ATP CARGO

Disclosure of inside information according to Article 17 of the EU Market Abuse Regulation No 596/2014

2020-07-13

PRESS RELEASE

Swedish ATP Management AB (publ) (the "company") has, by its ultimate owners, been informed (i) that the bondholder committee, LUSAT AIR S.L. (Spain) ("LUSAT") and the minority shareholders of West Atlantic AB have entered into the formal agreement regarding the previously announced transaction with respect to *inter alia* the sale of the company and a write down and repayment of its bonds and (ii) that the Bonds shall continue to be listed on the Frankfurt Open Market

Reference is made to the company's SEK 517,178,250 senior secured callable fixed rate bonds 2019/2022 with ISIN SE0012930089 (the "Bond") which are listed on the Frankfurt Open Market.

As communicated in the press release made on 16 June 2020, the owners of the company (*i.e.*, the bondholders represented by the bondholder committee, representatives of certain larger bondholders as appointed in connection with the restructuring of West Atlantic AB's bond in 2019), LUSAT and the minority shareholders of West Atlantic (who were the shareholders of West Atlantic prior to the restructuring of West Atlantic's bond) (together, the "Parties") have been in discussions with the aim to reach an agreement in order to, *inter alia*, solve the company's financial difficulties.

The company which has not taken part in any discussions or negotiations in respect thereof, has today, by its ultimate owners, been informed that the Parties have entered into the formal agreement with the below main terms and conditions (which are substantially the same as in the principle agreement as disclosed on 16 June 2020 but with the deviation that the Bonds will continue to be listed on the Frankfurt Open Market).

- All cash in the company (estimated to approximately MSEK 20) less transaction costs will be used for partial prepayment of the Bond.
- LUSAT will acquire the shares in the company for SEK 1.
- LUSAT will acquire the remaining approximately 49 per cent of the shares in West Atlantic AB.
- By acquiring the shares in the company, LUSAT will indirectly take over the payment liability of the debt under the Bond which will be written down to approximately SEK 300 million. The terms and conditions of the Bonds will be substantially simplified.
- The company will pay approximately SEK 295–300 million to the bondholders in three payment instalments according to the following:
    - approximately SEK 100 million will be paid on 30 June 2021;

    - approximately SEK 100 million will be paid on 30 June 2022; and
    - approximately SEK 95 or 100 million will be paid on 30 October 2022.

  On the third instalment, the company will have the option to (i) pay approximately SEK 100 million, or (ii) pay approximately SEK 95 million and share with the bondholders any possible upside on the divestment of the company's ATP-fleet up to SEK 20 million.
- As security for company's payment liability under the restructured Bond, LUSAT provides guarantees (Sp. Pagarés) and the owner and one other individual representing LUSAT provide personal guarantees.
- The Bond will continue to be listed on the Frankfurt Open Market.
- The Parties will waive any claims that they may have against each other.

Among other things, the sale of the company and the restatement and amendments of the Bonds are subject to the bondholders' approval in a written procedure.

As stated in the company's press release made on 29 May 2020, the continuing financial outcome of the company has led to an insolvency situation during the second quarter and the board of directors has in accordance with the Swedish Companies Act prepared a special balance sheet (Sw. *kontrollbalansräkning*) which has been reviewed by the auditor. The special balance sheet shows a deficit in the equity and therefore a first general meeting of shareholders (Sw. *första kontrollstämman*) has been held and the company's equity must be restored within a statutory time limit of eight months. Through the above described transaction, including the write down of the debt under Bond, the equity will be restored and liquidation and bankruptcy can be avoided.

More information in relation to the Parties' agreement under the master transaction agreement and the time schedule will be provided in the notice to the written procedure that will be made available by the company within short. Closing of all of the transactions will occur in two different steps and the last steps are estimated to occur in August 2020.

For further information, please contact:
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This information is information that Swedish ATP Management 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 2020-07-13, 17.30 CEST.

About Swedish ATP Management

Swedish ATP Management is a newly established asset management company dedicated to manage the BAE ATP (Advanced Turboprop) the most cost efficient cargo aircraft in its segment (8 ton in both metric volume and payload). We aim to increase ATP operations and utilization through our provided services.

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