



# EUROPEAN COMMISSION APPROVED AIRBALTIC EQUITY INCREASE OF 45 MILLION EURO

News / Airlines, Finance



The European Commission on December 21, 2021, under EU State aid rules, has approved a part of the Latvian government's investment of €45 million into the equity of the Latvian airline airBaltic to compensate the losses caused by the ongoing Covid-19 pandemic and to support overcoming the economic crisis.

Martin Gauss, Chief Executive Officer of airBaltic: “The support of our majority shareholder to overcome the crisis reflects the recognition of the positive impact airBaltic has on the economy. The European Commission has concluded that the COVID-19 pandemic qualifies as such an exceptional occurrence that exceptional interventions by member states to compensate for the damages linked to it are justified.”



The investment is planned to be returned to the Latvian state in form of proceeds from selling shares during a planned initial public offering of airBaltic in the future.

On August 17, 2021, the Cabinet of Ministers of the Republic of Latvia, as the majority shareholder of airBaltic, approved the investment of EUR 90 million into the equity of airBaltic. The other part of the investment is still subject to the approval of the European Commission.

airBaltic is a strategic facilitator of the Latvian economy and is responsible for more than 2.5% of the Latvian GDP. Due to the Covid-19 pandemic the number of passengers carried by airBaltic decreased by 73% in 2020, and significantly influenced company's operations. To support the local economy, Latvian government provided and continues to provide aid to all industries heavily affected by the crisis, including airBaltic.



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