

# Norway's Flyr considers options after failed capital raising

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Norwegian low-cost carrier Flyr warned investors and travelers that it is looking for options to continue operations after its latest attempt to raise capital failed.

While flights will operate as normal on Monday, January 30, 2023, there are no scheduled flights the following day (January 31, 2023). According to the airline's website, further information will be published in due course.

In a note to investors on January 30, 2023, Flyr indicated that it was dependent on its November Financing Plan to pay for the European Union Emission Trading System (EU ETS) quotas and to ramp up operations for the upcoming spring and summer months. However, the plan to raise NOK350 million (\$35.4 million) failed because the "share price of the Company has traded considerably below the subscription price of the November Financing Plan", the airline said.

As a result, it "became increasingly unlikely" that the company would raise enough cash to cover its short-term

obligations. Flyr explored alternative options, including wet leasing aircraft to airlines during the same spring and summer months, which would have de-risked “the business case and improve the chances of succeeding with a new financing plan”. According to the airline, it was in active discussions to lease six aircraft with an undisclosed European airline starting March 2023, as the current market conditions, namely the continuous delays in aircraft manufacturers delivering aircraft to airlines globally, would have worked in Flyr’s favor.

In total, the Norwegian company has 12 Boeing 737s, including six 737 MAX-8 aircraft in its fleet, per [planespotters.net](#) data.

“In spite of the de-risking of the investment case, and the support from several key shareholders, the Managers have not yet been able to raise the sufficient market underwriting,” read the airline’s announcement on the Oslo stock exchange on January 30, 2023. “Market conditions and continued uncertainty with regards to airline travel and earnings through 2023 have deterred investors from committing capital for the required period of time, in spite of the Company’s wet lease opportunities and improving tickets sale,” continued the announcement.

As such, while Flyr’s management will continue to explore solutions for the airline to continue operations, due to the “critical short-term liquidity situation,” there is no guarantee that it would be successful in doing so.

The low-cost carrier began operations in June 2021. Its most recent financial results for Q3 2022 indicated that it lost NOK231.7 million (\$23.9 million). In 2022, Flyr carried more than 1.6 million passengers with an average load factor of 74%.

