UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
AIR BALTIC CORPORATION AS, et al.,	**Case No. 26-12188 (LGB)**
Debtors.	(Jointly Administered)

Re: Dkt. Nos. 20, 40, 45, 53, 54, 71, 73, 79, 87, 89, 90, 91, 92, 115, 121, 131, 132, 133, 134, 135 and 137

REQUEST OF TOBIAS MATTHIAS SCHWENDER FOR LEAVE TO FILE, AND THIRD SUPPLEMENTAL LIMITED OBJECTION AND RESERVATION OF RIGHTS IN RESPONSE TO, THE DEBTORS' OMNIBUS REPLY [DOCKET NO. 132]

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Tobias Matthias Schwender (the "Objecting Bondholder"), appearing pro se, respectfully submits this request for leave and Third Supplemental Limited Objection and Reservation of Rights, and states as follows.

I. INTRODUCTION AND REQUEST FOR LEAVE

1. I am a beneficial holder of €461,751.07 nominal principal amount of the 14.500 per cent. Senior Secured Bonds due 2029 issued by Air Baltic Corporation AS (ISIN XS2800678224) (the "2029 Bonds"). I hold in my own name and for my own account. I appear on my own behalf and without counsel, as a party in interest under section 1109(b) of title 11 of the United States Code (the "Bankruptcy Code"). My prior filings are at Docket Nos. 54, 71 and 90, and on October 5, 2026 I served First Requests for the Production of Documents on the Debtors [Docket No. 92]. This filing supplements, and does not withdraw, any of them.

2. Paragraph 32 of the Order Implementing Certain Notice and Case Management Procedures, entered on September 16, 2026 [Docket No. 40] (the "Case Management Order"), provides that "[s]ur-replies shall not be permitted or considered unless authorized by the Court." I therefore ask the Court for leave to file this response, and ask that it be considered only if leave is granted.

3. The matters this filing answers were placed on the docket on the afternoon of Friday, October 16, 2026, the last business day before the hearing. In sequence, as the Court's own entry stamps record:

(a) at 2:45 p.m., the Notice of Filing of Revised Final DIP Order and DIP Credit Agreement [Docket No. 131];

(b) at 3:09 p.m., the Debtors' Omnibus Reply [Docket No. 132] (the "Reply"), running to 37 pages;

(c) the Supplemental Declaration of Stephan T. Krastev [Docket No. 133], and at 3:50 p.m. the Declaration of Elliott O'Brien [Docket No. 135], which put the Trust Deed dated May 14, 2024 and the assignments of surplus proceeds into evidence, together with three lease-side documents filed under a pending motion to seal;

(d) at 3:21 p.m., the Debtors' motion for leave for the Reply to exceed the fifteen-page limit for reply briefs set by paragraph 6 of the Case Management Order [Docket No. 134]; and

(e) the Debtors' motion to file certain documents filed in connection with the Reply under seal [Docket No. 137].

4. Paragraph 31 of the Case Management Order provides that, "[u]nless otherwise ordered by the Court," replies "shall be filed with the Court and served … on or before 12:00 p.m. (prevailing Eastern Time) on the business day prior to the date of the applicable hearing (the 'Reply Deadline')." The hearing is on Monday, October 19, 2026. The business day prior was Friday, October 16, 2026, so the Reply Deadline was 12:00 p.m. that day. Paragraph 30 permits "filed statements in support of Pleadings (other than Objections)" to be filed by the same Reply Deadline. The Reply and both supporting declarations were filed after it. I am not aware of any order of the Court altering the Reply Deadline for this hearing; if one was made, this paragraph falls away.

5. I make no allegation of impropriety. I do not ask the Court to strike the Reply, to disregard it, or to adjourn the hearing. I ask only that the Court extend to me the same indulgence that the Debtors seek for themselves at Docket No. 134. My own objections were filed within the deadlines fixed by paragraph 30 of the Case Management Order. This filing is out of time only because what it answers arrived on Friday afternoon.

6. Two features of the Reply make a short response necessary. First, it argues for the first time that the Objecting Bondholders lack standing to be heard at all [Docket No. 132, ¶¶ 5, 27–33]. If accepted, that argument disposes of my objection without reaching it, and I had no opportunity to answer it. Second, the documents on which the Debtors' argument about my security depends are not available to me. As paragraphs 5 to 7 of the O'Brien Declaration record, Exhibit B (the Axiom lease agreement dated March 23, 2016), Exhibit C (the All Parties Agreement dated January 31, 2018) and Exhibit D (the Proceeds Deed dated January 31, 2018) were each "filed under pending motion to seal" [Docket No. 137]. Those three documents are the sole source of the lease provisions on which the Reply relies. Footnote 9 of the Interim Order [Docket No. 45] also fixed the deadline for objections to the form of the proposed Final Order at three days before the Final Hearing, and the revised form of order was itself filed on that day.

II. THE NO-ACTION CLAUSE DOES NOT BAR THE RIGHT TO BE HEARD

7. The Reply relies on Condition 13 of the Terms and Conditions of the Bonds (the "Conditions"), set out at Schedule 2 to the Trust Deed dated May 14, 2024 (the "Trust Deed") [Docket No. 135, Exhibit A]. As the Reply itself sets out the provision, the Trustee may institute steps, actions or proceedings against the Issuer to enforce the terms of the Bonds and the Transaction Documents, and may institute steps, actions or proceedings to enforce the Security once it has become enforceable, but need not do so unless it has been directed by an Extraordinary Resolution or requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds outstanding, and has been indemnified, secured or prefunded to its satisfaction. The provision then states:

> "No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing."

8. The prohibition is directed at one thing: proceeding directly against the Issuer. The twenty-five per cent. direction and the indemnity are not conditions imposed on a Bondholder. They are the conditions on which the Trustee becomes bound to institute steps, actions or proceedings. The Reply recasts Condition 13 as a general prohibition on Bondholders "acting" [Docket No. 132, ¶ 15]. The words of the provision do not say that, and the distinction matters here.

9. I am not proceeding against the Issuer. I have commenced nothing. I have not sought to enforce the Bonds or the Security, to foreclose on any asset, or to exercise any power of the Trustee or of the Security Trustee. I am a respondent to relief that the Debtors have asked this Court to grant in their own cases, and what I ask is that the Court decline to make findings that would prejudice rights which have not been adjudicated.

10. The Debtors have in practice treated me as a party. Their counsel has acknowledged receipt of my Requests for Production and has proposed a meet and confer to discuss them, and has engaged with me on the protective order as set out above. I record that only because it is the position as at the date of this filing.

11. Section 1109(b) of the Bankruptcy Code gives a party in interest, including a creditor, the right to appear and be heard on any issue in a case under chapter 11. A contractual allocation of enforcement authority between an issuer, a trustee and bondholders does not of itself remove that right.

12. Much of my objection does not concern the Bond security at all. I object to the treatment of the ad hoc group of bondholders and its position under Bankruptcy Rule 2019, to the consent rights conferred on that group over the conduct of these cases, to the waiver of marshalling and of section 552(b), to the restriction on surcharge under section 506(c), to the

Milestones, and to aspects of the economic terms. No reading of Condition 13 bars a party in interest from being heard on any of that.

13. Condition 13 is governed by English law. Clause 19.1 of the Trust Deed provides that the Trust Deed "and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law," and Clause 19.2 gives the courts of England jurisdiction over disputes arising out of or in connection with the Trust Deed or the Bonds. How far Condition 13 reaches is therefore itself a question of English law, on which the Reply offers the Court no evidence.

14. The Trustee has not supported the Debtors. Its filing is a reservation of rights [Docket No. 87]. The statement in the Reply that the Trustee "does not object" is not a statement that the Trustee has been directed and indemnified and has declined to act, which is the only circumstance to which Condition 13 attaches any consequence.

15. I ask for a ruling limited to my right to be heard and to reserve my claims. I do not ask the Court to determine who may enforce any particular security interest under the transaction documents.

III. THE ADDITIONAL SECURITY COVENANT

16. The Reply accepts that the covenant exists. It describes Clause 5.18.1(ii) of the Trust Deed as "requiring the Debtors to 'take any and all action necessary' to provide the trustee with a first-ranking security interest in the collateral" [Docket No. 132, ¶ 40], and characterises it as "a conditional promise to grant, in the future, a right to a security interest" [Docket No. 132, ¶ 41]. What the Reply does not do is set the provision out. It matters that the Court should see it, because the obligation has two limbs and the Debtors performed only one of them. Clause 5.18.1 of the Trust Deed, which Condition 3(d)(i) of the Conditions mirrors, provides:

> "Upon the expiry or early termination of the relevant term of the finance lease in respect of a Financed Leased Aircraft or Financed Leased Engine, the Issuer undertakes that it shall as soon as reasonably practicable: (i) other than in the event of a total loss … exercise such rights as it may then have under the relevant purchase option … such that the Issuer will become the legal and beneficial owner of such Financed Leased Aircraft or Financed Leased Engine, as applicable (each, an 'Owned Asset'); (ii) take any and all action necessary to procure that each Owned Asset not previously charged in accordance with Condition 3(d) and this Clause 5.18 is charged by way of a first ranking security in accordance with standard market practice in favour of (a) the Security Trustee … on trust for and on behalf of itself, the Bondholders and the other Secured Creditors … (and each of the Trustee and the Security Trustee shall consent, without requiring the consent or sanction of the Bondholders or any other Secured Creditor, to such charging, all at the expense of the Issuer); and (iii) comply with Condition 4(l) and Clause 5.10 above in respect of any such Owned Asset."

17. Three things follow from that text, and none depends on the covenant being self-executing. I do not contend that it is, nor that it created a perfected lien before the Debtors acquired the assets. First, the exercise of the purchase option is not something the Debtors did as strangers to the Bond documents. It is limb (i) of an undertaking they gave to the Bondholders. The Reply's answer on the assignments of surplus proceeds is that the Debtors exercised the purchase options themselves, so no third-party sale occurred and no surplus can ever arise. But that exercise was the performance of Clause 5.18.1(i), and Clause 5.18.1 binds the Issuer to do limb (i) and limb (ii) together. The Debtors cannot rely on their performance of the first limb to defeat one set of Bondholder rights while leaving the second limb unperformed.

18. Second, performance of limb (ii) required nothing from the Bondholders or from the Trustee. Clause 5.18.1(ii) provides that the Trustee and the Security Trustee "shall consent, without requiring the consent or sanction of the Bondholders or any other Secured Creditor, to such charging, all at the expense of the Issuer." There was no demand to be made, no direction to be given and no vote to be taken. The obligation was the Issuer's alone, and it was to be performed "as soon as reasonably practicable."

19. Third, this is not a covenant sitting outside the security package. Clause 5.2 of the Trust Deed provides that "the Security comprises of, or as the case may be, will comprise of" the interests there listed, and Clause 5.2.3 includes among them, "at the relevant time required by Condition 3(d) and Clause 5.18.1 below … the Security over any applicable Owned Asset as required by Condition 3(d)(i)(II) and Clause 5.18.1(ii)." The Owned Asset security is part of the defined Security, to be held by the Security Trustee on trust for the Bondholders.

20. The trigger in Clause 5.18.1 occurred on the Debtors' own account. The Reply states that the Debtors repaid approximately €78.9 million of EDC- and Axiom-financed debt secured by the Finance Lease Collateral, exercised the purchase options under the Finance Leases and took title, so that the Finance Lease Collateral "thereby became unencumbered estate property," and that the Debtors "then granted the DIP Lenders a first-priority, perfected security interest" in it [Docket No. 132, ¶ 22]. Footnote 15 of the Reply makes the same point.

21. What the Debtors did next is recorded in their own operative financing document. The DIP Credit Agreement filed with the Revised Final DIP Order on October 16, 2026 [Docket No. 131] defines "Foreign Security Agreements" to mean, among other things, "the Latvian law commercial pledges granted by the Borrower, the Latvian law commercial pledge granted by the Obligors and the Latvian law mortgage granted by the Borrower, each dated September 17, 2026" and "the Latvian law commercial pledge in respect of the Collateral Aircraft and Collateral Engine, dated September 28, 2026." Latvian security over aircraft and engines was therefore capable of being granted, and was granted, within a fortnight of the acquisition. It was granted to the DIP Lenders.

22. The value of what limb (ii) would have secured is not in dispute, because the Debtors have sworn to it. At paragraph 10 of the Declaration of Stephan T. Krastev in support of

the DIP Motion [Docket No. 21], Mr Krastev states that "the purchase options under the Finance Leases are important to the DIP Facility … because there is approximately €170 million of equity value in the Axiom Aircraft, the JALL Aircraft, and the JALL Engines that the Company can unlock by exercising the respective purchase options under those Finance Leases; every financing proposal I reviewed contemplated using DIP Facility proceeds for that purpose." The exercise of those purchase options is limb (i) of Clause 5.18.1 of the Trust Deed. On the Debtors' own sworn evidence, performing limb (i) unlocked approximately €170 million of equity value in the very assets that limb (ii) required to be charged first-ranking to the Security Trustee for the Bondholders.

23. That grant also engages the covenants which Clause 5.18.1(iii) and Condition 3(d)(i)(III) require to be observed for an Owned Asset. Clause 5.5 of the Trust Deed, and Condition 4(l)(ii) of the Conditions in the same terms, provide that the Issuer will not "create, incur, assume or suffer to exist any Security Interest (other than the Security) on all or part of the Secured Property," and Condition 4(l)(i) of the Conditions obliges it to do all that is required for "the creation, perfection, protection or maintenance of any Security and the priority thereof created or intended to be created" in favour of the Security Trustee.

24. The Debtors also confirmed the position three weeks before the Petition Date. By the Second Supplemental Trust Deed dated August 24, 2026, whose amendments were confined to the provisions for meetings of Bondholders, the Issuer and the Pledgor agreed and confirmed at Clause 6 that the Security Documents would "remain in full force and effect" and would "continue to secure all liabilities which are expressed to be secured by them"; Clause 7.1 continued the Trust Deed and the Conditions in full force save as amended; and Clause 7.2 provided that the deed "shall not be interpreted as a waiver of any rights or obligations of any of

the Parties hereto which have arisen or accrued … prior to the Effective Date." Neither Clause 5.18 of the Trust Deed nor Condition 3(d) of the Conditions was removed or qualified.

25. The Debtors' answers do not meet this point. They invoke section 552(a) of the Bankruptcy Code and the automatic stay under section 362(a)(4) against the creation of any security after the Petition Date, and they say that Clause 5.18.1 of the Trust Deed created a promise to grant security in the future rather than a present security interest. Each of those propositions is directed at whether a lien exists. I do not assert that a lien arose after the Petition Date. I assert that an obligation which arose before it was not performed. Section 552(a) governs whether after-acquired property is caught by a prepetition security agreement; it says nothing about whether a covenant was observed. Section 362(a)(4) stays acts to create or perfect a lien against estate property; it is not a licence to disregard an obligation, and it did not prevent the Debtors from disclosing the obligation to this Court and seeking directions, which they did not do, at the same time as they sought and obtained authority to grant liens over the identical assets to the DIP Lenders.

26. What follows from the non-performance is a question of English law under Clause 19.1 of the Trust Deed, and it is not before the Court on the present record: whether a party that performs one limb of a composite undertaking and by its own act makes the other impossible may rely on its own performance, and what claim arises. I ask that the question be reserved, not that it be decided in my favour on Monday.

IV. THE ASSIGNMENTS OF SURPLUS PROCEEDS

27. I begin by stating what I do not assert. No surplus is presently payable: the Debtors exercised the purchase options themselves, so there has been no sale or other disposition of the Finance Lease Collateral to a third party [Docket No. 132, ¶ 17]. I do not claim a presently

payable surplus. I do not contend that these assignments are mortgages over the aircraft or engines, or that they give me any continuing interest in the aircraft or engines. What I ask the Court not to do is to decide, on Monday and on a sealed record, that nothing survives them.

28. I must however record that I cannot test the Reply's account of these instruments, because the documents it rests on are sealed. The assignments define the assigned right by reference to the underlying lease documents, and they do so in two different ways. In the seven assignments relating to the Axiom aircraft, "Right to Surplus Proceeds" means the Assignor's right, subject to the terms of the Lease and the notice, acknowledgement and agreement dated July 6, 2017, "to receive surplus funds pursuant to clause 21.4.3 of the Lease." In the assignments relating to aircraft manufacturer's serial number 55016 and to the seven Pratt & Whitney PW1521G spare engines, it means the Assignor's right, subject to the terms of the Transaction Documents, "to receive surplus funds pursuant to clause 9.3 of the APA and clause 2.2(i) of the Proceeds Deed." Each of those three sources — the Lease, the All Parties Agreement and the Proceeds Deed — is an exhibit filed under the pending sealing motion. The Reply offers a single characterisation of the trigger, as a sale or other disposition to a third party after a default and foreclosure [Docket No. 132, ¶ 17]. Whether that characterisation fits both families of assignment is something I am not presently able to verify, and the Debtors contend that I bear the burden of proof under section 363(p)(2).

29. What I can address is the form of the assignments themselves, which are on the public record. The Reply describes them as creating a "contingent security interest" [Docket No. 132, ¶ 17]. That is not how they are drafted. In identical terms in each of the instruments I have been able to review, covering both families, Clause 3.1 of the Security Assignment of Surplus Proceeds dated May 14, 2024 between the Issuer as Assignor and U.S. Bank Trustees Limited as

Security Trustee provides that "[a]s a continuing security for the payment and discharge of the Secured Liabilities, the Assignor with full title guarantee assigns to the Security Trustee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, the Right to Surplus Proceeds." The assignment is a present and absolute assignment made in 2024. What is contingent is the quantum that may fall to be paid under the right assigned, not the assignment itself. Clause 9.1 provides for release only "when the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full." Nothing in the deed releases the security on the exercise of a purchase option. These nine assignments are listed as part of the Security at Clause 5.2.1(vi) to (viii) of the Trust Deed, and each Supplemental Security Assignment of Surplus Proceeds dated October 24, 2024 is expressed to be a Security Document.

30. The deeds also restrict what the Assignor may do. Clause 6.1 provides that, until the Secured Liabilities are paid and discharged in full, the Assignor shall not without the Security Trustee's prior written consent "sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Assigned Rights," nor "create or grant (or purport to create or grant) any interest in any Assigned Right in favour of any person other than Security Trustee." Clause 6.2(a) provides that the Assignor shall "not waive any of the Security Trustee's rights or release any person from its obligations in connection with the Assigned Rights." Clause 7.1 obliges the Assignor to take whatever action the Security Trustee may reasonably require for protecting the security and facilitating realisation of any Assigned Right.

31. The question is therefore not only whether a contingency has occurred. It is whether the Assignor, by its own act and without the Security Trustee's consent, destroyed the assigned

right itself. If it did, what arises is a claim, not a lien, and I put it no higher than that. I recognise the Debtors' answer: Clause 3.2 of each assignment entitles the Assignor to exercise all its rights in the Assigned Rights until the Security Trustee serves notice to the contrary, and the assigned right is in each case expressed to be subject to the terms of the underlying documents. But that clause is expressly "subject to the other provisions of this deed," which include Clauses 6.1 and 6.2. Which side of that line the exercise of the purchase options fell on is a question of English law, and no English law evidence is before the Court.

32. I accordingly ask the Court to distinguish the absence of a presently payable surplus from three separate questions: whether the assignments remain in effect following the exercise of the purchase options; whether the Issuer's own exercise of those options was consistent with Clauses 6.1 and 6.2 of the assignments; and how any assigned rights, and any proceeds or substitute rights arising from them, are treated under the DIP Loan Documents. I ask for disclosure to me, on whatever terms the Court considers appropriate, of clause 21.4.3 of the Axiom lease, clause 9.3 of the All Parties Agreement and clause 2.2 of the Proceeds Deed, together with each purchase option notice, the payoff and closing flow of funds, and any release or consent given or sought in respect of the assignments.

V. ADEQUATE PROTECTION AND COLLATERAL VALUE

33. I accept that section 363(p)(2) of the Bankruptcy Code places the burden of proof on the party asserting an interest in property, and that a contractual right to receive security in the future does not, of itself, entitle its holder to adequate protection under section 361. I seek relief under sections 361, 363(e), 364(d) and 507(b) only to the extent that their statutory predicates are established on evidence. What the Debtors ask the Court to make are nonetheless findings of fact. Finding K of the proposed Final Order recites that the Debtors have material equity value in

the Finance Lease Collateral and that the DIP Lenders would not have agreed to provide the facility without a first priority security interest over it. The evidence offered for those propositions was filed on Friday afternoon, part of it is under a sealing motion, and no independent appraisal has been produced.

34. Exhibit A to this filing sets out, from the Debtors' own published figures, why the value propositions in Finding K require reconciliation before they are found as facts. It is illustrative, not an appraisal, and I do not put it forward as one. Its purpose is to show that carrying value, appraised value, net equity and the maximum secured amount of a registered pledge are different measures which cannot be aggregated. In particular, the maximum amount recorded against a Latvian commercial pledge is a legal ceiling; it is not evidence that assets of that value exist or that any party holds an enforceable lien over them.

VI. ALTERNATIVE FINANCING

35. Footnote 20 of the Reply states that the discussions with the Government of Latvia, the value of the collateral and the Debtors' financing discussions are "not relevant to this Court's consideration of the Final Order." The same footnote states that "[t]he record also confirms that the DIP financing was the best available and that Debtors exhausted available financing opportunities."

36. There is a further matter the Court may wish to have in mind before making findings of necessity. As at the Petition Date the Debtors had funded debt of approximately €503.3 million and operating lease obligations of approximately €855.6 million [Docket No. 14, ¶ 46]. The DIP Facility adds commitments of up to €350 million ranking ahead of that debt, carrying an exit fee and a Minimum Return Amount equal to 1.4685 times the Tranche 1 DIP Loans. The Debtors' own structure accepts that this is a bridge and not a solution: the Milestones

at Schedule 4 to the DIP Term Sheet [Docket No. 45-1] require binding equity commitments from the Government of Latvia and/or strategic investors or plan sponsors, and binding exit financing commitments, by no later than one hundred and twenty days after the Petition Date, in an amount "sufficient to pay-off and satisfy all DIP Obligations." The Debtors' own management had identified an equity raise and shareholder financing as options before the filing. What this estate requires in order to emerge is equity; the Facility defers that requirement at a cost which ranks ahead of the Bonds. I do not ask the Court to substitute its judgment for the Debtors' on that question. I ask that it not be foreclosed by findings made on Monday.

37. The Debtors' own structure also makes the alternatives material rather than academic. At paragraph 11 of the Krastev Declaration [Docket No. 21], Mr Krastev states that Tranche 2 of €125 million and Tranche 3 of €50 million are each "reduced dollar-for-dollar by the aggregate principal amount of any financing provided by a party that is not a DIP Lender," and that those tranches become available only on satisfaction of further conditions "including entry of an order authorizing priming of the collateral securing the Prepetition Bonds." Financing from any other source therefore reduces, pound for pound, the amount of priming financing the Debtors need. Evidence of what alternatives existed is not collateral to the Final Order; it goes directly to how much of this facility is necessary at all.

38. Those two statements cannot both stand if Findings H and J are to bind. A party that relies on the exhaustion of alternatives cannot at the same time say that the evidence of what was explored is irrelevant, and the alternatives were identified by the Debtors' own management, in the airBaltic Group Annual Results 2025 investor presentation of March 11, 2026 at slides 27 and 29, reproduced at Appendix A to my Supplemental Objection [Docket No. 71], and in the question-and-answer portion of the investor call of the same date, excerpts of which I transcribed

and set out at Appendix B to that filing. The Republic of Latvia is not a bystander to those alternatives: the Latvian Ministry of Transport holds approximately 88 per cent. of the Issuer's shares and Lufthansa approximately 10 per cent. [Docket No. 14, ¶ 42], and in April 2026 the Latvian government provided a short-term loan of €30 million which matured on August 31, 2026 [Docket No. 14, ¶ 11]. On September 30, 2026 the Prime Minister of Latvia, Andris Kulbergs, described the decision to file as a gamble, telling Reuters: "Of course, it's a gamble. Of course, things might not happen." I do not suggest that the Republic was obliged to provide funds, or that any of this creates an entitlement to rescue financing. It bears only on whether the record of what was explored should be before the Court before findings of exhaustion are made.

39. I therefore ask that Findings H and J be expressed to be without prejudice to any later application to prime the Bond security under section 364(d)(1)(A), or that the Debtors produce the financing chronology described at paragraph 38(d) below.

VII. RELIEF REQUESTED

40. The relief I seek is narrow. I ask the Court to include in the Final Order, or to direct the parties to include, language to the following effect:

> "Notwithstanding anything to the contrary herein, including Finding K, paragraph 5, any ratification of the EDC and Axiom transactions, or any finding regarding the DIP Liens, nothing in this Order constitutes a final adjudication, waiver, release, discharge, extinguishment or disallowance of any security interest, contingent assignment of surplus proceeds, contractual additional-security right, or claim asserted for the benefit of holders of the 2029 Bonds under Condition 3(d) of the Terms and Conditions of the Bonds, Clause 5.18 of the Trust Deed dated May 14, 2024, the Security Documents or applicable law, including any claim for non-performance of those provisions. All such matters are reserved for determination upon notice and an appropriate evidentiary record. This reservation does not invalidate any DIP Lien, does not establish the priority of any disputed Bondholder interest, and does not determine that adequate protection is presently owed."

41. I ask in addition that any findings concerning the necessity of the DIP financing, the exhaustion of alternative funding, the Debtors' equity in the Finance Lease Collateral and the adequacy or priority of disputed security interests, including Findings H, J and K so far as applicable, be made solely for the purpose of approving the facility on the present record and without issue-preclusive effect in any later contested matter, adversary proceeding or application affecting the 2029 Bonds. Nothing in that request seeks to undo a validly granted DIP Lien or to establish any Bondholder lien by implication.

42. Accordingly, I respectfully request that the Court: (a) grant leave for this filing and determine standing on its merits rather than as a ground for declining to consider my objection; (b) alternatively, permit short further briefing on standing; (c) include the language set out above, or rule that approval of the financing does not preclude later adjudication of the matters reserved; (d) direct the disclosures sought in sections III, IV and VI above and set out immediately below; and (e) defer the disputed questions of security, performance, foreign law and collateral value to the hearing on November 17 and 18, 2026 or to another evidentiary hearing.

43. The disclosures referred to at (d) above are these, each sought as relief for the Court to consider and not as an assertion that production has been ordered:

(i) an asset-by-asset chronology for the eight aircraft and seven engines: the date of expiry or early termination of each finance lease; the date of each purchase option exercise and of each transfer of title; what action, if any, the Debtors took under Clause 5.18.1(ii) of the Trust Deed and Condition 3(d)(i)(II) of the Conditions, and when; whether any notice was given to the Bondholders under Clause 5.18.3 of the Trust Deed; and the provision or doctrine said to have excused performance of limb (ii) while limb (i) was performed;

(ii) the executed Latvian security instruments and registration particulars for those assets, including the commercial pledge dated September 28, 2026, and whether the Finance Lease Collateral falls within Schedule 1 to the New York Aircraft Mortgage;

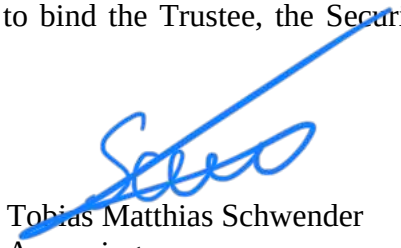
(iii) a schedule for each aircraft and engine giving the manufacturer's serial number and owning entity, the appraisal date, basis and currency, the finance lease payoff allocated to it, the date of transfer of title, any current market value and its source, the liens claimed by the DIP Lenders over it, and any related maintenance reserves, stating whether those are restricted, pledged or included in the asserted equity value;

(iv) clause 21.4.3 of the Axiom lease, clause 9.3 of the All Parties Agreement and clause 2.2 of the Proceeds Deed, subject to whatever confidentiality protections the Court considers appropriate, together with each purchase option notice, the payoff and closing flow of funds, and any release or consent given or sought in respect of the assignments; and

(v) a dated chronology of the discussions with the Republic of Latvia and its ministries, the existing shareholders including Lufthansa, and any prospective strategic investors or alternative lenders, giving for each material proposal the date, indicative amount, approvals required, conditions, security sought and outcome, and identifying any support authorised only in principle as such rather than as committed funding.

44. I reserve all rights under applicable United States, English, Latvian and Irish law. My position is my own and does not purport to bind the Trustee, the Security Trustee or any other holder of the 2029 Bonds.

Dated: October 17, 2026



Tobias Matthias Schwender
Appearing pro se
Beneficial holder of €461,751.07 nominal principal
amount of the 14.500 per cent. Senior Secured Bonds due 2029
ISIN XS2800678224
Gran Via de les Corts Catalanes 199
08014 Barcelona, Spain
Telephone: +34 609 960 498
Email: toscher@gmx.net

EXHIBIT A

COLLATERAL COVERAGE ANALYSIS

In re Air Baltic Corporation AS, et al., Case No. 26-12188 (LGB)

This is an explanatory schedule prepared by the Objecting Bondholder from the Debtors' own filings and published financial statements. It is not an independent appraisal, a valuation opinion, or an adjudication of lien priority, and it is not put forward as any of those. Its purpose is to show that the figures in the record describe different concepts which cannot be aggregated, and to identify the evidence needed before any conclusive finding of collateral value is made.

A.1 The 2029 Bond claim

Item	EUR million
May 2024 original issuance	340.0
October 2024 tap issuance	40.0
Original aggregate principal	380.0
August 2026 capitalised coupon	13.8
Principal at September 14, 2026	393.8
Accrued unpaid interest	4.4
Total indicated Bond claim	398.2

Source: Declaration of Erno Hildén in support of the first day motions [Docket No. 14], ¶¶ 46–48. The capitalised coupon increases principal; accrued interest is shown separately. The total is used only as the denominator in the sensitivities below. For context, the same paragraphs record €7.9 million of BluOr Bank secured debt, €78.6 million of EDC and Axiom finance lease obligations, a €18.6 million government loan and €855.6 million of operating lease obligations. None of those is added to the Bond claim.

A.2 Carrying values of categories identified as pledged

Category	Dec 2024	Dec 2025	Mar 2026
Property, plant and equipment	17.0	14.8	13.3
Buildings	9.6	8.9	8.7
Inventories	14.3	12.4	11.7
Brand and identified intangibles	13.0	13.0	13.0
Aircraft and capitalised components	235.3	220.0	215.5
Receivables and deposits	59.5	56.0	30.0
Sum of listed categories	348.7	325.1	292.2

Source: airBaltic 2025 Annual Report, note 42(a), for the December 2024 and December 2025 columns; Q1 2026 interim financial statements, note 29(a), for March 2026. EUR millions. The listed categories fall by €56.5 million, or approximately 16.2 per cent., between December 2024 and March 2026. Carrying value is not net realisable value, does not establish ownership, the scope of pledged rights, perfection or enforcement cost, and the March 2026 date precedes the Petition Date. The €215.5 million of aircraft and capitalised components may include costs attached to leased aircraft and must be reconciled against the fifteen assets below to prevent double counting.

A.3 The eight aircraft and seven engines

The assets are seven Airbus A220-300 aircraft with manufacturer's serial numbers 55003 to 55009, one further Airbus A220-300 with manufacturer's serial number 55016, and seven Pratt & Whitney PW1521G spare engines. At paragraph 10 of his Declaration in support of the DIP Motion [Docket No. 21], Stephan T. Krastev states that there is "approximately €170 million of equity value" in those assets which the Debtors could unlock by exercising the purchase options under the Finance Leases. That figure is the Debtors' own sworn evidence, not an estimate by the Objecting Bondholder.

Historical valuation bridge	**Amount**
March 2024 appraisal	USD 316.39m
Illustrative EUR/USD rate	1.16
Gross value converted	EUR 272.75m
Less EDC and Axiom finance lease obligations	EUR (78.60)m
Historical residual estimate	EUR 194.15m
Debtors' sworn residual equity [Dkt. 21, ¶ 10]	EUR 170.00m
Unexplained difference	EUR 24.15m

The appraisal date, the conversion assumption, the liability measurement date and the valuation basis may each differ from those underlying the €170 million figure. Arithmetic alone does not explain the €24.15 million difference. The Objecting Bondholder asks for current asset-by-asset valuations and a complete bridge to the Debtors' figure.

A.4 Coverage scenarios

Scenario	**Value (EUR m)**	**Coverage**	**vs claim**
A. Carrying-value pool plus aircraft equity	462.2	116.1%	+64.0
B. Carrying-value pool, no aircraft equity	292.2	73.4%	−106.0
C. Stressed pool, no aircraft equity	63.7	16.0%	−334.5

Scenario A adds €292.2 million and €170.0 million and divides by the €398.2 million claim; it assumes the two are additive, non-overlapping, recoverable and available to the Bonds, none of which is established. Scenario B excludes the aircraft equity. Scenario C further excludes €215.5 million of aircraft-related capitalised components and €13.0 million of brand value, leaving €63.7 million. These are sensitivities on published figures, not predictions of recovery and not findings of lien or priority.

A.5 Sensitivity method

Illustrative value equals €292.2 million multiplied by an assumed recovery percentage, plus an assumed amount of aircraft and engine residual value available to the Bondholders; coverage is that value divided by €398.2 million. At an 80 per cent. recovery with €170 million of aircraft equity available, indicative value is €403.76 million and coverage approximately 101.4 per cent. At the same recovery with no aircraft equity available, value is €233.76 million and coverage approximately 58.7 per cent. A separate historical cross-check of USD 204.6 million of March 2024 appraisals converted at 1.16, plus €55.2 million of selected December 2023 carrying values, gives €231.58 million, or approximately 58.2 per cent. of the claim; different dates and asset definitions mean it is not directly comparable with the March 2026 pool.

A.6 What these figures do not establish

The security documents distinguish between assignments of rights to surplus proceeds, the contractual undertaking to procure first-ranking security over assets once owned, and any lien or international interest actually created and perfected. These do not have identical enforceability or economic value. Neither the €170 million figure nor this schedule establishes a perfected Bondholder mortgage over any aircraft or engine. Separately, the €494 million maximum secured amount recorded against identified Latvian commercial pledges is a registration ceiling; it is not evidence that assets of that value exist or that any party holds an enforceable lien over them. The €15.4 million of maintenance reserves returned to the Debtors [Docket No. 132, ¶ 55] is a cash receipt, not aircraft collateral value, and should not be counted twice.