

Press release 3, 2019
Gothenburg April 9, 2019

West Atlantic AB (publ) has entered into a memorandum of understanding with its current shareholders, LUSAT and certain major bondholders whereby LUSAT will become the new majority shareholder

As communicated by West Atlantic AB (publ) (the “**Company**”, including its subsidiaries the “**Group**”) in a press release dated 18 March 2019, the Company has been discussing principal terms with LUSAT AIR S.L. (“**LUSAT**”) and certain major bondholders holding bonds in the Company’s outstanding bond loan with ISIN SE0007783840 (the “**Bonds**”) for a refinancing of the Group. The offer made by LUSAT has been accepted amongst the shareholders of the Company and certain major bondholders and the parties have today entered into a memorandum of understanding.

The Company has resolved to issue new ordinary shares to LUSAT and as payment for the ordinary shares, LUSAT will provide an equity contribution in the amount of EUR 20 million, conditional to the approval by the bondholders of the written procedure accepting the complete transaction. It is a requirement that the subscription of the new ordinary shares, due to Brexit, occur on or around 10 April 2019, which will result in LUSAT becoming the majority shareholder in the Company. The allocation of the shares to LUSAT will give rise to a change of control event under the terms and conditions of the Bonds. However, the trustee under the Bonds has, based on instructions from the Company and the major bondholders, agreed to a temporary and conditional waiver in respect of the Company’s obligation to repurchase any Bonds, until the written procedure has been held and the transaction, including the change of control, been formally approved by the bondholders in accordance with the terms and conditions of the Bonds.

Of the equity contribution, EUR 10 million will be used to partially amortise the Bonds at par and the other EUR 10 million will be used for capital needs within the Group.

“I am delighted to welcome LUSAT – an experienced aviation company – as new majority shareholder. Beside the new equity contribution there will also be synergies and benefit of scale for the Group going forward. This is very positive news for our customers and employees”, says Lars Jordahn, CEO of the Company.

The Company will call for a bondholders’ meeting by way of written procedure as soon as possible and by no later than 15 April 2019 in order for the bondholders to approve the transaction, the change of control and the offer from LUSAT.

Following approval of the transaction by the bondholders, the Company will immediately amortise the Bonds with EUR 10 million as being described above. The remaining claim under the Bonds will be transferred to a SPV entity. The SPV will issue a new bond (by a mandatory exchange of the Bonds) corresponding to the remaining claim (the “**New Bond**”) and will accede certain assets such as ATP aircraft, the ATP warehouse of the Company, rights to payments under certain lease agreements and certain Boeing 737-400, Boeing 737-300 and CRJ of which the latter will be repurchased in close connection herewith by LUSAT in an amount of EUR 25 million which will be used to amortise the New Bond issued by the SPV. The SPV will initiate a selling process as regards the ATP fleet and the amounts received from such sales will be used for amortisation under the New Bond. The New Bond will have a tenor of three years and an interest rate of 6.00 per cent. during the first year from issuance, 7.00 per cent. during the second year from issuance and 8.00 per cent. during the third year from issuance. In the event the bondholders will not be fully repaid from the assets transferred to the SPV, the bondholders will have a pledge related to LUSAT’s purchase price for the shareholders’ shares which amount to approximately SEK 270 million to be paid accordingly to a SPA concerning all shares owned by the Company’s shareholders before the equity increase.

Additional information will be provided in the notice to the written procedure.

Pareto Securities AB has been retained as financial advisor and Gernandt & Danielsson Advokatbyrå KB has been retained as legal advisor to the Company.



Mesana Capital has been retained as financial advisor to LUSAT.

Questions relating to the bond may be directed to Markus Wirenhammar, Mw@paretosec.com, +46 708 72 51 86, or your dedicated broker within Pareto Securities.

For further information, please contact:

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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 2019-04-09, 10:00 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 a customised aircraft fleet, whereof a majority is wholly owned. West Atlantic was founded in 1962 and is headquartered in Gothenburg, Sweden. Operations are performed all over Europe and 2018 West Atlantic had 461 employees. For 2018 West Atlantic reported revenues of MSEK 1,813 and EBITDA of MSEK 156.

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