

Blue Air confirms receipt of first installment of over 300 M lei loan from EximBank

Blue Air confirms receipt of the first installment of the over 300 million lei loan and announced that it is preparing for a complicated winter and recovery as of the 2021 spring, according to a press release sent on Monday to AGERPRES.

"We are pleased to let our passengers and business partners know that, six months after the adoption by the Romanian Government of the Memorandum that decided to support TAROM and Blue Air to compensate for the effects of the Romanian State's decision to suspend flights on Friday, 23 October 2020, all the efforts to operationalize the credit of 300,775,000 million lei granted by EximBank with state guarantee were completed. For reference, it is a 6-year loan with ROBOR + 4 pct interest + commission for the 2 pct per year risk fund, guaranteed with a number of assets, including 75 pct of the shares of Blue Air Aviation SA and the main operator, Airline Invest SA," the company's open letter states.

Blue Air states that obtaining this funding was the basis of the company's decision to resume scheduled flights from July 2020, making it possible to cover the losses and liquidity shortfall caused by the situation of flights having been stopped during the emergency period.

"We continue to focus on the needs of passengers. Thus, although the demand for flight is less than 20 pct compared to the same period last year, we will continue to operate flights to the destinations most requested by our passengers. In addition, with this credit we will be able to start to repay the amounts due to passengers who have decided that they no longer want to travel in the next 24 months and who have already applied for reimbursement of cash amounts," the document signed by Oana Petrescu, Blue Air's managing director, states.

Blue Air is the largest air transport company with majority Romanian private capital, in the process of implementing a business model based on complexity reduction, namely Low Cost - Low Complexity and with a passenger needs-centered approach.