INTERIM REPORT

January 1 – June 30, 2018

Published August 30, 2018

"Very strong revenue growth and delivery of the world's first B737-800 Next Generation Freighter marks the second quarter, but also continued costs for surplus ATP's"

April - June

- Revenue amounted to MSEK 426.8 (376.5) corresponding to a growth of 13.4 % year-on-year. Continued strong growth for the Group's B737 fleet, partly offset by reduction in the Norwegian postal network.
- EBITDA amounted to MSEK 13.1 (1.3) corresponding to a margin of 3.1 % (0.4).
- Earnings per share of SEK -0.85. (-1.44).
- Registration of new share issue was finalised in April, where the share capital increased by MSEK 15.9 to MSEK 42.9.
- The world's first B737-800BCF Next Generation Freighter, was delivered to the Group.
- Bankruptcy for a technical service customer. MSEK 3.5 has been provisioned as for bad debt losses.

January - June

- Revenue amounted to MSEK 823.0 (768.5) corresponding to a growth of 7.1 % year-on-year. Continued strong growth for the Group's B737 fleet, partly offset by reduction in the Norwegian postal network.
- EBITDA amounted to MSEK 75.4 (32.1) corresponding to a margin of 7.9 % (4.2).
- Earnings per share of SEK -0.67 (-1.97).
- Capital contribution of additional MSEK 6.7 made by certain shareholders, in addition to the contributed MSEK 25.0 made during 2017. New share issue decided and registered in April.
- Long term contract in place with one customer for operations of the four committed B737-800 aircraft, of which one was delivered during the period.
- Bankruptcy for a technical service customer. MSEK 3.5 has been provisioned as for bad debt losses.

Key performance indicators for the Group

All figures in MSEK unless stated otherwise	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
Financial metrics*					
Revenue	426.8	376.5	823.0	768.5	1,589.3
Revenue growth	13.4%	17.9%	7.1%	19.5%	20.4%
EBITDA	13.1	1.3	75.4	32.1	126.3
EBITDA margin (%)	3.1%	0.4%	7.9%	4.2%	7.9%
Net income	-36.4	-38.8	-28.8	-53.2	-61.6
Cash and cash equivalents incl unused overdraft facility	113.1	139.4	113.1	139.4	173.4
Cash flow from operating activities	39.2	105.1	91.0	112.7	233.7
Earnings per share before dilution (SEK)	-0.85	-1.44	-0.67	-1.97	-2.28
Net interest bearing debt / EBITDA**	4.2	5.4	4.2	5.4	5.0
Interest coverage ratio**	2.4	1.9	2.4	1.9	2.0
Equity / Asset ratio	3.7%	4.1%	3.7%	4.1%	5.3%
Total assets	1,232.5	1,244.2	1,232.5	1,244.2	1,270.8
Operating metrics*					
Fleet dispatch regularity	99.2%	99.7%	99.0%	99.5%	99.4%
Performed flights	5,328	5,533	10,706	11,514	23,862
Aircraft in service (incl. wet leases)	43	43	43	43	42
Average employees	456	460	456	463	459

**Definitions of key performance indicators and other measures can be found at the end of this report.*
***Defined by the corporate bond loan WEST002 terms and conditions. See note 10 for more information. The loan was issued December 2015.*

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CEO's comments

Strong revenue growth for the second quarter
The second quarter showed a very strong double digit revenue growth of over 13 % year-on-year. This is a result of additional larger sized aircraft (Boeing 737) contracts coming on line. While the total number of flights performed in the quarter and year-to-date was down compared to the same period previous year, revenues were up as an effect of larger aircraft replacing smaller ones and the FX effect of a weaker SEK.

Quarterly income
While EBITDA margins are improving year-on-year, EBT remains significantly negative. The main reasons for this are continued costs related to the parked ATP fleet and ATP spare part inventory, increased cost for aircraft line maintenance, and start-up costs associated with the Boeing 737-800 of which one aircraft has been in the fleet since May, but did not commence dedicated revenue operation until July 2nd. Subcontracting one B737 due to overruns in our heavy maintenance program, has also impacted costs negatively.

The second quarter has the weakest operating calendar in 2018 with fewest scheduled operations which also contributed to an overall weak financial performance.

Operational update
As we fell below our expected and historical reliability and OTP (On Time Performance) criteria early in the year, focus is to recover in this regards. June saw acceptable results again and this positive trend has continued since then.

Due to heavy workloads at our East Midlands hangar to support our growing B737 fleet, all ATP hangar maintenance has been moved to our hangar on Isle Of Man.

Delivery and commencement of operations for the first Boeing 737-800 Converted Freighter (BCF)
In April, the first B737-800 freighter was handed over from Boeing / GECAS to West Atlantic at an industry highlighted event at East Midlands Airport. This aircraft is significantly more quiet, more fuel efficient, and more environmentally friendly than the classic Boeing 737. It is expected that the B737-800 will be the leading midsize cargo aircraft for next 20 years, and West Atlantic is proud to be the launch operator. Following acceptance by UK Civil Aviation Authority (CAA), the aircraft went into direct service for UK Royal Mail on a trial basis. Results were excellent as the aircraft performed flawlessly. Since July 2nd the aircraft has entered into service for Fedex, operating from Liege. The additional three B737-800 aircraft will be joining, with one aircraft in each of the next three quarters.

Commercial update
Demand for our services continues to be steady, although demand for larger aircraft capacity seems stronger than for the smaller category, shown by the fact that we have no availability in the B737 / B767 sectors, but we have over 15 ATP's parked. Forecasted demand for the 4th quarter peak season is very strong. Going forward, it is our focus to find alternative homes for the excess ATPs, while we also focus on securing additional long term- profitable contracts for our operational fleet.
Focus is on successful introduction of the remaining B737-800 aircraft scheduled to join the fleet.

Fleet update
During the 2nd quarter, three additional B737 were added to the fleet. One B737-800 on lease from GECAS and two B737-400, on lease from two different lessors. All aircraft are deployed in revenue service.

We continue to work towards increasing the B767 fleet with one aircraft during 2018.

Outlook
We remain optmistic about the second half of 2018 and onwards. We have an agreement for a new overdraft facility up to an amount of MSEK 75.0, with a Swedish Bank, which will come into effect shortly. By early September, we will be in full operation with four Boeing 737 aircraft for Fedex, of which two are B737-800, which will boost our growth further. Focus remains on finding solution for our excess ATP aircraft, achieving consistent high levels of fleet reliability, and fine tuning our organization to reduce costs further. The Group still needs to reach acceptable long term levels of cash flow generation and profitability from operations. To be able to capitalize fully on the market growth opportunities, the Group's balance sheet must be strengthened further. The Group is presently evaluating available options to adress this concern.

Fredrik Groth
CEO & President

Financial comments

Group and parent company information

West Atlantic AB (publ), incorporation number 556503-6083, a Swedish registered public company headquartered in Gothenburg, is the parent company of the West Atlantic Group. Address is Box 5433, SE 402 29, Gothenburg, Sweden.

GROUP

About the West Atlantic Group

The West Atlantic Group is one of the market leading providers of dedicated air freight services to NMO's and Global Integrators in the European market. Drawing from many years of experience, the Group offers its customers customised and efficient solutions for airfreight services, aircraft maintenance, airworthiness services and aircraft leasing.

Financial report

This interim report covers the period January 1 to June 30, 2018. Comparative figures in this report cover the corresponding period in 2017, unless otherwise stated. All financial information contained in this report refers to the West Atlantic Group unless stated that the information refers to the parent company West Atlantic AB (publ).

GROUP FINANCIAL PERFORMANCE

Revenue and income

April – June

Revenue for the period amounted to MSEK 426.8 (376.5), an increase by 13.4 % year-on-year. Revenue year-on-year increased despite the reduced operation for Norwegian Mail, with effects from 1 January 2018 and is mentioned in the interim report for January - March 2018. The loss of revenue from the reduced operation have been more than compensated, mainly by revenue from the fully implemented contract with Royal Mail, and by increased and new revenues from DHL and BAe Systems. Positive price adjustments from negotiations with some other significant customers have also contributed to the revenue increase. For a detailed breakdown of revenue, see note 2.

EBITDA amounted to MSEK 13.1 (1.3). The reasons for the increase compared to the previous year is mainly attributable to the previous year was being affected by significant subcharter costs due to aircraft delivery delays of additional B737-400 and technical disruptions connected to the B767-fleet. Because of this, aircraft were subchartered from other airlines. Besides this, the previous year was also affected by start-up costs for the Royal Mail contract. For the current year, a positive effect on EBITDA comes from the aforementioned price adjustments, but a significant provision for a bad debt loss also affects negatively.

The EBITDA margin amounted to 3.1 % (0.4%). For a breakdown of EBITDA, please see note 3.

EBIT amounted to MSEK -20.3 (-32.2) including depreciation of MSEK 33.4 (33.5).

The net of financial income and costs amounted to MSEK -20.5 (-17.3). The financial net included foreign exchange currency changes of MSEK -2.3 (3.9), mainly on loans and financial leasing, and interest costs of MSEK 18.6 (20.9), mostly attributable to the corporate bond loan. For a detailed breakdown of financial income and cost, please see note 5.

Net income amounted to MSEK -36.4 (-38.8) for the period and was affected by income taxes of MSEK 4.4 (10.7).

January – June

Revenue for the period amounted to MSEK 823.0 (768.5), an increase by 7.1 % year-on-year. The growth mainly comes from the fully implemented contract with Royal Mail, and by increased and new revenues from DHL and BAe Systems. The growth more than completely compensates the loss of the reduced operation from Norwegian Mail, which was effective as of 1 January 2018. For a detailed breakdown of revenue, see note 2.

EBITDA amounted to MSEK 75.4 (32.1). The increase compared to the previous year is mainly attributable to aircraft sales and management fees that were received from the collaboration agreement during the first quarter. The mentioned increased subcharter and start-up costs for the previous year, also contributes to the difference.

The EBITDA margin amounted to 7.9 % (4.2 %). For a breakdown of EBITDA, please see note 3.

EBIT amounted to MSEK 9.8 (-33.9) including depreciation of MSEK 65.6 (66.0).

The net of financial income and costs amounted to MSEK -43.6 (-35.9). The financial net included foreign exchange currency changes of MSEK -3.8 (5.3), mainly on loans and financial leasing, and interest costs of MSEK 41.3 (41.3), mostly attributable to the corporate bond loan. However, MSEK 2.6 of the interest costs this year was attributable to the early redemption of the finance leasing liabilities connected to the sale of two aircraft. For a detailed breakdown of financial income and cost, please see note 5.

Net income amounted to MSEK -28.8 (-53.2) for the period and was affected by income taxes of MSEK 4.9 (16.6).

Summary of items affecting comparability

MSEK	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
Income before tax	**-40.7**	**-49.5**	**-33.8**	**-69.8**	**-76.7**
Type introduction and start-up costs	-	13.0	-	18.4	27.6
Sale of aircraft*	-	-	-25.6	-	-
CRJ200PF accident	-	-1.0	-	-1.0	-0.7
Income from collaboration agreement	-	-	-8.9		-21.4
Restructuring costs, ATP	1.4	-	1.4	0.5	0.5
Interest, early redemption finance leasing	-	-	2.6	-	-
Provision for bad debts, due to bankruptcy	3.5	-	3.5	-	-
Financial FX gains/losses	2.3	-3.9	3.8	-5.3	-6.3
Sum after items affecting comparability	**-33.5**	**-41.4**	**-57.0**	**-57.2**	**-77.0**

**Income from sale of four aircraft*

Note that in addition to the mentioned items affecting comparability with the previous year, we also have the cost impact of more parked ATP aircraft with no attached revenue, and of which five aircraft were parked as from 1 January 2018, as a direct effect of the reduced network with Norwegian Mail. Besides this, the reduced network has also meant significant costs following reorganisation. These two factors have significantly affected the accumulated adjusted income before tax negatively compared to previous year.

Cash flow

April - June

Cash flow from operating activities amounted to MSEK 39.2 (105.1). The change compared to last year is attributable to the change in working capital, which amounted to 24.2 MSEK (95.5). The previous year was an unusually good period compared to this year, in particular as trade receivables decreased. Cash flow from investing activities amounted to MSEK -46.3 (-37.3). The change is mainly due to higher heavy maintenance events this year. Cash flow from financing activities amounted to MSEK -35.2 (-38.2). Cash flow for the period amounted to MSEK -42.4 (29.6).

January - June
Cash flow from operating activities amounted to MSEK 91.0 (112.7). The change compared to last year is attributable to the change in working capital, which amounted to 24.2 MSEK (51.0),see above for comment. Cash flow from investing activities amounted to MSEK -53.5 (-83.4). The change is mainly due to received remuneration from aircraft sales, during the first quarter. Cash flow from financing activities amounted to MSEK -53.3 (-45.6). Included in this period is an one time amortisation of finance leasing liabilities connected to sold aircraft. Cash flow for the period amounted to MSEK -15.8 (-16.3).

Investments
April - June
Total investments in tangible assets amounted to MSEK -44.2 (-37.4), mainly from investments in periodical heavy maintenance activities and purchase of aircraft components, for both years. Payments from other investing activities amounted to MSEK -2.1 (0.1) including investments in financial assets, MSEK -2.2 (0) and payments received from financial assets, MSEK 0.1 (0.1).

January - June
Total investments in tangible assets amounted to MSEK -86.5 (-80.7), mainly from investments in periodic heavy maintenance activities and the purchase of aircraft components, for both years. Payments from other investing activities amounted to MSEK -9.1 (-2.7) including investments in financial assets, MSEK -9.4 (-2.8) and payments received from financial assets, MSEK 0.3 (0.1).

Operational leasing costs
April - June
The aircraft operating leasing costs amounted to MSEK 49.5 (33.6).

January - June
The aircraft operating leasing costs amounted to MSEK 89.6 (67.2).

Leasing engagements
January - June
During the period the Group has entered into new aircraft leasing engagements for two B737-400 aircraft and one B737-800 (which was already committed during the previous year). The aircraft have been delivered.

Sales of assets
During the period four ATP aircraft were sold following an agreement that was signed during the previous year. The net remuneration after costs following the sale, but before amortisation of the finance leasing liabilities, amounted to MSEK 42.0.

Impairment of stock
January – June
During the period an impairment has been made by MSEK 3.3 (3.5) for slow moving stock.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD
April - June

- Following the total capital contribution of MSEK 31.7 whereof MSEK 25.0 was made during 2017, the subscription period for the new share issue and the registration of the new shares were finalised in April 2018. The share capital increased by MSEK 15.9 to MSEK 42.9 and 15,864,205 preferred shares were issued at a subscription price of SEK 2 per share. The share premium amounts to MSEK 15.8 and remains as other contributed capital.
- In May, the Group was informed that one of its customers in technical services, Nextjet AB, had filed for bankruptcy. The financial effects for the Group has being investigated and contact has been made with the bankruptcy lawyer since the Group has unpaid receivables that are owed by the customer. A provision of MSEK 3.5 has been made for bad debt losses during the interim period.
- In May, the Group received the official approval from bondholders to scrap six BAe ATP aircraft. This was one of the points included in the written request made to the bondholders in January, see below.
- In May, West Atlantic took delivery of the world's first B737-800BCF Next Generation Freighter. The Group has three more units on order with delivery in 2018 and early 2019.
- Following the entry into two long term operating lease agreements in April and June, the Group took delivery of another two B737-400 aircraft.
- At the annual general meeting in West Atlantic AB (publ), held in June, the Board of directors was expanded by two persons, Mr Lars Jordahn and Mr Anders Ehrling.

January – June

- The Group focused on initiatives to improve the Group's financial position, including initiatives concerning the conditions for fulfilment of the financial covenant under the bond loan. At the same time, to replace the overdraft facility, that expired 1st of January 2018, the Group's bank demanded sharing the transaction security provided for the bond loan. In view of this, the Group made a further written request ("Notice") to the bondholders for approval of these initiatives, together with the required amendments and waivers. The bondholders voted in favour of the request. No new overdraft facility has been signed as per June 30 but through the accepted request, the company can negotiate for an overdraft facility up to a sum of maximum MSEK 75. The notice of the written procedure, was made 15 January 2018, and the results from the written procedure can be found at the company's website. www.westatlantic.eu.
- The Group has filed a lawsuit against Norwegian Mail in the district court in Oslo seeking compensation arising from Norwegian Mail's reduction of the network that the Group operates for them. The Group believes Norwegian Mail's actions were contrary to the terms of the commercial arrangements between the parties. Expected start of the court proceedings is autumn 2018.
- The sale of four ATP aircraft including two aircraft managed through the collaboration agreement, was completed in late March 2018. The sale contributed a significant income, see note 4 for more information. As a part of the conditions for the financing of the transactions, some of the remuneration from the sale, MSEK 16.1 was pledged for the buyer's liability to the financers of the business, see below the section on financial position.
- A long term contract that includes the operations of four B737-800 aircraft (of which three are not yet delivered) was agreed upon with one customer.
- An extraordinary general meeting was held in January 2018, at which the shareholders resolved on a new share issue. The subscription period and the registration of the new shares were finalised in April 2018. Through the new share issue, in total MSEK 31.7 has been contributed, of which MSEK 25.0 was contributed during 2017.
- The Group was informed that one of its customers in technical services, Nextjet AB, had filed for bankruptcy. The financial effects for Group has being investigated

and contact has been make with the bankruptcy lawyer, since the Group has receivables that are owed by the customer. The Group has made a provision of MSEK 3.5 for bad debt losses.
- The Group received the official approval from bondholders to scrap six BAe ATP aircraft. This was one of the points included in the written request made to the bondholders in January.
- In April, West Atlantic took delivery of the world's first B737-800BCF Next Generation Freighter. The Group has three more units on order with delivery in 2018 and early 2019.
- The Group took delivery of another two B737-400 aircraft.
- At the annual general meeting held in June, the Board of directors were expanded by two persons, Mr Lars Jordahn and Mr Anders Ehrling.

ORGANISATION
The average number of employees for the period January – June amounted to 456 (463).

FINANCIAL POSITION, PLEDGED FUNDS AND FINANCING
Cash and cash equivalents at the end of the period amounted to MSEK 113.1 (93.1). Including the non-utilised overdraft facility, available cash and cash equivalents amounted to MSEK 113.1 (139.4). As of June 30, the Group had not signed a new overdraft facility. During the interim period, funds of MSEK 16.5, previously held on an escrow account, were released and no longer earmarked for investments in additional aircraft. As mentioned above, following the sale of four aircraft, an amount of MSEK 16.1, held on an account, has been pledged as security for the buyer's liability to its financers. For the Group, the funds will be available at the rate of the byer's amortisation to the financers, which is scheduled to begin in September 2018. Due to this, an amount of MSEK 2.4 has been accounted for as cash and cash equivalents, and the rest, MSEK 13.7 as receivables. For definitions of cash and cash equivalents, see definitions at the end of this report.

Equity amounted to MSEK 45.4 (51.2) and the equity ratio amounted to 3.7 % (4.1). During the period, a capital contribution of MSEK 6.7 was received from certain shareholders. In year 2015, the Company issued the corporate bond loan which was listed on the NASDAQ, Stockholm on January 26th 2016. The instrument is listed as WEST002 with 850 units holding a nominal value of MSEK 1.0 each. The bonds carry a fixed coupon of 7 %, payable semi-annually in arrears and matures in December 2019. The Group is obliged to report its financial position as described in the terms and conditions of the bond. For the financial covenants, please see note 10. For terms and conditions of the corporate bond loan, please see the website of West Atlantic AB (publ) available at www.westatlantic.eu

FINANCIAL INSTRUMENTS
The Group has no financial assets or financial liabilities which are valued at fair value in the valuation hierarchy. A summary of the recorded values for the Group's financial assets and liabilities are shown in note 7.

RISKS AND UNCERTAINTIES
West Atlantic is exposed to a number of global and Group specific risks that can impact operations and the financial performance as well as the financial position of the Group. The foreseeable risks are identified and monitored centrally through policies. Risk management in the Group is about positioning the Group properly in response to possible events. Below is a non-exhaustive list of risks, without regards to the level of significance, which the Group considers to be material.
- Operating risks – safety always comes first
- Market, commercial & political risks
- Financial risks
- Fluctuations in foreign exchange rates and fuel prices
- Contract risks
- Legal risks
- Credit risks
- Taxation and charges

A more detailed description of the risk factors, which the Group considers to be material, can be found in the annual report for 2017. The assessment is that this description is still accurate. Following the financial risk, the development of the Group is closely followed due to the low equity ratio and due to the Group being in breach of one financial covenant in the bond terms during the previous year.

LEGAL PROCEEDINGS
At the moment the Group is not involved in any material legal proceedings. However, a legal process may be upcoming following the submitted lawsuit against Norwegian Mail, see above at significant events during January – June.

TRANSACTIONS WITH RELATED PARTIES
For transactions with related parties, please see note 8.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Signing of a new overdraft facility
The Group has signed a new overdraft facility up to an amount of MSEK 75.0, with a Swedish bank.

Scrapping of ATP aircraft
The Group has scrapped four ATP aircraft.

OUTLOOK
Outlook is optmistic for the second half of 2018 and onwards. An agreement for a new overdraft facility up to an amount of MSEK 75.0, has been signed with a Swedish Bank, which will come into effect shortly. By early September, there will be four Boeing 737 aircraft in operation for Fedex, of which two are B737-800, which will boost the growth further. Focus remains on finding a solution for our excess ATP aircraft, achieving consistent high levels of fleet reliability, and fine tuning our organization to further to reduce costs. The Group still needs to reach acceptable long term levels of cash flow generation and profitability from operations. To be able to capitalize fully on the market growth opportunities, the Group's balance sheet must be strengthened further. The Group is presently evaluating available options to adress this concern.

SEASONAL EFFECTS
As part of the air freight market, West Atlantic is exposed to seasonal effects. The main drivers are the operating calendar and additional expenses relating to winter operations. Seasonal effects impact the Group's financial position and income during the course of a calendar year where the first half generally is weaker than the second half.

PARENT COMPANY
About the parent company
The parent company is the contracting party for a significant part of the Group's operations but does not perform airfreight services. The Company subcontracts subsidiaries to perform the respective services. A major part of the Group's aircraft fleet is financed through the corporate bond loan, issued by the parent company.

Revenue and income
April - June
Revenue for the period amounted to MSEK 98.7 (164.5), a decrease by 40.0 % year-on-year. The decrease year-on-year is mainly attributable to the loss of operations for Norwegian

Mail, including revenues corresponding to five ATP aircraft, beginning as from January 1st 2018. There is also another significant effect which comes from an internal reorganisation that resulted in a mail customer being handled by another company in the Group. EBIT amounted to MSEK 11.3 (-14.4). The increase is mainly attributable to higher costs for subcharter of aircraft in relation to revenue during previous year. Net income amounted to MSEK 4.1 (-22.1).

January - June

Revenue for the period amounted to MSEK 191.0 (352.1), a decrease by 44.4 % year-on-year. The reason for the decrease year-on-year is mainly the same as for the interim period above. EBIT amounted to MSEK 7.0 (-10.3). The reason for the increase is mainly the same as for the period above table. Net income amounted to MSEK -7.6 (-25.5).

Financial position and financing

Cash and cash equivalents at the end of the period amounted to MSEK 26.6 (32.3). Including a non-utilised overdraft facility, available cash and cash equivalents amounted to MSEK 26.6 (78.6). At June 30, the company has not signed for a new overdraft facility. During the interim period, funds of MSEK 16.5, previously held on an escrow account, were released and no longer earmarked for investments in additional aircraft. Equity amounted to MSEK 83.2 (34.2). During the period, a capital contribution of MSEK 6.7 was made by certain shareholders, in addition to the MSEK 25.0 that was contributed by certain shareholder during the previous year. Following the new share issue, which was registered in April, the share capital increased by MSEK 15.9 to MSEK 42.9 and MSEK 15.8 was transferred to unrestricted equity as share premium. 15,864,205 preferred shares were issued at a subscription price of SEK 2 per share.

In year 2015, the Company issued a corporate bond loan subject to trade on the NASDAQ in Stockholm. For more information see financial position and financing for the Group.

Contingent liabilities

Contingent liabilities amounted to MSEK 725.7 (401.7). The increase is mainly attributable to increased guarantees for subsidiaries engagements with aircraft lessors, in particular the guarantee for the lease engagement of the new B737-800

Group report

Consolidated statement of income and other comprehensive income

MSEK	Apr - Jun 2018	Apr -Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
Revenue	426.8	376.5	823.0	768.5	1,589.3
Cost of services provided	-429.2	-396.3	-821.8	-781.3	-1,562.7
Gross income:	**-2.3**	**-19.8**	**1.2**	**-12.8**	**26.6**
Selling costs	-5.0	-1.9	-6.4	-3.4	-7.8
Administrative costs	-12.4	-12.5	-24.5	-23.1	-48.2
Other operating income & costs	-0.6	2.0	39.6	5.4	27.3
Operating income:	**-20.3**	**-32.2**	**9.8**	**-33.9**	**-2.1**
Financial income & costs	-20.5	-17.3	-43.6	-35.9	-74.6
Income before tax:	**-40.7**	**-49.5**	**-33.8**	**-69.8**	**-76.7**
Income tax	4.4	10.7	4.9	16.6	15.1
Net Income:	**-36.4**	**-38.8**	**-28.8**	**-53.2**	**-61.6**
Attributable to:					
- Shareholders of the Parent Company	**-36.4**	**-38.8**	**-28.8**	**-53.2**	**-61.6**
Earnings per share, before and after dilution (SEK)	-0.85	-1.44	-0.67	-1.97	-2.28
Average number of outstanding shares (Thousands)	42,869	27,005	42,869	27,005	27,005
Statement of other comprehensive income					
Net income:	**-36.4**	**-38.8**	**-28.8**	**-53.2**	**-61.6**
Other comprehensive income:					
Items that may or has been classified as net income:					
Exchange-rate differences in translation of foreign operations	-0.5	-1.1	-0.5	-0.9	-0.7
Total comprehensive income for the period:	**-36.9**	**-39.9**	**-29.3**	**-54.1**	**-62.3**
Attributable to:					
- Shareholders of the Parent Company	**-36.9**	**-39.9**	**-29.3**	**-54.1**	**-62.3**

Condensed statement of financial position

MSEK	Jun 30 2018	Jun 30 2017	Dec 31 2017
Intangible assets	0.1	0.1	0.1
Tangible assets	778.5	833.5	796.4
Financial assets	54.3	22.6	29.8
Total non-current assets	**833.0**	**856.2**	**826.3**
Inventories	106.0	113.7	116.7
Other current assets	180.4	181.1	183.1
Assets held for sale	-	-	21.3
Cash and cash equivalents	113.1	93.1	123.4
Total current assets	**399.5**	**387.9**	**444.4**
Total assets	**1,232.5**	**1,244.2**	**1,270.8**
Shareholders' equity	45.4	51.2	68.0
Non-current liabilities	918.1	963.8	920.7
Current liabilities	268.9	229.2	282.0
Total shareholders' equity and liabilities	**1,232.5**	**1,244.2**	**1,270.8**

Condensed changes in shareholders' equity

MSEK	Share capi-tal	Other con-tributed ca-pital*	Trans-lation re-serves	Profit brought forward including net income	Total share-holders' equity
Opening shareholders' equity, Jan 1, 2018	**27.0**	25.0	**4.9**	**11.1**	**68.0**
New share issue	15.9	-9.2	-	-	**6.7**
Total comprehensive income for the period Jan - Jun	-	-	-0.5	-28.8	**-29.3**
Closing balance Jun 30, 2018	**42.9**	**15.8**	**4.4**	**-17.7**	**45.4**
Opening shareholders' equity, Jan 1, 2017	**27.0**	**-**	**5.6**	**72.7**	**105.3**
Total comprehensive income for the period Jan - Jun	-	-	-0.9	-53.2	**-54.1**
Closing balance Jun 30, 2017	**27.0**		**4.7**	**19.4**	**51.2**
Opening shareholders' equity, Jan 1, 2017	**27.0**	-	**5.6**	**72.7**	**105.3**
Other contributed capital	-	25.0	-	-	**25.0**
Total comprehensive income for the year	-	-	-0.7	-61.6	**-62.3**
Closing balance Dec 31, 2017	**27.0**	**25.0**	**4.9**	**11.1**	**68.0**

**Jun 30, 2018: share premium from the new share issue amounts to MSEK 15.8.*

Condensed statement of cash flows

MSEK	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
Operating income	**-20.3**	**-32.2**	**9.8**	**-33.9**	**-2.1**
Adjustments for non-cash items					
Depreciation	33.4	33.5	65.6	66.0	128.4
Other non-cash items	2.4	11.8	-7.1	36.1	65.6
Income tax paid	-0.5	-3.6	-1.5	-6.5	-2.4
Cash flow from operating activities before changes in working capital	**15.0**	**9.6**	**66.8**	**61.7**	**189.5**
Change in working capital	24.2	95.5	24.2	51.0	44.2
Cash flow from operating activities	**39.2**	**105.1**	**91.0**	**112.7**	**233.7**
Investments in tangible assets	-44.2	-37.4	-86.5	-80.7	-143.2
Sales of tangible assets	-	-	42.0	-	-
Payments from other investing activities	-2.1	0.1	-9.1	-2.7	-11.8
Cash flow from investing activities	**-46.3**	**-37.3**	**-53.5**	**-83.4**	**-155.0**
New share issue/contributed capital	0.5	-	6.7	-	25.0
Amortisation of interest bearing liabilities	-3.1	-4.3	-23.3	-6.6	-12.3
Repaid/received funds from deposits/receivables	-	-	2.3	-	0.1
Interest paid	-32.6	-33.9	-38.9	-39.0	-76.9
Cash flow from financing activities	**-35.2**	**-38.2**	**-53.3**	**-45.6**	**-64.1**
Cash flow for the period	**-42.4**	**29.6**	**-15.8**	**-16.3**	**14.6**
Cash and cash equivalents at the beginning of the period	151.9	64.2	123.4	110.2	110.2
Translation difference in cash and cash equivalents	3.6	-0.7	5.5	-0.8	-1.4
Cash and cash equivalents at the end of the period	**113.1**	**93.1**	**113.1**	**93.1**	**123.4**

Notes

Note 1 – Accounting principles, definitions and key performance indicators

Applied accounting principles

The consolidated financial statements have been prepared in accordance with the International Financing Reporting Standards (IFRS) and interpretations as adopted and approved by the EU. The Group has applied the same accounting policies and methods of computation as in the annual report 2017 with the exception of new and revised standards and interpretations that have come into effect as from January 1st 2018. As from 2018 the Group and the parent company applies the new standards IFRS15, Revenue from contract with customers and IFRS9, Financial instruments. For IFRS15, the transition to the standard was decided to be based on a prospective translation method. However the effect from the standard was not assessed to be significant why there were no adjustments in the opening balance. For IFRS9, the effect has been considered to be none or limited. For the new IFRS standard that will come into effect in 2019, IFRS16, Leases, the standard will affect the operating lease agreements in the Group significantly. Please see the annual report for 2017, accounting principles, p 1.1 for more information.

The Group also applies the recommendation from the Swedish Financial Reporting Board, RFR 1, supplementary accounting rules for groups. The Group's consolidated accounts are prepared and reported in Swedish Krona (SEK), which is the functional currency of the parent company. All figures in this report is rounded to Swedish Krona Millions (MSEK).

The interim report for the Group has been prepared in accordance with IAS34 Financial Interim Reporting. The interim report for the parent company has been prepared in accordance with RFR2, financial reporting for legal entities and the Swedish Annual Accounts Act (SAAA). There has been no changes in the accounting principles, essential assessments and estimates during the interim period, compared to the annual report for 2017 except for new IFRS standards that have come into effect 2018, see above.

Information according to IAS34 Financial Interim Reporting are submitted in notes and elsewhere in this report.

For a complete summary of the Group's accounting principles, please see note 1, significant accounting principles in the annual report for 2017 available on the website of West Atlantic AB (publ), www.westatlantic.eu.

Alternative key performance indicators

Alternative key performance indicators means financial metrics that are used by the management, investors and lenders to evaluate the Group's net income and financial position which cannot be read from the financial reports, directly. These financial metrics are intended to facilitate analysis of the Group's development. The alternative key performance indicators shall not be considered as a substitute but rather as a complement to the financial reporting prepared according to IFRS. The financial metrics that are used in this report can differ from similar metrics used by other companies. Alternative key performance indicators and reconciliations are shown on the front of this report, and in note 3 and 6.

Note 2 – Breakdown of revenues

MSEK	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
Air freight services	421.3	359.5	808.0	736.5	1,539.1
Technical services	4.7	13.7	13.9	25.0	42.2
Aircraft leasing	-	1.6	-	5.1	5.1
Other revenue	0.8	1.7	1.1	1.9	2.9
Sum	**426.8**	**376.5**	**823.0**	**768.5**	**1,589.3**

Note 3 – EBITDA

MSEK	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
Operating income	**-20.3**	**-32.2**	**9.8**	**-33.9**	**-2.1**
Depreciation & Impairment	33.4	33.5	65.6	66.0	128.4
EBITDA	**13.1**	**1.3**	**75.4**	**32.1**	**126.3**

Note 4 – Other operating income & costs

MSEK	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
Income from collaboration agreement	-	0.9	8.9	4.8	21.4
CRJ200PF accident	-	1.0	-	1.0	0.7
Sale of aircraft	0.7	1.2	29.0	2.4	4.6
Operating foreign exchange currency gains/losses	-1.3	-1.1	1.7	-2.8	0.6
Sum	**-0.6**	**2.0**	**39.6**	**5.4**	**27.3**

Note 5 – Financial income & costs

MSEK	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
Interest costs*	-18.6	-20.9	-41.3	-41.3	-82.1
Financial exchange currency gains/losses**	-2.3	3.9	-3.8	5.3	6.3
Other financial income & costs	0.4	-0.3	1.5	0.1	1.2
Sum	**-20.5**	**-17.3**	**-43.6**	**-35.9**	**-74.6**

**As a part of interest costs, there are interest on finance leasing liabilities. As from April 2018 these includes five aircraft. Previous periods included seven aircraft.*

***Includes loans, financial leasing and other financial assets and liabilities.*

Note 6 – Income per quarter and key performance indicators

Income per quarter

MSEK	Apr - Jun 2018	Jan - Mar 2018	Oct - Dec 2017	Jul - Sep 2017	Apr - Jun 2017	Jan - Mar 2017	Oct -Dec 2016	Jul - Sep 2016
Revenue	426.8	396.1	440.5	380.3	376.5	392.0	353.5	323.7
Cost of services provided	-429.2	-392.6	-405.2	-376.3	-396.3	-385.0	-342.5	-295.2
Gross income:	**-2.3**	**3.5**	**35.3**	**4.0**	**-19.8**	**7.0**	**11.0**	**28.5**
Selling costs	-5.0	-1.4	-2.8	-1.6	-1.9	-1.5	-5.2	-4.3
Administrative costs	-12.4	-12.2	-14.2	-10.9	-12.5	-10.6	-18.4	-9.8
Other operating income & costs	-0.6	40.1	17.5	4.5	2.0	3.3	12.2	1.8
Operating income:	**-20.3**	**30.1**	**35.8**	**-4.0**	**-32.2**	**-1.8**	**-0.4**	**16.2**
Financial income & costs	-20.5	-23.1	-20.3	-18.4	-17.3	-18.5	-24.5	-21.4
Income before tax:	**-40.7**	**7.0**	**15.5**	**-22.4**	**-49.5**	**-20.3**	**-24.9**	**-5.2**
Income tax	4.4	0.5	1.9	-3.4	10.7	5.9	1.6	-2.1
Net Income:	**-36.4**	**7.5**	**17.4**	**-25.8**	**-38.8**	**-14.4**	**-23.3**	**-7.3**

Key performance indicators

MSEK	Apr - Jun 2018	Jan - Mar 2018	Oct - Dec 2017	Jul - Sep 2017	Apr - Jun 2017	Jan - Mar 2017	Oct -Dec 2016	Jul - Sep 2016
Operating income	-20.3	30.1	35.8	-4,0	-32.2	-1.8	-0.4	16.2
Depreciation & Impairment	33.4	32.2	30.6	31,8	33.5	32.5	38.6	32.8
EBITDA	**13.1**	**62.3**	**66.4**	**27,8**	**1.3**	**30.7**	**38.2**	**49.0**
EBITDA - margin (%)	3.1%	15.7%	15.1%	7.3%	0.4%	7.8%	10.8%	15.1%
Cash and cash equivalents including unused overdraft facility	113.1	151.9	173.4	111.7	139.4	114.2	160.2	171.3
Cash flow from operating activities	39.2	51.8	78.0	43.0	105.1	7.6	68.9	55.1
Net interest bearing debt/EBITDA**	4.2	4.1	5.0	6.2	5.4	4.6	5.1	5.2
Interest coverage ratio**	2.4	2.3	2.0	1.7	1.9	2.4	2,1	2.1
Equity / Asset ratio (%)	3.7%	6.4%	5.3%	2.0%	4.1%	7.1%	8.3%	9.7%
Average employees	456	456	466	457	460	466	465	466

***Defined by the corporate bond loan WEST 002 terms and conditions.*

Note 7 – Fair value and booked value on financial assets and liabilities

	Jun 2018		Dec 2017	
MSEK	**Booked value**	**Fair value**	**Booked value**	**Fair value**
Financial assets				
Non-current financial receivables	47.1	47.1	28.9	28.9
Other receivables incl accounts receivables	110.6	110.6	140.4	140.4
Cash and cash equivalents	113.1	113.1	123.4	123.4
Sum	**270.8**	**270.8**	**292.7**	**292.7**
Financial liabilities				
Loans incl bank overdraft	889.1	895.7	888.3	876.4
Other liabilities incl accounts payables	173.8	173.8	219.1	219.1
Sum	**1,062.9**	**1,069.4**	**1,170.4**	**1,095.5**

Fair value is normally determined by official market prices. When market prices are missing, fair value normally is determined by generally accepted valuation methods, such as discounted future cash flows based on available market information.

The fair value of the Group's financial assets and liabilities has been determined according to below:

- ***Level 1:*** Market prices (unadjusted) listed on an active market for identical assets or liabilities
- ***Level 2:*** Other observed data for the asset or the liability than noted prices included in level 1, either direct (as price adjustments) or indirect (derived from noted prices).
- ***Level 3:*** Fair value determined out of valuation models, where significant data is based on unobservable data.

Items classified in level 1: the corporate bond loan, subject to trade on the NASDAQ OMX in Stockholm. The booked value is made at deferred acquisition value with regard to transaction costs.

Items classified in level 2: Non-interest-bearing long term financial receivables valued at deferred acquisition value and where the interest that is used to discount the amount to the acquisition value, is derived from a notation and an assessment is performed by the Group.

For other receivables including accounts receivables, cash and cash equivalents, other loans, other liabilities including accounts payables the booked values are considered to be a reasonable approximation of the fair values. Valuation is made at deferred acquisition value, which corresponds to nominal values adjusted with additional or deductible valuation items.

Note 8 – Transactions with related parties

Transactions between the parent company and its subsidiaries and between subsidiaries within the Group have been eliminated in the Group consolidation. These transactions, including any transactions with affiliated companies, are made on current market terms based on the "arm's length" principle, which means between independent parties, well informed and with an own interest in the transactions. Transactions with key persons in leading positions and its related parties are made on current market terms based on the "arm's length principle". Below are shown the value of transactions made during the interim period and the outstanding balances (C=Claim, L=Liability) at reporting date.

MSEK		Jan - Jun 2018	30 Jun 2018	
Party	**Transaction(s)**			
Horizon Objectives Ltd	Purchase of commercial services	1.2	1.2	L
Air Transport Services Group (ATSG)	Lease of B737 and B767 aircraft and maintenance support	72.7	23.2	L

The relationships between the related parties, including the content of the leasing agreement above, are described in the annual report for 2017, note 32. Compared to 2017-12-31, costs for leasing and maintenance support have been added due to two leasing agreements, entered with ATSG in late December 2017 and April 2018. The remaining lease periods are 4.5 and 4.8 years and also concern maintenance support.

Note 9 – Business segment

West Atlantic operates a functional organisation independent of geographical concentration of management. The Group performs services all over the European area and only reports one operating segment "airfreight services", which is consistent with the internal reporting to the highest executive management, the board of West Atlantic AB (publ).

During the interim period, there has been no changes in the business segment and the structure of reporting. For more information, please see the annual report for 2017 note 1, essential accounting principles p 1.1.

Note 10 – Corporate bond – financial standing & Covenants

The Group is obliged to report its financial position as described in the terms and conditions of the bond. Below is a summary of the most important terms and conditions which applies to the loan. For more detail and definitions please see page 15 definitions, and also the West Atlantic webpage (www.westatlantic.eu) where the full terms and conditions can be found.

As per Jun 30, 2018 the Group meets its financial covenant. Financial covenants as per corporate bond terms and conditions:

Maintenance test:
The ratio of Net Interest Bearing Debt* to EBITDA** shall not exceed:
(i) 6.00 during the year 2015 and 2016;
(ii) 5.75 during the year 2017;
(iii) 5.50 during the years 2018-2019.

Incurrence test (this test is only applicable if new loans are raised):
(a) the ratio of Net Interest Bearing Debt to EBITDA** is not greater than:
(i) 4.25 during the year 2015 and 2016;
(ii) 4.00 during the year 2017;
(iii) 3.75 during the years 2018-2019;
(b) the Interest Coverage Ratio (ratio of Net Finance Charges*** to EBITDA**) shall exceed 2.50; and
(c) no Event of Default is continuing or would occur upon the incurrence

Calculation of bond defined Net Interest bearing debt*	2018-06-30	2017-06-30	2017-12-31
Interest bearing debt	940.7	962.3	956.7
Overdraft	-	3.7	-
Less financial leasing	-52.0	-73.6	-68.3
Less cash & cash equivalents	-113.1	-93.1	-123.4
Net interest bearing debt*	**775.6**	**799.3**	**765.0**

Calculation of net finance charges***	Jul 2017 - Jun 2018	Jul 2016 - Jun 2017	Jan 2017 - Dec 2017
Financial income	-5.0	-6.8	-8.7
Financial costs	87.3	88.6	83.4
Bond transaction costs (WEST001 and WEST002)	-4.6	-4.6	-4.6
Net foreign currency exchange differences	-1.8	0.2	6.3
Net finance charges* **	**75.9**	**77.4**	**76.4**

Calculation of bond defined EBITDA**	Jul 2017 - Jun 2018	Jul 2016 - Jun 2017	Jan 2017 - Dec 2017
Operating income	41.6	-18.1	-2.1
Depreciation & Impairment	128.1	137.4	128.4
EBITDA	**169.7**	**119.3**	**126.3**
Adjustment for non-recurring items			
Provision for bad debt losses, Nextjet	3.5	-	-
CRJ200PF accident	0.4	-7.5	-0.7
Restructuring costs, ATP	1.4	4.0	0.5
Type introduction and start-up costs	9.2	23.2	27.6
Legal costs related to France	-	2.8	-
IPO costs	-	7.3	-
Bond defined EBITDA**	**184.2**	**149.1**	**153.7**

Covenants test per closing date	2018-06-30	2017-06-30	2017-12-31
Net interest bearing debt	775.6	799.3	765.0
Bond defined EBITDA	184.2	149.1	153.7
Net interest bearing debt to R12M EBITDA	**4.2**	**5.4**	**5.0**

	2018-06-30	2017-06-30	2017-12-31
Net finance charges	75.9	77.4	76.4
Bond defined EBITDA	184.2	149.1	153.7
Interest coverage ratio	**2.4**	**1.9**	**2.0**

**Net Interest Debt: means the aggregate interest bearing debt less cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, leases related to Leased Aircraft, bank guarantees, Subordinated Loans and interest bearing debt borrowed from any Group Company).*

***EBITDA: means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s): (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group; (b) before deducting any Net Finance Charges; (c) before taking into account any extraordinary items which are not in line with the ordinary course of business, and non-recurring items; (d) before taking into account any Transaction Costs for the corporate bond loan and any transaction costs relating to any acquisition of any target company; (e) not including any accrued interest owing to any member of the Group; (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis); (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset; (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests; (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.*

*** *Net finance charges* means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any member of the Group and any interest income relating to cash or cash equivalent investment (and excluding any interest capitalised on Subordinated Loans).

Parent company report

Statement of income including statement of other comprehensive income

MSEK	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
Net sales	98.7	164.5	191.0	352.1	704.0
Cost of services provided	-85.7	-176.8	-177.0	-356.8	-712.5
Gross income:	**13.0**	**-12.3**	**14.0**	**-4.7**	**-8.5**
Selling costs	-0.2	-0.5	-0.5	-1.0	-3.0
Administrative costs	-3.9	-4.8	-9.1	-9.2	-19.7
Other operating income & costs	2.4	3.2	2.6	4.6	7.2
Operating income:	**11.3**	**-14.4**	**7.0**	**-10.3**	**-24.0**
Profit from shareholdings in group companies	-	-	-	-	54.1
Interest & similar income	8.9	8.9	17.8	17.6	35.7
Interest & similar costs	-16.1	-16.6	-32.3	-32.8	-66.5
Income after financial items:	**4.1**	**-22.1**	**-7.6**	**-25.5**	**-0.7**
Tax on income for the period	-	-	-	-	-
Net income:	**4.1**	**-22.1**	**-7.6**	**-25.5**	**-0.7**
Statement of other comprehensive income					
Net income:	4.1	-22.1	-7.6	-25.5	-0.7
Other comprehensive income:	-	-	-	-	-
Total comprehensive income for the period	**4.1**	**-22.1**	**-7.6**	**-25.5**	**-0.7**

Condensed statement of financial position

MSEK	Jun 30 2018	Jun 30 2017	Dec 31 2017
Financial assets	534.9	535.0	535.0
Total non-current assets	**534.9**	**535.0**	**535.0**
Other current assets	393.2	536.6	418.3
Cash and cash equivalents	26.6	32.3	65.3
Total current assets	**419.9**	**568.9**	**483.6**
Total assets	**954.8**	**1,104.0**	**1,018.6**
Shareholders' equity	83.2	34.2	84.0
Non-current liabilities	856.4	850.0	853.0
Current liabilities	15.2	219.8	81.6
Total shareholders' equity and liabilities	**954.8**	**1,104.0**	**1,018.6**

Assurance

The Board of Directors and President hereby assure that this interim report provides a true and fair overview of the performance of the parent company's and the Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the parent company and the companies included in the Group are exposed.

Gothenburg, August 23, 2018

Göran Berglund
Chairman of the Board

Tony Auld *Member of the Board*	Joseph Payne *Member of the Board*	Russell Ladkin *Member of the Board*
Lars Jordahn *Member of the Board*	Fredrik Groth *CEO & President*	Anders Ehrling *Member of the Board*

This interim report has not been audited by the Company auditors.

West Atlantic Aircraft fleet & flight traffic statistic

Aircraft fleet as per 30 June, 2018:

	Owned	Drylea-sed	Wet leased	Total	In Service	Dryleased out	Parked*
BAe ATP-F	30	5	-	**35**	16	-	19
Boeing 737-300SF	2	4	1	**7**	7	-	-
Boeing 737-400SF	3	10	1	**14**	14	-	-
Boeing 737-800BCF	-	1	-	**1**	1	-	-
Boeing 767-200SF	-	3	-	**3**	3	-	-
CRJ200PF	2	-	-	**2**	2	-	-
	37	**23**	**2**	**62**	**43**	**-**	**19**

**Long term parked aircraft or aircraft not in daily operation*

West Atlantic traffic statistics January – June, 2018:

	2018		**2017**	
	Q2	**YTD**	**Q2**	**YTD**
	Apr - Jun	**Jan - Jun**	**Apr - Jun**	**Jan - Jun**
Performed flights	5,328	10,706	5,533	11,514
Regularity (target >99%)	99.2%	99.0 %	99.7%	99.5 %
Number of hours flown	5,853	11,772	5,410	11,468

Annual report
The annual report for 2017 was published April 27, 2018.

Annual Shareholders' meeting
The West Atlantic Group's AGM was held on June 26, 2018 at the Group's head office located Gothenburg (Prästgårdsgatan 1, SE-412 71 Gothenburg).

Financial Calendar
Interim report July - September 2018 November 29, 2018

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All reports are available in Swedish and English and can be found on the West Atlantic webpage. The reports can also be ordered electronically via investor.relations@westatlantic.eu

West Atlantic discloses the information contained in this interim report pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instrument Trading Act.

Definitions

Corporate Bond definitions

Bond transaction costs	All direct costs in connection with the issue of bond loan such as consultant costs and fees.
Escrow account	Means a bank account of the Issuer, into which the Net Proceeds from the Bond issue will be transferred and which has been pledged in favour of The Trustee and the Holders (represented by the Trustee) under the Escrow Account Pledge Agreement.
Finance charges	The aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premium or charges and other Finance payments in respect of financial Indebtedness whether paid, payable or capitalised by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction costs, capitalised interest in respect of any loan owing to any member of the Group or any Subordinated Loan, lease expenses related to Leased Aircraft, and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.
Financial costs	Includes costs from: a) interest on loans at deferred acquisition value b) interest on financial loan receivables at deferred acquisition value c) any losses from sale of financial loan receivables d) losses from sale of any company which are not part of the Group e) any losses from market valuation of foreign exchange derivatives (hedging instruments) f) redemption costs for loans g) foreign exchange currency losses from revaluation of financial loan receivables, loans and finance leasing.
Financial income	Includes income from: a) interest on cash & cash equivalents b) interest on financial loan receivables at deferred acquisition value c) any sale of financial loan receivables d) dividend from any company which are not part of the Group e) gain from sale of any company which are not part of the Group f) any gains from market valuation of foreign exchange derivatives (hedging instruments) g) foreign exchange currency gains from revaluation of financial loan receivables, loans and finance leasing.
Financial Indebtedness	Means any indebtedness in respect of; a) monies borrowed or raised, including Market Loans; b) the amount of any liability in respect of any finance leases, to the extent the arrangements is treated as a finance lease in accordance with the accounting principles applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability); c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; e)any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of termination or a close-out, such amount shall be used instead); f) Any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(f).
Interest coverage ratio	The ratio between EBITDA and Net finance costs
Subordinated Loan	Means any loan of the Issuer or any of its Subsidiaries, where the Issuer or the relevant Subsidiary is the debtor, if such loan (a) according to its terms and pursuant to a subordination agreement on terms and conditions satisfactory to the Trustee, is subordinated to the obligations of the Issuer under the Terms and Conditions, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates or instalment dates which occur after the Final, Redemption date, (c) according to its terms yield only payment-in-kind interest.

Other definitions

ACMI	Aircraft, Crew, Maintenance, Insurance. A type of Wet-lease agreement where the airline offers the mentioned services in the contract with the customer.
Administration costs	Indirect cost demanded to create revenue connected to administration including part of salaries & other remuneration and depreciation, travel, IT and other administration costs.
Aircraft fleet	The aircraft types BAe ATP, CRJ200PF, B737-300SF/-400SF, B737-800BCF and B767-200. The aircraft the Group currently operates. Both owned and leased.
AOC	Aircraft operating certificate. Approval granted by a national aviation authority to an operator to allow to use aircraft for commercial purposes.
ATSG	Air Transport Services Group Inc. US based partner which owns 39 % of the shares of West Atlantic AB (publ)
Cash and cash equivalents	Cash in hand, cash in banks and other liquid investments which can be transferred into cash within a period of maximum 3 months.
Cost of services provided	All direct operating cost demanded to create the revenue including aircraft maintenance, fuel, aircraft leasing, part of salaries & other remuneration and depreciation, hangar rents and other direct operating expenses
Collaboration agreement	The Group is a part of an agreement for aircraft management and leasing activities with an external party.
EBITDA	Income before interest, tax, depreciation (including impairment) and amortisation. Operating income adjusted for depreciation.
EBITDA margin (%)	The percentage ratio between EBITDA and revenue
EBIT	Operating income according to statement of income and other comprehensive income
EBT	Income before tax
Equity ratio	Ratio between equity and total assets
Fleet Dispatch Regularity	Defined as % of flights departing according to plan, i.e. flights that are not cancelled.
Global Integrator	Referring to the three major global express providers (FedEx/TNT, DHL, UPS)
IPO costs	Costs in direct connection with a preparatory equity transaction (share issue) such as fees to lawyers, auditors and other advisors, prospectus and registration costs. The costs which were balanced at first, amounted to MSEK 7.3 and the Group expensed these during 2016, due to that the equity transaction did not occur.
Items affecting comparability	Items that occur infrequently are extraordinary or unusual in the ordinary business activities, such as type introduction and start-up costs, redemption cost of loans, income from collaboration agreement, restructuring, financial FX gains or losses from loans and finance leasing
NMO	National mail organisation such as PostNord (Sweden), Royal Mail (UK), Norwegian Mail (Norway), La Poste (France).
OTP	On Time Performance. Defined as % of flights departing and arriving according to times schedule.
Overdraft facility	The total overdraft facility of the Group amounts to MSEK 0.
Wet-lease	Airline providing aircraft capacity to another airline