Hearing Date and Time: November 17, 2026, 2026 at 10:00 AM (ET)
Objection Deadline: November 10, 2026 at 4:00 PM (ET)

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Proposed Conflicts Counsel for the Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
AIR BALTIC CORPORATION AS, *et al.*,[1]	)	Case No. 26-12188 (LGB)
Debtors.	)	(Jointly Administered)

NOTICE OF HEARING ON DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO REJECT THE EXCESS AIRCRAFT LEASES; (II) APPROVING THE LEASE REJECTION AND RETURN PROCEDURES; AND (III) GRANTING RELATED RELIEF

[1] The Debtors in these chapter 11 cases are: Air Baltic Corporation AS, Air Baltic Training, SIA, and Baltijas Kravu Centrs SIA. The Debtors' service address is Tehnikas Street 3, Lidosta "Riga", Mārupe Parish, Mārupe District, LV-1053, Latvia.

PLEASE TAKE NOTICE that a hearing (the "Hearing") will be held on **November 17, 2026 at 10:00 a.m. (prevailing Eastern Time)** before the Honorable Lisa G. Beckerman, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004, to consider the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Reject the Excess Aircraft Leases; (II) Approving the Lease Rejection and Return Procedures; and (III) Granting Related Relief* (the "Motion").

PLEASE TAKE FURTHER NOTICE that the Hearing will take place remotely via Zoom for Government. Parties wishing to appear at the Hearing remotely, whether making a "live" or "listen only" appearance before the Court, must make an electronic appearance (an "eCourtAppearance") through the Court's website at https://www.nysb.uscourts.gov/ecourt-appearances no later than 4:00 p.m. (prevailing Eastern Time) on November 16, 2026. Further information on the use of Zoom for Government can be found at the Court's website at https://www.nysb.uscourts.gov/zoom-video-hearing-guide.

PLEASE TAKE FURTHER NOTICE that any objections or responses to the relief requested in the Motions shall: (i) be in writing; (ii) conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York, and the *Order Implementing Certain Notice and Case Management Procedures* [Dkt. No. 40]; (iii) be filed electronically with this Court on the docket of *In re Air Baltic Corporation AS*, No. 26-12188 (LGB) by registered user of this Court's electronic filing system and in accordance Local Bankruptcy Rule 5005-2 (which is available on this Court's website at http://www.nysb.uscourts.gov); and (iv) be served so as to be actually received **by November 10, 2026, at 4:00 p.m. (prevailing Eastern time)**, by (a) the Chambers of the Honorable Lisa G. Beckerman, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004, (b) the Debtors, c/o Milbank LLP, 55 Hudson Yards, New York, NY 10001 (Attn: Evan R. Fleck, Esq., Jaimie Fedell, Esq. Andrew M. Leblanc, Esq., and Erin E. Dexter, Esq.), counsel for the Debtors; (c) William K. Harrington, U.S. Department of Justice, Office of the U.S. Trustee, One Bowling Green, Suite 739, New York, NY 10004-1408 (Attn: Shara Cornell, Esq. and Daniel Rudewicz, Esq.); and (d) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Brett H. Miller, Esq., Todd M. Goren, Esq., James H. Burbage, Esq., and Joseph R. Brandt, Esq.), proposed counsel for the Official Committee of Unsecured Creditors.

PLEASE TAKE FURTHER NOTICE that your rights may be affected. You should read the Motion carefully and discuss the relief requested with your attorney, if you have one in connection with the chapter 11 cases. If you do not have an attorney, you may wish to consult with one.

PLEASE TAKE FURTHER NOTICE that if you do not want the Court to grant the relief requested in the Motion, or if you want the Court to consider your view on the Motion, then you or your attorney must attend the Hearing. If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter orders granting the relief requested in the Motion with no further notice or opportunity to be heard.

PLEASE TAKE FURTHER NOTICE that the Hearing may be continued or adjourned thereafter from time to time without further notice other than an announcement of the adjourned date or dates at the Hearing or at a later hearing.

PLEASE TAKE FURTHER NOTICE that copies of the Motion can be viewed and/or obtained by: (i) accessing the Court's website at http://www.nysb.uscourts.gov, (ii) from the Debtors' claims and noticing agent, Epiq Corporate Restructuring, LLC, at https://dm.epiq11.com/AirBaltic, or by calling 877-350-7875 (U.S./Canada) (toll free) or +1 971-257-1517 (International) or by e-mail via airbaltic@epiqglobal.com. Note that a PACER password is needed to access documents on the Court's website.

Dated: New York, New York
October 30, 2026

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Proposed Conflicts Counsel for the Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
AIR BALTIC CORPORATION AS, *et al.*,[1]	)	Case No. 26-12188 (LGB)
Debtors.	)	(Jointly Administered)

PARTIES RECEIVING THIS MOTION SHOULD LOCATE THEIR NAMES AND LEASES IN SCHEDULE 2 TO THE ORDER ATTACHED HERETO

[1] The Debtors in these Chapter 11 Cases are: Air Baltic Corporation AS, Air Baltic Training, SIA, and Baltijas Kravu Centrs SIA. The Debtors' service address is Tehnikas Street 3, Lidosta "Riga", Mārupe Parish, Mārupe District, LV-1053, Latvia.

DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO REJECT THE EXCESS AIRCRAFT LEASES; (II) APPROVING THE LEASE REJECTION AND RETURN PROCEDURES; AND (III) GRANTING RELATED RELIEF

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors" or "airBaltic") respectfully state as follows in support of this motion (the "Motion"):

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Order"), (a) authorizing the Debtors to reject certain leases (the "Excess Aircraft Leases") with aircraft lessor counterparties (the "Lessors") for certain aircraft, including related engines, parts, equipment, and appurtenances identified on Schedule 2 to the Order (collectively, the "Excess Aircraft"), effective as of the date for each Excess Aircraft set forth on such schedule (each such date, the "Rejection Date"); (b) approving and establishing the procedures set forth on Schedule 1 to the Order (the "Lease Rejection and Return Procedures") for the return of the Excess Aircraft, as well as of any additional aircraft and engines (the "Additional Equipment" and, together with the Excess Aircraft, the "Relevant Equipment") subject to unexpired leases (each, an "Additional Equipment Lease" and, together with the Excess Aircraft Leases, the "Rejected Leases") that the Debtors may reject at a later date by separate Court order;[2] and (c) granting related relief.

2. The bases for the relief requested herein are sections 105(a) and 365(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the "Bankruptcy Code") and rule 6006 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules").

[2] For the avoidance of doubt, by this Motion, the Debtors are only seeking authorization to reject the Excess Aircraft Leases.

3. In support of this Motion, the Debtors submit the *Declaration of Michael B. Cox in Support of Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Reject the Excess Aircraft Leases; (II) Approving the Lease Rejection and Return Procedures; and (III) Granting Related Relief* (the "Cox Declaration"), attached hereto as **Exhibit B**.

Jurisdiction and Venue

4. The United States Bankruptcy Court for the Southern District of New York (the "Court") has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The Debtors confirm their consent to the entry of a final order by the Court in connection with the Motion in the event that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

Background

6. On September 14, 2026 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with this Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors' chapter 11 cases (these "Chapter 11 Cases") are being jointly administered for procedural purposes pursuant to Bankruptcy Rule 1015(b) and the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Dkt. No. 28].

7. On September 25, 2026, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Committee") pursuant to section 1102 of the Bankruptcy Code [Dkt. No. 58]. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases.

8. Further information regarding the Debtors' businesses, capital structure, and the circumstances leading to the commencement of these Chapter 11 Cases is set forth in the *Declaration of Vitolds Jakovļevs in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* [Dkt. No. 14] (the "First Day Declaration"), which is incorporated by reference herein.[3]

The Debtors' Fleet Optimization Process and the Excess Aircraft Leases

9. airBaltic is the flagship airline of the Republic of Latvia and the leading airline in the Baltic states. The Debtors operate a fleet of fifty-four Airbus A220-300 aircraft, including forty-six aircraft leased under operating leases and eight aircraft which are owned by the Debtors. Further, the Debtors own seven spare engines, lease four spare engines under operating leases, and lease three spare engines under finance leases.

10. As set forth in the Cox Declaration, in the months leading up to the Petition Date, the Debtors, with the help of their advisors, engaged in a comprehensive review of their anticipated, long-term fleet and equipment needs. Based on this review, in consultation with their advisors, the Debtors have determined that the Excess Aircraft are not necessary for their continued operations and are no longer part of their fleet or business plan. Furthermore, the terms of the Excess Aircraft Leases are above current prevailing market rates for comparable equipment. In light of the foregoing, the Excess Aircraft are of no benefit to the Debtors' estates, and rejection

[3] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the First Day Declaration.

of the Excess Aircraft Leases will maximize value for the Debtors' estates and economic stakeholders.

11. The Debtors and their advisors continue to assess their anticipated needs going forward and the value provided by the Relevant Equipment in the context of those anticipated needs. While this review remains in progress, the Debtors anticipate the need for further reducing the size of their fleet and returning additional aircraft and related equipment, including excess spare engines that will not be needed in the operation of their business. However, adhering to the contractual return conditions set forth in the applicable leases would be very burdensome to the Debtors. Accordingly, the Debtors wish to establish uniform, streamlined procedures for returning the Relevant Equipment during the pendency of these Chapter 11 Cases.

Bases for Relief

I. Rejection of the Excess Aircraft Leases Constitutes a Sound Exercise of the Debtors' Business Judgment.

12. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession, "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). "The purpose behind allowing the assumption or rejection of executory contracts [or unexpired leases] is to permit the trustee or debtor-in-possession to use valuable property of the estate and to 'renounce title to and abandon burdensome property.'" *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993); *see also In re Republic Airways Holdings Inc.*, 547 B.R. 578, 582 (Bankr. S.D.N.Y. 2016) (citing *Orion Pictures*). "The ability to reject provides the trustee or debtor-in-possession with the means to relieve the estate of the duty to perform on burdensome obligations at the expense of all of the estate's other creditors, and to avoid the incurrence of

additional administrative expenses which lack a corresponding benefit to the estate." *In re Ames Dep't Stores, Inc.*, 306 B.R. 43, 51–52 (Bankr. S.D.N.Y. 2004).

13. Courts apply the business judgment standard to determine whether the rejection of an unexpired lease should be authorized. *See Old Carco Motors LLC v. Suthers (In re Old Carco LLC)*, 470 B.R. 688, 703–04 (S.D.N.Y. 2012) (stating that the business judgment standard "applies when a Bankruptcy Court approves a debtor's assumption or rejection of a contract"); *Republic Airways*, 547 B.R. at 582 (stating that the business judgment standard applies for assumptions and rejections); *In re Delta Air Lines, Inc.*, 359 B.R. 468, 476 (Bankr. S.D.N.Y. 2006) ("By case law, the standard for deciding a motion to reject an executory contract under Section 365(a) is the business judgment rule . . . .").

14. The business judgment standard requires a court to approve a debtor's business decision unless that decision is the product of bad faith, whim, or caprice. *See, e.g.*, *Westbury Real Estate Ventures, Inc. v. Bradlees, Inc. (In re Bradlees Stores, Inc.)*, 194 B.R. 555, 558 n.1 (Bankr. S.D.N.Y. 1996). "A court 'should defer to a debtor's decision that rejection of a contract would be advantageous unless the decision is so unreasonable that it could not be based on sound business judgment, but only on bad faith or whim.'" *In re Balco Equities Ltd.*, 323 B.R. 85, 98 (Bankr. S.D.N.Y. 2005) (citation omitted). See also *In re MF Global Holdings Ltd.*, 466 B.R. 239, 242 (Bankr. S.D.N.Y. 2012); *Delta*, 359 B.R. at 476 (stating that the business judgment rule "basically means that if [rejection] makes sense for the debtor in the judgment of management, the motion to reject will be granted").

15. Sound business judgment generally requires rejection where an unexpired lease is burdensome to the debtor's estate and the rejection would relieve the estate of such burden. *See, e.g.*, *Orion Pictures*, 4 F.3d at 1098–99; *In re Stable Mews Assocs., Inc.*, 41 B.R. 594, 596 (Bankr.

S.D.N.Y. 1984). Courts in this district have often authorized airline debtors to reject burdensome aircraft and engine leases. *See, e.g.*, *In re Azul S.A.*, No. 25-11176 (SHL) (Bankr. S.D.N.Y. July 11, 2025) [Dkt. No. 202] (order authorizing the rejection of aircraft and engine leases and approving equipment return procedures); *GOL Linhas Aéreas Inteligentes S.A.*, No. 24-10118 (MG) (Bankr. S.D.N.Y. Apr. 11, 2024) [Dkt. No. 476] (order authorizing the rejection of aircraft and engine leases and the implementation of lease rejection and return procedures); *In re SAS AB*, No. 22-10925 (MEW) (Bankr. S.D.N.Y.) [Dkt. Nos. 372, 812, 860, 871] (orders authorizing the rejection of multiple aircraft leases and the implementation of lease rejection and return procedures); *In re Grupo Aeroméxico, S.A.B. de C.V.*, No. 20-11563 (SCC) (Bankr. S.D.N.Y.) [Dkt. Nos. 177, 210, 1751, 1937] (same); *In re LATAM Airlines Grp. S.A.*, No. 20-11254 (JLG) (Bankr. S.D.N.Y.) [Dkt. Nos. 274, 295, 391] (same).

16. As set forth above and in the Cox Declaration, the Debtors have determined that they do not need the Excess Aircraft for their business operations. The Excess Aircraft consist of aircraft that are no longer part of the Debtors' fleet or business plan. Thus, retaining this equipment would impose unnecessary costs on the Debtors' estates with no corresponding value. Moreover, the terms of the Excess Aircraft Leases are above current prevailing market rates for comparable equipment. Accordingly, rejection of the Excess Aircraft Leases represents a proper exercise of the Debtors' business judgment.

II. Retroactive Relief Is Appropriate Under the Circumstances.

17. The Debtors submit that, to the extent necessary, this Court has the authority to authorize the Rejection Dates to be retroactive and that it is appropriate for the Court to do so under the circumstances of these Chapter 11 Cases. Bankruptcy courts may authorize retroactive rejections at their discretion, pursuant to sections 105(a) and 365(a) of the Bankruptcy Code. *See, e.g.*, *Thinking Machs. Corp. v. Mellon Fin. Servs. Corp. (In re Thinking Machs. Corp.)*, 67 F. 3d

1021, 1028 (1st Cir. 1995) (citing *In re Jamesway Corp.*, 179 B.R. 33, 39 (S.D.N.Y. 1995) ("In the section 365 context, . . . bankruptcy courts may enter retroactive orders of approval, and should do so when the balance of equities preponderates in favor of such remediation."); *Stonebriar Mall Ltd. v. CCI Wireless, LLC (In re CCI Wireless, LLC)*, 297 B.R. 133, 140 (Bankr. D. Colo. 2003) (holding that "because section 365 does not, as a matter of law, prohibit selection of a retroactive date for rejection, the bankruptcy court has authority under section 365(d)(3) to set the effective date of rejection at least as early as the filing date of the motion to reject"); *BP Energy Co. v. Bethlehem Steel Corp. (In re Bethlehem Steel Corp.)*, No. 02-cv-6419-NRB, 2002 WL 31548723, at *3 (S.D.N.Y. Nov. 15, 2002) ("We cannot conclude . . . that a bankruptcy court's assignment of a retroactive rejection date falls outside of its authority when the balance of the equities favors this solution.").

18. In this instance, the balance of equities strongly favors granting, to the extent necessary, retroactive relief with respect to the Excess Aircraft. Without a retroactive date of rejection, the Debtors may be forced to incur unnecessary costs under the Excess Aircraft Leases and, as the Debtors have no need for the Excess Aircraft under their go-forward business plan, such costs would be an unnecessary drain on their estates.

19. Courts in this jurisdiction have often granted retroactive relief of this type. *See, e.g.*, *Azul*, No. 25-11176 (order authorizing the rejection of aircraft leases *nunc pro tunc* to the petition date); *GOL*, No. 24-10118 (order authorizing the retroactive rejection of aircraft leases); *In re SAS AB*, No. 22-10925 (MEW) (Bankr. S.D.N.Y. Jan. 18, 2023) [Dkt. No. 812] (order authorizing the rejection of aircraft leases retroactive to the filing date of the motion); *Grupo Aeroméxico*, No. 20-11563 (order authorizing the rejection of aircraft leases *nunc pro tunc* to specific dates established by the debtors); *In re Avianca Holdings S.A.*, No. 20-11133 (MG)

(Banrk. S.D.N.Y. June 11, 2020) [Dkt. No. 277] (order authorizing the rejection of aircraft leases *nunc pro tunc* to the petition date).

III. The Proposed Lease Rejection and Return Procedures Are Reasonable.

20. Requiring the Debtors to adhere to contractual return conditions would impose the very sort of burdensome obligations on the Debtors that they seek to avoid through rejection under section 365(a) of the Bankruptcy Code. Section 365(a) of the Bankruptcy Code "permit[s] the trustee or debtor-in-possession to . . . 'abandon burdensome property.'" *See Orion Pictures*, 4 F.3d at 1098 (citation omitted). For that reason, debtors need not comply with provisions in rejected leases that impose burdensome conditions on termination. *See In re Lyondell Chem. Co.*, 416 B.R. 108, 114 (Bankr. S.D.N.Y. 2009); *Ames Dept' Stores*, 306 B.R. at 52 ("It would frustrate the entire purpose of rejection if, in order to reject and thereby be relieved of a burdensome executory contract, the debtor were required, as a condition to doing so, to comply with one of the very aspects of the agreement that is burdensome.").

21. Instead, the Debtors propose an alternative set of procedures for the rejection of the Rejected Leases and return of the Relevant Equipment during the pendency of these Chapter 11 Cases. The Lease Rejection and Return Procedures, as set forth in Schedule 1 to the Order, provide a reasonable framework for the return of the Relevant Equipment and fairly balance the interests of the Debtors and the applicable counterparties.

22. The Debtors respectfully submit that the proposed Lease Rejection and Return Procedures are reasonable and in the best interests of the Debtors' estates and should be approved by the Court. Accordingly, the Debtors seek authorization to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the Lease Rejection and Return Procedures.

23. Additionally, the Debtors propose that any claims arising out of the rejection of the Excess Aircraft Leases must be filed on or before the later of (i) any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed (once established by such order, the "Bar Date"), and (ii) thirty days after the Rejection Date. Any claim not timely filed will be irrevocably and forever barred.

Reservation of Rights

24. Nothing contained herein is intended to be or should be construed as: (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the right to dispute any claim; or (iii) an approval or assumption of any agreement, contract, policy, or lease under section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be, and should not be construed as, an admission to the validity of any claim or waiver of the Debtors' rights to subsequently dispute such claim.

Notice

25. Notice of this Motion has been provided in accordance with the procedures set forth in the *Order Implementing Certain Notice and Case Management Procedures* [Dkt. No. 40]. The Debtors respectfully submit that no further notice is required.

[*Remainder of the page intentionally left blank*]

Conclusion

WHEREFORE, the Debtors respectfully request entry of the Order granting the relief requested herein and granting such other relief as is just and proper.

Dated: New York, New York
October 30, 2026

MILBANK LLP

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Proposed Conflicts Counsel for the Debtors and Debtors-in-Possession

EXHIBIT A

Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
AIR BALTIC CORPORATION AS, *et al.*,[1]	)	Case No. 26-12188 (LGB)
Debtors.	)	(Jointly Administered)

ORDER (I) AUTHORIZING THE DEBTORS TO REJECT THE EXCESS AIRCRAFT LEASES; (II) APPROVING THE LEASE REJECTION AND RETURN PROCEDURES; AND (III) GRANTING RELATED RELIEF

Upon consideration of the motion (the "Motion")[2] of the above-captioned Debtors, seeking entry of an Order pursuant to sections 105(a) and 365 of the Bankruptcy Code and Bankruptcy Rule 6006 (a) authorizing the Debtors to reject the Excess Aircraft Leases, (b) approving the Lease Rejection and Return Procedures, and (c) granting related relief, all as described more fully in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference M-431*, dated January 31, 2012 (Preska, C.J.); and it appearing that venue of these Chapter 11 Cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary under the circumstances; and upon the Motion and the Cox Declaration; and upon the statements of counsel in support of the relief requested in the Motion at the hearing before the Court; and all of the proceedings had before the Court; and this Court having determined that the relief requested

[1] The Debtors in these Chapter 11 Cases are: Air Baltic Corporation AS, Air Baltic Training, SIA, and Baltijas Kravu Centrs SIA. The Debtors' service address is Tehnikas Street 3, Lidosta "Riga", Mārupe Parish, Mārupe District, LV-1053, Latvia.

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties-in-interest; and after due deliberation thereon; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED to the extent set forth in this Order.

2. Pursuant to sections 105(a) and 365 of the Bankruptcy Code and Bankruptcy Rule 6006, and subject to the terms of this Order, the Excess Aircraft Leases are rejected, each effective as of the applicable Rejection Date.

3. From and after the applicable Rejection Date, the terms of the applicable Excess Aircraft Lease shall not be enforceable against the Debtors.

4. The Lease Rejection and Return Procedures set forth on **Schedule 1** attached hereto are hereby approved, incorporated in this Order, and shall apply to the Debtors' rejection of all Rejected Leases in these Chapter 11 Cases.

5. Notwithstanding approval of the Lease Rejection and Return Procedures, to the extent the Debtors seek to reject any Additional Equipment Leases pursuant to the Lease Rejection and Return Procedures, the Debtors shall do so by submitting a separate court filing (e.g. a motion, stipulation, or chapter 11 plan).

6. Any claims arising out of rejection of the Excess Aircraft Leases must be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed, on or before the later of (i) the Bar Date, and (ii) thirty days after the Rejection Date. Any claim that is not timely filed shall be irrevocably and forever barred.

7. To the extent necessary, the automatic stay of section 362 of the Bankruptcy Code is hereby modified to allow the Debtors and the applicable Lessors to effectuate the provisions of

this Order and to transfer, move or dispose of the Excess Aircraft subject to the rejected Excess Aircraft Leases.

8. All rights and defenses of the Debtors are preserved, including all rights and defenses with respect to a claim for damages arising as a result of rejection of the Excess Aircraft Leases.

9. Nothing contained in this Order or in the Motion is intended to be or shall be construed as (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the right to dispute any claim; or (c) an approval or assumption of any agreement, contract, policy, or lease under section 365 of the Bankruptcy Code.

10. Notwithstanding the relief granted herein and any actions taken hereunder, nothing herein shall (a) create, nor is intended to create, any rights in favor of, or enhance the status of, any claim held by, any party, or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

11. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of the Bankruptcy Rules and the Local Bankruptcy Rules for the Southern District of New York are satisfied thereby.

12. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

13. This Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the implementation of this Order.

Dated: _____, 2026
New York, New York

_____
THE HONORABLE LISA G. BECKERMAN
UNITED STATES BANKRUPTCY JUDGE

Schedule 1

Lease Rejection and Return Procedures[1]

1. The Debtors will make the Relevant Equipment available for retrieval by the applicable aircraft or equipment lessor (the "Equipment Lessor") by the applicable rejection date set forth in an order (including any schedules attached thereto) authorizing the Debtors to reject the applicable Rejected Lease (each, a "Rejection Order"); *provided* that, in the event of any retroactive rejection, the Debtors shall make the Relevant Equipment available for retrieval as of the date of entry of the applicable Rejection Order.

2. The Equipment Lessors must remove such Relevant Equipment from the location or locations (as applicable) designated in the Rejection Order.

3. If an Equipment Lessor does not retrieve the Relevant Equipment within 15 days of the date of entry of a Rejection Order (such date, the "Retrieval Date"), such Equipment Lessor shall be responsible for all costs incurred from and after the Retrieval Date on account of or related to such Relevant Equipment as determined by the Debtors (such costs, the "Lessor Costs"), including the costs of storing, insuring, and maintaining the Relevant Equipment. If the applicable Equipment Lessor does not remove its Relevant Equipment by the applicable Retrieval Date or timely pay the Lessor Costs, the Debtors may file a motion to compel removal of the Relevant Equipment and/or payment of the Lessor Costs.

4. To preserve the value of the Relevant Equipment before the applicable Equipment Lessor takes possession, the Debtors shall maintain any current insurance coverage and any existing storage maintenance program applicable to such Relevant Equipment, until the earlier of: (a) the applicable Retrieval Date or (b) the date on which the applicable Equipment Lessor takes possession of the Relevant Equipment (such date, the "Actual Retrieval Date"). After the Retrieval Date but prior to the Actual Retrieval Date, the Debtors may, at their sole discretion, cease insuring, storing, and maintaining the Relevant Equipment, but to the extent that the Debtors continue insuring, storing, or maintaining any Relevant Equipment, any costs incurred shall be for the applicable Equipment Lessor's account. After the Actual Retrieval Date, the Debtors shall cease insuring, storing, and maintaining the Relevant Equipment.

5. Upon written request by an affected Equipment Lessor, the Debtors shall reasonably cooperate with such Equipment Lessor with respect to the execution of, or provision of, information required for a lease termination document (for filing purposes only) to be filed with the aviation authority in the applicable jurisdiction in connection with such Relevant Equipment, including the execution and delivery of a lease termination certificate or similar document if required by the relevant authorities. However, each Equipment Lessor shall be solely responsible for all costs associated with such documentation and the filing thereof with the relevant aviation authority or registry. If requested by the applicable Equipment Lessor, the Debtors shall provide (at such Equipment Lessor's cost) reasonable co-

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

operation and assistance to such Equipment Lessor with regard to (a) the deregistration of an aircraft which is Relevant Equipment with the applicable aviation authority, and (b) the customs procedures to export such aircraft from Latvia. If requested by such Equipment Lessor, and if possible to obtain, the Debtors shall apply (at such Equipment Lessor's cost) for an export certificate of airworthiness from the aviation authority with respect to such aircraft.

6. The Debtors shall, as soon as reasonably practicable after the applicable Retrieval Date, make available, or cause their agents to make available, in each case, at the applicable Equipment Lessor's sole cost and expense, for retrieval, at their then-current location, or at such other location as may be agreed upon by the applicable Equipment Lessor and the Debtors, all technical records, documents, reports, and statements relating to the Relevant Equipment that are in the Debtors' possession or control (the "Aircraft Records"), in their then "as is, where is" condition, without certification or signature and without performing any independent verification or audit thereof; *provided*, that, upon the applicable Equipment Lessor's request, and at such Equipment Lessor's sole expense, the Debtors, in their sole discretion, may (a) provide assistance, or cause their agents to provide assistance, to such Equipment Lessor in relation to the Aircraft Records relating to the applicable Relevant Equipment, (b) cooperate with such Equipment Lessor in order to assign any remaining assignable manufacturer warranties, and all related claims, or otherwise to obtain the benefit thereof, to such Equipment Lessor, subject in each case to any required consents to such assignments, and (c) conditioned on and subject to entering into a mutually acceptable side letter in respect of a ferry flight agreement, deliver the applicable Relevant Equipment and Aircraft Records from its or their then-current location to a location mutually agreed by the Debtors and such Equipment Lessor.

7. Prior to the Actual Retrieval Date, the Lessee may remove (or procure removal of) all equipment related to Starlink internet connectivity attached to any Relevant Equipment.

8. The Relevant Equipment shall be made available to the Equipment Lessors "as is, where is" and the Debtors specifically make neither representations nor warranties regarding the Relevant Equipment, its condition, or the state of title thereto. If any of the Relevant Equipment is non-serviceable, the Debtors are under no obligation to repair any such Relevant Equipment to make it serviceable.

9. Notwithstanding anything to the contrary herein, these Lease Rejection and Return Procedures may be modified, in whole or in part, by mutual agreement of the Debtors and the applicable Equipment Lessor.

Schedule 2

Rejection Schedule

Lessee	Notice Parties	Aircraft Mfr., Model, Serial No. (MSN)	Registration Mark	Engine Mfr., Model, Serial Nos. (ESN)	Location(s) of Airframe and Engines	Rejection Date
Air Baltic Corporation AS	**Lessor**: Wilmington Trust SP Services (Dublin) Limited; Fourth Floor, 3 George's Dock IFSC, Dublin 1, Ireland; Attn: Managing Director Irishownertrusts@wilmingtontrust.com **With a copy to**: Artemis Funding Limited 118 Lower Baggot Street Dublin 2, Ireland Attn: The Directors adie-cms-a@alterdomus.com **And a copy to**: Azorra, LLC 350 SW 34th Street Fort Lauderdale, Florida 33315, U.S.A Attn: Legal Department legal@azorra.com	Airbus Canada Limited Partnership A220-300 MSN 55034	YL-CSI	RTX Corporation, Pratt & Whitney Division PW1521G-3 P736030 and P736032	Riga International Airport (RIX)	November 17, 2026
Air Baltic Corporation AS	**Lessor**: Wilmington Trust SP Services (Dublin) Limited; Fourth Floor, 3 George's Dock IFSC, Dublin 1, Ireland; Attn: Managing Director Irishownertrusts@wilmingtontrust.com **With a copy to**: Azorra Aircraft Ireland 1 Ltd. 118 Lower Baggot Street Dublin 2, Ireland Attn: Directors adie-cms-a@alterdomus.com **And a copy to**: Azorra Aviation Holdings, LLC 350 SW 34th Street Fort Lauderdale, Florida 33315, U.S.A Attn: Legal Department legal@azorra.com	Airbus Canada Limited Partnership A220-300 MSN 55129	YL-ABD	RTX Corporation, Pratt & Whitney Division PW1521G-3 P736424 and P736423	Riga International Airport (RIX)	November 17, 2026
Air Baltic Corporation AS	**Lessor**: Wilmington Trust SP Services (Dublin) Limited; Fourth Floor, 3 George's Dock IFSC, Dublin 1, Ireland; Attn: Managing Director Irishownertrusts@wilmingtontrust.com **With a copy to**: Azorra Aircraft Ireland 1 Ltd. 118 Lower Baggot Street Dublin 2, Ireland Attn: Directors adie-cms-a@alterdomus.com **And a copy to**: Azorra Aviation Holdings, LLC 350 SW 34th Street	Airbus Canada Limited Partnership A220-300 MSN 55131	YL-ABE	RTX Corporation, Pratt & Whitney Division PW1521G-3 P736390 and P736370	Riga International Airport (RIX)	November 17, 2026

Lessee	Notice Parties	Aircraft Mfr., Model, Serial No. (MSN)	Registration Mark	Engine Mfr., Model, Serial Nos. (ESN)	Location(s) of Airframe and Engines	Rejection Date
	Fort Lauderdale, Florida 33315, U.S.A Attn: Legal Department legal@azorra.com					
Air Baltic Corporation AS	**Lessor**: Wilmington Trust SP Services (Dublin) Limited; Fourth Floor, 3 George's Dock IFSC, Dublin 1, Ireland; Attn: Managing Director Irishownertrusts@wilmingtontrust.com **With a copy to**: Azorra Aircraft Ireland 1 Ltd. 118 Lower Baggot Street Dublin 2, Ireland Attn: Directors adie-cms-a@alterdomus.com **And a copy to**: Azorra Aviation Holdings, LLC 350 SW 34th Street Fort Lauderdale, Florida 33315, U.S.A Attn: Legal Department legal@azorra.com	Airbus Canada Limited Partnership A220-300 MSN 55133	YL-ABF	RTX Corporation, Pratt & Whitney Division PW1521G-3 P736429 and P736430	Riga International Airport (RIX)	November 17, 2026
Air Baltic Corporation AS	**Lessor**: Wilmington Trust SP Services (Dublin) Limited; Fourth Floor, 3 George's Dock IFSC, Dublin 1, Ireland; Attn: Managing Director Irishownertrusts@wilmingtontrust.com **With a copy to**: Azorra Limited 1st Floor, 25 Earlsfort Terrace, Dublin 2, Ireland Attn: Directors contracts@azorra.com	Airbus Canada Limited Partnership A220-300 MSN 55423	YL-BTC	RTX Corporation, Pratt & Whitney Division PW1521G-3 P737170 and P737172	Riga International Airport (RIX)	November 17, 2026
Air Baltic Corporation AS	**Lessor**: Wilmington Trust SP Services (Dublin) Limited; Fourth Floor, 3 George's Dock IFSC, Dublin 1, Ireland; Attn: Managing Director Irishownertrusts@wilmingtontrust.com **With a copy to**: Azorra Limited 1st Floor, 25 Earlsfort Terrace, Dublin 2, Ireland Attn: Directors contracts@azorra.com	Airbus Canada Limited Partnership A220-300 MSN 55426	YL-BTD	RTX Corporation, Pratt & Whitney Division PW1521G-3 P737177 and P737178	Riga International Airport (RIX)	November 17, 2026

EXHIBIT B

Cox Declaration

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
AIR BALTIC CORPORATION AS, *et al.*,[1]	)	Case No. 26-12188 (LGB)
Debtors.	)	(Jointly Administered)

DECLARATION OF MICHAEL B. COX IN SUPPORT OF DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO REJECT THE EXCESS AIRCRAFT LEASES; (II) APPROVING THE LEASE REJECTION AND RETURN PROCEDURES; AND (III) GRANTING RELATED RELIEF

I, Michael B. Cox, make this declaration under 28 U.S.C. § 1746:

1. I am Chairman and CEO of Seabury Global Advisors LLC and a Managing Director of Seabury Securities LLC ("Seabury") and the Global Head of Seabury's Corporate Advisory Services. I joined Seabury's principal advisory practice in April of 1998. I have over 35 years of corporate and advisory experience covering aircraft finance, fleet planning, cash management, business planning, and crisis management. At Seabury, I have advised numerous airline clients on a variety of projects, including business planning/valuation, corporate finance, fleet financing, and airline restructuring in general. I have been involved in over 30 airline restructurings (in court and out of court proceedings), including the following chapter 11 cases: American Airlines, Northwest Airlines, US Airways (1 and 2), Air Canada (CCAA), Gemini Air Cargo, Frontier Airlines, Kitty Hawk Air Cargo, Pinnacle Airlines, Republic Airlines, Continental Airlines, Zetta Jet, CHC Helicopters, Philippines Airlines, and Waypoint Leasing. In addition, I have been a leader in airline

[1] The Debtors in these Chapter 11 Cases are: Air Baltic Corporation AS, Air Baltic Training, SIA, and Baltijas Kravu Centrs SIA. The Debtors' service address is Tehnikas Street 3, Lidosta "Riga", Mārupe Parish, Mārupe District, LV-1053, Latvia.

restructuring cases around the world, including Air Nostrum, Malaysian Airlines, Air Mauritius, Norwegian Airlines, South African Airways, Kuwait Airways, and Gulf Air, among others.

2. I submit this declaration (the "Declaration") in support of the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Reject the Excess Aircraft Leases; (II) Approving the Lease Rejection and Return Procedures; and (III) Granting Related Relief* (the "Motion"),[2] which was filed with the Court concurrently herewith. Except as otherwise indicated, all statements in this Declaration are based on my personal knowledge of the Debtors' operations and finances gained throughout Seabury's engagement by the Debtors, my discussions with the Debtors' senior management, other members of the Seabury team, and the Debtors' other advisors, and my review of relevant documents and/or my opinion based upon my experience. If called to testify, I would testify to each of the facts set forth herein based on such personal knowledge, discussions, review of documents, or my opinions based upon my related professional experience.

3. I am not being specifically compensated for this testimony other than through payments received by Seabury as a professional retained by the Debtors. I am over the age of 18 and authorized to submit this declaration on behalf of the Debtors.

4. In March 2026, airBaltic retained Seabury to assist in evaluating strategic alternatives. Following the engagement, working with airBaltic's management and the other advisors retained by airBaltic, members of the Seabury team and I helped formulate airBaltic's new business plan (the "Business Plan") to stabilize its financial position in a volatile macroeconomic environment. The Business Plan contemplates reducing surplus aircraft, obtaining concessions from key contract counterparties, and implementing a profit improvement

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

program. Executing the Business Plan required both a significant liquidity infusion and a recapitalization of airBaltic's balance sheet.

5. The Debtors operate a fleet of fifty-four Airbus A220-300 aircraft, including forty-six aircraft leased under operating leases and eight aircraft which are owned by the Debtors. Further, the Debtors own seven spare engines, lease four spare engines under operating leases, and lease three spare engines under finance leases.

6. In the months leading up to the Petition Date, the Debtors, with the help of their advisors, engaged in a comprehensive review of their anticipated, long-term fleet and equipment needs. Based on this review, in consultation with their advisors, the Debtors have determined that the Excess Aircraft are not necessary for their continued operations and are no longer part of their fleet or business plan. Furthermore, the terms of the Excess Aircraft Leases are above current prevailing market rates for comparable equipment. In light of the foregoing, the Excess Aircraft are of no benefit to the Debtors' estates, and rejection of the Excess Aircraft Leases will maximize value for the Debtors' estates and economic stakeholders.

7. The Debtors and their advisors continue to assess their anticipated needs going forward and the value provided by the Relevant Equipment in the context of those anticipated needs. While this review remains in progress, the Debtors anticipate the need for further reducing the size of their fleet and returning additional aircraft and related equipment, including excess spare engines that will not be needed in the operation of their business as a result of the planned reduction in fleet size and therefore, the reduction in the number of spare engines required to support such fleet. However, adhering to the contractual return conditions set forth in the applicable leases would be very burdensome to the Debtors.

8. Accordingly, I believe that the Lease Rejection and Return Procedures are reasonable under the circumstances, comparable to procedures implemented in other airline restructurings, and in the best interest of the Debtors' estates.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: October 30, 2026

/s/ *Michael B. Cox*
Michael B. Cox
Chairman and Chief Executive Officer
Seabury Global Advisors LLC