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A STAR ALLIANCE MEMBER 

**Stock Exchange  
Release**

6 October 2017

## **SAS AB seeking authorization for a potential directed share issue and intends to call for an Extraordinary General Meeting**

**In previously published interim reports, SAS AB ("SAS") has announced that various alternative financing methods actively are being evaluated in order to reduce SAS's financing costs. In accordance with this, SAS intends to call for an Extraordinary General Meeting, to be held on 3 November, with a proposal to authorize the Board of Directors to be able to resolve on issuing not more than 66 million common shares with disapplication of the shareholders' preferential rights, corresponding to nearly 20 % of the total number of common shares in issue. SAS's main shareholders are expected to support the Board of Directors' proposal for an authorization. The Board has not resolved on utilizing a potential authorization, but would, pursuant to the evaluation of alternative financing methods, wish to have the possibility to pass such resolution if the market conditions and other conditions are favourable. SAS's main shareholders have, provided that the proposal is approved by the Extraordinary General Meeting, stated that they will not sell any SAS shares during a period of 90 days from the date of a potential directed share issue, however not beyond the date of the next Annual General Meeting.**

SAS's financial position has improved over the last few years. In September, SAS presented pre-tax results of almost SEK 2 billion for the third quarter of the 2016/2017 fiscal year, corresponding to an increase of 90 % compared to the previous year. A stable financial position is important given SAS's ongoing and future aircraft investments and for the terms and conditions when refinancing upcoming loan maturities as well as to enable a potential future redemption of preference shares.

In order to improve SAS's flexibility regarding potential alternative financing methods, SAS's Board of Directors has resolved to call for an Extraordinary General Meeting to be held on 3 November.

The Board of Directors has resolved to propose that the General Meeting, up until the next Annual General Meeting, authorizes the Board to resolve on issuing common shares with disapplication of the shareholders' preferential rights. SAS's main shareholders are expected to support the Board's proposal, which for its approval requires the support by shareholders representing at least two-thirds of both the votes cast and the shares represented at the general meeting. SAS's main shareholders have, provided that the proposal is approved by the Extraordinary General Meeting, stated that they will not sell any SAS shares during a period of 90 days from the date of a potential directed share issue, however not beyond the date of the next Annual General Meeting.

The Board of Directors has not resolved on utilizing a potential authorization, but would, pursuant to the evaluation of alternative financing methods, wish to have the possibility to pass such resolution if the market conditions and other conditions are favourable. If the proposed authorization is fully utilized, this would imply an increase of the number of common shares of not more than 66 million, corresponding to nearly 20 % of the number of common shares in issue as of today.



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The Board of Directors' proposal, which will be published in its entirety on SAS's website and in a separate notice convening the General Meeting, is summarized below:

- Issuance of common shares should be made on market terms and conditions, whereby the subscription price for each new common share should be determined by an auction procedure (an accelerated book-building process).
- The reasons for SAS seeking an authorization for issuing shares with disapplication of the shareholders' preferential rights are that SAS under favourable market conditions, in a cost- and time-efficient manner, should be able to strengthen its equity position for the purpose of obtaining better terms for financing future aircraft investments and refinancing upcoming loan maturities as well as to enable a potential future redemption of preference shares. Furthermore, the Company deems that the conditions for a successful and efficient issue of new shares with preferential rights for the Company's shareholders currently are not at hand as several of the Company's main shareholders do not intend to participate in such a share issue. In addition, by disapplication of the shareholders' preferential rights, SAS may broaden and strengthen the shareholder base of the Company.
- A potential issue of new common shares will, according to the proposed authorization, be directed to a number of selected Scandinavian and international institutional investors, as well as anchor investors and other investors deemed by the Board of Directors to be beneficial for the successful implementation of the share issue.

The Extraordinary General Meeting will be held at 10:00 a.m. on **3 November 2017** at SAS's Head Office, Frösundaviks allé 1, Solna, Sweden.

Information regarding the right to participate, admission cards, proposed agenda and the Board of Directors' complete proposal on authorization will be set out in the notice published later today.

**For further information, please contact:**

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This information is information that SAS AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact person set out above, at 08.00 CET on 6 October 2017.