

Press release 1, 2018
Gothenburg January 15, 2018

West Atlantic AB (publ) reaches further agreement with the bondholder's committee

Reference is made to West Atlantic AB (publ) (the "Issuer") press release dated 29 December 2017 announcing the outcome of the written procedure initiated on 8 December 2017. Over the past weeks, the management of the Issuer has continued to work on a comprehensive plan to improve the group's financial position and put the group on a path towards sustainable and profitable long-term growth. As part of these efforts, a number of initiatives have been identified which would support management in delivering on this plan. In delivering on this plan, the Issuer has identified certain preferable amendments and waivers to the terms and conditions of the bonds (and the other finance documents, as applicable) which have been discussed with a committee comprising of a group of larger bondholders and which have undertaken to vote in favour of the proposed amendments and waivers.

As part of this growth, the Issuer has informed the bondholder's committee that it has signed a letter of intent for a five-year contract which give rise to estimated annual sales of more than MSEK 200 once fully implemented. Moreover, as previously communicated, during Q4 2017 and Q1 2018 the group expects to receive a total amount of approximately MSEK 70 from the sale of aircraft not required for the group's daily operations, including from the group's collaboration agreement portfolio. During Q4 2017, the group received a payment in the amount of MSEK 15 from one aircraft transaction. The second transaction, initially scheduled for Q4 2017, has been delayed and is expected to be completed during Q1 2018.

The amendments and waivers discussed and agreed on with the bondholder's committee are in summary to (i) permit Svenska Handelsbanken (or any other or additional reputable bank(s), or reputable bank replacing such bank(s)) to, in their capacity as provider of the group's working capital facility, share the transaction security provided under the Issuer's bond loan, where the bank will rank ahead up to a maximum amount of MSEK 75, (ii) permit dismantling of up to six long-time parked pledged ATP-aircraft, to be used as spare parts in the operating fleet which would, over a two to three years period, realise liquidity savings of MSEK 5-10 per dismantled aircraft by using the spare parts in the group's operating fleet and (iii) permit release of the remaining escrow amount, to be used to finance the business growth of the group, inter alia in relation to the new B737-800 fleet.

The Issuer will shortly call for a notice to written procedure in order to receive the bondholders' formal approval of the amendments and waivers. Having the amendments and waivers formally approved, which will have a positive impact on the liquidity of the group and which will also contribute to capital growth opportunities, certain shareholders have undertaken to, as soon as practically possible thereafter, contribute equity in an amount of MSEK 25 to the group, and the amendments and waivers will be subject to the occurrence of such equity contribution. Moreover, the Issuer will continue the work in Q1 2018 to find a new long-term majority owner.

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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 2018-01-15, 16.45 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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