tonnes	0.0	0.0	12.3
As of CO_2 heating	1,000 tonnes	2.5	3.0	12.6

Own business travel
We have direct control over our business trips on SAS flights, resulting in an emission of approximately 9.4 tonnes of CO_2 during the year. Own business travel includes business travel and passive crew.

Noise

Aircraft noise is the main impact on local airport stakeholders, so strict regulations apply near residential areas. In FY2025, the average area where one aircraft departure exceeds 85 dB decreased by 4.5%, from 1.55 km² to 1.48 km². This reduction is primarily attributable to a greater share of newer and quieter aircraft. SAS received 6 noise violation reports.

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Waste management

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

The increase in waste in FY25 is mainly driven by higher aircraft waste due to increased onboard consumption and production, and a one-time rise in waste from SAS vacating the Cargo buildings at ARN and OSL, which required disposal of remaining inventory.

GREENHOUSE GAS EMISSIONS, SCOPE 2

	Unit	FY 2025	FY 2024	Base year 2010
Sorted waste	tonnes	1,480	1,278	–
Unsorted waste	tonnes	231	204	815
Hazardous waste	tonnes	88	46	302

Jet fuel spills

In FY 2025, there were 5 reports of fuel leaks during refueling of aircraft with SK or SAS Link flight numbers. These incidents were promptly addressed in accordance with established procedures.

Biodiversity and wildlife protection

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

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

Other environmental topics

Sustainable products & services

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

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

Environmental regulations and compliance

SAS sustainability agenda ensure that our operations remain in full compliance with all relevant environmental laws and regulations. No significant incidents resulting in breaches of environmental permits were recorded in FY 2025.

Environment-related costs

In FY 2025, SAS external environment-related user charges and travel taxes amounted to MSEK 3,154 (2,478). These charges and travel taxes comprise environment-related travel taxes and user charges sometimes associated with the environmental performance of aircraft and are included in landing fees. Our environmental taxes in Sweden and Norway amounted to MSEK 770 (981).

Under EU-ETS, SAS addresses CO_2 emissions through a market-based approach and has reported to CORSIA since January 2021. We also comply with the UK-ETS introduced the same year.

SAS welcomes that the Swedish passenger tax was abolished from July 2025. While SAS fully embraces the Polluter Pays Principle and takes responsibility for its emissions, we raise concerns about the Norwegian tax and Danish taxes, which as the former Swedish tax, do not directly correlate with actual CO_2 emissions and are in addition to EU-ETS and the soon-to-be-introduced CORSIA. This approach may be viewed as an economic measure but lacks incentives for reducing CO_2 emissions. For instance, a passenger on an A320neo aircraft

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powered by 50% SAF incurs the same tax as a passenger on an aircraft two generations older, despite the significantly lower emissions of the former.

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

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

During FY2025 SAS made a substantial sustainability investment directed towards fleet renewal. Additional details on the financing can be found on pages 8-9. We prefer leasing over direct investments in assets such as aircraft, vehicles, and computers.

Social performance

Employment and labor practices

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

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

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

Redundancies and cooperation with labour unions
SAS is adapting and reshaping its approach to short-term planning while considering the uncertainties surrounding the aviation industry's overall future.

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

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

Diversity and equal opportunities
At SAS diversity and equal opportunities are at the top of our agenda. Through our Diversity Policy we dedicate our efforts into ensuring equal treatment for all employees and job applicants. Our commitment to equal opportunities extends to the promotion of diversity and equality in all its facets. In FY 2025, SAS maintained a gender distribution of 39% women and 61% men among its employees.

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SAS has a conventional gender divide in roles, with certain positions being traditionally male-dominated and others female-dominated. For instance, pilots (6% women) and technicians in aircraft maintenance (6% women) tend to be male-dominated, while cabin crew (73% women) and check-in and gate personnel at airports (70% women) are typically female-dominated.

As of October 31, 2025, the composition of SAS Executive Leadership Team (ELT) comprised 25% women, the SAS Board of Directors comprised 10% women, and the SAS Cargo Board of Directors comprised 20% women.

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

	Age			
Legal gender	**<30**	**31–50**	**>50**	**Total**
Women	1,203	1,212	1,627	4,042
Men	1,727	2,123	2,422	6,272
Total	2,930	3,335	4,049	10,314

Employees by gender and region

	Permanent		Temporary		Total		Total
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
Region DK (Incl INTL)							
Female	875	819	21	2	896	821	**1,717**
Male	2,069	602	78	1	2,147	603	**2,750**
Total	**2,944**	**1,421**	**99**	**3**	**3,043**	**1,424**	**4,467**
Region NO							
Female	525	513	2	21	527	534	**1,061**
Male	1,171	388	25	40	1,196	428	**1,624**
Total	**1,696**	**901**	**27**	**61**	**1,723**	**962**	**2,685**
Region SE							
Female	1,050	103	101	3	1,151	106	**1,257**
Male	1,640	162	93	10	1,733	172	**1,905**
Total	**2,690**	**265**	**194**	**13**	**2,884**	**278**	**3,162**
Region TOTAL							
Female	2,450	1,435	124	26	2,574	1,461	**4,035**
Male	4,880	1,152	196	51	5,076	1,203	**6,279**
Total	**7,330**	**2,587**	**320**	**77**	**7,650**	**2,664**	**10,314**

Workers who are not employees

In FY 2025, SAS engaged the services of approximately 450 consultants or contractors. Efforts are ongoing to consolidate data from multiple systems to ensure comprehensive reporting on the nature of their work and methodologies employed.

Training

In FY 2025, SAS employees collectively devoted approximately 429,152 hours to training (excluding in-air training hours), averaging about 41 hours per employee. Flight crews, technical personnel, and operational ground staff are subject to various licensing and competency requirements stipulated by EU-OPS and IATA through the IOSA (IATA Operational Safety Audit).

Health and safety

Company health services

Through in-house and outsourced resources such as occupational health services, colleagues at SAS can when needed through agreement with the leader reach a range of health services to support and improve the wellbeing. The resources include therapists, stress and rehabilitation experts, ergonomic specialists, and engineers. Additionally, specialized services, such as aviation medicine, stress management, sick leave follow-up, health assessments, ergonomic guidance, and chemical handling advice are available when needed.

Sick leave

Sick leave represents a significant societal cost, resulting from both physical and mental illnesses. In FY 2025, our calculation of sick leave costs amounted to approximately MSEK 211 (181). The cost is higher than last year and is explained by a slightly higher sick leave percentage and more increased operational activity. In FY 2025, the total sick leave at SAS was 6.5% compared with last year (5.9%). Long-term sick leave, exceeding 14 days, accounted for 4.0% (compared to 3.6%) of the total sick leave at SAS.

SAS actively works to prevent both short- and long-term sick leave through standardized reporting across Scandinavia and early follow-ups by managers supported by our People Partner team, reducing prolonged absences. For crew members, specialized medical leads collaborate with occupational health and aeromedical experts to provide early intervention and rehabilitation support.

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To address frequent short-term absences, SAS requires a first-day doctor's note in Sweden and offers temporary roles and flexible schedules to facilitate faster recovery.

Occupational accidents
In FY 2025, SAS recorded seven (three) occupational accidents caused by external factors that could not have been foreseen and leading to absence. Other occupational injuries leading to absences were 101 (83).

SAS is actively working to enhance processes for systematic follow-up on occupational accidents, educational activities, with safety representatives, leaders, People and culture, and laborlaw joint safety committees encompassing all colleagues in each country.

Ground handling remains the department with the highest frequency of occupational accidents within SAS. These accidents include incidents such as crushing, falling, and involving vehicles in connection with baggage handling. The increased accidents can be explained by increased operation.

SAS	DK	NO	SE	Total
No. of employees October reporting fiscal year (head count)	4,467	2,685	3,162	10,314
No. of women	1,717	1,061	1,257	4,035
of whom, women, %	37	39	40	39
Total sick leave, %	5.3	8.7	5.4	avg 6.5
Long-term sick leave, %	2.9	5.8	3.8	avg 4.0
(more than 14 days)				
Total number of occupational accidents with one day sick leave or more	6	0	1	7

Human rights

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

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

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

Humanitarian support

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

Rescue flights
SAS operates medevac flights evacuating wounded patients from Ukraine to hospitals across Europe under the EU Civil Protection Mechanism, in partnership with the Norwegian Armed Forces and Directorate of Health. A converted Boeing 737 serves as a flying hospital with specialized medical equipment and trained SAS crew. Since mid-2022, nearly weekly flights have evacuated over 3,900 war victims. SAS also assisted in evacuations during the Israel–Hamas conflict and has a long history of rescue missions in crises such as Afghanistan, Thailand, and Peru.

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

Christmas flight & YOU ASSIST
SAS Christmas Flight is a long-standing relief initiative led by SAS employees and volunteers. In FY2025, the program delivered equipment, food, and financial aid to centers in Riga and Tallinn and supported refugees from the war in Ukraine. SAS provides an aircraft and operational support, with crew volunteering their time and fuel sponsored by a supplier.

SAS – YOU ASSIST, a non-profit run by employees since 1979. It funds projects such as schools, playgrounds, and water wells, with 95% of donations going directly to projects.

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SAS Management System

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

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

The SAS Environmental Policy and SAS Sustainability Policy approved by Group Management apply to all employees, products, and services. These policies, along with related objectives and strategies, are regularly reviewed and approved. Progress is monitored through the management system and reported at intervals ranging from weekly to annually, depending on requirements.

In FY2024, SAS achieved IATA Environmental Assessment (IEnvA) certification for the first time, replacing our long-standing ISO 14001 certification held since 2010. Maintaining third-party verified certification remains a priority, and through IEnvA we continue to strengthen our environmental performance. In connection with the transition from ISO 14001 to IEnvA, SAS has updated its Environmental Policy accordingly.

Code of Conduct

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

Processes to remediate negative impacts

Through the SAS whistle-blower function and the management system SAS have clear rules and established structures for reporting and addressing suspected violations. Critical concerns are communicated to the board on a case-by-case basis. In FY 2025, the whistle-blower function was utilized on 16 occasions. All cases have been handled and closed.

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

Risk management

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

SAS monitors all risks and identifies opportunities that hold strong business potential. Through our certified environmental management system, we quickly identify changes in the business environment and adapt our operations to mitigate their environmental impact. For more information, please refer to the Risk Management section on pages 10-11.

EcoVadis is a globally recognized assessment platform that rates companies' sustainability performance. SAS's EcoVadis Business Sustainability Rating for FY2025 is available at www.ecovadis.com

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We note that previous wording in the sustainability reports FY 2022-2024 have unintentionally suggested a broader collaboration with EcoVadis than intended.

EU Taxonomy

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

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

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

Motivation for Non-reporting 2025
Following SAS's delisting and transition to private ownership, our regulatory obligations have changed. As a private entity, SAS is no longer mandated to report under the EU Taxonomy.This shift in obligations reflects the regulatory framework's focus on publicly listed companies.

While the taxonomy remains a valuable tool, SAS's new ownership structure exempts us from its mandatory application in this reporting period.

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

Future Reporting Plans
SAS remains committed to transparent and robust sustainability reporting. As we prepare for the implementation of the Corporate Sustainability Reporting Directive (CSRD), we will continue to assess how the EU Taxonomy and other relevant frameworks align with our operational needs and stakeholder expectations. We will also monitor developments in reporting standards to ensure that our disclosures provide accurate and meaningful insights into our ESG performance.

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

Business ethics and anti-corruption

At SAS all forms of corruption and anti-competitive behaviour is proactively addressed.

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

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

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Sustainability in our supply chain

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

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

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

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

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

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

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

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

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

For a comprehensive list of our stakeholders, please refer to page 58.

Product responsibility

SAS is committed to ensuring high standards of customer health, safety, quality, and data protection across all products and services. Flight safety remains strictly regulated, and SAS undergoes regular audits by relevant aviation authorities. Ensuring punctual and reliable operations is also an important part of delivering safe and efficient passenger transport and contributes to reduced emissions.

Data protection and IT security continue to grow in importance. SAS maintains a comprehensive program to meet high security standards and ensures compliance with the EU General Data Protection Regulation (GDPR).

The SAS Quality Policy applies to all products and services and is reviewed annually by Group Management.

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SAS contribution to economic development

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

We play a significant role in fostering direct economic benefits as an employer and through our procurement of goods and services. In FY 2025, SAS disbursed wages and salaries totaling MSEK 9,306 which included MSEK 1,220 for social security expenses and MSEK 722 for pensions. It is our objective to provide competitive compensation for all employee groups.

SAS adds economic value by providing the essential infrastructure required for seamless passenger and cargo transportation to, from, and within Scandinavia. Air transport bears the costs associated with the necessary infrastructure, such as airports, air traffic control, and security. In FY 2025 these expenses amounted to MSEK 9,487 (8,121) for SAS, with SAS contributing MSEK 1,572 (1,381) toward security-related costs.

About this report

The sustainability reporting in SAS Annual and Sustainability Reports, have been subject to third-party review since 1996. The report describes the company's most essential environmental and societal aspects during fiscal year 2025 from November 1, 2024, to October 31, 2025.

The report is prepared with reference to GRI Standards and considers the UN Global Compact, UN Sustainable Development Goals (SDGs) and IATA Environmental Assessment. Reporting follows the SAS Accounting Policies for Sustainability Reporting.

In accordance with the Annual Acconts Act in accordance with the older wording that applied before 1 July 2024, SAS has prepared a statutory Sustainability Report, which has been incorporated into the Annual and Sustainability Report Fiscal Year 2025, separate from the Report by the Board of Directors, on pages 56 to 78 The auditor's opinion regarding the statutory Sustainability Report is included on page 80.

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

External review: material sustainability information and EU-ETS and UK-ETS
All material sustainability information in the Annual and Sustainability Report for FY 2025 has been reviewed by KPMG. The Auditor's assurance report can be found on page 79

For the year of 2024 Verifavia verified the reporting systems for CORSIA, as well as the EU and UK trading scheme for emission allowances for flights.

External initiatives
SAS has been a member of the UN Global Compact since 2003 and participates in the Nordic Network. The SDGs are used to structure our strategic sustainability agenda (see page 60-61).

Accounting policies for sustainability reporting fiscal year 2024
'SAS' or 'The SAS Group' is used throughout the report when referring to our overall operations.

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

For environmental responsibility, SAS strives to distinguish between airline and ground operations. Accordingly, the following distinctions have been made:

- Airline operations with an SK flight number. Scope 1
- Ground handling in SAS Ground Handling (SGH). SGH conducts ground handling for SAS and other customers, such as other airlines. Scope 1

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- Technical maintenance in SAS Maintenance Production. SAS Maintenance Production conduct technical maintenance primarily for SAS but also for other customers, such as other airlines. Scope 1
- Freight and mail services within SAS Cargo Group A/S (SCG). Scope 1
- Facilities owned or leased by SAS. Scope 2

Monitoring sustainability-related data
SAS continuously tracks relevant KPIs across the sustainability agenda. Data collection processes cover all areas of the reporting scope, and no restatements were made during the reporting period.

Scope of the sustainability work

The Annual and Sustainability Report provides a comprehensive overview of SAS's environmental, societal, and financial responsibilities. Ultimate responsibility for sustainability lies with Group Management, and the report is approved by SAS Board of Directors and Group Management before publication. The FY2025 report was submitted in January 2026.

Limitations
Sustainability reporting covers all SAS-controlled units. Data for divested companies during the period is included wherever possible.

The same accounting policies as the Annual Report are used but passenger kilometers are reported differently: the Annual Report uses revenue passenger kilometers (RPK), while the Sustainability Report uses all passenger kilometers (PK), including non-revenue passengers.

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

Changes in accounting policies and calculating principles
None.

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

Principles for reporting and calculating environmental data
Reported environmental information is based on the following calculations and/or factors:

- Distance, based on WGS84 Great Circle Distance (GCD) calculations between airport reference points as defined in national Aeronautical Information Publication (AIPs).
- Passenger weight for PK calculations uses 100 kg for any person with hand luggage and checked luggage transported. This does not include active crew.
- Cargo and mail, actual weight is used.
- Fuel density (kg per liter):
  – Jet A/A-1[1]: Actual density or 0.8
  – Diesel: 0.84
  – Petrol: 0.73
  – Heating oil: 0.84
- CO_2 factor (per weight unit of fuel):
  – Jet A/A-11: 3.16[2]
  – Diesel: 3.17
  – Petrol: 3.12
  – Heating oil: 3.17
  – Electricity: 90 (grams/kWh based on Nordic energy mix)
- CO_2e factor (per weight unit of fuel):
  – Jet A/A-1[3]: 3.18
- Energy conversion of fuels (GWh per 1,000 tonnes):
  – Jet A/A-1: 12.0
  – Diesel: 12.0
  – Petrol: 12.2
  – Heating oil: 12.0
- Nitrogen oxides (NOX), factors (per weight unit of fuel):
  – Jet A/A-1[4] Between 0.00694 and 0.01932

1) Fuel density and CO_2 factor for Jet A/A-1 is calculated according to approved MRV plan.
2) Jet A/A-1, Baseline 2005 and 2010 adjusted to emission factor 3,16 in FY24 in order to ensure methodological consensitency and comparability over time.
3) Emission factor 3.18 for CO_2e from DEFRA.
4) Varies per aircraft/engine combination.

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CO_2 emissions per passenger kilometer and cargo tonne kilometer – Scope 1
SAS has chosen to apply a calculation method to divide the amount of fuel used for passenger and cargo transport before dividing the amount by passenger or cargo tonne-kilometer. The method is based on the IATA Carbon Calculator Tool. The assumption is that fuel usage is proportional to weight. Passenger fuel usage is the ratio of total passenger weight to total weight multiplied by the total fuel used. The remainder is allocated to cargo transport.

Total Passenger Fuel Usage	=	(Total Passenger Weight/Total Weight) × Total Fuel Used
Where, Total Weight	=	Total Passenger Weight + Total Freight/Cargo Weight
Total Passenger Weight (kg)	=	(Number of Seats × 50 kg) + (Number of Passengers × 100 kg)

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

For cases when flights were conducted without passengers or freight/cargo transport, all CO_2 emissions were allocated as passenger transport. This may include training flights, positioning flights between scheduled flights, and flights to/from maintenance, etc. The reason for this changed calculation method is to achieve more precise CO_2 emissions per production unit calculations. The previous calculation method essentially involved double accounting, with emissions per passenger kilometer including the fuel used for freight/cargo transport and vice versa.

CO_2 emissions per available tonne kilometer – Scope 1
In order to calculate the CO_2 emissions for tonne kilometer, the assumption is that each seat is occupied by one passenger which corresponds to 100 kg. The metric is calculated by dividing the total CO_2 emissions with the total available tonne kilometer and then multiplied with 0.1 (i.e. 100 kg or 0.1 tonne).

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

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

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

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Statement of use	SAS has reported in accordance to GRI Standards for the period November 1, 2024–October 31, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No sector standard is available yet

				OMISSION	
GRI STANDARDS	**DISCLOSURE**	**LOCATION**	**REQUIREMENT(S) OMITTED**	**REASON**	**EXPLANATION**
General disclosures					
GRI 2: General Disclosures 2021	**The organization and its reporting practices**				
	2-1 Organizational details	5,6			
	2-2 Entities included in the organization's sustainability reporting	73-74			
	2-3 Reporting period, frequency and contact point	5, 73			
	2-4 Restatements of information	74-75			
	2-5 External assurance	73-74, 79			
	Activities and workers				
	2-6 Activities, value chain and other business relationships	2-3, 72,			
	2-7 Employees	68, 75	2-7-b-iii, 2-7-e	Info inadequate	Information unavailable
	2-8 Workers who are not employees	68	Types of work and methodologies	Info inadequate	Information unavailable
	Governance				
	2-9 Governance structure and composition	52		Not applicable	SAS has been delisted
	2-10 Nomination and selection of the highest governance body	52		Not applicable	SAS has been delisted
	2-11 Chair of the highest governance body	52			
	2-12 Role of the highest governance body in overseeing the management of impacts	59, 69, 70,71		Not applicable	SAS has been delisted
	2-13 Delegation of responsibility for managing impacts	70,74		Not applicable	SAS has been delisted
	2-14 Role of the highest governance body in sustainability reporting	59, 74			
	2-15 Conflicts of interest			Not applicable	SAS has been delisted
	2-16 Communication of critical concerns	70-71			
	2-17 Collective knowledge of the highest governance body			Not applicable	SAS has been delisted
	2-18 Evaluation of the performance of the highest governance body			Not applicable	SAS has been delisted
	2-19 Remuneration policies	25		Not applicable	SAS has been delisted
	2-20 Process to determine remuneration			Not applicable	SAS has been delisted
	2-21 Annual total compensation ratio			Not applicable	SAS has been delisted
	Strategy, policies and practices				
	2-22 Statement on sustainable development strategy	3			
	2-23 Policy commitments	59-60, 67-72			
	2-24 Embedding policy commitments	59-60, 70,71-72			
	2-25 Processes to remediate negative impacts	70			

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GRI STANDARDS	DISCLOSURE		LOCATION	REQUIREMENT(S) OMITTED	OMISSION REASON	OMISSION EXPLANATION
General disclosures cont.	2-26	Mechanisms for seeking advice and raising concerns	70	2-26-a	Info inadequate	Information unavailable
	2-27	Compliance with laws and regulations	9, 66-67,			
	Stakeholder engagement					
	2-28	Membership associations	73			
	2-29	Approach to stakeholder engagement	58, 59,60, 72			
	2-30	Collective bargaining agreements	67			
Material topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	59			
	3-2	List of material topics	59-60			
Economic Performance						
GRI 3: Material Topics 2021	3-3	Management of material topics	5-7, 57-60, 67-72			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	12, 14, 73			
Anti-corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics	5-7, 58-60, 67-72			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	58-59, 71	205-1-a	Info inadequate	Information unavailable
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3	Management of material topics	59-60, 66-67, 71			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	9			
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics	59-60, 91-67, 70, 73-74			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	61-63, 73-75			
	305-2	Energy indirect (Scope 2) GHG emissions	65-66, 73-74			
	305-4	GHG emissions intensity	62-63			
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	62-63, 74			
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics	67, 59-60, 61, 68, 70, 72			
GRI 306: Waste 2020	306-1	Waste generated	66			
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	70, 72			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria				All new suppliers
Responsible employer						
GRI 3: Material Topics 2021	3-3	Management of material topics	57-60, 68-69			
GRI 403: Occupational Health and Safety 2018	403-3	Occupational health services	68-69, 72			
	403-4	Worker participation, consultation, and communication on occupational health and safety	67-69	403-4-b	Info inadequate	Information unavailable
	403-9	Work-related injuries	69, 75			No work-related fatalities

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					OMISSION	
GRI STANDARDS	**DISCLOSURE**		**LOCATION**	**REQUIREMENT(S) OMITTED**	**REASON**	**EXPLANATION**
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3	Management of material topics	59-60, 67-68			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	67-68	405-1-a-ii, 405-1-b-ii	Information unavailable/ incomplete	Information on age not available per employee category.
Training and education						
GRI 3: Material Topics 2021	3-3	Management of material topics	59-60, 68			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	68	404-1-a-i & ii	Information unavailable/ incomplete	Information not available by gender and employee category.
Supplier social assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	70, 72			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	72			All new suppliers
Customer health and safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	72			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	n/a	416-1	Information unavailable/ incomplete	Information not available.
Innovation & digitalization						
GRI 3: Material Topics 2021	3-3	Management of material topics	59, 72			
	Company specific	Innovation & digitalization	59			

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Auditor's limited assurance report on SAS AB sustainability report

To SAS AB, Corp. Id. 556606-8499

Introduction
We have been engaged by the Board of Directors and the Chief Executive Officer of SAS AB to undertake a limited assurance engagement of SAS AB Sustainability Report for the financial year 2024-11-01 – 2025-10-31. SAS AB has defined the scope of the Sustainability Report on page 73 in this document.

Responsibilities of the Board of Directors and the Chief Executive Officer
The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Sustainability Report. The criteria are defined on page 76 in the Sustainability Report, and are part of the Sustainability Reporting Standards published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed.

Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance engagements other than audits or reviews of financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. A limited assurance engagement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of SAS AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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

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

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

Stockholm, January 22, 2026

KPMG AB

Tomas Gerhardsson
Authorized Public Accountant

Torbjörn Westman
Expert Member of FAR

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Auditor's opinion regarding the statutory sustainability report

To SAS AB, corporate identity number 556606-8499

Engagement and responsibility
It is the Board of Directors and the Chief Executive Officer of SAS AB who is responsible for the sustainability report for the financial year 2024-11-01–2025-10-31 on pages 56-78 and that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

The scope of the examination
Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm, January 22, 2026

KPMG AB

Tomas Gerhardsson
Authorized Public Accountant

Other

Other
> Definitions

Definitions

Financial definitions

SAS uses various key figures, including alternative performance measures (APMs), for internal analysis purposes and for external communication of the operations' results, performance and financial position. The aim of these APMs is to illustrate the performance measures tailored to operations that, in addition to the other key figures, enable various stakeholders to more accurately assess and value SAS' historical, current and future performance and position.

AEA – The Association of European Airlines. An association of the major European airlines.

Affiliated company – Company where the SAS Group's holding amounts to at least 20% and at the most 50%.

AOC (Air Operator Certificate) – Permits for flight operations.

ASK, Available Seat Kilometers – The total number of seats available for passengers multiplied by the number of kilometers which they are flown.

Capital employed – Total capital according to the balance sheet less non-interest-bearing liabilities.

Carbon dioxide (CO_2) – A colorless gas that is formed in the combustion of all fossil fuels. The airline industry's CO_2 emissions are being reduced based on a changeover to more fuel-efficient aircraft.

Code share – When one or more airlines' flight number is stated in the timetable for a flight, while only one of the airlines operates the flight.

Adjusted EBITDA – Operating income before tax, net financial items, income from the sale and return of aircraft and other fixed assets, income from shares in affiliated companies, and depreciation and amortization.

EBIT – Operating income.

EBIT margin – EBIT divided by revenue.

EBT – Income before tax.

EEA – European Economic Area.

Equity method – Shares in affiliated companies are taken up at the SAS Group's share of equity, taking acquired surplus and deficit values into account.

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

Financial preparedness – Cash and cash equivalents, plus unutilized credit facilities with a maturity longer than three months, in relation to fixed costs and financial net excluding exchange-rate differences on lease liabilities. In this ratio, fixed costs are defined as personnel expenses and other external expenses over the last 12 months.

FTE – Average number of employees, full-time equivalents.

IATA – International Air Transport Association. A global association of almost 300 airlines.

ICAO – International Civil Aviation Organization. The United Nations' specialized agency for international civil aviation.

Interline revenue – Ticket settlement between airlines.

Items affecting comparability – Items affecting comparability are identified to facilitate comparison of SAS' underlying results in different periods. These items consist of impairment, restructuring costs, capital gains/losses, and other items affecting comparability. They arise as a consequence of specific events, and are items that both management and external assessors take note of when analyzing SAS. By reporting earnings excluding nonrecurring items, the underlying results are shown, which facilitates comparability between different periods.

LCC – Low Cost Carrier.

Load factor – RPK divided by ASK. Describes the capacity utilization of available seats.

NPV – Net present value. Used to calculate capitalized future costs of operating leases for aircraft, for example.

Operating leases – Based on a leasing contract in which the risks and rewards of ownership remain with the lessor and is equivalent to renting. The leasing charges are expensed on a current basis in the statement of income. As of November 1, 2019, SAS Group applies IFRS 16 – Leases. See Right-of-use assets.

Return on Invested Capital (ROIC) – EBIT adjusted with theoretical taxes in relation to average shareholders' equity and financial net debt.

Return on shareholders' equity – Net income for the period attributable to shareholders in the Parent Company in relation to average equity excluding non-controlling interests.

Right-of-use assets (RoU) – As of November 1, 2019, SAS Group applies IFRS 16 – Leases. The previous classification of each lease as either an operating lease or a finance lease is replaced by a model whereby the lessee recognizes an asset (a right-of-use asset) and a financial liability in the balance sheet.

RPK, Revenue passenger kilometers – Number of paying passengers multiplied by flown distance (km).

Sale and leaseback – Sale of an asset (aircraft, building, etc.) that is then leased back.

WACC – Weighted average cost of capital includes the average cost of liabilities and equity. The sources of funds are calculated and weighted in accordance with the current market value of equity and liabilities.

Wet lease agreement – Leasing in of aircraft including crew.

Working capital – The total of non-interest-bearing current assets and non-interest-bearing financial fixed assets excluding equity in affiliated companies and other securities holdings less non-interest-bearing liabilities.

Sustainability definitions

Average number of employees – is defined as the average number of employees expressed in full-time equivalents, excluding leave of absence, parental leave and long-term sick leave. This definition is also used in financial reporting. Sometimes the term FTE (Full-Time Equivalent) is used.

Biofuels – are solid or liquid fuels of biological origin. Liquid fuels for vehicle/ship/aircraft engines. They are considered carbon neutral to various degrees. The EU renewables directive (2009/28/EC) and biofuels directive (2003/30/EC) define the EU's mandates on biofuels and degree of carbon neutrality.

Carbon dioxide (CO_2) – is a colorless gas that is formed in the combustion of all fossil fuels.

Cargo tonne kilometer – includes all freight and mail (in metric tonnes) multiplied by the great circle distance flown for all flights performed.

CDP – is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Read more at http://www.cdp.net.

CFCs – are a group of chlorofluorocarbons that may also contain hydrogen and/or bromide. A class of stable chemical compounds mostly known under the trade names Freon or Halon. Their manufacture is prohibited by the Montreal Protocol because of their depletion of the ozone layer. Aviation has an exception for use under a critical use clause due to the lack of approved alternatives. Research for alternatives is ongoing.

Charges for infrastructure – imposed by the operators of the infrastructure and which are intended to cover operating and capital costs for airlines and air traffic management.

CO_2 – Carbon dioxide (see definition).

CO_2 passenger or cargo share – is the amount of CO_2 emissions from passenger or cargo transport.

Code of Conduct – is the ethics rules and guidelines of a particular business.

CSR – Corporate Social Responsibility.

dB – Decibel, a logarithmic unit of measurement that expresses the magnitude of a physical quantity relative to a specified or implied reference level.

Environmental related charges – are charges imposed by the airport operators to motivate aircraft operators to operate aircraft with high eco-efficiency with respect to noise and other emissions such as NOx, as well as surcharges imposed by airport operators to motivate aircraft operators to avoid take-offs and landings at night.

Environmental related investments – Investments in assets to prevent, reduce or restore environmental damage arising from operations and/or aimed at meeting upcoming, more stringent environmental requirements.

Environmentally related taxes – Taxes that, in contrast to other corporate taxation, are motivated by environmental grounds. Examples are the environmentally motivated passenger charge in the UK and the environmentally related fiscal CO_2 charges in Sweden and Norway.

External environmental related costs – are the sum of environmental charges and environmentally related charges and taxes.

Fossil fuels – are fuels consisting of organic carbon and hydrogen compounds in sediment or underground deposits – especially coal, oil and natural gas.

Global Compact – is a challenge from the former UN Secretary General Kofi Annan to business and industry to live up to ten principles of human rights, employee rights, the environment and anti-corruption, as formulated by the UN. www.unglobalcompact.org

Greenhouse effect – Carbon dioxide and other gases trap and reradiate incoming solar radiation that would otherwise be reflected back into space. Most scientists agree that human use of fossil fuels is causing global warming. Other gases that contribute to the greenhouse effect are CFCs (see definition), methane and nitrous oxide.

GRI – Global Reporting Initiative is an organization that provides companies and organizations with a global sustainability reporting framework and thereby allows comparisons between companies from a social, environmental and economic perspective. www.globalreporting.org

Halons – See CFCs.

Jet A-1 – is the common jet fuel specification outside North America. Jet A and Jet A-1 are very similar and throughout this Sustainability Report the term 'jet fuel' is used to describe fuel used by the aviation industry.

MRV – Monitoring, Reporting and Verification of CO_2 emissions and production in tonne-kilometers in the EU Emissions Trading Scheme.

Nitrogen oxides – (NOx) Formed during combustion in jet engines. The high temperature and pressure in aircraft engines cause the atmospheric nitrogen and oxygen to react with each other. This mainly occurs during take-off and ascent when the engine temperature is at a maximum.

Noise – includes environmentally detrimental, undesirable sounds. The environmental impact of air traffic in the form of noise is primarily a local issue. Noise is normally described and measured in dB(A), an A-weighted sound level.

NOx – Nitrogen oxides (see definition).

Occupational accident – is the number of injuries employees incur by accident due to a sudden, unforeseen and external incident, resulting in at least one day of absence.

PK – (used in the sustainability-related reporting) – Passenger Kilometers, includes all passengers (100 kg per passenger including luggage) excluding active crew multiplied by the great circle distance flown for all flights performed.

SAF – Sustainable Aviation Fuel is a term for fuel made for aviation, that is produced in a sustainable way and with sustainable raw material, aimed to reduce the greenhouse gas emissions. It includes biofuel, but is not limited to biofuel.

SAFUG – Sustainable Aviation Fuel Users Group. Aviation industry organization focused on accelerating the development and commercialization of sustainable aviation fuels.

Tonne kilometers – are the number of transported metric tonnes of passengers and cargo multiplied by the distance flown.

Weighted noise contour – is calculated based on the number of takeoffs per day at a given airport, with regard to the aircraft types the airline uses at that airport. The weighted noise contour defines the area in km^2 that is subjected to a noise footprint of 85 dB(A) or more in connection with take-off.