

TO OVERCOME CRISIS - AIRBALTIC SECURES EQUITY

News / Airlines, Finance



The Cabinet of Ministers of the Republic of Latvia, as the majority shareholder of Latvian airline airBaltic, has today approved the investment of up to EUR 250 million into the equity of airBaltic in order to mitigate the company to overcome the economic crisis caused by COVID-19.

Martin Gauss, the CEO of airBaltic, said: “With this new equity investment, we can begin to execute our new business plan Destination 2025 CLEAN which focuses on a new start for airBaltic once international flight resume. This will facilitate successful growth for the company once the impact of the COVID-19 crisis begins to ease.”

The Latvian government’s plan, which remains subject to the approval of the European Commission, is to provide its investment to airBaltic in tranches. Each investment tranche will be provided in line with market rules and will not exceed the losses caused as a result of COVID-19 crisis.

Following such investment, the Latvian state’s shareholding in airBaltic will increase from 80.05% to 91%.

On April 23, the Supervisory Board of the Latvian airline airBaltic approved the new business plan of the company presented by the management of airBaltic. The new plan foresees a reduced fleet for the upcoming years, initially resuming operations with 22 Airbus A220-300 aircraft. The new plan takes into account the reduced capacity for the years 2020 and 2021, while at the same time foresees return to growth with up to 50 Airbus A220-300 aircraft by the end of 2023. The additional 30 options of Airbus A220-300 remain for future growth.



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