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## West Atlantic AB (publ) Corporate bond loan Maintenance Test

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West Atlantic AB (publ) has during 2017 reported negative results, to a great extent due to high start-up costs caused by delayed deliveries of aircraft for the new Royal Mail contract, which is the company's largest contract ever with revenues of around 3 billion SEK during the 5 year contract term. These delays caused the company to sub-charter aircraft from other airlines, and incur double the cost for many items during the period January-September 2017. The losses have been reported in the Q1 and Q2 interim reports, and have continued during Q3 reducing the equity and liquidity. As a consequence, the company does not fulfill the "Maintenance Test" as per September 30, 2017 as stipulated in The Terms and Conditions (published on the company's webpage [www.westatlantic.eu](http://www.westatlantic.eu)) of the company's corporate bond loan.

The management and the Board of Directors foresee no immediate consequences for operations or the company's ability to pay its debtors. A turnaround and a return to profit is foreseen in Q4, not least because of an expected sale of aircraft, not required for operations, to be concluded. If the aircraft sales are not concluded during Q4, the company might once again have difficulties to fulfill the "Maintenance Test" as per December 31, 2017.

Due to the company's development, the Board is focused on re-establishing and maintaining compliance with the bond's "Maintenance Test" going forward and, accordingly, is exploring possibilities to re-capitalise the company through an equity injection and/or other alternatives to increase the company's liquidity levels.

West Atlantic AB (publ) will give further information in its Q3-report, which will be published November 30, 2017.

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***This information is information that West Atlantic AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 2017-11-02, 08.00 CET.***

**About West Atlantic**

The West Atlantic Group is one of the market leading providers of dedicated airfreight services to European NMO's and airfreight capacity to Global Integrators and Freight Forwarders. The Group has a well-established geographic network and operates an all-cargo fleet of more than 50 aircraft comprised of B767, B737, BAE ATP and CRJ-200. West Atlantic was founded in 1962, employs 477 staff is headquartered in Gothenburg, Sweden and has two operating airlines, with one AOC in the UK and one in Sweden. For FY 2016, West Atlantic reported revenues of MSEK 1,320 and EBITDA of MSEK 128.

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