

*Denna information till obligationsägarna är endast utformad på engelska.*

**To the bondholders in:**

**ISIN: SE0007783840 – West Atlantic AB (publ) maximum SEK 1,350,000,000 senior secured callable fixed rate bonds 2015/2019**

Stockholm, 10 April 2019

**Notice of Trustee's approval of temporary waiver request from the Issuer**

Nordic Trustee & Agency AB (publ) is the appointed agent (the "**Trustee**") under the terms and conditions for the abovementioned bond issue (the "**Terms and Conditions**" or the "**Bond**").

Terms defined in the Terms and Conditions shall have the same meaning when used in this notice, unless otherwise defined herein.

This notice is distributed to the Holders in accordance with Clause 20.3 of the Terms and Conditions.

As being communicated by the Issuer, on 9 April 2019, LUSAT AIR S.L. ("**LUSAT**") has made an offer to the shareholders of the Issuer, which also includes repayment and restructuring of the Bond. The Issuer, the shareholders, certain major bondholders (the "**Bondholders Committee**") and LUSAT have agreed on the purchase of all shares in the Issuer, a recapitalisation, and the repayment of the Bond and have entered into a memorandum of understanding setting out the principle terms hereof (the "**Transaction**"). The Transaction includes several different features such as an equity injection in the Issuer and pre-agreed assets to be allocated to the Holders through a SPV entity. The Transaction will be formally approved by Holders at the Written Procedure and each member of the Bondholders Committee has undertaken to vote in favour of the Transaction in the Written Procedure, in accordance with a memorandum of understanding entered into between the parties.

As an initial step of the Transaction, the Issuer is required to issue new ordinary shares in the Issuer to LUSAT, in the form of a directed new issue (Sw. *riktad nyemission*). As payment for the ordinary shares LUSAT will provide an equity contribution to the Issuer in the amount of EUR 20 million (or its equivalent in SEK) (the "**Equity Contribution**"). LUSAT will thereby receive control over the Company through ownership of shares and votes, the Equity Contribution will be used for liquidity needs in the Group in the amount of EUR 10 million and for partial amortisation of the Bond at par in the amount of EUR 10 million.

The allocation of ordinary shares in the Issuer to LUSAT will, upon LUSAT's subscription of the shares and registration of LUSAT in the Issuer's share register to occur on or about 11 April 2019, give rise to a Change of Control Event, which would give the Holders a right to request the Issuer to repurchase its Bonds at a price of 101 per cent. of the Nominal Amount. However, a condition for the Transaction is that

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the put option right under the Terms and Conditions is temporarily waived by the Trustee until a formal approval of the Transaction and the change of control is granted by the Holders under the Written Procedure.

The reason for the change of control to occur prior to formal approval of the Transaction has been granted by the Holders under the Written Procedure is due to the risk of the consequences of Brexit and the uncertainties which will materialise as from 12 April 2019. For the Issuer's business, it is therefore important that the majority ownership change occurs prior to 12 April 2019 and hence there is not enough time to have a Written Procedure finalised prior to that date. Without the transfer of ownership to LUSAT prior to Brexit, there is a risk that the Group will be in breach of EU legislation and lose its airline operating certificate.

In the theoretical event the Holders should reject to the Transaction, the new ordinary shares issued to LUSAT will not be registered at the Swedish Companies Registration Office and LUSAT will immediately be removed from the Issuer's share register, hence no Change of Control Event will have occurred.

In our capacity as Trustee, we have agreed to approve a written request for a conditional and temporary waiver by the Issuer (the "**Waiver**") for the purpose of temporary waiving the Change of Control clause set out in 11.5 (*Mandatory repurchase due to a Change of Control Event (put option)*) under the Terms and Conditions until the earlier of (i) the Transaction have been formally approved by the Holders under the Written Procedure to be initiated on or about 12 April 2019 and (ii) 15 May 2019. The effect of the Waiver is that no Holder may exercise the put option right for as long as the Waiver is in force.

The Trustee has considered it to be in the interest of the Holders as a group that the Waiver is granted, since not granting the Waiver would according to the Issuer result in that the Transaction would not be carried out. In the event the Transaction would not occur, there is a risk that the Issuer may not be able to repay the Bond.

The Bondholders Committee has already approved the Transaction and approving the Waiver will give the Issuer necessary time to formally obtain the approval of the Transaction from the Holders under the Written Procedure.

The Waiver is conditional upon certain conditions to occur, such as that the Written Procedure is initiated no later than 15 April 2019.

Considering the above information to the Holders, no additional information in relation to the Change of Control Event will be sent by the Issuer to the Holders according to Clause 12.11 (e) of the Terms and Conditions.

The Waiver is effective as from 10 April 2019.

Yours sincerely,

**Nordic Trustee & Agency AB (publ)**