C/2026/3952

24.7.2026

COMMISSION DECISION

of 23 December 2025

on State aid SA.109662 (2024/C) (ex 2020/N) which France is planning to implement for Corsair

(notified under document C(2026) 9292)

(Only the French text is authentic)

(Text with EEA relevance)

(C/2026/3952)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 108(2) thereof,

Having regard to the Agreement on the European Economic Area, and in particular Article 62(1)(a) thereof,

Having called on interested parties to submit their comments pursuant to those articles ([1]) and having regard to their comments,

Whereas:

1. PROCEDURE

(1) On 11 December 2020, the Commission decided not to raise objections to planned restructuring aid for Corsair SAS ('Corsair') in the amount of EUR 106.7 million ('2020 restructuring aid'), consisting of (i) tax deferrals (EUR 21.9 million), (ii) a tax credit (EUR 4.8 million), (iii) a soft loan (EUR 18 million) and (iv) a participating loan (EUR 62 million), in accordance with Article 107(3)(c) of the Treaty on the Functioning of the European Union ('TFEU') as interpreted by the Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty ('the R&R Guidelines' ([2])) ('the 2020 decision' ([3])) ([4]).

(2) On 27 September 2023, on the basis of Section 7.2.2 of the R&R Guidelines, France submitted a request to the Commission to amend the restructuring plan approved by the 2020 decision. Under the 2020 decision, that restructuring plan should have been implemented over a period up to [...] ('the 2020 restructuring plan'). The French authorities provided additional information on the amendment of Corsair's 2020 restructuring plan on 29 November and 15 December 2023. The request to amend the restructuring plan was accompanied by an updated restructuring plan, which was subsequently updated several times ('the revised restructuring plan', see recitals 30 and 31).

([1]) OJ C, C/2024/2822, 24.4.2024 and OJ C, C/2025/2490, 2.5.2025.
([2]) OJ C 249, 31.7.2014, p. 1.
([3]) Commission Decision of 11 December 2020 in case SA.58463 (2020/N) – France – Restructuring aid for Corsair SA (OJ C 41, 5.2.2021, p. 8).
([4]) On the same day, the Commission approved, in accordance with Article 107(2)(b) TFEU, EUR 30.2 million in aid to Corsair in the form of an overseas tax credit (tax credit for companies based in the French overseas departments, regions and collectivities). That aid compensated Corsair for the damage suffered from 17 March to 30 June 2020 as a result of the containment measures and travel restrictions introduced by France and other destination countries to limit the spread of the COVID-19 virus. See the Commission Decision of 11 December 2020 in case SA.58125 (2020/N) – France – Corsair – Compensation for the damage caused by the COVID-19 outbreak (OJ C 242, 24.6.2022, p. 1).

(3) On 5 February 2024, the Commission decided to open a formal investigation in relation to the amendment of the aid and of the restructuring plan for Corsair ([5]) ('the opening decision'). Corsair and three other interested parties, namely two competitors of Corsair – Air Austral and Groupe Dubreuil Aero (GDA) – and Diamondale Limited, a former shareholder of Corsair, submitted their comments on the opening decision to the Commission on 24 May 2024.

(4) On 19 June 2024, the Commission forwarded those comments to the French authorities, who replied with comments on 26 July 2024. Then, on 22 November 2024, GDA submitted additional comments, which were forwarded to the French authorities on 17 December 2024. The French authorities submitted comments on 19 January 2025, the content of which was clarified at two meetings with the Commission on 20 and 23 January 2025. The French authorities submitted additional comments and replies to questions from the Commission on 23 January, 10 February and 3 March 2025 respectively.

(5) On 19 June 2024, the Commission addressed questions to the French authorities concerning the additional aid granted to Corsair during the restructuring period. The French authorities replied by letters of 26 July and 16 December 2024.

(6) The Commission also held several meetings with the French authorities, notably on 7 November and 6 and 17 December 2024, as well as 10 and 29 January, 14 February and 3 and 19 March 2025.

(7) On 11 April 2025, the Commission decided ([6]) to extend the formal investigation relating to the amendment of the aid and of the restructuring plan in view of the fact that the French authorities and the interested parties had put forward new facts that had not been taken into account in the decision to open the investigation and that justified extending the formal investigation ('the extension decision').

(8) On 20 May 2025, the French authorities sent the Commission Corsair's audited accounts for the financial year ended 30 September 2024.

(9) On 23 May 2025, Corsair and GDA submitted comments on the extension decision of 11 April 2025. Another undertaking, wishing to remain anonymous, submitted comments on 2 June 2025. On 6 June 2025, the Commission forwarded those comments to the French authorities, who replied on 17 June 2025.

(10) On 30 May 2025, the French authorities sent the Commission an updated version of the company's revised restructuring plan and the annexes thereto.

(11) On 27 June 2025, the Commission sent the French authorities additional questions relating to the additional aid granted to Corsair during the restructuring period and to the size of its fleet and its development during 2023 and 2024. The French authorities replied by letter of 11 July 2025.

(12) On 4 November 2025, the Commission sent the French authorities a request for production of documents and additional questions relating to the financing of the restructuring plan. The French authorities replied by letters of 10, 17 and 20 November 2025. On 10 December 2025, the Commission sent the French authorities an additional request relating to the revised restructuring plan. The French authorities replied with an update to the plan on 15 December 2025.

(13) The Commission also held several meetings with the French authorities on these various subjects, notably on 28 April, 15 May, 17 June, 27 June and 17 September, and also on 10 and 12 December 2025.

([5]) Commission Decision C(2024) 8537 final of 5 February 2024 in case SA.109662 – France – Amendment of the aid and of the restructuring plan for Corsair (OJ/C/2024/2822, 24.4.2024, ELI: http://data.europa.eu/eli/C/2024/2822/oj).

([6]) OJ C, C/2025/2490, 2.5.2025.

2. THE BENEFICIARY

2.1. Corsair's activities

(14) Corsair is a simplified joint-stock company (*société par actions simplifiée*, SAS) with a share capital of EUR 5 000 000,00, and with its registered office at Aéroport Pôle Caraïbes, Zone de Fret, 97139 Les Abymes, Guadeloupe, France. It is registered in the Commercial and Companies Register of Pointe-à-Pitre under number 328 621 586.

(15) Corsair's securities have been fully owned since the end of 2020 by the holding company Outre-Mer R-Plane (OMRP) ([7]).

(16) At the end of September 2023, Corsair had a fleet of nine aircraft mainly serving the French outermost regions in the Caribbean (Martinique, Guadeloupe) and in the Indian Ocean (Réunion, Mayotte), as well as, among other places, Canada. Other airlines operating on the same routes include Air France, Air Austral and Groupe Dubreuil Aéro, which includes the airlines Air Caraïbes and FrenchBee.

(17) Under the 2020 decision, Corsair was to implement the 2020 restructuring plan over a period up to [...] in order to restore its long-term viability.

2.2. The difficulties faced by Corsair

(18) In their request for amendment of the 2020 restructuring plan, the French authorities explained that the business plan underlying the 2020 restructuring plan was based on assumptions that had not been borne out and that events, the scale of which could not have been anticipated, had had a particularly adverse impact on Corsair.

(19) First, the French authorities explained that, among the difficulties encountered by Corsair since the approval of the 2020 restructuring plan, the public health restrictions kept in place until the beginning of the 2022/2023 financial year had had a very serious impact on Corsair's commercial and financial performance.

(20) The restriction – and even the temporary banning – of flights between metropolitan France and certain overseas departments and territories (such as the Antilles and Réunion), kept in place up until March 2022 as a result of the new surge in COVID-19 cases and the difficulties in rolling out the vaccine in those territories owing to the low uptake by the local population, had made it particularly difficult, or even impossible, for Corsair to conduct its business during the following periods:

(a) after November 2020, when metropolitan France, and the Antilles and Réunion in particular, suffered repeated lockdowns during the periods November-December 2020 and April-May 2021, and again in July-August 2021 for the Antilles and Réunion;

(b) February-May 2021, when travel in metropolitan France, the Antilles and Réunion was strictly limited to travel on imperative grounds; this requirement was kept in place for non-vaccinated persons until May 2022;

(c) the end of 2021, when the Omicron wave further increased restrictions for these destinations, and Mauritius was also classified as 'scarlet red' for a few days, causing cancellations to soar and bookings to plummet; and

(d) flights to Canada were only able to resume in June 2022, the very strict travel restrictions having been kept in place until spring 2022.

([7]) OMRP is a holding company established on 24 August 2020 as part of the recovery and restructuring of Corsair in the context of the COVID-19 crisis. OMRP's sole object is to hold and manage the stake in Corsair, bringing together the shareholders involved in rescuing the company, including private investors and public actors. OMRP does not perform operations of its own, and is the capital vehicle through which the shareholders exercise their rights and assume the economic risk associated with the restructuring of Corsair. Some of OMRP's private shareholders wishing to reinvest in Corsair regrouped within the Blue Sky holding company, which acquired capital in Corsair as part of the amendment of its restructuring plan (see the document 'Firm Offer', Annex 2, sent to the Commission on 15 December 2023).

(21) The French authorities further added that Corsair's activity had also been affected by protest movements in the Antilles between November 2021 and January 2022 following the introduction of compulsory vaccination for healthcare workers and the imposition of the 'health pass' in several public places.

(22) As a result, according to the French authorities, Corsair, which had been anticipating a return to normal market conditions at the end of 2021, had seen its results deviate from those anticipated in the initial business plan.

(23) Next, according to the French authorities, the crisis linked to Russia's military aggression against Ukraine and the resulting global inflationary context had led to a very sharp increase in costs once the company resumed normal activity, with (i) the very sharp increase in the price of kerosene, which had exceeded USD 1 200/tonne at its peak compared with the USD [500-900]/tonne initially indicated in the business plan, and (ii) the weakening of the euro against the US dollar, with the initial business plan having been drawn up on the basis of a EUR/USD exchange rate of [0.9-1.3] compared with the 0.97 reached at its lowest point in October 2022.

(24) In this connection, the French authorities stated that in the revised restructuring plan initially submitted in December 2023, the cost of kerosene had represented costs of EUR [100-180] million of [...], and that the increase in the price of kerosene and the weakness of the euro against the US dollar had led to an additional cost of around EUR [80-120] million per year on that line alone during that period.

(25) Lastly, the French authorities argued that while the company had been able, in part, to raise its prices in order to pass this situation on (combined with the general inflationary effect on all the costs borne by the company), the compensation had been, first, only partial and, second, could not be applied to the majority of tickets because they had been sold several months before the flights. Therefore, an aggressive increase in costs such as that suffered as a result of the crisis linked to Russia's military aggression against Ukraine could not immediately be passed on in the ticket price and some lead time had been necessary.

(26) In this context and on the basis of the above, the French authorities explained in September and December 2023 that Corsair had experienced severe cash-flow difficulties and had seen a net fall in its operating margin of EUR [170-220] million over the period from 2020 to 2023 compared with the 2020 restructuring plan, in spite of the company's efforts to reduce its fixed costs by EUR [10-25] million over the period and the additional support measures put in place by the French State for the benefit of the sector as a whole, which had had a positive impact on Corsair of EUR [20-40] million over the period.

(27) The French authorities also explained that, on the basis of the deteriorating financial performance caused by the new difficulties faced by Corsair after the December 2020 decision on the restructuring aid, as set out in recitals 18 to 25 above, the operating result of the company [...] at the end of the [...] financial year (which ended in September [...]) [...] the equity which was, on that date, [...], and that, on the basis of the updated business plan drawn up by the company, Corsair was no longer in a position to comply with the 2020 restructuring plan.

(28) Lastly, the French authorities stated that the price of fuel and the euro/dollar exchange rate had remained highly volatile over the 2022/2023 period. They also pointed to the increase in all denominated costs caused by inflation, in particular the maintenance of aircraft and their engines ([...]) and catering ([...]) over the 2022/2023 period.

(29) On 15 December 2023 the French State accordingly amended its request to amend the 2020 restructuring plan on the basis of Section 7.2.2 of the R&R Guidelines.

3. THE REVISED RESTRUCTURING PLAN

3.1. Assumptions in the revised restructuring plan

(30) Since 15 December 2023, the French authorities have updated the revised restructuring plan several times, taking into account the evolution of Corsair's activities and geopolitical and macroeconomic developments over the past two years.

(31) The latest version of the revised restructuring plan was adopted on 23 May 2025. That version of the plan is attached to the conciliation protocol entitled 'Term sheet relatif à l'aménagement du Plan de restructuration de Corsair', signed on 7 November 2025 by Corsair, the French authorities, the new investors and the outgoing investors under the aegis of ad hoc trustees appointed by a judicial decision as part of an insolvency prevention procedure before the Tribunal Mixte de Commerce de Pointe-à-Pitre and the Comité Interministeriel de Restructuring Industrielle (CIRI) ('the Term sheet'). Underpinning the plan are the following main assumptions, which were last updated by the French authorities on 15 December 2025:

(a) the end of all restrictions linked to the COVID-19 health crisis and a market above 2019 levels from 2025 onwards;

(b) Corsair's actual results (submitted unaudited by the French authorities) for the 2024-2025 fiscal year ended 30 September 2025 showing a return to profitability with a net result of EUR [...] million;

(c) fuel costs discounted to USD [600-900]/tonne from April 2025 compared with around USD [500-800]/tonne on average since September 2024;

(d) a USD/EUR exchange rate of [0.9-1.3], i.e. slightly higher than that observed since April 2025;

(e) the completion of the full renewal of Corsair's fleet in January 2025, with its [...] Airbus A330-NEOs, with the result that all of Corsair's destinations will now be served by Airbus A330-NEOs with three travel classes and a capacity of 343 seats (20 seats in Business, 21 seats in Premium and 302 seats in Economy);

(f) the sale of the [...] aircraft on [...] to [[...]] for an estimated EUR [25-45] million and the shareholder contribution commitment of EUR [25-45] million in accordance with Section B of the Term sheet, according to which (i) Blue Sky Holding ([8]), Groupe Advens-Geocoton ([9]) and SEMPAT ([10]) will have contributed a total of EUR [10-40] million (EUR [5-30] million, EUR [0-5] million and EUR 3 million respectively) in the form of capital or, if needed before the decision is adopted by the Commission, have made it available as interim financing to cover Corsair's liquidity needs until the restructuring is complete (subsequently to be capitalised), and (ii) Groupe Advens-Geocoton have also committed to providing a second lot of interim financing of EUR [5-30] million to Corsair at the latest within five working days following the date of the European Commission's decision. This interim financing, totalling EUR [20-60] ([11]) million, will be incorporated into Corsair's capital as part of the capital increases to be made following the European Commission's approval decision (including if that decision is conditional);

([8]) Blue Sky Holding, SAS, with its registered office at Aéroport Guadeloupe Pôle Caraïbes, is a private consortium including some of Corsair's former shareholders.

([9]) Groupe Advens-Geocoton is a private industrial and service group of French origin, active in particular in the textile, agro-industry, logistics and digital services sectors with a historical presence in Africa and overseas territories. It was formed from the merger of Advens and Geocoton and has recognised experience in managing activities in complex and capital-intensive environments.

([10]) SEMPAT (Société d'Économie Mixte Patrimoniale région Guadeloupe) is a semi-public company whose mission is to invest in and support economic projects of strategic interest to the territories of Guadeloupe, https://www.sempatrimoniale.com/a-propos. In the context of the restructuring of Corsair, SEMPAT acts as a minority public investor, providing financing granted by the Guadeloupe Region.

([11]) Blue Sky Holding, Groupe Advens-Geocoton and SEMPAT also committed to invest, in capital, the additional sum of EUR [5-20] million if Corsair's end-of-month cash flow falls below the threshold of EUR [20-60] million. This commitment serves to provide additional security if the parameters of Corsair's revised restructuring plan deteriorate, and to increase the private investors' own contribution.

(g) the limitation of the fleet to nine aircraft throughout the duration of the revised restructuring plan (the 10th aircraft will only be included from [...]);

(h) the cutting of the least profitable flights ([...]% reduction in the number of flight hours compared with the [...] financial year) to allow for a better load factor and an increase in the average fare;

(i) an increase in 2025 of services from/to Mauritius, [...] following the decision to focus on Africa (considering that operating this route on a seasonal basis only is not viable in the long term);

(j) additional measures to improve the 'RASK' ([12]), leading to a [...]% increase in the RASK over time;

(k) improvement in ancillary revenue on the basis of a comparison with the rest of the industry;

(l) improved yield management through the introduction of additional measures such as, in particular, the opening and closing of fare classes thanks to fleet standardisation;

(m) improved forecasts incorporating, in the baseline scenario, a positive impact of [...]% on passenger turnover in [...] and [...]% in [...]. This increase in sales prices results from the combined effect of increasing the share of front-of-cabin seats and redesigning the flight schedule to cut the least profitable flights (see above);

(n) additional cost-saving measures such as renegotiating structural contracts (leasing, maintenance and servicing, etc.), reducing marketing costs, subleasing engines and selling technical management services; and

(o) rationalisation of staff costs, principally linked to changes in the composition of aircrew.

(32) The French authorities add, further to these assumptions, that Corsair's revenue is probably still affected by its low-cost image, characterised by a high proportion of subsidised tickets, a reputation as a charter airline, outdated on-board equipment (such as screens) and a non-standardised fleet of aircraft. As such, a more modern fleet, such as the one Corsair has now, is likely to sell tickets at higher prices and increase load factors as customer perception improves. Furthermore, the French authorities indicate that this move away from a 'charter' image is already reflected in positive customer feedback on flights operated with new aircraft and in Corsair being awarded the title of 'Best leisure airline' in France for 2024 at the World Airline Awards. France states that, even if not included in the revised restructuring plan as submitted to the Commission, the impact of its upselling strategy on fares and load factors is expected to materialise gradually, as passengers become aware of the enhanced service and their preferences change.

3.2. **Financing of the revised restructuring plan**

(33) In their submission of 27 September 2023, the French authorities proposed that the revised restructuring plan should cover the period from [...] to [...]. The documentation provided by the French authorities on 15 December 2023, on the other hand, indicates that the maximum additional duration envisaged for the revised restructuring plan would be [...] (rather than [...]), i.e. up to [...] at the latest.

(34) Subsequently, as the different versions of the revised restructuring plan developed, the French authorities informed the Commission that the date of 30 September 2026 was ultimately the effective date of the end of the restructuring period.

(35) On this basis, the restructuring plan revised on 23 May 2025, updated on 15 December 2025 and submitted by the French authorities to the Commission as the final version to be taken into account in its assessment, is essentially based on the following financial assumptions:

([12]) The 'RASK' represents all revenue generated by an airline relative to the total number of available seat kilometres (ASK) over a given period.

(a) first, a sustained improvement in financial performance (which should make it possible to achieve an operating result of EUR [...] million at [...]) and financial flows generated over the duration of the revised restructuring plan thanks to (i) the optimised commercial offer following the increase in the number of rotations using a fleet that has now been completely renewed and standardised, (ii) the restructuring measures and cost reduction measures, and (iii) the impact of additional measures to improve profitability;

(b) a fleet of nine fully upgraded aircraft, closing loss-making routes and replacing them with new routes to Africa;

(c) next, external financial contributions in the form of, first, the provision of fresh money by external investors amounting to EUR 145.4 million ([13]) and, second, financial support from the French State totalling EUR 87.8 million.

3.2.1 *Description of the financing*

(36) As detailed in Table 1 below, the French authorities explain that private financing will come mainly from: (i) a capital contribution of EUR [...] million from Blue Sky Holding, (ii) a capital contribution from a new external investor (the French company Advens-Geocoton) as a new shareholder, for an amount of EUR [...] million, (iii) an additional capital contribution of EUR [...] million shared between Blue Sky Holding, Groupe Advens-Geocoton and SEMPAT, to be provided to Corsair if its cash flow falls below the threshold of EUR [...] million, (iv) a moratorium on pension contributions, granted by the Caisse de Retraite du Personnel Navigant (CRPN) for an amount of EUR [...] million, (v) the sale of an Airbus A330 F-HSKY aircraft by Corsair for an estimated EUR [...] million, and (vi) the financing by Corsair (via leasing agreements) in July 2022 of four new A330-NEO aircraft for an amount of EUR [...] million ([14]).

(37) On that basis, the French authorities state that the amount of the own contribution to be applied in respect of the request to amend the 2020 restructuring plan therefore comes to EUR 145.4 million. The French authorities also state that, in the context of the 2020 decision based on the 2020 restructuring plan, private capital contributions to Corsair came to EUR [130-180] million.

(38) The French authorities thus conclude that, in the context of the amendment of Corsair's 2020 restructuring plan, the total own contribution would therefore come to EUR 319.1 million (i.e. taking into account the initial own contribution).

(39) As regards the financial support from the French State, the French authorities explain that the vast majority of the aid requested in the amendment to the restructuring plan consists of the waiver of the aid granted in 2020 in the form of loans and not of new injections, and that the financial support from the State will therefore be provided mainly through:

(i) a new contribution of EUR 3 million from the Conseil Départemental de la Guadeloupe;

(ii) an overseas tax credit (CIOM) of EUR 38.1 million under Corsair's investment programme for the purchase of an aircraft ([15]);

(iii) a rescheduling of EUR 19 million corresponding to the non-remissible public debt over a period of six years ([...]) ([16]);

([13]) After completely squeezing out the historical shareholder OMRP by cancelling all its shares.

([14]) Corresponding to the amount of the monthly lease of the aircraft until 30 September 2025, i.e. for the term of the revised restructuring plan.

([15]) The overseas tax credit, governed by Article 244 quater W of the French General Tax Code, is a tax allowance for investments in the overseas departments. This measure is not normally available to undertakings in difficulty. The French State nevertheless undertakes to make its best efforts to grant it to Corsair, by way of derogation, notwithstanding its status as an undertaking in difficulty.

([16]) The French authorities point out that the balance of the non-remissible public debt, i.e. 5.5 million, will be repaid at the same time as the 2026 tax credit is paid (corresponding to the overseas tax credit to be paid to Corsair by the French State pursuant to Article 107(2)(b) TFEU).

(iv) the waiver of EUR 23 million corresponding to the remissible public debt that can be waived ([17]); and

(v) the waiver of EUR 80 million in public debts corresponding to the State loans granted as part of the 2020 restructuring plan (loans from the Fonds de Développement Économique et Social and Prêt Participatif – 'FDES and PP loans', see recital 1, points (1) and (iv)), as well as EUR 4.7 million of interest on those loans.

(40) As regards the waiver of the FDES and PP loans (recital 39(v)), the French authorities maintain that, as this amount was already taken into account in full in the 2020 decision, it should not be included again in the calculation of the aid financing the restructuring costs for the purpose of determining the ratio of aid to own contribution, as this would result in the same aid being counted twice. On the other hand, it is necessary to take into account the amount of interest accrued and capitalised (on the participating loan) which, over the total duration of the participating loan, will amount to EUR 4.7 million. Furthermore, in return for such a waiver, Corsair is granting the French State and the public creditors concerned a priority 'better fortunes' clause, according to which, if the conditions laid down are met, Corsair is to repay annually an amount corresponding to [...]% of the positive difference between its operating result, including maintenance provisions, and the depreciation of the rescheduled debt ([18]), up to a ceiling of EUR [...] million. The effective activation of that clause is subject to the cumulative fulfilment of strict financial conditions, namely the existence of positive equity and the maintenance of a sufficient cash-flow position, ensuring that the payments made under the better fortunes clause do not compromise the undertaking's solvency or liquidity.

(41) It should be recalled here that, in the context of the 2020 decision based on the 2020 restructuring plan, the State aid paid to Corsair took the form of restructuring aid of EUR 106.7 million comprising (i) a moratorium on the public liabilities incurred by Corsair as at the end of January 2021 estimated at EUR 21.9 million, (ii) EUR 4.8 million in the form of an overseas tax credit on the purchase of one or more aircraft in 2021, (iii) a direct soft loan by the State of EUR 18 million ('the FDES loan') and (iv) a participating loan of EUR 62 million ('the PP loan') ([19]).

(42) The French authorities point out that in 2020, as part of OMRP's investment, EUR 6 million was paid by the local authorities in the overseas departments, which was not taken into account in the 2020 decision. This amount therefore needs to be added to the amount of State aid paid in 2020, resulting in a total amount of State aid of EUR 112.7 million.

(43) Furthermore, in response to the Commission's observation in recital 95 of the opening decision calling into question the eligibility as an own contribution of the moratorium on EUR [10-40] million obtained by the staggered payment of pension contributions, granted to Corsair in September 2023 by CRPN, the French authorities maintain, in essence, that CRPN is a body which independently manages resources of private origin. Since CRPN's resources are not State resources and the decision to stagger the payment of contributions – which in the context of the present case can be compared to reasonable behaviour by a private creditor – cannot be imputed to the State, that measure does not constitute State aid within the meaning of Article 107(1) TFEU.

(44) Table 1 shows the breakdown of own contributions and State aid in the financing of the 2020 restructuring plan. It then shows this breakdown in the financing contributed for the amended restructuring plan. Finally, it shows the ratio between all private and public contributions in the financing of the revised restructuring plan.

([17]) The financing listed in recital 39(iii) and (iv) is provided through the Commission des chefs des services financiers (CCSF), which is part of the Directorate-General for Public Finance of the Ministry of the Economy, https://www.economie.gouv.fr/dgfip/une-mission-de-soutien-aux-entreprises.

([18]) See Annex 5 to the Term sheet signed on 7 November 2025.

([19]) In that regard, the French authorities point out that, in the context of the 2020 decision, the total amount of the loans granted by the State (EUR 80 million) was counted as State aid, not just the economic advantage conferred on Corsair by loans granted by the State as compared with similar loans granted by a private actor.

Table 1

Aid and own contributions

Own contributions		Aid	
Type	Amount In EUR million	Type	Amount In EUR million
TUI concessions (outgoing shareholder)	[80-120]	Public liabilities moratorium	21,9
OMRP contribution	[10-50]	Overseas tax credit	4,8
Contribution from overseas local authorities (via OMRP)	(6)	FDES and PP State loans	80
Sale of three Boeing 747s on 2 July 2020	[10-25]	Contribution from overseas local authorities (via OMRP)	6
Negotiation of leasing of two aircraft	[3-10]		
Job protection plan and collective mutual termination agreement	[7-20]		
Total own contributions for the 2020 restructuring plan	**173,7 60,86%**	**Total aid for the 2020 restructuring plan**	**112,7 39,14%**
Capital injection from Blue Sky Holding (former shareholders of OMRP and reinvestors)	[5-30]	Capital injection from the Conseil Départemental de la Guadeloupe (via SEMPAT)	3
Capital injection from Advens-Geocoton	[5-30]	Waiver of FDES and PP State loans	Interest capitalised and accrued as at the end of July 2 025 on the participating loan (PP): 4,7 Interest paid on the FDES loan
New commitment to additional capital injection from shareholders (Blue Sky Holding, Groupe Advens-Geocoton and SEMPAT)	[5-30]		
Contributions moratorium granted by the Caisse de Retraite du Personnel Navigant	[10-40]	Rescheduling of non-remissible public debt	19
Sale of F-HSKY	[25-40]	Waiver of remissible public debt	23
Financing of four new Airbus A330-NEOs through leasing (leasing fees)	[20-80]	Overseas tax credit	38,1
Total own contributions for the revised restructuring plan	**145,4 62,3%**	**Total aid for the revised restructuring plan**	**87,8 37,7%**
Overall own contributions total (for both plans)	**319,1 61,4%**	**Overall aid total (for both plans)**	**200,5 38,6%**

3.2.2 *Proportionality between aid, own contributions and burden sharing*

(45) On this basis, the French authorities indicate that, in the context of the amendment of Corsair's 2020 restructuring plan, the discounted total amount of State aid would be EUR 200.5 million (taking into account the initial aid), i.e. EUR [80-180] million less than the discounted total amount of private contributions.

(46) The French authorities accordingly conclude that the condition laid down in point 64 of the R&R Guidelines – according to which own contributions must amount to at least 50 % of the restructuring costs – is comfortably met.

(47) In addition, the French authorities state that part of the public efforts under the revised restructuring plan will take the form of capital injections and that the current shareholders are making a very significant contribution to the restructuring effort by reducing their shareholding to zero in the context of the forthcoming capital increase. In that regard, the French authorities explain that, in line with point 66 of the R&R Guidelines, the existing shareholders will have fully absorbed Corsair's accumulated losses before the State intervention. To that end, a capital reduction to clear the losses carried forward has been put in place prior to the provision of public funds. As a result of this operation, the existing shareholders' participation has been completely wiped out by the full depreciation of the outstanding shares. This predates the capital increase, so that the recapitalisation does not in any way benefit the former shareholders. The French authorities therefore consider that this approach ensures that the burden is adequately shared, since the existing shareholders bear the entire burden of past losses to the full extent permitted by national law and are effectively squeezed out as part of the capital restructuring.

3.2.3 *Appropriateness of the aid*

(48) On the basis of the above, the French authorities consider that Corsair's current difficulties stem from both immediate liquidity issues and a structural weakening of its solvency, resulting from accumulated losses which have eroded its equity year after year. They point out that the planned aid, essentially consisting of a debt waiver and a tax credit, does not serve merely to improve the company's cash flow temporarily but also contributes to strengthening its solvency long term. This latter aspect is commensurate with the company's ability to cover all its liabilities from its own resources. A debt waiver immediately and permanently reduces current liabilities, while a tax credit increases the net result or assets, improving the net position in both cases. The French authorities consider that this reduction in liabilities, combined with a restoration of equity levels, is the most appropriate mechanism for remedying the difficulties identified. The aid, accompanied by a better fortunes clause for an amount of up to EUR [...] million, would thus address both medium-term liquidity needs and insufficient solvency, and should therefore enable Corsair to return to a sustainable financial structure and a positive cash position while meeting its commitments.

3.3. **Restoration of long-term viability**

3.3.1 *Description of assumptions and financial projections*

(49) According to the baseline scenario in the latest update to the revised restructuring plan submitted by the French authorities, dated 23 May 2025 and last updated on 15 December 2025, Corsair's turnover, and in particular that from passenger transport, is expected to grow by around 17 % over the duration of the revised restructuring plan (between the end of September 2023 and the end of September 2026), reaching around EUR [...] million by the end of September 2026.

(50) The French authorities consider that costs (variable and fixed) are expected to increase by only [...]% over the duration of the plan, which is proportionally less than the company's expected revenue by the end of September 2026. However, with regard to fixed costs in particular, [...], the French authorities state that these leasing costs are expected to increase by [...]% over the duration of the revised restructuring as a result of the addition of the new aircraft to the fleet. The French authorities explain that these new aircraft are cheaper in terms of operating costs (in particular in terms of fuel consumption) but are more expensive to lease.

(51) The French authorities submit that, on the basis of the above situation, and as the following table shows, the company's operating result is expected to grow significantly over the duration of the revised restructuring plan, from EUR ([...]) million at the end of September 2023 to EUR [...] million at the end of September 2026, constituting a complete reversal of the situation over the duration of the revised restructuring plan from a significant operating loss to an overwhelmingly positive operating result.

Table 2

Corsair's main financial indicators (baseline scenario)

		Restructuring period						
Million EUR	R2021	R2022	R2023	R2024	R2025	P2026	P2027	P2028
Turnover	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
of which Passengers	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Operating result	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Net result	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Equity (IFRS 16)	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Net debt (IFRS 16)	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Capital employed (IFRS 16)	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Cash position	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Return on capital employed (ROCE) % (*)	[…]	[…]	[…]	[…]	[…]	[10.6-1-3.4]%	[11.4--15.2]	[…]
Return on equity (ROE) % (**)	*[…]*	*[…]*	*[…]*	*[…]*	*[…]*	*[…]*	[…]	[…]

Source: various slides from the revised restructuring plan as at 23 May 2025, as provided; the 'Summary of documents submitted' of 20 June 2025.

(*) Calculated on the basis of NOPAT (net operating profit after tax) ([20]).

(**) Deducted on the basis of net result and equity.

([20]) The operating result measures the undertaking's operational performance before financial charges and corporate income tax are taken into account, in accordance with the applicable accounting rules. The net operating profit after taxes (NOPAT) is the post-tax operating result, calculated on a normative basis, as if the undertaking were financed exclusively by equity, and is obtained by applying a standardised tax rate to the operating result. This approach makes it possible to neutralise the effects of the financing structure and exceptional tax items. The NOPAT is thus the relevant aggregate for calculating the return on capital employed (ROCE), which measures the return on capital employed by showing the ratio of the NOPAT to capital employed, and makes it possible to assess the undertaking's ability to create value when that return exceeds the weighted average cost of capital (WACC), which is also a rate of return calculated post-tax. In the case of Corsair, the NOPAT is calculated as follows: EBIT adjusted for financial interest on leasing (approximate calculation, as the company does not submit consolidated financial statements under IFRS) + additional staff costs + corporation tax.

(52) As regards Corsair's net result in the baseline scenario, the French authorities expect it to increase by the same amount, with significant growth over the duration of the plan from a net loss of EUR [...] million at [...] to an expected profit of EUR [...] million at the end of September 2026. It should be noted that this net profit expected at the end of September 2026 is significantly higher than in 2025 thanks to the exceptional contributions associated with both the French State's waiver of its claims combined with an exceptional result of EUR [...] million and the proceeds in the order of EUR [...] million from the sale of the F-HSKY aircraft. Without these exceptional contributions, the expected net result at the end of September 2026 would be EUR [...] million.

(53) The French authorities state that these positive results, which show clear improvement, have been brought about in particular by (i) very good commercial dynamics, (ii) the renewal of the fleet, allowing an improved service, (iii) the introduction of measures to improve the RASK (in particular an increase in ancillary revenue, improved yield management and the renegotiation of contracts with certain service providers), and (iv) incorporation of the impact of performance improvement measures, which had already been identified but whose positive impact had not been fully taken into account pending their implementation.

(54) In this respect, the French authorities specify that the improvement measures concern both cost savings and revenue increases, and include the following main elements, among others:

(a) incorporation of the actual impact of the RASK improvement measures, which proved to be higher than initial assumptions ([...]% as of 2026, compared with [...]% previously) in line with the excellent performance observed in the 2024/2025 financial year following the implementation of the action plan by Corsair;

(b) a higher average coupon price (ACP) impact, given the stabilisation or even slight increase in the ACP observed throughout the 2025 financial year, even though the price of fuel decreased significantly ([...]% compared with the previous version of the revised restructuring plan). The French authorities point out that this trend of improvement in the ACP combined with a decrease in the price of fuel is continuing and supports the future targets in the revised restructuring plan in terms of passenger yield; it is explained in particular by Corsair's upselling in connection with the renewal of its fleet, which has made it possible to boost the ACP beyond initial expectations during [...]; and

(c) a drop in distribution costs in view of the recent strong performance via online channels observed during the 2025 financial year. The implementation over several months of a dynamic commercial policy aimed at accelerating the development of direct sales, and in particular online sales, has already led to a reduction in the use of third-party networks, which are structurally more expensive.

(55) That said, those assumptions and developments do not allow [...], i.e. the one following the end of the restructuring period. The French authorities expect that, in September 2026, Corsair's equity will still be [...] in the amount of EUR [...] million, with an ROCE in the order of [10.6-13.4]%, which is in line with Corsair's cost of capital estimated by the French authorities at [8.6-10.5]%. Finally, the French authorities state that the ROCE is expected to reach [11.4-15.2]% at the end of September 2027 (and to exceed [18-21]% at the end of the 2027-2028 financial year, which closes at the end of September 2028).

(56) In that regard, the French authorities state that according to the R&R Guidelines, the restructuring plan must restore the long-term viability of the beneficiary within a reasonable timescale and on the basis of realistic assumptions as to future operating conditions that should exclude any further State aid not covered by the restructuring plan.

(57) On that basis, the French authorities consider that the reasonable timescale provided for in the R&R Guidelines does not necessarily correspond to the restructuring period, which must moreover be as short as possible, and that, in their view, this is clear from the indicative model restructuring plan attached as Annex II to the R&R Guidelines.

(58) Moreover, the French authorities consider that this criterion of restoring long-term viability within a reasonable timescale applies without restriction to the amendment of the restructuring plan, so that the starting point for the reasonable timescale in this particular case must, in their view, be the request for amendment.

(59) In this regard, the French authorities point out that long-term viability is considered to have been achieved when an undertaking is able to provide an appropriate projected return on capital after having covered all its costs including depreciation and financial charges. In other words, the restructured undertaking is considered viable when it is able to compete in the marketplace on its own merits.

(60) On that basis, the French authorities therefore consider that, in practice, the Commission must examine the criterion of a return to viability on the basis of a body of evidence, in accordance with its decision-making practice. As part of this body of evidence, the French authorities maintain that the Commission should examine cash-flow ratios, but also profitability ratios (EBITDAR, ROCE, return on equity (ROE) or weighted average cost of capital (WACC)). They add that the Commission should analyse in particular whether the ROCE becomes higher than the WACC within a reasonable timescale in order to assess the airline's ability to generate sufficient profitability to cover the cost of its capital financing.

(61) As set out in Table 3, the French authorities also indicate that the pessimistic scenario in Corsair's restructuring plan would show a deterioration in the company's operating result at the end of September 2026 in the order of – EUR [...] million and would therefore result in an operating loss at the end of the revised restructuring period. All other indicators would also reflect this deterioration.

Table 3

Main financial indicators for Corsair (pessimistic scenario)

		Restructuring period						
Million EUR	R2021	R2022	R2023	R2024	R2025	P2026	P2027	P2028
Turnover	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
of which Passengers	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Operating result	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Net result	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Equity (IFRS 16)	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Net debt (IFRS 16)	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Capital employed (IFRS 16)	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Cash position	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Return on capital employed (ROCE) % (*)	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]

		Restructuring period						
Million EUR	R2021	R2022	R2023	R2024	R2025	P2026	P2027	P2028
Return on equity (ROE) % (**)	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]

Source: various slides from the revised restructuring plan as at 23 May 2025, as provided; the 'Summary of documents submitted' of 20 June 2025.

(*) Calculated on the basis of NOPAT (net operating profit after tax) ([21]).

(**) Deducted on the basis of net result and equity.

(62) The French authorities point out that the pessimistic scenario is based on a revision of the following assumptions in the baseline scenario:

(a) with regard to flights to Guadeloupe, whereas the baseline scenario is based on a market that exceeds 2019 levels from 2025 onwards (something which the company has already seen), the pessimistic scenario is based on a more gradual recovery of the Guadeloupe market with a return to 2019 figures coming one year later, from 2026 onwards, with the number of passengers transported by Corsair also reduced accordingly;

(b) with regard to fuel, while the baseline scenario assumes a fuel price of USD [600-900]/t as of May 2025, the pessimistic scenario was built on the assumption of a price increase of USD [...]/t over the whole restructuring period and thus results in an increase in fuel costs in an amount corresponding to the price developments minus the expected pass-through in the sale price. In this respect, the French authorities state that it is assumed that one third of the increase in the price of fuel is passed on in sale prices;

(c) with regard to ticket sale prices, whereas the baseline scenario is based on an assumption of an increase in sale prices as a result of (i) the 'cabin mix', with an increase in the share of 'front-of-cabin' seats, and (ii) the flight plan overhaul, allowing the least profitable flights to be cut, the pessimistic scenario was based on a limitation of the price increase over the restructuring period resulting in a reduced turnover compared with the baseline scenario;

(d) with regard to the development of Corsair's operations in Africa, while the baseline scenario takes account of the development of the Paris-Abidjan route in spite of the negative impact of Air Côte d'Ivoire's entry into the market, the pessimistic scenario is based on a slower ramp-up than initially anticipated with a corresponding reduction in the number of passengers transported;

(e) with regard to the implementation of the cost-saving measures and measures to improve the RASK provided for in the baseline scenario, the pessimistic scenario is based on a delay in the implementation of those measures with a negative impact on the 2026 financial year.

(63) On this basis, the French authorities indicate that the discounted pessimistic scenario shows (i) an overwhelmingly positive operating result, amounting to EUR [...] million at the end of the restructuring period (and even up to EUR [10-30] million as at 30 September 2028, (ii) cash flow [...] over the entire duration of the plan and at around EUR [...] million as at 30 September 2026 (and EUR [...] million as at 30 September 2028).

([21]) The operating result measures the undertaking's operational performance before financial charges and corporate income tax are taken into account, in accordance with the applicable accounting rules. The net operating profit after taxes (NOPAT) is the post-tax operating result, calculated on a normative basis, as if the undertaking were financed exclusively by equity, and is obtained by applying a standardised tax rate to the operating result. This approach makes it possible to neutralise the effects of the financing structure and exceptional tax items. The NOPAT is thus the relevant aggregate for calculating the return on capital employed (ROCE), which measures the return on capital employed by showing the ratio of the NOPAT to capital employed, and makes it possible to assess the undertaking's ability to create value when that return exceeds the weighted average cost of capital (WACC), which is also a rate of return calculated post-tax. In the case of Corsair, the NOPAT is calculated as follows: EBIT adjusted for financial interest on leasing (approximate calculation, as the company does not submit consolidated financial statements under IFRS) + additional staff costs + corporation tax.

(64) The French authorities explain that these results demonstrate Corsair's ability, even in the pessimistic scenario, to meet all its financial commitments without the need for additional aid.

(65) On the basis of the above, the French authorities explain that all the indicators included in the revised restructuring plan sent to the Commission confirm the pathway for a return to viability, even in the pessimistic scenario, insofar as:

(a) a positive net result in the baseline scenario of EUR [...] million has been achieved for the [...] financial year, of EUR [...] million at [...] and EUR [...] million at [...], and, in the pessimistic scenario, of EUR [...] million at 30 September 2026 and another profit of EUR [...] million at [...], the year following the end of the restructuring period; and

(b) Corsair's cash flow will remain [...] throughout the duration of the revised restructuring plan, with closing cash at the end of the plan of EUR [...] million in the baseline scenario and EUR [...] million in the pessimistic scenario.

(66) As indicated above, the ROCE is expected to be [10.6-13.4]% at 30 September 2026 and [11.4-15.2]% one year after the end of the restructuring period, i.e. above the WACC calculated for the same date at the level of [8.6-10.5]% ([22]).

(67) In addition, the French authorities indicate that, as shown in Table 4 below, the median return on capital employed in a sample of a dozen third-party airlines was 7.3 % in 2019 and 6.9 % in 2024. Corsair's return on capital employed, as shown in Table 3 above, was in balance over the years [...], reaching [...]% in [...] and is expected [...] observed in recent years, than that for the other airlines in the sample over the course of the revised restructuring plan.

Table 4

Return on capital employed

		Return on capital				
In EUR million	Category	2019	2021	2022	2023	2024
Air France KLM	Legacy	5,3%	(8,0)%	5,2%	7,9%	6,7%
Lufthansa	Legacy	5,0%	(5,4)%	3,5%	5,6%	3,2%
IAG	Legacy	11,7%	(9,8)%	4,1%	11,0%	13,2%
Aeroflot	Legacy	6,2%	(0,4)%	(1,4)%	20,1%	9,8%
Aegean	Legacy	13,1%	1,9%	7,9%	10,7%	8,2%
Finnair	Legacy	3,9%	(9,7)%	(3,3)%	4,5%	2,8%
Ryanair	Low-cost	7,4%	(5,5)%	(2,1)%	8,8%	12,8%
Easy Jet	Low-cost	6,4%	(10,1)%	(0,1)%	4,5%	6,2%
Delta Air Lines	US	12,7%	(3,5)%	6,3%	9,8%	9,2%

([22]) For the purposes of evaluating Corsair's restructuring plan and assessing the company's future profitability, Corsair's weighted average capital cost (WACC) was estimated by the French authorities at [8.6-10.5]% at the end of the restructuring plan, i.e. by 2026. This WACC is calculated on the basis of the standard formula weighting the cost of debt (RD) against the cost of equity. The cost of equity (RE) is calculated at [...]% on the basis of the CAPM formula (capital asset pricing model (RE = RFR + βE × ERP + Risk Premium), including a risk premium and with a risk-free rate (RF) projected at [...]% for 2027, an equity risk premium (ERP) of [...]% for France and an equity beta (βE) of 1.09). A [...]% illiquidity premium was added under the risk premium to compensate for the fact that Corsair is not listed. The cost of debt (RD) after tax deduction, estimated at [...]%, is based on a pre-tax rate of [...]% and an effective tax rate of [...]%. These two components are weighted by a financial leverage of [...]%, estimated on the basis of the average for the European air transport sector. The Commission also notes that the average cost of capital for the air transport sector in Europe, estimated by Professor Damodaran, a recognised source used in financial evaluation, was around 8 % in 2025 and therefore constitutes a lower bound in relation to the French evaluation (see: https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datacurrent.html).

Return on capital						
In EUR million	Category	2019	2021	2022	2023	2024
American Airlines	US	7,2%	(9,4)%	2,9%	6,9%	6,1%
EN United Airlines	US	9,2%	(6,3)%	3,6%	7,3%	7,2%
Southwest Airlines	US	13,6%	(3,2)%	2,9%	2,8%	0,9%
Median						
Legacy		5,7%	(6,7)%	3,8%	9,3%	7,4%
Low-cost		6,9%	(7,8)%	(1,1)%	6,7%	9,5%
US		11,0%	(4,9)%	3,3%	7,1%	6,6%
All airlines		7,3%	(5,9)%	3,2%	7,6%	6,9%

Source: Capital IQ (15 December 2025)

(68) The French authorities therefore consider that, in the light of all these elements, the demonstration of Corsair's viability, even in the pessimistic scenario, is fully in line with the R&R Guidelines and the Commission's decision-making practice.

(69) The French authorities therefore consider that all these factors point to a return to viability allowing Corsair to compete on the market on its own merits from the end of the restructuring period.

3.4. **Measures to limit distortions of competition**

(70) The French authorities consider that the analysis, carried out in the light of the criteria established by the R&R Guidelines and case-law, confirms the adequacy of Corsair's commitments. With regard to the measures proposed by France and their correct calibration, in order to meet the requirements of the R&R Guidelines and to address the initial doubts raised by the Commission in its opening decision, the French authorities explain that Corsair made initial commitments, followed by additional measures to reduce its market presence and open up opportunities for competition.

3.4.1 *Return of slots*

(71) With regard to the measures to reduce market presence, the French authorities refer to Corsair's commitment to return to the market 1 500 slots at Paris-Orly (700 permanently relinquished and 800 loaned), representing more than [...]% of its slot portfolio. The French authorities consider that this measure obliges the company to cap its capacity in a structural and lasting manner, since the slot allocation rules adopted by COHOR, the association that coordinates French airport schedules, make it difficult to recover an identical flight in the medium term.

3.4.2 *Offer of commercial agreements*

(72) The French authorities undertake to ensure that, until the end of the extended restructuring period, Corsair offers the opportunity for commercial agreements to interested airlines. Corsair is prepared to undertake, to the extent that these agreements meet its commercial and profitability objectives, to negotiate in good faith and to conclude standard commercial agreements for the passenger and cargo air transport market with interested third-party airlines (block seat agreements to purchase a given number of seats on certain flights operated by Corsair; code-sharing agreements giving a third-party airline access to flights operated by Corsair; interline agreement allowing a third-party airline to sell connecting destinations on flights operated by Corsair).

3.4.3 *Reduction of use and limitation of fleet capacity*

(73) The French authorities go on to explain that, further to these commitments, the fleet will be limited to nine aircraft until the end of the revised restructuring plan (i.e. until 30 September 2026) and the number of regular rotations to the overseas territories will be reduced by 97 over the [...] financial year, broken down as follows: […]. This will have an estimated impact of between EUR [...] and EUR [...] million on the company's turnover.

3.4.4 *Reduction of the route plan*

(74) Additional commitments are the closure of routes ([...]) and the renunciation of new scheduled destinations ([...]). The French authorities point out that Corsair has a very small market share on the European air transport market and that its size is limited at Orly airport, let alone on the French market. The French authorities therefore consider that the objective of reducing the company's presence on the market is fully met by these commitments.

(75) The French authorities consider that the measures to limit distortions of competition proposed by Corsair are adequate and correctly calibrated. Therefore, in view of the already significant efforts represented by the proposed measures, any additional measures would risk undermining the pathway to a return to viability, and would thus be contrary to the principle laid down in the R&R Guidelines.

3.5. **Role of Corsair in the European Union and counterfactual aid scenario**

(76) The Commission, in its assessment of Corsair's revised restructuring plan, examines whether the proposed aid, despite its potentially harmful impact on competition, is necessary to achieve an objective of preventing market failure or social hardship, and is limited to the strict minimum, in line with the R&R Guidelines.

(77) In this context, the French authorities consider that Corsair's role within the Union, in particular in its capacity as a vital legacy operator connecting metropolitan France with its outermost regions, is a key element of the economic and social fabric of these regions.

(78) According to the French authorities, in line with point 44 of the R&R Guidelines, Corsair plays a crucial role in ensuring territorial continuity and addressing a proven market failure on vital routes. It guarantees the smooth operation of air transport to the overseas territories. The French authorities consider that this strategic positioning should not be regarded merely as a commercial activity, but represents an essential contribution to the economic and social fabric of these regions, justifying public intervention in the event of a threat to its existence.

(79) In addition, the French authorities consider that the analysis of the compatibility of the aid, which is fundamentally based on the counterfactual scenario, i.e. the assessment of the likely consequences for competition and the market if the aid were not given and, consequently, if Corsair were liquidated, demonstrates that the collapse of the undertaking would have severe consequences going beyond the mere reallocation of market shares. The French authorities state that the collapse of Corsair would cause a very significant and immediate price increase for consumers, estimated at more than 15 % on routes to/from the Antilles and more than 40 % on routes to/from Mayotte, insofar as it would critically degrade the competitive landscape by causing a switch from a duopoly to a monopoly on the Paris-Mayotte route and reducing the number of players from three to two on the Antilles routes. Corsair's absence would also increase the risk of tacit collusion between the remaining operators.

(80) Finally, the French authorities consider that Corsair's collapse would result in the loss of direct services from cities other than Paris to the overseas territories, significantly affecting the accessibility and economic attractiveness of these territories. The counterfactual scenario presented by the French authorities thus establishes that the absence of restructuring aid would not result in a mere adjustment of the market, but in a structural deterioration of competition and a major socio-economic impact on the outermost regions. The French authorities therefore conclude that the aid is necessary not only to save the undertaking, but above all to preserve the market's competitive structure and to ensure the objective of territorial continuity, which is a sound justification under the R&R Guidelines.

4. PRELIMINARY FINDINGS IN THE OPENING DECISION OF 5 FEBRUARY 2024 AND THE EXTENSION DECISION OF 11 APRIL 2025

4.1. The opening decision

(81) In the opening decision, after finding that, *prima facie*, the measures notified by France in its request for amendments to the restructuring plan should be classified as State aid within the meaning of Article 107(1) TFEU, the Commission raised the following doubts as to their compatibility with the internal market.

4.1.1 *Contribution to addressing a market failure*

(82) The Commission noted the shift in Corsair's activities towards new destinations in Africa, to the detriment of services to certain outermost regions of the European Union. Insofar as the new destinations that Corsair planned to develop under the revised restructuring plan did not contribute to maintaining the territorial continuity of France and in view of the presence of two or even three existing competitors on those routes still in operation after the Coronavirus pandemic, it was, according to the Commission, doubtful whether Corsair's contribution to the development of an economic activity or area by maintaining connectivity and territorial continuity within the European Union was still a valid justification for the (new) aid that the French authorities wished to provide to Corsair.

4.1.2 *Appropriateness and proportionality of the aid*

(83) The Commission stated that, pursuant to point 62 of the R&R Guidelines, a significant contribution to the restructuring costs had to be made from the own resources of the aid beneficiary, its shareholders or creditors or the group of undertakings to which it belonged, or from new investors. Such own contribution should in principle be comparable to the aid granted in terms of effects on the solvency or liquidity of the beneficiary; the aid had to be properly remunerated in accordance with point 54 of the R&R Guidelines. In addition, under point 63 this contribution had to be real, thus excluding future expected profits such as cash flow. Finally, in accordance with point 124(b), if an amendment to the restructuring plan led to an increase in the restructuring costs, the own contribution should increase correspondingly.

(84) In its decision, the Commission stated that the French authorities were planning to grant new aid of EUR 83.1 million in the form of rescheduling of public debts, waivers of claims and tax reductions linked to fleet renewal. Furthermore, a better fortunes clause, capped at EUR [...] million, was considered by the Commission to be marginal in view of the total volume of public aid granted to Corsair since 2020, estimated at almost EUR [...] million.

(85) In this context, the Commission noted that any benefits of the restructuring would mainly be to the advantage of the private shareholders, old and new, while the State would assume a significant part of the risk without adequate consideration. The Commission also considered that the absence of an instrument ensuring appropriate remuneration, such as an entry of the State into the capital by way of debt conversion, accentuated this imbalance.

(86) The Commission further noted that the own contribution proposed by France was based on several hypothetical elements. First, [...] was neither finalised nor documented. Similarly, the financing of four A330-NEO aircraft remained uncertain in the absence of concrete evidence. The eligibility of the moratorium linked to the staggering of contributions to CRPN was still to be confirmed.

(87) In the absence of tangible evidence, the Commission therefore considered that the own contribution was likely to remain limited and not proportionate to the total amount of public aid. The Commission therefore considered that the capital injections identified did not constitute a sufficient, real and effective own contribution to the restructuring costs and that they did not therefore make it possible to establish that Corsair had borne a fair share of the financial effort required for its recovery.

(88) Finally, the Commission stated that the French authorities had not demonstrated that Corsair's location in overseas regions justified a lower own contribution.

(89) Consequently, the Commission concluded that the proposed contribution remained insufficient in the light of the requirements of points 62, 63, 64 and 124 of the R&R Guidelines insofar as it appeared to be too small, partially hypothetical and lacking credible guarantees as to its implementation.

(90) The Commission therefore questioned whether the revised restructuring plan could ensure that the burden would be shared fairly between the State and private shareholders. On this basis, the Commission raised serious doubts as to the proportionality and remuneration of the proposed new aid.

4.1.2.1 Restoration of long-term viability

(91) In its opening decision, the Commission considered that the revised restructuring plan submitted by the French authorities had several substantial shortcomings, making it highly uncertain that Corsair's viability would be restored in the long term. In accordance with point 124(a) of the R&R Guidelines, where a restructuring plan was amended, the Member State concerned was required to submit a revised plan capable of restoring the beneficiary's long-term viability within a reasonable time scale. The Commission's doubts as to the revised plan's compliance with point 124(a) of the R&R Guidelines were based on the following considerations.

(92) First, the Commission considered that the macroeconomic and operational assumptions underlying the plan were not sufficiently justified or documented. In the absence of detailed explanations, the Commission considered that it could not, at that specific stage of the procedure, assess how realistic or relevant they were.

(93) Second, the Commission stated that the financial projections showed very narrow margins in terms of profitability and solvency, making the company particularly vulnerable to any deterioration in assumptions, in particular in the event of a further increase in fuel prices. The Commission therefore considered that such volatility alone could jeopardise the positive projected results put forward and, consequently, the recovery envisaged.

(94) Third, the contributions of fresh money referred to in the decision to open the procedure (EUR [5-25] million from the existing investors (OMRP) and EUR [5-25] million from the Republic of the Congo) were considered by the Commission to be modest compared with Corsair's short-term and medium-term cash-flow needs. Moreover, several measures presented as new appeared in fact to be old initiatives, already included in the 2020 plan and 'recycled' in order to provide justification. The Commission considered that this approach weakened the credibility of the plan, as their positive effects had either already been absorbed or were not enough to avoid the need for further aid.

(95) In addition, some other initiatives remained at the stage of planning or intent, with no concrete timeline for implementation. In those circumstances, the Commission considered that it was highly speculative to regard them as effective contributions towards restoring viability. The Commission therefore considered that, at that stage of the procedure, the new private capital injections could not be regarded as reliable evidence that the revised restructuring plan was feasible.

(96) Fourth, the Commission stated that the French authorities had not provided a pessimistic scenario as required by the R&R Guidelines. This omission prevented any proper assessment of how sensitive the revised restructuring plan was to adverse shocks.

(97) Fifth, the Commission found that the provisional financial statements were incomplete insofar as no forecast balance sheet or cash-flow statement had been sent, other than a summary profit and loss account. The information available also indicated that Corsair's equity would remain [...]. In those circumstances, the Commission considered that Corsair would continue to be classified as an undertaking in difficulty at the end of the period, which raised doubts as to whether the restructuring plan submitted at that time would restore its long-term viability.

(98) Consequently, in its opening decision the Commission raised serious doubts as to whether the revised restructuring plan complied with the criteria of the R&R Guidelines insofar as it considered that it was neither obvious nor likely that Corsair would be able to generate a sufficient return or maintain its activities on the market without additional aid.

(99) The Commission therefore took the preliminary view that the revised restructuring plan did not demonstrate Corsair's ability to compete on its own merits after the restructuring and that the proposed aid therefore could not be considered to contribute to the development of a viable economic activity within the meaning of Article 107(3)(c) TFEU.

4.1.2.2 Measures to limit distortions of competition

(100) In its opening decision, the Commission expressed doubts as to whether the aid underpinning the revised restructuring plan was accompanied to a sufficient extent by adequate measures to limit distortions of competition. Under point 124(c) of the R&R Guidelines, in view of the significant increase in the amount of aid, such measures had to be more extensive than those initially imposed. First, France proposed increasing the fleet to 10 aircraft in order to meet new demand, whereas the size of the fleet should in principle be reduced with the increase in the amount of aid and the extension of the restructuring period. Second, the measure relating to relinquishing slots did not appear to be either qualitatively or quantitatively more significant than the measure already provided for in the 2020 restructuring plan.

(101) The doubt expressed by the Commission took into account, in addition to the increase in aid provided for in the revised restructuring plan, the fact that, according to the information available to the Commission at the time, Corsair might have benefited from additional aid of up to EUR 32 million during the restructuring period. Therefore, the measures to limit distortions of competition remained substantially the same as those already in place, despite the significant increase in the aid amount in the revised restructuring plan.

4.2. **The extension decision**

(102) In its extension decision, the Commission raised fresh doubts in addition to those raised in the opening decision.

4.2.1 *Infringement of the obligation to limit the aircraft fleet*

(103) In its extension decision, the Commission pointed out that, according to Article 108(2) TFEU, the misuse of State aid constitutes a concept in its own right insofar as it concerns the use of the aid in breach of the decision authorising it, and not its unlawful granting.

(104) In its 2020 decision, the Commission had approved restructuring aid to Corsair on the condition that certain measures limited distortions of competition, in particular the limitation of the fleet to nine aircraft for the entire duration of the plan (up to September 2023). That restriction formed part of the essential commitments ensuring the compatibility of the aid.

(105) In its extension decision, the Commission indicated that comments from competitors and information provided by the French authorities showed that in 2023 and 2024 Corsair had operated at least 10 aircraft by means of extended charterings. The French authorities also acknowledged that this limit had been exceeded, as evidenced by Corsair's flight plans for the 2023 and 2024 IATA summer seasons.

(106) The Commission also pointed out that the French authorities could not have been unaware of this situation and that they had tolerated the limit being exceeded without notifying an amendment to the restructuring plan or seeking express authorisation from the Commission.

(107) The French authorities claimed that these charterings were one-off occurrences, motivated by external constraints, and provided Corsair with only a marginal advantage.

(108) The Commission rejected those arguments in its April 2025 decision to extend the procedure, recalling that the compensatory fleet limitation measure was intended to cap the number of aircraft, not their capacity, in line with consistent practice in other decisions (on restructuring aid for TAP, Condor and SAS). The aim was to freeze the fleet after the integration of the new Airbus aircraft ordered before the crisis, without jeopardising the viability of the restructuring plan as approved.

(109) As the Commission explained, the 2023 and 2024 charterings could not be described as one-off occurrences as they lasted for several months during the high season and concerned scheduled routes (Paris-Bamako in 2023 and Paris-Montreal in 2024). In addition, Corsair continued to use 10 aircraft after September 2023, [...].

(110) The Commission therefore considered this situation to amount to misuse of aid, as the revised restructuring plan notified in 2023 did not undo the initial commitments. As long as the Commission had not adopted a new decision, the limit of nine aircraft remained applicable.

(111) Moreover, according to the R&R Guidelines, any increase in the aid amount entailed an increase in the compensatory measures. Corsair, on the contrary, increased the size of its fleet, thus exacerbating distortions of competition.

(112) The French authorities' justifications (operational constraints, urgency, delivery delays, the security situation in Mali) did not convince the Commission insofar as the charterings resulted from deliberate decisions, planned in advance, and not from pressing events.

(113) Finally, Corsair's competitors argued that these charterings allowed Corsair to adopt an aggressive pricing policy, distorting competition during the high season.

(114) The Commission therefore considered that there was serious doubt as to whether Corsair and France had complied with the commitment to limit the fleet, which was an essential condition for the compatibility of the 2020 aid.

(115) Consequently, pursuant to Article 20 of Regulation (EU) 2015/1589, the Commission decided to extend the formal investigation opened in February 2024 in order to determine whether that breach constituted misuse of the restructuring aid and indicated that it would analyse the actual size of the fleet during the prolonged restructuring notified in 2023 in the light of the doubts already expressed in the opening decision.

4.2.2 *Additional aid granted during the restructuring period*

(116) In its opening decision, without expressing any specific doubt in that regard, the Commission observed that Corsair had received several additional public aid measures during its restructuring period, without the French authorities demonstrating their legality or compatibility. In its extension decision, the Commission stated that between 2021 and 2022, Corsair had benefited from EUR 32.4 million in grants awarded under schemes approved by the Commission under the COVID-19 Temporary Framework ([23]) ('the Temporary Framework'). Having classified those grants as State aid within the meaning of Article 107(1) TFEU, the Commission stated that the COVID-19 Temporary Framework expressly excluded undertakings that had already been in difficulty on 31 December 2019 from benefiting from its measures. On that date, Corsair was already an undertaking in difficulty

(117) The Commission noted that the French authorities had failed to notify the granting of this aid, in breach of point 129 of the R&R Guidelines. It also noted that Corsair's recurrent and continued reliance on public financing demonstrated that its pre-pandemic difficulties had not been resolved. The additional aid granted in 2021 and 2022 thus seemed to contravene the 'one time, last time' principle set out in point 70 of the R&R Guidelines, which prohibited an undertaking already receiving restructuring aid from receiving new aid before completing its restructuring. The Commission concluded that, in the absence of any other legal basis put forward by the French authorities, it could not be established that the additional aid was compatible with the internal market, and that serious doubts remained as to its compliance with the R&R Guidelines.

(118) The Commission also found that if the EUR 32.4 million was to be considered as additional restructuring aid, this would aggravate the doubts already expressed in the opening decision of February 2024. Those doubts related to Corsair's long-term viability (artificially supported by unlawful aid), the proportionality of the new public support, the lack of adequate remuneration for the State and the inadequacy of the measures limiting distortions of competition.

([23]) OJ C 91 I, 20.3.2020, p. 1, last amended on 18 November 2021 (OJ C 473, 24.11.2021, p. 1).

4.2.3 *Impact of the additional aid on the compatibility of the aid financing the amendment of the restructuring plan*

(119) Lastly, in view of the granting of EUR 32.4 million in unlawful aid to Corsair during the restructuring period, the Commission raised doubts as to the impact of that aid on the compatibility of the additional aid notified in 2023 for the purpose of financing the revised restructuring plan.

4.3. **Comments from France**

4.3.1 *The opening decision*

(120) On 7 March 2024, the French authorities provided the Commission with their comments on the opening decision.

(121) In these comments, they stated that Corsair's revised restructuring plan, submitted to the European Commission following the initial aid decision of 11 December 2020 (EUR 106.7 million), was perfectly in line with the initial plan.

(122) In this respect, the French authorities confirmed the full implementation of the operational and social measures planned, in particular refocusing on the Antilles and the Indian Ocean, developing Corsair's operations in Africa, modernising the fleet by integrating the Airbus A330-NEO aircraft, and renegotiating collective agreements. The French authorities maintained, at that time, that Corsair was also complying with its initial commitments to limit the fleet to nine aircraft in order to restrict distortions of competition.

(123) The French authorities explained that this revised restructuring plan had been made necessary by exceptional, unforeseeable circumstances not attributable to the company, which had resulted in a deviation from its financial trajectory and a fall of EUR [200-400] million in the operating result over the period from 2020 to 2023. These circumstances included the continuation of the health crisis, protest movements in the Antilles, the impact of Russia's military aggression against Ukraine, which resulted in a significant increase in fuel prices and the rise in the value of the US dollar, and widespread inflation of costs in euro. The French authorities therefore maintained that the amendment, requested in September 2023 on the basis of Section 7.2.2 of the R&R Guidelines, was intended to continue the restructuring efforts for a limited period, at that time still set by the French authorities at 30 September 2025.

(124) France considered that Corsair contributed to boosting activity in the outermost regions of the Union that it served and, as such, it should be concluded that Corsair alone played an important role in the economy of a particular outermost region (or a specific overseas sector), as further demonstrated during the recent natural disasters that had affected Mayotte. France therefore considered that this contribution was such as to justify additional restructuring aid, as in the case of Air Austral (in 2022) in Réunion or the SATA group (also in 2022) in the Azores.

(125) In support of these arguments, France submitted a study ([24]) which concluded that (i) the collapse of Corsair would result in a transition from a duopoly to a monopoly on services between Paris and Mayotte with possible price increases of 41 % (and an expected price increase of 15 % in the Antilles and 8 % in Réunion), and (ii) replacement competitors would not be able to enter the market if Corsair ceased its activities because of the high barriers to entry. The remoteness and insularity of the French overseas regions discouraged new operators from opening routes to those regions, something which was confirmed by examining entries into and exits from the markets concerned over the previous eight years. The only permanent entry was that of French Bee, which had opened a route to Réunion. However, French Bee was a subsidiary of Air Caraïbes, which was itself already well-established in the French overseas territories. Three other undertakings that had tried to establish themselves on these routes had quickly ceased their activities. According to the study, there were no economic incentives for companies that did not have a foothold in the French overseas territories to establish themselves there. The legacy operators did not have a sufficient base at Charles de Gaulle airport and the European operators of point-to-point networks did

([24]) E. Combe, A. Chapsal, P. Lissot, Analysis of the economic effects of Corsair's cessation of activity, study dated 7 March 2024, commissioned by Corsair.

not have the fleets needed to operate long-haul flights; moreover, the operation of such flights was not in line with their commercial strategy, which was based on medium-haul flights. Finally, Orly airport, where most flights to French overseas territories departed from, was saturated, making new entries unlikely. The study also highlighted a high risk of tacit collusion between the remaining operators on the market in question in the event of Corsair's exit and the negative social and economic impact that such an exit could have on the regions served by Corsair. Lastly, France also explained that any hypothetical price increases due to Corsair's complete exit could not be addressed by imposing public service obligations that would temporarily prohibit existing carriers from raising tariffs and/or by granting direct subsidies to residents, insofar as such interventions would constitute interventionist market regulation and would be much more costly to the State budget, and therefore to French citizens, than the aid granted in addition to the beneficiary's own contributions.

(126) The French authorities considered that the revised restructuring plan presented credible prospects of a return to viability for Corsair, even in a pessimistic scenario. In addition, they stated that the baseline scenario, validated by an independent auditor, provided for the injection of EUR [20-50] million in equity, the waiver of EUR 103 million in public liabilities and the granting of EUR 38.1 million in overseas tax credits, and that the operating result was expected to be [...], reaching EUR [...] million in 2026/2027. On that same date, the French authorities stated that, operationally, the plan relied on the continuous renewal of the fleet with Airbus A330-NEO aircraft and operation of a 10th aircraft (F-HSKY) to optimise costs, strengthen overseas services and allow greater diversification of routes to Africa ([...]) to compensate for the withdrawal from North American routes ([...]). The French authorities therefore concluded that, as regards the return to viability, the revised restructuring plan complied with the R&R Guidelines, showing a positive return on capital employed as from 2023-2024 and a profitability ratio (EBITDAR) aligned with that of European airlines in 2019 (around 15 %) as from 2025-2026, with a positive projected cash flow.

(127) The French authorities also considered the own contributions to be sufficient, effective and proportionate. They maintained, in accordance with decision-making practice for amending a plan, that all the efforts made since 2020 should be taken into account, including the sale of Boeing 747s, the renegotiation of leases, the job protection plan and the collective mutual termination agreement. They confirmed that [...] was concrete but subject to authorisation by the Commission, that the financing of [...], and that the moratorium on contributions was eligible because it came from a private body. In total, the combination of own contributions (EUR 293.9 million) covered 60.14 % of the total restructuring cost (excluding the balance covered by business activity), comfortably respecting the 50 % threshold required by the R&R Guidelines, even for the additional costs (59.9 %).

(128) As regards the State intervention (EUR 83.1 million), the French authorities considered it appropriate to fill the liquidity gap and restructure the unsustainable debt. They added that the State was duly remunerated by a better fortunes clause (up to EUR [...] million), which took precedence over the distribution of dividends, as well as by the ban on paying dividends to shareholders for six years.

(129) Lastly, the French authorities considered that the measures to limit distortions of competition were correctly calibrated and were more extensive than those in the initial restructuring plan insofar as Corsair undertook, in the framework of the comments made by France on that date, to permanently and irrevocably relinquish up to 365 slots at Paris-Orly, to permanently close [...] North American routes and abandon the opening of other routes, and to limit the total capacity of its fleet to [...] aircraft (a reduction of more than [...]% compared with its pre-restructuring capacity). These measures were considered by the French authorities to be sufficient and appropriate in view of the size of Corsair and its activity in assisted areas, the maintenance of the 10th aircraft being considered crucial for the development of Corsair's operations in Africa and its return to profitability without harming the company's traditional core business, namely its activities in the overseas territories.

4.3.2 *Infringement of the obligation to limit the aircraft fleet*

(130) In its comments of 30 May 2025 in response to the extension decision, the French authorities maintained, in essence, that Corsair had complied with the commitments made in the context of the initial restructuring plan and that the one-off charterings had been the result of circumstances which required the undertaking to resort to such action, and did not constitute a failure to comply with the restructuring plan or misuse of the aid. The French authorities' principal argument was that it was clear from the terms of the 2020 decision that it was solely with the aim of limiting Corsair's capacity in terms of number of seats that the Commission, for reasons of simplicity and cognisant of the number of seats available to Corsair with nine aircraft, chose to express itself in terms of number of aircraft. It was apparent from the form for the pre-notification of restructuring aid sent in 2020 that the limitation of the fleet was to be understood in terms of the number of seats in relation to the capacity that Corsair had planned to reach, before the restructuring, in the period from 2020 to 2024. The French authorities considered that a different interpretation by the Commission of the measure to limit the fleet, unrelated to capacity in terms of number of seats, would infringe the general principles of EU law, such as the principle of legal certainty and sound administration. Such an infringement would be all the more manifest since the persistent ambiguity in the formulation and interpretation of Corsair's obligations would be such as to give rise to serious legal consequences. Corsair had significantly reduced its seat capacity in relation to the capacity it had planned to reach, before the restructuring, in the period from 2020 to 2024, fulfilling both the objective of reducing its capacity or its market presence, as referred to in point 78 of the R&R Guidelines, and its obligations under the 2020 decision. The French authorities showed (Table 5) the evolution of Corsair's actual capacity since the adoption of the 2020 decision (including the charterings) compared with the capacity that Corsair had planned to reach before the restructuring.

Table 5

Evolution of Corsair's actual capacity vs projected capacity (seats)

Number of seats	2020 [1]	2021 [2]	2022 [3]	Summer 2023 [4]	December 2023	Summer 2024 [5]	December 2024
Projected capacity in Corsair's business plan before restructuring	[...]	[...]	[...]	[...]	[...]	[...]	[...]
Actual capacity since the decision approving the 2020 restructuring plan (excluding one-off charterings)	[...]	[...]	[...]	[...]	[...]	[...]	[...]
Actual capacity since the decision approving the 2020 restructuring plan (including one-off charterings)	[...]	[...]	[...]	[...]	[...]	[...]	[...]

[1] Number of seats on 30 September 2020.
[2] Number of seats on 30 September 2021.
[3] Number of seats on 30 September 2022.
[4] Number of seats in summer 2023.
[5] Number of seats in summer 2024.

(131) In the alternative, the French authorities considered that the charterings had had no impact on the compatibility of the request to amend the 2020 restructuring plan. In that regard, France noted that the average number of aircraft operated per day in an IATA season had always been less than nine, insofar as the truly one-off charterings were easily offset by days when Corsair operated fewer than nine aircraft. The French authorities called on the Commission to examine *in concreto* Corsair's implementation of the obligations arising from the 2020 decision, taking into account, in addition to the terms of the conditions or commitments, their context and objectives. They pointed out in this connection that the charterings had been made necessary by pressing reasons outside of Corsair's control such as, for the Paris-Bamako route, the refusal of aircrew to operate the route due to the local geopolitical and security situation. As regards the Paris-Montreal route, delays in the accelerated delivery of new aircraft as part of the fleet renewal had jeopardised Corsair's nine-aircraft flight schedules during the peak period of activity. The French authorities pointed out that, in view of the sale of the [...] aircraft, Corsair had chartered an aircraft in September 2023 to operate the Paris-Montreal route for two months in the summer of 2024, a period following early redelivery during which the F-HSKY was not available and the replacement A330-NEO aircraft had not yet been delivered. Due to the State's [...], Corsair had been forced to keep the aircraft [...]. Any other decision would have been extremely detrimental to the company's business. The French authorities insisted that the decisions made in relation to this chartering should be seen in the light of the industrial information known to Corsair at the end of summer 2023. While discussions with a potential buyer for the [...], which was to leave the fleet in summer 2024, were well advanced, the delivery of the Airbus, which was to replace it, was announced as having been delayed.

4.3.3 *Additional aid granted during the restructuring period*

(132) As regards the additional EUR 32.4 million in aid granted to Corsair between 2021 and 2022, in a letter of 16 December 2024 the French authorities acknowledged that Corsair, being an undertaking already in difficulty on 31 December 2019, had not been eligible for the aid schemes approved under the COVID-19 Temporary Framework and should therefore not have benefited from them. The French authorities nevertheless argued that its administration had acted in good faith in the context of a public-health emergency.

(133) In their comments of 30 May 2025 in response to the extension of the formal investigation, the French authorities maintained that the additional aid had not been granted in breach of the 'one time, last time' principle.

(134) First, in that regard, they denied that Corsair's difficulties were recurrent, asserting that they were the result of external and unforeseeable circumstances, foremost among which was the prolongation of the effects of the COVID-19 crisis, which could not have been anticipated when Corsair's restructuring plan was calibrated. The results of the most recent full financial year (ended 30 September 2024) would, however, validate the pathway to a return to viability. Second, the French authorities maintained that the 'one time, last time' principle applied only to cases in which new rescue or restructuring aid was granted, whereas the aid in question had not been part of a rescue or restructuring operation for Corsair but had been granted to mitigate the effects of COVID-19. Third, they observed that, if the Commission were to consider the COVID aid as restructuring aid (which, the French authorities argued, was not the case), the R&R Guidelines provided for exceptions to the 'one time, last time' principle, in particular 'in exceptional and unforeseeable circumstances for which the beneficiary is not responsible', such as the prolongation of the effects of the COVID-19 crisis.

(135) Lastly, the French authorities undertook to voluntarily recover from Corsair EUR 32.4 million in additional aid with interest before the potential approval of the additional restructuring aid, in order to nullify any economic advantage that Corsair might have derived from the unlawful aid and in order to neutralise any impact that such aid might have on the proportionality of the additional restructuring aid.

4.4. **Comments from interested parties**

(136) As set out in the operative part of its opening decision, the Commission informed interested parties by publishing the decision, together with a meaningful summary, in the Official Journal of the European Union.

(137) Following that publication, several interested parties submitted comments on the opening decision. The comments that are most pertinent to the Commission's assessment are summarised in the following paragraphs.

4.4.1 *Groupe Dubreuil Aéro*

(138) GDA, the air-transport arm of Groupe Dubreuil, stated that it was a major player in French long-haul air transport, operating mainly through its two companies, Air Caraïbes and the low-cost subsidiary French Bee. These airlines were positioning themselves as a direct and significant competitor to Corsair, there being a substantial overlap between their networks and operational bases: the routes served by GDA, in particular the crucial connections to the Antilles (Martinique, Guadeloupe and French Guiana) and the Indian Ocean (Réunion), were strategic routes shared with Corsair.

(139) This competition was all the more intense since the two groups were mainly operating from the same essential hub airport, Paris-Orly. Moreover, the presence of French Bee on the same routes had introduced intense competitive price pressure, as the two groups' traditional carrier models were in direct competition with the long-haul low-cost offer. GDA was therefore the main source of competition in the geographic markets that are essential for Corsair's future viability.

(140) As a direct competitor affected by the distortions of competition, GDA initially asked the Commission, on 24 May 2024, to revoke the initial 2020 aid and to reject Corsair's revised restructuring plan. This request was based on three main complaints: (i) the proven non-compliance with the conditions of the 2020 aid, (ii) the granting of additional unlawful aid, and (iii) the revised restructuring plan's incompatibility with the internal market.

(141) First, GDA denounced the failure to comply with the mandatory conditions of the 2020 decision. In that regard, GDA pointed to a failure to comply with the obligations of transparency and sincere cooperation, in particular by the absence of six-monthly reports and the failure to publish the information on the French Treasury's website. More seriously, GDA claimed that the key compensatory measures were not implemented: (i) the fleet had been increased to at least 10 aircraft, in breach of the commitment to limit it to nine, and (ii) Corsair had opened new routes to Africa (Antananarivo, Cotonou and Bamako) without prior authorisation from the Commission, contradicting the refocusing strategy that had initially been mandated. Moreover, GDA had serious reservations about the repayment of the two State loans (EUR 80 million in total), as the fact that the French State now wished to waive this debt implied that Corsair had never initiated the repayment, which was a blatant violation of the initial conditions.

(142) Second, GDA alleged the payment of unlawful and new State aid after 2020. In addition to unquantified aid (estimated to be at least EUR 32 million, in particular in the form of tax and social security breaks), GDA maintained that the staggered payment of CRPN contributions granted in September 2023 was itself new unlawful aid which could not be counted as an own contribution.

(143) Third, GDA submitted that the revised restructuring plan constituted new restructuring aid that had to be declared incompatible under the 'one time, last time' principle. GDA justified this classification by the scale of the changes (significant increase in total aid), the failure to comply with the formal notification deadline and, above all, by the radical change in strategy (from rationalisation to expansion into Africa). According to GDA, even as an amendment the aid did not meet the compatibility conditions because the waiver of the debt of EUR 80 million, added to the additional aid of EUR 83.1 million, made the total aid (EUR 163.1 million) disproportionate to the shareholders' own contribution, which GDA considered insufficient.

(144) Lastly, GDA contested the credibility of the restoration of viability and claimed that the plan no longer served the common interest (territorial continuity). In that regard, GDA explained that Corsair, which was accumulating historic losses (almost EUR 500 million between 2000 and 2018), offered no credible prospect of long-term viability, especially since the plan had been extended, and that this aid therefore did not meet the fundamental conditions of the R&R Guidelines.

(145) In conclusion, GDA asked the Commission to find that the aid had been misused and that the new measures were incompatible. It called for the immediate revocation of the 2020 aid decision and for an order for the immediate recovery of all aid (initial and unlawful) with interest. Should the Commission nevertheless approve the aid, GDA insisted on significantly enhanced compensatory measures (drastic divestment of fleet and slots on current routes) as well as the establishment of an independent trustee for strict monitoring, and payment of the aid in conditional instalments.

(146) On 11 October 2024, GDA reiterated and supplemented its objections, concluding that Corsair had not complied with the conditions of the 2020 aid, had received additional unlawful aid, and had proposed a revised restructuring plan that was structurally incompatible with EU law, in particular with the 'one time, last time' principle.

(147) In particular, GDA insisted that the French authorities and Corsair had failed to comply with the obligations of the 2020 decision insofar as, first, the prohibition limiting the fleet to nine aircraft had not been complied with and the analysis of the IATA summer and winter 2024 schedules had led GDA to conclude that Corsair had operated or had had to charter at least ten or even eleven aircraft, thereby infringing the 'main structural measure' imposed in the 2020 decision. Second, GDA reiterated that Corsair had benefited from additional unlawful aid insofar as the direct State loans obtained in 2020 had benefited from a one-year deferral of payment, constituting new non-notified aid. According to GDA, this aid was in addition to the unlawful amounts already referred to. GDA also denounced the clear conflict of interest linked to the staggering of CRPN contributions (another alleged unlawful aid), with Corsair's current Director of Human Resources also being the administrator of CRPN.

(148) GDA then challenged the strategy of refocusing on overseas routes that had been used to justify the 2020 aid, claiming that Corsair's actual strategy was now focused on Africa. Corsair was referred to as an 'African airline' on the basis of new or planned routes to Brazzaville, Senegal (Dakar) and Gabon (Libreville). According to GDA, those initiatives, motivated by employment and local competition, contradicted the objective of territorial continuity and called into question the justification given for the public aid. Moreover, GDA submitted that Corsair's only profitable activity in 2023 had been freight, which was mainly directed towards Africa.

(149) On that same date, GDA also criticised the shareholder instability on the basis of the withdrawal of the Republic of Congo and the history of bankruptcies of the new 'business angel' shareholder, Mr Abbas Jaber, who, GDA stated, had not published his accounts for several years.

(150) GDA also severely criticised the lack of seriousness of the economic assumptions in Corsair's revised restructuring plan. The estimate of a gradual drop in the price of jet fuel to USD 900/tonne from September 2023 had proved incorrect, with prices staying higher; this represented an absence of realism compounded by a lack of coverage for fuel prices. In addition, GDA considered the assumption of an increase in average prices on flights between metropolitan France and the overseas territories to have been contradicted by the Directorate-General for Civil Aviation, which had reported a fall in prices in 2024.

(151) GDA furthermore denounced a lack of financial transparency on the part of Corsair, which had published its 2022 and 2023 accounts only after legal action. GDA stated in that regard that the auditors had expressed reservations about the sincerity of the payment periods, suggesting that Corsair had wished to conceal the truth about its situation. GDA estimated that Corsair's financial situation was catastrophic, with an operating result in 2023 of – EUR 37.1 million. According to GDA, that level of losses, in spite of the State aid received, was evidence that the company was structurally loss-making and unsustainable.

(152) On that date, GDA reiterated its conclusion that France's continued support constituted an abusive payment of unlawful aid which had led to clear distortions of competition on the market. On that basis, GDA thus reiterated its requests to the Commission to revoke the 2020 decision, declare all aid paid (including new and unnotified aid) as incompatible and unlawful and order its immediate recovery. GDA estimated that the liquidation of Corsair would be in line with the R&R Guidelines by allowing more efficient competitors to grow.

(153) On 8 November 2024, GDA submitted further comments to confirm that Corsair had breached, in systematic and lasting fashion, the condition imposed by the 2020 decision requiring it to limit its fleet to nine aircraft, and that the circumvention of that obligation had been long-term, thus allowing Corsair to increase its means of production and the actual size of its fleet.

(154) According to GDA, Corsair's fleet history showed that it had regularly operated 10 aircraft, including between November 2021 and October 2022.

(155) GDA explained that, for the IATA summer 2024 season, the flight schedule had grown significantly during peak periods, requiring a minimum of eleven aircraft. Again, GDA estimated that Corsair had used long-term chartering (122 flights with Iberojet on the Paris-Montreal route, 26 flights with Gallistair on the Paris-Bamako route). On that basis, GDA claimed that Corsair had systematically circumvented the fleet restriction, probably continuously for almost four years, with regular recourse to chartering, demonstrating a desire to hide its circumvention of the restrictions imposed by the Commission.

(156) On 6 January, GDA reacted to Corsair's announcements of a positive operating result and net result at the end of September 2024, claiming that these announcements were a façade that should not mislead the Commission. GDA pointed out that this result had been driven in particular by strong growth in freight in Africa and in ancillary income, contradicting the initial objective of the 2020 aid, which was to improve access to the overseas territories and protect consumers with 'limited resources'. In that regard, GDA commented that Corsair's management had confirmed its ambitions relating to operations in Africa and the expectation of a tenth aircraft in the strategic plan, a fleet increase which exacerbated distortions of competition and confirmed that this is in fact a new restructuring plan which should be rejected by the Commission. Above all, GDA drew the Commission's attention to a statement by Corsair's management referring to 'agreements with the State' allowing the plan to go ahead 'in all circumstances', even without a vote on the budgetary amendments. GDA saw this as an indication of new unlawful aid (payment deferrals or moratoria on public liabilities) and a further breach of the restructuring aid approved in 2020, with Corsair using this State support as a competitive advantage. Lastly, GDA considered that the announcement of the closure of the Montreal route in favour of opening a route to Brazzaville (not authorised by the Commission) confirmed Corsair's change of strategy and indifference to its commitments, reinforcing the argument that the plan was a new restructuring plan subject to the 'one time, last time' principle. GDA concluded by reiterating its request for the aid approved in 2020 to be revoked and the immediate recovery of all aid paid to be ordered.

(157) Lastly, on 23 May 2025, GDA welcomed the Commission's decision to extend the investigation by means of its extension decision of 11 April 2025, pointing out that that decision confirmed its doubts concerning the infringement of the obligation to limit the Corsair fleet to nine aircraft and the granting of unlawful non-notified aid of EUR 32.4 million. In that regard, GDA insisted that Corsair had continuously and openly violated the fleet restriction by using 10 to 11 aircraft to pursue an aggressive volume-driven strategy, which had distorted competition by causing price drops that were unsustainable without unlawful public support. GDA pointed out that the French authorities had now admitted that they had unlawfully granted the EUR 32.4 million under a scheme that was not applicable, thereby infringing the 'one time, last time' principle. According to GDA, those repeated failures and the misuse of the initial aid, combined with the fact that the amended plan constituted a new, incompatible restructuring plan, justified immediate action. GDA therefore again requested, on that date, that the Commission initiate proceedings for misuse of aid, revoke the 2020 decision, declare all aid unlawful and incompatible with the internal market and order its immediate recovery.

4.4.2 *Air Austral*

(158) Air Austral, a French company based in Réunion and a major player in the Indian Ocean, serves mainly metropolitan France (daily flights to Paris CDG and other cities via 'Train plus Air' partnerships), the islands of Réunion, Mayotte, Mauritius, Comoros, Madagascar and Seychelles, and South Africa, Thailand and India.

(159) Air Austral is a direct competitor of Corsair because the two companies operate on major and strategic long-haul routes, in particular the routes between metropolitan France and the overseas territories, specifically Réunion, Mayotte and the Antilles. This competition means that they overlap on key routes and compete on prices and capacity.

(160) On 24 May 2024, Air Austral submitted its comments on the opening decision to the Commission. Air Austral found the amendment or extension of Corsair's restructuring plan unacceptable and inconceivable. This position was based on the claim that Corsair had substantially and continuously disregarded the conditions of the initial aid from 2020 and that, even if revised, the new restructuring plan would fail to ensure the long-term viability of the company while significantly aggravating the distortions of competition in the market.

(161) In its comments, Air Austral denounced several serious failures by Corsair, qualifying them as misuse of the aid received. The most serious failure had been its violation of the obligation to limit its fleet to nine aircraft. According to Air Austral, analysis of the flight schedules for the 2023 and 2024 summer seasons had demonstrated the use of continuous chartering, bringing the actual fleet up to ten aircraft in peak periods. This was perceived as a purely commercial and expansionary manoeuvre, and Corsair's argument that this restriction could be substituted by a seat capacity limit was rejected by Air Austral as being contrary to case-law and consistent Commission decision-making practice. In addition, Air Austral explained that Corsair had exceeded the 50 % capacity share limit imposed for any new scheduled service when it opened the Reunion-Antananarivo (Madagascar) route in 2023. Finally, Air Austral highlighted the failure to submit six-monthly reports and to publish accounts since 2022, which, it considered, had hindered the Commission's monitoring and raised serious suspicions that the aid may have gone beyond what was 'strictly necessary'.

(162) In addition, Air Austral considered that the revised restructuring plan was incapable of ensuring a return to long-term viability insofar as Corsair was pursuing an aggressive and unsustainable pricing policy, with prices significantly lower than those of its competitors on the Paris-Réunion route. Air Austral considered that this policy of low prices, maintained against a background of general inflation, had created a clear disparity between changes in costs and changes in tariffs.

(163) At the same time, Air Austral considered that the negative effects on competition had been seriously aggravated. Corsair's capacity share had increased sharply between 2019 and 2024, with an increase of 20.6 % on the Paris-Réunion route and a dominant 56 % share of Réunion-Madagascar capacity. This excess capacity and price dumping had led to a sharp reduction in Air Austral's profitability between metropolitan France and Réunion and on the Réunion-Mayotte route. Corsair's policy of excess capacity was stifling the Paris-Mayotte route and paralysing its competitors' ability to develop. In this respect, Air Austral refuted France's argument relating to 'extreme competition', strongly pointing out that Corsair was the very player that was generating this unfair competition through its unbridled strategy.

(164) Air Austral concluded that the initial anti-distortion measures had failed because of Corsair's non-compliance and that the revised restructuring plan, despite the significant increase in the aid amount, did not propose any additional serious compensatory measures.

(165) Air Austral concluded by formally requesting the Commission to reject the revised restructuring plan and to open proceedings for misuse of the initial aid, as the negative effects would clearly outweigh the positive effects.

4.4.3 *Diamondale Limited*

(166) On 23 May 2024, Diamondale Limited ('Diamondale'), the former majority shareholder of Corsair, holding 75.03 % of the capital and 100 % of the voting rights until 2021, submitted its comments to the Commission. On the basis of this experience and knowledge of the company, Diamondale expressed serious concerns about the feasibility of Corsair's revised restructuring plan and strongly opposed the increase in public aid.

(167) In its comments, Diamondale considered the revised restructuring plan unrealistic and asked the Commission to demand full repayment of the EUR 139.6 million in aid already granted to Corsair instead of increasing it, which would be in breach of Article 108(2) TFEU. Furthermore, Diamondale shared the Commission's doubts on possible additional State aid received by Corsair during the restructuring period, considering that this aid had created a distortion of competition.

(168) Diamondale's analysis revealed a structural deterioration in Corsair's accounts since 2018, with losses of EUR 48 million in 2021. Diamondale considered that the company suffered from a chronic financial imbalance, with insufficient working capital since 2018 as a result of the erosion of its equity. Diamondale considered that Corsair had been financing its long-term investments with short-term resources, which had resulted in a negative net cash flow since 2018 and had put the company at risk of default. Diamondale considered that the debt was excessive and that the lack of sufficient profitability made survival impossible, even with additional aid of EUR 200 million.

(169) In addition, Diamondale had serious doubts about Corsair's actual own contribution and whether it was sufficient, as well as Corsair's ability to restore its long-term viability, and considered that some of the contributions put forward were old, 'recycled' initiatives.

(170) Diamondale therefore contested the State intervention for a private company that was already heavily indebted, considering that the only way to avoid a new bankruptcy was through private financing.

4.4.4 *Anonymous interested party*

(171) The interested party wishing to remain anonymous criticised the additional aid in the form of direct grants and waivers of claims without tangible compensatory measures, i.e. commitments from Corsair to prevent the risks of distortion of competition, being taken, which thus raised concerns of a significant imbalance to the detriment of competition.

4.5. **Comments from the French authorities concerning the comments from the interested parties**

(172) On 26 July 2024, the French authorities submitted comments to the Commission in response to the comments from third parties (GDA, Air Austral and Diamondale) with the aim of demonstrating the revised restructuring plan's admissibility and compatibility with the internal market.

(173) In those comments, the French authorities reaffirmed full compliance with the obligations of the 2020 restructuring plan, refuting the claims made by the third parties. The accusation of a lack of transparency was rejected, as the French authorities stated that regular exchanges had taken place with the Commission and that the company accounts for 2021/2022 and 2022/2023 had been published.

(174) With regard to the limitation of the fleet, the one-off charterings of aircraft, in particular to Bamako and Montreal, were presented as a necessity linked to external factors (geopolitical risks, delivery delays) and not as constituting an expansionist policy, since the seat capacity offered, even with the chartered aircraft, had never exceeded pre-restructuring levels. In this regard, the French authorities added that redeployments of services to Africa (Cotonou, Bamako, Antananarivo) had also been expressly authorised by the Commission. With regard to distortions of competition, Corsair had complied with its commitment by making available to third-party airlines over 365 slots at Paris-Orly, on average. Lastly, the request for amendment was considered to comply with the 'one time, last time' principle in the R&R Guidelines, as it ensured, according to the French authorities, complete continuity with the initial restructuring effort, the objectives of which (overseas territories as core business, development in Africa) were not called into question, and its extended duration to [...] (the date of the end of the restructuring period at the time these comments were submitted), was strictly limited to what was necessary.

(175) The French authorities further considered that the request for amendment was compatible with the internal market by virtue of the fact that it met the criteria of point 124 of the R&R Guidelines.

(176) On the basis of detailed analyses by the undertaking's external consultant, the French authorities confirmed Corsair's positive progress, with a positive operating result of EUR [...] million over 12 rolling months (from June 2023 to May 2024) and the results at the end of May 2024 being higher than the budget and well above the pessimistic scenario. This positive performance, linked to the optimisation of costs and supply, supported the prospect of an operating result of EUR [...] million by 2026-2027. The French authorities also stated that the Supplementary Report produced by the consulting firm Analysis Group had confirmed that Corsair's pricing policy was compatible with the company's viability, without excess capacity or price drops.

(177) The French authorities again explained that Corsair played a key role in territorial continuity, justifying public intervention to correct a market failure. They explained that the counterfactual analysis showed that its collapse would lead to a very significant price increase on the overseas routes (in particular, + 15.6 % to the Antilles and + 41.5 % to Mayotte), a risk of tacit collusion and a significant deterioration in the competitive landscape (with a switch to a monopoly on the Paris-Mayotte route).

(178) As regards the proportionality of the public and private efforts, the French authorities stated that they rejected the third parties' objections concerning own contributions. The staggering of contributions granted by CRPN was considered to be a private contribution, since CRPN was, according to the French authorities, a legal person governed by private law whose funds were not State resources. The French authorities also considered that the waiver of public debts resulting from loans under the 2020 restructuring plan could not be counted as new additional aid, as this would run counter to the Commission's decision-making practice. According to the French authorities, Corsair's own contributions therefore remained above the threshold of 50 % of the total restructuring costs.

(179) Lastly, the French authorities considered that the proposed anti-distortion measures were sufficient and more restrictive than those of the 2020 restructuring plan insofar as, according to the French authorities, Corsair had undertaken to irrevocably relinquish 365 slots at Paris-Orly, permanently close North American routes ([...]) to focus on Africa, and limit its capacity. The COVID-19 aid received by Corsair (EUR 32 million) was considered to be lawful, having been granted on the basis of ordinary law and accessible to competitors.

(180) The French authorities therefore concluded that, with no aid having been paid before the Commission's decision, the request for amendment complied with all the criteria and should be granted.

(181) In response to the arguments put forward by the interested parties in their comments on the extension decision of 11 April 2025, the French authorities essentially reiterated their comments on the limited and justified nature of the one-off charterings of the tenth aircraft. The French authorities also pointed out that, contrary to GDA's allegations, Corsair's flight schedules had been built on the basis of nine aircraft and that it had never operated 11 aircraft. The French authorities further noted that GDA's allegations that the charterings had had an impact on the market were not supported by evidence. The French authorities considered that the price reductions for destinations in the overseas territories were not the result of Corsair's volume-driven strategy and pricing policy implemented on the basis of State support, but rather reflected a general trend visible not only in Guadeloupe and Martinique, destinations operated by Corsair, but also in other destinations not operated by Corsair, such as French Guiana and other medium- and long-haul destinations not operated by Corsair. Lastly, the French authorities maintained that, in view of the circumstances, to consider that the chartering of the tenth aircraft called into question the compatibility of the request to amend the restructuring plan or constituted misuse of the 2020 restructuring aid would be contrary to the principle of proportionality and to Commission decision-making practice.

5. ASSESSMENT

5.1. Existence of State aid within the meaning of Article 107(1) TFEU

(182) Pursuant to Article 107(1) TFEU, '[s]ave as otherwise provided in the Treaties, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market'.

(183) The qualification of a measure as aid within the meaning of this provision therefore requires the following cumulative conditions to be met: i) the measure must be imputable to the State and financed through State resources; ii) it must confer an advantage on the beneficiary; iii) that advantage must be selective; and (iv) the measure must distort or threaten to distort competition and affect trade between Member States.

5.1.1 *Measures included in the 2020 restructuring plan*

(184) In their notification of the amendment of the restructuring plan, the French authorities declared that part of the capital injection from the OMRP investor consortium in 2020, in the amount of EUR 6 million, actually derived from resources of the local authorities in the overseas departments (recital 42). The French authorities consider that this share of the financing must be deemed to constitute State aid under Article 107(1) TFEU.

(185) As with all the other financing from State budgetary or tax resources that was granted to Corsair in 2020 by virtue of the conciliation protocol concluded as part of the insolvency prevention procedure involving Corsair, the financing at issue derives from local authority resources and must accordingly be deemed to commit resources of the French State and to be imputable to it, since the protocol was signed by the CIRI (Comité Interministériel de Restructuration Industrielle – Inter-Ministerial Committee for Industrial Restructuring) on behalf of the French State. This individual financing measure gave Corsair a selective advantage, since, when it was granted, the company was in difficulty, further exacerbated by the COVID-19 pandemic, ruling out any granting of financing under market conditions. The measure strengthened Corsair's competitive position compared with other airlines operating in the European Economic Area, and therefore distorted, or threatened to distort, competition and trade between Member States (see Section 3.1.1 of the 2020 Decision).

(186) The capital injection from ORMP, granted as part of the 2020 restructuring plan, should thus be deemed to constitute State aid within the meaning of Article 107(1) TFEU.

5.1.2 *Measures included in the revised restructuring plan*

(187) First, the revised restructuring plan provides for the following measures, which were notified by France as State aid: (i) a new injection of EUR 3 million from the Conseil Départemental de la Guadeloupe, (ii) an overseas tax credit (*crédit d'impôt outre-mer* – 'CIOM') of EUR 38.1 million under Corsair's investment programme for the purchase of a plane, (iii) a rescheduling of EUR 19 million corresponding to non-remissible public debt over a period of six years ([...]), (iv) an waiver of a claim in the amount of EUR 23 million corresponding to the remissible public debt which can be abandoned, and also (v) an waiver of EUR 80 million in public debts corresponding to the State loans granted as part of the initial restructuring plan (FDES and PP loans), as well as EUR 4.7 million in interest on these loans (recital 39).

(188) Through the intermediary of the CIRI, the French State is a co-signatory, together with representatives of the beneficiary company, the outgoing shareholders and the new investors, of the Term sheet, which was signed on 7 November 2025 and submitted to the Commission by the French authorities (recital 31). Part D of the Term sheet provides for the granting of the financing listed in points (i) to (v) of recital 187 using the budgetary or tax resources of the central State or of the Guadeloupe region. It follows that these measures are granted by the French State through its resources and that they are imputable to it.

(189) Corsair is in very serious difficulty, which is why an insolvency prevention procedure was opened with respect to it ('*mandat ad hoc*' followed by conciliation) and an ad hoc trustee, then conciliators, were appointed ([25]). As set out in recitals 18 to 29 above, Corsair's situation, which was already very difficult in 2020 when the 2020 restructuring plan was drawn up and adopted, worsened further, thereby ruling out any possibility of obtaining financing under market conditions. Even if private financing in the form of injections of fresh capital is provided for in the Term sheet, it remains conditional on support from the State. Consequently, the public financing, in the form of the write-off of remissible public debts or loans, tax credits, capital injections or the rescheduling of the non-remissible part of the public debt confer on Corsair a definite advantage that it would not be able to obtain under normal market conditions.

(190) The advantage referred to in recital 189 is selective since the public financing measures are individual aid measures that benefit only Corsair ([26]).

(191) The measures listed in recital 187(i) to (v) strengthen Corsair's competitive position in relation to other airlines operating in the European Economic Area, in particular those operating the same routes from Paris either to destinations within French territory or to third countries. Consequently, the measures distort or threaten to distort competition between airlines and are likely to affect trade between Member States.

(192) It follows from the previous recitals that the measures listed in recital 187(i) to (v) constitute State aid within the meaning of Article 107(1) TFEU.

(193) Second, the revised restructuring plan provides for a moratorium achieved by the staggering of pension contributions granted to Corsair in September 2023 by the CRPN (Caisse de Retraite des Personnels Navigants – aircrew retirement scheme) (recital 43). In its opening decision, the Commission had initially reserved its position as to the eligibility of this financing to be deemed part of the own contribution, finding that it could constitute State aid (recital 86).

(194) The French authorities are of the opinion that this moratorium must be considered to be an own contribution, on the grounds that it constitutes an advantage granted by a private entity, and does not involve State resources. Groupe Dubreuil Aéro contests the opinion of the French authorities, noting that membership of the CRPN is compulsory, the rate and calculation method of the contributions are set by the State, the CRPN performs a general interest service, and it is under ministerial supervision.

(195) State resources include all resources of the public sector including resources of intra-State entities (decentralised, federated, regional or other) ([27]). Public undertakings' resources also constitute State resources within the meaning of Article 107(1) TFEU ([28]). Furthermore, the fact that the amounts that correspond to the measure at issue constantly remain under public control, and therefore available to the competent national authorities, is sufficient for them to be categorised as State resources ([29]). Moreover, when a measure is provided by a private entity, there must be sufficient evidence capable of establishing that the aid measure under consideration was adopted under the actual influence or control of the public authorities and that, accordingly, that measure is imputable to the State ([30]).

(196) Under the French Transport Code, professional civil aviation aircrew enjoy a supplementary pension scheme, membership of which is mandatory The contributions are paid in part by the employer and in part by the employee. The CRPN manages this scheme; the CRPN being a non-profit legal person under private law that carries out a general interest service under the supervision of the Minister in charge of social security. Its management board is made up of 22 members: 11 of them are employers' representatives appointed by the administrative authority, the remaining 11 are members' representatives elected in accordance with the conditions set by State Council Decree. The employers' representatives are put forward by professional organisations (8 members), by

([25]) Articles L611-3 et seq. of the Commercial Code.
([26]) Judgment of 4 June 2015, *Commission* v *MOL*, C-15/14 P, ECLI:EU:C:2015:362, paragraph 60.
([27]) Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union (OJ C 261, 19.7.2016, p. 1), paragraph 48 and case-law cited.
([28]) Ibid., paragraph 49 and case-law cited.
([29]) Case C-482/99, *France* v *Commission*, ECLI:EU:C:2002:294, paragraph 36.
([30]) Case C-425/19 P *Italy* v *Commission*, ECLI:EU:C:2021:154, paragraph 67.

aeronautic industry bodies (1 member), and by the ministries that employ aircrew (2 members). Furthermore, the deliberations take place with both a Government Commissioner and the Minister in charge of civil aviation in attendance; both may be heard as many times as they request. The rate of and method for calculating the contributions are set by regulations. CRPN ensures the scheme's financial equilibrium using its own resources alone; where resources are insufficient, payments are reduced proportionally ([31]).

(197) CRPN's resources derive from contributions from its members and affiliated employers. There is no evidence to show that these private resources were submitted to State review in order to serve as financing granted to Corsair. In particular, the composition of CRPN's management board, which includes representatives of CRPN members – and thus Corsair's competitors – and on which State representatives are in the minority (2:22), militates against a conclusion that the State could have decisively influenced the use of the resources derived from contributions and decided to use them mainly to support certain undertakings. Moreover, the Commission does not have any indication that the French authorities can exert decisive influence on the use of CRPN's resources through the right to be heard enjoyed by the Government Commissioner and the Minister in charge of civil aviation during CRPN's management board deliberations. Likewise, the ministerial supervision that CRPN is subject to is limited and mainly involves the calculation of pensions, rather than arrangements for collecting contributions. The moratorium granted to Corsair by CRPN can therefore not be deemed to have been granted through State resources.

(198) Furthermore, the evidence relating to State supervision, the appointment of members of the management board and the setting of the rate and method of calculation of the contributions does not suffice to establish that the interim financing granted by CRPN was adopted under the influence of the public authorities, especially given the equal representation on the management board and the fact that the employers' representatives, although appointed by the administrative authority, are in fact charged with representing the employers ([32]). Moreover, the Transport Code provides confirmation that CRPN manages its resources in an autonomous manner, in so far as it is itself required to ensure its financial equilibrium and as it cannot rely on State support in the event that resources are insufficient. Accordingly it is impossible to conclude that the decision to grant Corsair a moratorium in the form of a deferral of payment of contributions for 2023 was taken under the effective influence of the public authorities. Consequently, the measure is not imputable to the State.

(199) This has no bearing on the economic rationale of CRPN's decision to defer the payment of the contributions owed by Corsair for a period from 2020 to 2023, after it had gained assurance that other creditors had also made concessions ([33]), in order to obtain reimbursement of its claim by facilitating its debtor's return to viability, rather than causing it to go bankrupt.

(200) Consequently, since it cannot be imputed to the State and it has not been financed through State resources, the staggering of payments of the contributions granted to Corsair in September 2023 by CRPN does not constitute State aid within the meaning of Article 107(1) TFEU and can legitimately be deemed to be a component of the own contribution to the additional cost of Corsair's restructuring.

(201) In the light of this assessment of the cumulative conditions for the existence of State aid, the Commission finds that the measures financing the amendment of the restructuring plan listed in recital 187, and the capital injection referred to in recitals 184 to 186 constitute State aid within the meaning of Article 107(1) TFEU.

([31]) Articles L6527-1 to L6527-4 and L6527-8 of the Transport Code.

([32]) The fact that the State appoints all the representatives of an interprofessional organisation does not mean that they are representatives of the State, see the judgment of the Court of Justice of 30 January 1985, *Bureau national interprofessionnel du cognac (BNIC)* v *Guy Clair*, C-123/83, paragraphs 18 and 19.

([33]) See the resolution of CRNP's special management board of 7 November 2023, forwarded by the French authorities on 10 February 2025.

5.1.3 *Additional aid granted during the restructuring period*

(202) It is undisputed that between 12 April 2021 and 31 May 2022, and unconnected to the 2020 restructuring aid authorised by the Commission, Corsair received EUR 32.4 million, split as follows: (i) EUR 1.8 million under the Solidarity Fund, (ii) EUR 10 million as fixed costs support, and (iii) EUR 20.6 million by way of 'closure' aid, intended to finance the negative gross operating surplus of undertakings impacted by border closures from January to September 2021.

(203) The measures listed in recital 202 constitute individual measures taken under the aid schemes adopted by France as part of the Temporary Framework, and approved by Commission decisions as State aid ([34]). These individual measures must thus be deemed to constitute State aid for the reasons set out in those Commission decisions.

(204) In any event, these measures were granted by means of individual decisions taken by the competent authorities (Ministry of the Economy, Public Finance Directorate-General) by way of orders and decrees. They were financed by the French State budget. As such they are financed through State resources and are imputable to the State.

(205) These individual measures favour Corsair in that they finance its activity or allow it to cover certain costs it incurred during the Covid-19 pandemic in the amount of EUR 32.4 million, and which, under normal circumstances, should have been borne by it. The company's financial situation in 2021 and 2022, when the public financing was granted, ruled out the possibility of Corsair's easily finding financing for this amount under market conditions. Should this financing have been provided in the form of a loan granted by a financial institution, which is unlikely since Corsair's cash position at the time was most probably lower than EUR 32.4 million, it would have had a financial cost equivalent to that of an issuer in near-bankruptcy. What is more, the public financing was granted in the form of subsidies, something which no market operator would have agreed to. The individual measures at issue therefore give Corsair an economic advantage that is not available under market conditions.

(206) This advantage is selective in so far as it was granted to Corsair, deemed to be an undertaking particularly impacted by the consequences of the spread of the Covid-19 epidemic, among other beneficiaries of the individual aid at issue.

(207) The public financing granted to Corsair risks distorting competition and affecting trade between Member States since it strengthens Corsair's financial situation, and Corsair is active in the air transport sector which is open to competition and investments from other Member States. Corsair gained a direct competitive advantage in that it did not need to apply prices that covered the costs of the services it performed in competition with other airlines serving the same destinations. The individual measures listed in recital 202 must therefore be deemed to constitute State aid within the meaning of Article 107(1) TFEU.

5.2. **Lawfulness of the aid**

(208) Pursuant to Article 108(3) TFEU, the Commission must be informed, in sufficient time to enable it to submit its comments, of any plans to alter aid. If it considers that any such plan is not compatible with the internal market having regard to Article 107, it must without delay initiate the procedure provided for in Article 108(2). The Member State concerned may not put its proposed measures into effect until this procedure has resulted in a final decision..

([34]) Decision C(2020) 2059 of 30 March 2020 in Case SA.56823 (2020/N) – France – Fonds de solidarité à destination des entreprises particulièrement touchées par les conséquences économiques, financières et sociales de la propagation de l'épidémie COVID-19 et des mesures prises pour limiter cette propagation (OJ C 144, 30.4.2020, p. 1); Decision C(2021) 1706 final of 9 March 2021 in Case SA.61330 (2021/N) – France COVID-19: Régime d'aides destinées à compenser les coûts fixes non couverts des entreprises (OJ C 242, 7.7.2023, p. 1) and Decision C(2021) 8710 final of 26 November 2021 in Case SA.64114 (2021/N) – France COVID 19 - Compensation partielle des charges fixes des entreprises affectées par la crise COVID-19 en raison des mesures administratives d'interdiction d'accueil du public (OJ C 500, 10.12.2021, p. 1). See also recital 27 of the extension decision.

(209) Moreover, under Article 1(c) of Council Regulation (EU) 2015/1589 of 13 July 2015 ([35]), alterations to existing aid constitute 'new aid' that is notifiable pursuant to Article 2(1) of that Regulation. Article 108(3) TFEU and Article 3 of Regulation 2015/1589 contain a standstill clause to the effect that notifiable aid must not be put into effect before the Commission has taken, or is deemed to have taken, a decision authorising such aid.

(210) As regards, first, the lawfulness of the share of the capital injection from the OMRP consortium, which is ultimately financed by the local authorities in the overseas departments (recital 186), the French authorities voluntarily stated that considering this injection as private financing was incorrect. This statement was none the less made after the measure was actually implemented as part of the 2020 restructuring plan, which means the measure must be deemed to be unlawful aid.

(211) As regards, second, the lawfulness of the aid underpinning the revised restructuring plan, set out in recital 187, it should be specified from the outset that the FDES and PP loans, the granting of which was authorised by the 2020 decision, must be deemed to be existing aid. However, the waiver of the public claim deriving from these loans, including the interest, constitute an alteration to existing aid, which means that it is notifiable. The French authorities notified to the Commission all the measures financing their request to alter Corsair's 2020 restructuring plan, i.e., both the measures set out in recital 187(i) to (iv) and the waiver of the public claims deriving from the FDES and PP loans (recital 187(v)). Since the measures were notified before their implementation, which is still suspended pending the Commission's decision, the Commission considers that they constitute lawful State aid. This is without prejudice to the assessment of the proportionality of the aid, in particular, the ratio between the public and private share of the financing of the costs of the restructuring (recitals 40, 282 and 293).

(212) As regards, finally, the EUR 32.4 million in additional aid granted over the restructuring period (recitals 202 to 207), it should be noted that point 129 of the R&R Guidelines states that any aid actually granted during the restructuring period, including aid granted in accordance with an approved scheme, must be notified individually to the Commission to the extent that the latter was not informed thereof at the time of its decision on the restructuring aid. It is not disputed that in this case the French authorities failed to notify the individual aid in question to the Commission, either when they notified the restructuring aid or subsequently. Moreover, the granting of the aid to Corsair cannot be deemed to be approved on the basis of the Commission decisions on the aid schemes concerned since firms in difficulty –such as Corsair– were expressly excluded from benefitting from these schemes. This aid is therefore unlawful.

5.3. **Compatibility of the aid and legal basis for assessing the alteration to the restructuring plan**

(213) Article 107(3)(c) TFEU provides that aid to facilitate the development of certain economic activities may be considered compatible with the internal market where such aid does not adversely affect trading conditions to an extent contrary to the common interest.

(214) Thus, in order for the aid to be declared compatible, it must be intended to facilitate the development of certain activities or of certain economic areas and, in addition, it must not adversely affect trading conditions to an extent contrary to the common interest.

(215) With respect to the first condition, the Commission must examine the aid to see whether it is intended to facilitate the development of certain economic activities. With respect to the second, the Commission must weigh the positive effects which the proposed aid has on the development of the activities it is intended to support against the negative effects that it may have on the internal market in terms of distortions of competition and adverse effects on trade caused by the aid ([36]).

([35]) Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (OJ L 248, 24.9.2015, p. 9).

([36]) Judgment of the Court of Justice of 22 September 2020, *Austria* v *Commission* (Hinkley Point C), C-594/18 P, , ECLI:EU:C:2020:742, paragraph 19.

(216) In its R&R Guidelines, the Commission has laid down the criteria it uses when assessing whether an undertaking's restructuring aid is compatible with the internal market. In accordance with point 7.2.2 of the Guidelines, where restructuring aid has been approved, the Member State concerned can, during the restructuring period, ask the Commission to agree to changes being made to the restructuring plan and the amount of the aid.

(217) In this respect, the first communication relating to the request to alter Corsair's restructuring plan was submitted to the Commission by France on 27 September 2023, i.e. three days before the end of Corsair's restructuring period. Supplementary information relating to the additional alterations to be made to the 2020 restructuring plan were submitted to the Commission by France on 15 December 2023.

(218) With regard to the nature of the changes to the restructuring plan, the Commission notes that the adjustments made to Corsair's restructuring plan do not alter its object, its economic rationale, or the structural objectives approved in the 2020 decision. The revised restructuring plan has the same objective, i.e. restoring the long-term viability of the company and preserving the territorial continuity between metropolitan France and its overseas departments and regions. The amendments presented are the result of an operational adaptation to developments on the post-pandemic market and do not constitute a strategic shift.

(219) The Commission notes in particular that Corsair's scope of operations remains unaltered; the undertaking has neither diversified its activities outside of air transport nor altered its business model, nor made any structural transformation that would alter its economic identity. The markets concerned remain to a large extent comparable and the undertaking continues mainly to operate connections between overseas territories and metropolitan France, in accordance with the general economic interest mandate that underpinned the initial plan.

(220) In this context, the Commission notes that, on the basis of its in-depth review of the revised restructuring plan and the arguments put forward by France, the undertaking is continuing to fulfil its mandate to ensure territorial continuity between metropolitan France and the overseas territories and regions, while guaranteeing diversification of supply and competitive prices, which are particularly important for customers subject to the constraints recognised by Article 349 TFEU ([37]). It is doing so despite redeploying some of its capacity to Africa, which does not call into question its regional ties but rather constitutes a commercial adjustment intended to optimise use of the fleet (see recital 231).

(221) The financial analysis carried out by the Commission shows that the essential parameters of the revised restructuring plan remain consistent with those of the plan approved in 2020. The trajectories for reducing costs and debt and improving productivity and operational efficiency remain unchanged. The changes made to the revenue forecast and the allocation of capacity reflect the natural evolution of the market and the macroeconomic conditions observed since 2021. This revision, given its limited extent, does not alter the economic structure of the plan, but rather, increases its credibility.

(222) The Commission would point out that restructuring plans can be adjusted where market evolution or operational conditions so require, provided that these adjustments are consistent with the initial objectives. The changes proposed by France do exactly that: they are designed to guarantee the implementation of the initial plan in an unstable market environment, while maintaining the strategic direction identified in 2020. The territorial continuity mandate, which is an essential component of the approved plan, is fully maintained.

([37]) For France, this concerns in particular Guadeloupe, Martinique, Réunion, Saint-Barthélemy and Saint-Martin.

(223) Given the above, the Commission considers that the changes made to the restructuring plan approved in 2020 do not constitute a new plan but rather an adaptation of it, made necessary by cyclical developments in the market. The revised plan complies with the spirit and the letter of the initial decision, and does not affect the scope of the authorised aid or the viability objectives pursued; it is also fully in line with the rationale of the R&R Guidelines. This plan must therefore be deemed to be an alteration to the existing plan.

(224) On this basis, the Commission finds that the revised restructuring plan is in line with the restructuring plan approved by the Commission in 2020 and constitutes an alteration of it, not a new plan.

(225) In principle, in accordance with point 124 of the R&R Guidelines, the Commission can authorise such changes where they meet the following conditions:

(a) the revised plan must still show a return to viability within a reasonable time scale;

(b) if the restructuring costs are increased, the own contribution must increase correspondingly;

(c) if the amount of the aid is increased, measures to limit distortions of competition must be more extensive than those initially imposed;

(d) if the proposed measures to limit distortions of competition are more limited than those initially imposed, the amount of the aid must be correspondingly reduced;

(e) the new timetable for implementation of the measures to limit distortions of competition may be delayed with respect to the timetable initially adopted only for reasons outside the beneficiary's or the Member State's control: if that is not the case, the amount of the aid must be correspondingly reduced ([38]).

(226) It should also be noted that Section 7.2.2 of the R&R Guidelines applies only to amendments of restructuring plans and not to plans concerning new restructuring operations.

5.3.1. *Contribution to the development of an economic activity or area*

5.3.1.1. Contribution to address market failure or prevent social hardship

(227) Under point 38(b) of the R&R Guidelines, the State intervention must be targeted towards a situation where aid can bring about a material improvement that the market cannot deliver itself. Point 44 of the Guidelines specifies that restructuring aid cannot be granted merely to allow the beneficiary to continue their activities but rather it can be allowed only if justified for reasons of preventing social hardship or addressing market failure. This can be the case for example when an essential air transport service, which is difficult to replicate, risks being disrupted and it would be difficult for a competitor to simply step in ([39]).

(228) In its opening decision, the Commission noted that Corsair intended to extend its point-to-point route network to Africa and the Indian Ocean ([40]). In this context, the opening decision raised doubts as to whether maintaining territorial continuity and connectivity with overseas regions could still be argued as grounds for additional restructuring aid, especially given (i) the presence of two to three rival scheduled airlines on the same intra-EU routes operated by Corsair, and (ii) the fact that Corsair's revised plan mainly focused on the opening of new routes to destinations outside the EU (see recitals 80 to 82 of the opening decision).

([38]) Point 124 of the R&R Guidelines.

([39]) See the application to a medium-sized airline serving specific segments of the demand for passenger transport in Case SA.57026 (2020/N) – Romania COVID-19: Aid to Blue Air, OJ C 430, 11.12.2020, as confirmed by the Judgment of the General Court of 29 March 2023, *Wizz Air Hungary Zrt.* v *European Commission*, T-142/21, ECLI:EU:T:2023:164, paragraphs 66 to 74.

([40]) [...].

(229) The Commission substantiated its doubts as to whether the condition set out in point 44 of the R&R Guidelines was met by noting that out of the three routes that Corsair would continue to operate (i.e. Pointe-à-Pitre, Fort-de-France and Réunion), at least two other rival airlines (Air Austral, Air France, Air Caraïbes/French Bee) provided services comparable to those of Corsair as part of public service obligations relating to frequency, quality and business continuity. The Commission therefore found that the passenger transport services provided by Corsair did not seem to be specifically or intrinsically vital since the other three airlines appeared to be able to compensate for Corsair's exit from the market by increasing their capacity, frequency or destinations.

(230) That being said, first, the findings of the study submitted by the French authorities (see recital 125) on barriers to entry on the markets served by Corsair and the consequences of its failure on the concentration of the supply and increases in prices on certain fragile markets (Mayotte) are credible. It is thus possible that Corsair's failure would result in serious social hardship, i.e. a deterioration of the situation of the vulnerable populations in the regions referred to in Article 349 TFEU.

(231) Second, Corsair will continue to serve the French overseas territories by diversifying its offer and providing routes from regional airports, such as Lyon and Marseille, beyond Paris-Orly. Opening and maintaining direct connections from regional airports serves to expand the pool of customers and strengthens national connectivity, without calling into question Corsair's central role in serving the farthest overseas regions. Also in this respect, Corsair's failure would likely result in serious social hardship for these regions' vulnerable populations.

(232) It is also relevant to note in this context that the financing planned in the form of an overseas tax credit (CIOM) requires Corsair to deploy aircraft financed by this measure to activities carried out in overseas territories ([41]).

(233) As regards the opening of African routes during the restructuring period ([...]), this was done subject to prior authorisation from the Commission, issued following a reasoned request submitted by Corsair (see recital 88(d) of the 2020 decision). They were thus a means used by the undertaking to achieve its objective of long-term viability, in line with its obligations under the 2020 decision. Opening these lines was thus a specific mechanism to diversify revenue and optimise use of the fleet, without leading to any decommitment from the existing overseas routes. On the contrary, the information submitted shows that the geographical diversification strategy pursues an objective of financial stabilisation of the company, which is a necessary condition to guarantee the continuity of its mandate to connect the outermost regions of France. This means that, despite redeploying some of its capacity, Corsair retains a strong presence in the French overseas territories, with French overseas destinations remaining central to its activities (around [...]% of Corsair's activities, in terms of seats offered, is directed towards the French overseas territories).

(234) Accordingly, the Commission finds that, despite the adaptation of its network and the targeted introduction of African routes, Corsair remains strongly committed to serving the French overseas regions and continues to provide essential connectivity to these territories, thereby addressing structural needs in terms of mobility and territorial continuity identified as part of the assessment of the measure.

(235) It follows that, first, the draft amendment of Corsair's restructuring plan can be examined against Section 7.2.2 of the R&R Guidelines, and second, that the changes provided for in the plan do not call into question the Commission's assessment of the contribution of the aid to addressing market failure or social hardship in its 2020 decision ([42]).

([41]) Point 16 of the Term sheet, and its annexed restructuring plan, lays down that aircraft financed by the CIOM will need to be operated on overseas routes for [...]% of their flight time and to other destinations for [...]%.

([42]) Recitals 60 to 65 of the 2020 decision.

5.3.1.2. Restoration of long-term viability

(236) Under point 124(a) of the R&R Guidelines, where a restructuring plan is amended, the Commission will require the Member State concerned to present a restructuring plan that will make a return to viability possible within a reasonable time scale compared with the restructuring plan initially submitted.

(237) Furthermore, the restructuring plan must restore the beneficiary's long-term viability on the basis of realistic assumptions as to future operating conditions; long-term viability is achieved only when an undertaking is able to provide an appropriate projected return on capital after having covered all its costs including depreciation and financial charges.

(238) In its opening decision, the Commission found that the restructuring plan submitted by the French authorities presented certain shortcomings, which gave rise to doubts as to Corsair's return to long-term viability.

(239) First, the economic and operational assumptions adopted by the French authorities were not supported by detailed reasoning that would make it possible to assess how realistic they were, which cast uncertainty over their prudent or credible character.

(240) Second, the basic financial projections showed very limited margins in relation to standard indicators of profitability and solvency, which exposed the company to possible frailty should certain key assumptions progress unfavourably, for instance fuel prices.

(241) Third, the Commission observed that the equity contributions identified as 'fresh money', i.e. the EUR [5-25] million from the historical investors and the EUR [5-25] million from the Republic of the Congo (Brazzaville) as a new investor, remained modest in the light of Corsair's cash requirements. Furthermore, several other measures presented as new initiatives actually proved to be previous measures that had already been taken into account as part of the 2020 plan, or had been planned at that time, so that they could not be deemed effective contributions to restoring viability. Under these conditions, the Commission found that the contributions identified did not demonstrate the plan's feasibility.

(242) Fourth, the French authorities did not submit a pessimistic scenario as required by point 50 of the R&R Guidelines, which prevented any adequate assessment of the plan's sensitivity to unfavourable developments.

(243) Finally, the Commission observed that the financial forecasts submitted were incomplete, and restricted to a succinct profit and loss statement. They also showed equity evolving negatively over the course of the restructuring period and beyond, contrary to the requirements of point 50 of the R&R Guidelines. In these conditions, Corsair was likely to still be an 'undertaking in difficulty' at the end of the restructuring period.

(244) On this basis, the Commission expressed serious doubts as to the revised restructuring plan's compliance with the criteria set out in the R&R Guidelines, and consequently, as to Corsair's ability to return to long-term viability and to perform competitively on its own merits without supplementary aid.

5.3.1.2.1. Assessment of the assumptions supporting the return to viability

(245) A review of the assumptions adopted by the French authorities shows that Corsair's return to long-term viability, as set out in the baseline scenario, is based on operational and financial forecasts that are realistic, consistent and duly substantiated, in accordance with the requirements in points 45 to 52 of the R&R Guidelines.

(246) The assumptions strike a balance between measures to improve passenger yield and structural measures to contain costs. The effects of these measures can already be seen in Corsair's recent performance.

(247) In particular, the Commission notes that the assumptions regarding improvement of the RASK now show the real impact of measures implemented by Corsair. The result is a higher RASK compared with the assumptions initially used in the revised restructuring plan on the basis of a conservative approach as a reliable forecast was not possible at the time; this was no longer the case in the version of the plan submitted on 15 December 2025. The French authorities thus point to an improvement of the RASK by [...]% as from [...], against the [...]% initially envisaged, in line with the outstanding performance recorded over the financial year 2024/2025 following actual implementation of commercial and operational measures. The Commission finds that this upward revision is based on recent factual information and does not result from excessively optimistic assumptions.

(248) Moreover, the Commission notes that the passenger yield assumptions are based on an average coupon price that is higher than initially forecast, which reflects the stabilisation, even the slight increase, observed by Corsair over several months and over the whole of the 2025 financial year, in the amount of +[...]% compared to the previous version of the restructuring plan submitted in May 2025. This favourable trend occurred in a context of a significant drop in fuel prices (-[...]% compared to the plan's assumptions), which reinforced the credibility of future forecasts in terms of operational margin. The Commission considers that the combination of average coupon price improvement and decrease in fuel costs constitute a robust driver of profitability.

(249) The Commission also observes that the average coupon price improvement is largely due to Corsair's upselling in connection with the renewal of its fleet, which made its commercial offer more attractive and stimulated passenger yield beyond what was initially expected. The results observed for the 2025 financial year, and also the forecasts for 2026, confirm that these effects are neither one-offs nor cyclical but rather, the result of structural choices that are consistent with the company's rebranding strategy. In this respect, the Commission considers that the level of increase in the price of tickets envisaged by Corsair remains compatible with the objective of the restructuring aid, in so far as it reflects a qualitative improvement in services offered and a gradual normalisation of passenger yield, rather than a strategy of artificially increasing prices thanks to the State aid. Furthermore, the Commission notes that in a counterfactual scenario without aid, upward adjustments of the price of tickets would also have been necessary in order to address cost increases (inflation) and the deterioration of the financial structure, or even been more marked or accompanied by decreases in capacity and in the quality of service. In these conditions, the forecast trend of the average coupon price in the scenario with aid does not confer on Corsair an undue competitive advantage compared with this counterfactual scenario, but rather, is in line with an economically justified and proportionate trajectory in the light of the objectives of the R&R Guidelines.

(250) Finally, the Commission takes note of the assumptions relating to the decrease in distribution costs, based on the recent performance of the direct sales channel, and in particular the online channel, observed during the 2025 financial year. For several months now, the implementation of a dynamic commercial policy designed to increase the share of direct sales has already translated into a measurable reduction in the use of third-party distribution networks, which are structurally more expensive. The Commission considers that this development, already ongoing and on record, reinforces the credibility of the cost savings forecast in the baseline scenario.

(251) Given all these factors, the Commission considers that the assumptions underpinning the baseline scenario are prudent, based on results actually observed, and consistent with the operational measure implemented. Based on these measures, it can reasonably be concluded that the restructuring plan can restore Corsair's long-term viability, in accordance with the requirements of the R&R Guidelines.

(252) With regard to the analysis of the pessimistic scenario presented by the French authorities, it shows that this scenario constitutes an exercise in prudent and credible sensitivity, in line with the requirements of the R&R Guidelines, in that it is designed to test the robustness of the revised restructuring plan in the face of plausible unfavourable shocks affecting the main drivers of Corsair's economic performance.

(253) The Commission finds that the pessimistic scenario is based on a detailed analysis of the critical values of three key indicators, i.e. fuel prices, average coupon price and occupancy rate. The analyses identify the variations that would lead to a net zero result for each one of these parameters taken in isolation. The sensitivity analysis carried out by the company's financial advisers ([43]) showed that, all things being equal, an increase in the fuel price of [...]% to [...]% compared with the assumptions of the baseline scenario would be necessary to neutralise the net result, which would correspond to a fuel price of between USD [1 000-1 500] and [1 000-1 500] per tonne, significantly higher than both the assumptions used in the revised restructuring plan and the average price actually observed over the course of the 2024/2025 financial year (USD [500-800] / tonne). The Commission finds that these thresholds show a significant margin of safety in terms of the fuel risk.

(254) Likewise, in terms of passenger yield, the Commission notes that the net result would be zero only if the average coupon price dropped by [...] % compared with the baseline scenario, i.e. a decrease of between EUR [...] and [...] per passenger according to the financial years under consideration. In terms of rate of occupancy, a deterioration in the amount of [...] percentage points compared with the baseline scenario would be necessary, resulting in rates between [...]% and [...]%, to achieve a net zero result. The Commission considers that these variations, analysed in isolation, exceed the usual fluctuations observed on the markets served by Corsair and confirm the prudent character of the assumptions used.

(255) On the basis of these sensitivity analyses, the French authorities drew up a pessimistic scenario that combined simultaneous unfavourable shocks, i.e. (i) an increase in fuel prices of USD [...] per tonne compared with the business plan (i.e. +[...]% compared with the baseline scenario and +[...]% compared with the average observed in 2024/2025, (ii) a decrease of [...]% in the average coupon price, and (iii) a drop of [...] percentage points in the occupancy rate. The Commission notes that these combined assumptions are more severe than the variations usually observed over a short period and therefore constitute a credible stress test of Corsair's business model.

(256) The Commission observes that, in this pessimistic scenario, the cumulated impact on the operating result is still significant but is also controlled, with a negative effect of EUR [...] million on the 2025/2026 financial year, cumulatively increasing to EUR [...] million in 2026/2027 and to EUR [...] million in 2027/2028. Comparable scales can be observed in terms of cash flow. However, despite these combined shocks, Corsair manages to keep a positive operating result in the plan's short term, which demonstrates the company's ability to withstand reasonably unfavourable deteriorations in its economic environment without immediately compromising its operational viability.

(257) Given all this information, the Commission considers that the pessimistic scenario does not call into question the credibility of Corsair's return to long-term viability. On the contrary, it shows that the restructuring plan is robust enough to withstand the main risks identified, in particular those relating to the volatility of fuel prices and to a moderate deterioration of trading conditions, in line with the R&R Guidelines. This conclusion is all the more valid because the end of the restructuring period is set at 30 September 2026, i.e. in a mere few months, and that, even though it cannot be ruled out altogether, it is highly unlikely that such a scenario would materialise in all its components, and would deteriorate to such a level over such a short period of time.

(258) With regard to the joint analysis of the baseline scenario and the pessimistic scenario, the Commission considers that the assumptions used by Corsair to show its return to viability are credible, prudent and sufficiently substantiated. The baseline scenario is based on operational and commercial assumptions underpinned by trends already observed and documented, in particular in terms of improving passenger yield, upselling and optimising sales channels, without relying on excessively optimistic disruptions. The pessimistic scenario, on the other hand, constitutes a rigorous stress test, based on plausive unfavourable shocks that affect the main drivers of economic performance at the same time, and it highlights a significant margin of safety compared with the critical thresholds

([43]) Source: Page 7 of the updated restructuring plan as submitted to the Commission on 15 December 2025.

that would result in a net zero result. The fact that, even in the pessimistic scenario, Corsair still manages to achieve a positive operating result in the short term is proof of the intrinsic robustness of the restructuring plan. The Commission accordingly finds that all of the assumptions underpinning the two scenarios meet the requirements of the R&R Guidelines and support a positive conclusion regarding the credibility of Corsair's long-term return to viability.

5.3.1.2.2. Assessment of the expected financial performance

(259) With their most recent comments, the French authorities forwarded several revisions of Corsair's financial data and forecasts, the latest dated 15 December 2025. These updated forecasts (see recitals 49 to 65 above) point to a consistent and structural improvement in the company's operational and financial performance over the restructuring period, extended to 30 September 2026. The baseline scenario sees Corsair record a positive net result of EUR [...] million (or EUR [...] million if the exceptional result of EUR [...] million due to State aid is excluded) and a return on capital employed (ROCE) of [10.6-13.4]% at the end of the period, which confirms the upward trend observed since 2023 and indicates that the company should be in a position to provide an appropriate projected return on capital after having covered all its costs including depreciation and financial charges, in line with point 52 of the R&R Guidelines. The medium-term projections show a continuation of this trend, with a net result of EUR […] million and a ROCE of [11.4-15.2]% projected for the end of the financial year that will close in September 2027.

(260) The Commission notes that the rate of ROCE projected for the end of the revised restructuring plan is higher than the WACC estimated by the French authorities at [8.6-10.5]%. This level of WACC is itself substantially higher than the average rates used by the Commission in its recent decisions relating to the aviation sector, which stand at around [...] ([44]). The Commission considers that this difference is justified by Corsair's specific situation, i.e. a higher risk profile and a lack of conclusive results from the approved first restructuring plan, which was not the case for other airlines that have been the subject of comparable restructuring decisions. In particular, Corsair is not listed on the stock market, is smaller in size and operates in a limited number of long-haul markets; its long-term viability remains highly conditional on the effective implementation of the revised restructuring plan and on achieving exacting traffic and profitability assumptions. In this context, the use of a higher WACC than in other cases in the sector seems appropriate in order to reflect the level of residual risk borne by the investors after the restructuring and to prevent any overestimation of the economic profitability expected.

(261) In this respect, on the basis of the information provided by the French authorities, and in particular, of the detailed analysis in the study entitled '*Méthodologie pour calculer le WACC de Corsair*' (Method to calculate Corsair's WACC), the Commission finds that the method used to calculate the WACC is justified ([45]).

(262) More specifically, the Commission also finds it appropriate to use a target financial leverage of [...] % since it is not based on Corsair's own financial situation during the period of difficulty but rather, on the average observed for European airlines. This approach is in line with the method recommended for non-listed undertakings, such as Corsair ([46]). Likewise, the equity beta used, set at [...], is derived from a sectoral asset beta estimated on the basis of a wide sample of European airlines, then de-levered and re-levered on the basis of the sample's leverage. This method is widely recognised in financial theory and by the regulatory authorities cited in the French authorities' study ([47]).

([44]) Average calculated by the Commission for Condor, SAS, TAP, TAROM.

([45]) The study estimates the WACC at the end of the restructuring plan on the basis of market data and not in relation to Corsair's present situation and its intrinsic financing costs and financial leverage forecasts at the end of the period in 2026. This is consistent with an analysis of the undertaking's ability to cover its capital costs in the long term under normal market conditions. The alternative is to estimate the opportunity cost of capital when the capital (or debt) is invested and analysed.

([46]) The approach favours standardised sectoral parameters rather than idiosyncratic data on the beneficiary reflecting the State aid granted to the beneficiary of restructuring aid, such as, in the case of Corsair, the writing-off of public claims.

([47]) The approach makes it possible to show the systemic risk that is specific to the air transport sector rather than Corsair's transitory risk profile.

(263) Furthermore, the Commission notes that the equity cost includes a specific illiquidity premium, which is justified by the fact that Corsair is not listed, whereas no financial distress premium is applied since the WACC is calculated at a point in time where the undertaking is projected to have returned to viability. Lastly, the debt cost used is based on objective market benchmarks that combine French sectoral and macroeconomic data and reflect the financing cost of a mid-sized viable undertaking operating in air transport and not the cost borne now or in the future by Corsair.

(264) The Commission accordingly finds that the WACC of [8.6-10.5]% constitutes a prudent and credible reference rate to assess Corsair's long-term viability and to verify that the revised restructuring plan's financial projections allow the cost of capital to be covered in the long term, in accordance with the R&R Guidelines and the Commission's consistent practice in comparable cases in the aviation sector.

(265) Moreover, the company's equity situation [...], which thus marks Corsair's definitive exit from the status of undertaking in difficulty within the meaning of the R&R Guidelines.

(266) On this basis, the Commission finds that even if full reconstitution of Corsair's equity were to take place after the end of the restructuring period, the plan submitted presents solid and sound prospects of a return to viability. The most recent projections take into account the additional streamlining and competitiveness measures adopted by the company, in particular control of operational costs, modernisation of the fleet, improvement of the load factor and a more efficient pricing policy. They also take into account the measures intended to limit distortions of competition as proposed by the French authorities. The expected level of profitability (ROCE of [10.6-13.4]% in 2026 and [11.4-15.2]% in 2027) are testament to a genuine and sustainable recovery, all the more remarkable in that it has been achieved in a context still marked by the effects of Russia's military aggression against Ukraine.

(267) In this respect, and on the basis of Table 4 communicated by the French authorities, the Commission would express the following additional observations, which reinforce the analysis of Corsair's return to viability:

(a) The Commission notes, first, that the French authorities have substantiated their analysis by a comparison of Corsair's return on capital employed (ROCE) with a broad and representative sample of a dozen third-party European and North-American airlines. This sample includes legacy carriers, low-cost companies and North American airlines, which makes it possible to reflect closely the structural differences in return on capital depending on the business models. The Commission notes that this breakdown by category provides a relevant reference point for Corsair, the positioning and risk profile of which are similar to those of legacy airlines operating long-haul networks with a high capital intensity even though it is manifestly more modest in size than these airlines.

(b) Second, the Commission notes that the evolution of the ROCE observed over 2019-2024 shows the major exogenous shocks that affected the aviation sector: after an overall satisfactory level in 2019, with an average ROCE of 7.3 % across all airlines, indicators took a sharp fall in 2021 and 2022, with the average either becoming negative or very low, owing in particular to the COVID-19 crisis, mobility restrictions and value chains disruptions. The upward trend observed in 2023 and confirmed in 2024 with an average ROCE of 6.9 % is testament to a gradual return to more normalised market conditions, although not with a uniform return to pre-COVID levels.

(c) In this sectoral context, the Commission notes that Corsair's ROCE has settled at [...]% in 2024/2025, after having reached a level close to balance during the 2023/2024 financial year. This reflects the noticeable improvement in its economic performance following the implementation of the first restructuring measures. More specifically, the projections in the revised restructuring plan show Corsair's ROCE on a growing trajectory by the end of the plan.

(268) The Commission finds that this trajectory is consistent with the R&R Guidelines, in that it shows the beneficiary's ability to generate in the medium term a return on capital that is positive over time and compatible with the cost of capital, allowing it to operate under normal market conditions without continuously relying on State aid. In this respect, the projected trend of the ROCE constitutes a relevant and credible indicator of Corsair's long-term return to viability.

(269) Furthermore, even though the equity remains negative at the end of the restructuring period, the Commission considers that this situation is not in itself sufficient to rule out a finding of a return to viability in the long-term. The concept of 'viability', as interpreted by the Commission in similar cases of far-reaching restructuring, is not based solely on balance-sheet solvency but on the company's structural and permanent ability to generate positive cash flows, and therefore, to finance itself without further State aid. In this respect, the revised restructuring plan show a positive operational profitability trajectory, which ensures that Corsair's economic recovery is irreversible and that Corsair will eventually be able to finance its investments and repay its debts, even though it will require a (slightly) extended period to clear the historical losses (equity gap). The temporary persistence of negative equity must thus be accepted as an inherent consequence of the historical losses, without prejudice to future economic viability.

(270) Moreover, the Commission notes that the recent and anticipated trend of the main macroeconomic parameters also supports the recovery trajectory presented. First, the stabilisation and expected slight increase in the euro against the dollar over 2025/2027 ([48]) automatically bring down the cost of denominated purchases, in particular for aviation fuel and aircraft leasing contracts denominated in dollars. Second, after the volatility spikes observed in 2022 and 2023, kerosene futures markets show a price moderation tendency ([49]) over the period of the restructuring plan, which considerably mitigates the risk weighing on operational margins. These two combined factors, the favourable exchange rate trend and the relaxing of fuel prices, constitute external levers that support Corsair's profitability and strengthen the credibility of its return to long-term viability.

(271) The Commission also notes that, when the plan ends, Corsair would enjoy a healthier financial structure and sufficient cash flow to continue its development without having to rely on further public aid; this is the case both in the baseline scenario and the pessimistic scenario.

(272) Turning now to the pessimistic scenario, the Commission notes that the net result expected at the end of the restructuring period is positive in the amount of EUR [...] when the effects of the State aid are excluded. The same applies to the company's cash flow, which is expected to be from EUR [...] million to [...].

([48]) Market forecasts and macroeconomic assumptions both point towards the euro stabilising, or even slightly increasing, against the US dollar over the 2025-2027 period. First, the Eurosystem's technical projections estimate that the EUR/USD exchange rate could progress modestly between 2025 and 2027, rising from around 1.08 in 2025 to 1.11 then 1.13 in 2026-2027, representing a rise in the euro compared with previous levels, in a context of falling raw material prices and improving long-term rates in the eurozone. Second, market professionals' forecasts (ECB Survey of Professional Forecasters) show an expected rise of the euro against the dollar, with EUR/USD rates anticipated to be higher for 2026 compared with 2025, following an upward trajectory in the medium term. This is supported by forecasts in the same vein by international financial institutions; some consider that the euro could exceed the threshold of USD 1.15 to 1.20 on a long-term basis over the course of 2025/2026 owing to structural factors such as potential divergences in the monetary policies of the European Central Bank and the US Federal Reserve, and also the relative resilience of the eurozone's economy. Overall, these fact-based considerations support an assumption that the euro will stabilise before rising slightly against the dollar over the period in question.

([49]) The data collected on the petroleum products market and the futures market show a general trend of distillate fuel price moderation, including for kerosene, the price of which had seen volatility spikes in 2022 and 2023. The crude oil international prices, which are the main factor in the cost of kerosene, have significantly decreased since the peaks reached in recent years and have stayed at historically lower levels in 2025, with Brent frequently priced at under USD 70 a barrel, reflecting surplus supply and weaker than expected global demand. Reliable forecast show that this downward trend could extend into 2026 and 2027, with estimates putting Brent prices at around USD 58-60 a barrel in the medium term, which corresponds to a significantly lower level than recent peaks and which exerts downward pressure on kerosene prices.
Moreover, the futures markets for distillate products show a flattening-out of jet fuel premiums (kerosene) compared with other distillate fuels, which is a sign that the expectations of supply tensions are dissipating. European jet fuel premiums against gasoil futures have almost disappeared, reflecting a fall in fears of scarcity and a normalisation of price structures in the futures markets (see: https://www.argusmedia.com/en/news-and-insights/latest-market-news/2707526-european-jet-premiums-collapse-on-ice-gasoil-strength?utm_source=chatgpt.com).
In this context, the combination of persistently more moderate crude oil prices and a fall in the distillate products premiums is reflected in expectations that the price of aviation kerosene will remain stable or slightly fall over the planning horizon 2025-2027, which significantly decreases the risk weighing on the operational margins of airlines that are dependent on this essential fuel, such as Corsair.

(273) The assumptions used by the French authorities, although prudent, appear plausible in the light of the trends seen in the aviation sector and Corsair's recent performance, in particular of its long-haul routes to overseas departments and Africa. While the pessimistic scenario highlights a residual sensitivity to cost and demand variations, the Commission considers nonetheless that the combination of persistently lower costs, a better targeted commercial positioning, a more favourable external economic environment and the sustained resumption of international traffic makes credible the company's return to viability by the end of the restructuring period, which will already conclude by the end of September 2026.

(274) In accordance with point 52 of the R&R Guidelines, the Commission reiterates that the return to viability involves both the undertaking's long-term ability to cover all its costs, including depreciation and financial charges, while providing an appropriate projected return on capital, and, as a distinct criterion, the restructured undertaking's ability to compete in the marketplace on its own merits, without continuing to rely on public support. In this respect, the Commission specifies that this criterion is not limited to the equity position in accounting terms during the restructuring phase, which can remain provisionally negative, but must instead be assessed in a forward-looking manner, at the horizon of the conclusion of the plan, by means of a series of relevant economic and financial indicators.

(275) In the case at hand, the Commission finds that when the restructuring plan ends, Corsair is projected to generate a positive and recurring operating result, positive available cash flows, and a return on capital employed that is persistently higher than the weighted average cost of capital. These factors are proof of the undertaking's ability to finance its activity and its future investments under normal market conditions, without relying on further State aid. Moreover, the Commission notes that the projected financial structure enables Corsair to meet the standard market requirements in terms of solvency and debt servicing cover, which will give it normal access to market financing sources when the restructuring ends.

(276) In these conditions, and in line with the approach taken by the Commission in previous cases, notably TAP as endorsed by the Court (*Ryanair DAC* v *European Commission*, T-458/22, ECLI:EU:T:2025:1094, paragraphs 104 et seq.), the Commission considers that Corsair will be able to compete in the marketplace on its own merits by the end of the restructuring plan, and by the latest in September 2026. Consequently, the measures implemented as part of the revised restructuring plan can restore Corsair's long-term viability and ensure its financial autonomy without further State aid.

5.3.2. *Effect on trade and competition*

5.3.2.1. Appropriateness of the aid, proportionality, own contribution and burden sharing

(277) In accordance with point 62 of the R&R Guidelines, a significant contribution to the restructuring costs is required from the own resources of the aid beneficiary, its shareholders or creditors or the business group to which it belongs, or from new investors. Such own contribution should normally be comparable to the aid granted in terms of effects on the solvency or liquidity position of the beneficiary; further, the aid must be properly remunerated (point 54 of the Guidelines). In accordance with point 63 of the R&R Guidelines, this contribution must be real, that is to say actual, excluding future expected profits such as cash flow. Moreover, under point 124(b) of the Guidelines, if, as part of changes to the restructuring plan, the restructuring costs are increased, the own contribution must increase correspondingly.

(278) In its opening decision, the Commission stated that the French authorities were considering new support measures for Corsair, in the amount of EUR 83.1 million ([50]), including a new injection of EUR 3 million from the Conseil Départemental de Guadeloupe, the rescheduling of public debt in the amount of EUR 19 million, the waiver of claims in the amount of EUR 23 million, new tax reductions in relation to the renewal of the fleet for around EUR 38.1 million, and also the waiver of public debts corresponding to the amounts of the FDES & PP loans granted as part of the initial restructuring (EUR 80 million in total).

(279) Furthermore, the Commission noted that the better fortunes clause envisaged remained limited at EUR [...] million, whereas the cumulated amount of public aid granted since 2020 was almost EUR 200 million. In this configuration, the Commission considered that, even if the restructuring were successful, most of the profit would go to private shareholders while the State would bear the main strain owing to the writing-off of debts and the granting of tax advantages equivalent to non-reimbursable subsidies. It therefore noted that the State's remuneration did not seem to be adequate and that a partial conversion of public claims into capital could have ensured better symmetry with the other investors.

(280) Furthermore, the Commission considered that the revised restructuring plan did not yet demonstrate the existence of a sufficient, real and effective own contribution within the meaning of points 64 and 124(b) of the R&R Guidelines. In particular, certain financing sources mentioned – such as the sale and lease-back operation envisaged for around EUR 21.7 million, or the financing of four Airbus A330-NEOs still to be delivered – appeared at this stage to have been insufficiently documented or to have been merely hypothetical.

(281) Consequently, the Commission considered that the own contribution was limited and uncertain in relation to the overall volume of public aid, and that the French authorities had not demonstrated that Corsair's specific geographic situation justified such a low contribution. It therefore expressed serious doubts as to the proportionality and remuneration of the aid envisaged in view of the requirements of the R&R Guidelines.

(282) However, on the basis of an in-depth analysis of the most recent comments by France and the clarifications and changes submitted by the French authorities, in particular, concerning the different components of the beneficiary's own contribution (see recitals 36 to 43 and Table 1 in recital 44), the revised restructuring plan shows a total cost of EUR 233 million, financed by EUR 145.4 million in own contribution (62.3 %) and EUR 87.8 million in State aid (37.7 %), and EUR 519.4 million, financed by EUR 319.1 million in own contribution (61.4 %) and EUR 200.5 million in aid (38.6 %) when the initial restructuring plan (from 2020) is included, and when the EUR 6 million from the overseas departments via OMRP that supported it is added as aid and not as an own contribution.

(283) In this context, the Commission must ensure that the contributions are real, free from State aid and sufficient. The own contribution of EUR 145.4 million is well beyond the 50 % minimum threshold required, thereby ensuring that the beneficiary and its creditors and/or shareholders bear most of the restructuring cost. In this respect, the detailed analysis of these contributions shows that each of these measures is compliant.

(284) The capital injections from private investors Blue Sky Holding and Advens-Geocoton for a total of EUR [10-50] million represent fresh money that will be directly injected on the basis of an agreement between shareholders, to be signed in accordance with their commitment set out in the Term sheet. The same can be said of the additional commitment to inject EUR [5-30] million agreed by the three shareholders (Blue Sky Holding, Advens-Geocoton and SEMPA), should Corsair's cash reserves fall below EUR [...] million. In this respect, while the French authorities argue that the increase in Corsair's capital of EUR 3 million through resources from the Guadeloupe region constitutes State aid (see recital 39(i)), they do not provide information on how to classify or quantify SEMPAT's participation in this additional financing. Moreover, the Commission notes that, given the Guadeloupe region's

([50]) See recital 32 of the opening decision which does not make any statement on the interest on the abandoned FDES & PP loans.

share in Corsair's future capital, even if the part of the additional financing from SEMPAT were to be deemed to be State aid rather than a component of the own contribution, this would have only a minor impact on the ratio of public to private funding in the financing of the revised restructuring plan and, consequently, would not change the accounting assessment, including with respect to proportionality, in this Decision. These contributions can therefore be considered as certain, real and free from State aid for the purposes of the R&R Guidelines.

(285) With regard to the financing of four new Airbus A330-NEO aircraft leased for an amount of EUR [20-80] million, although linked to lease payments, it is still deemed to be a private financing effort under the business plan by the leasing contract provider. The leasing contracts relating to the renewal of Corsair's fleet have been signed and deliveries have already been made. In particular, AerCap, one of the largest aircraft leasing companies in the world, has supplied and delivered the first of the four A330-900-NEO Airbus aircraft leased to Corsair as part of the fleet renewal. Delivery took place on [...], with the other three aircraft scheduled to be handed over to Corsair during the course of 2024 under the same leasing contract. This contribution can thus be deemed to be real and free from State aid.

(286) Furthermore, the amount of EUR [25-45] million for the sale of the H-SKY in summer 2025 is admissible as proceeds from a sale which has already taken place with a private counterparty (see recital 31(f)), and which has been irrevocably allocated to the revised restructuring plan.

(287) As regards the moratorium on contributions granted by CRPN in the amount of EUR [10-40] million, recitals 193 to 200 show that this measure does not constitute State aid. Since it is based on an autonomous commercial agreement between Corsair and CRPN, rather than on a decision imputable to the State, it can be accepted as being free from State aid. This moratorium was decided by a resolution of the CRPN Special management board of 7 November 2023, submitted by the French authorities to the Commission and can therefore be deemed to be a real, effective and verifiable component of the own contribution within the meaning of point 64 of the R&R Guidelines, which requires that the own contribution be at least 50 % of the restructuring costs for large undertakings.

(288) In view of the above, the Commission finds that a significant portion of the own contribution directly boosts Corsair's equity, by means of injections of fresh capital (see recital 283). The remaining measures, although they do not directly increase the equity, nonetheless provide a significant contribution to restoring Corsair's solvency by strengthening its ability to face its financial obligations and by supporting the long-term viability of its business model.

(289) An undertaking's solvency corresponds to its ability to meet all its financial commitments in the medium and long term by means of its own resources and future cash flows. It is to be assessed not only in a static manner, by comparing the assets and liabilities on the balance sheet, but also in a dynamic manner, on the basis of the undertaking's ability to generate sufficient results and cash flows to settle its debts as they mature. Solvency can thus be improved by directly boosting equity, or by sustainably reducing commitments, reducing debt servicing or structurally decreasing financing costs.

(290) Therefore, as regards the own contribution measures implemented as part of the revised restructuring plan, the Commission notes that they contribute, each in distinctive ways, to improving Corsair's solvency, even if their effect cannot always immediately be seen in the equity on the balance sheet. The moratorium granted by CRPN means that payment due dates have been deferred and the financial burden has been provisionally reduced, which alleviates the cash outflows in the short and medium term, and improves the company's ability to meet its other financial commitments, thereby helping to stabilise its overall financial structure. The financing of new aircraft, by enabling renewal of the fleet without excessively mobilising equity, reduces unit operating costs and improves operational efficiency; this in turn increases cash flow generation capacity, thereby strengthening solvency over the period of the restructuring plan. Finally, the sale of an aircraft generates liquidity and reduces the costs of operating and holding the asset concerned, which in turn decreases future financing needs and improves both solvency and the company's financial risk profile.

(291) As regards the State aid of EUR 87.8 million ([...]% of the total cost associated with the changes to Corsair's restructuring plan), it is limited to the minimum necessary to ensure Corsair's viability, a fundamental principle of the R&R Guidelines in so far as this amount is intended to offset the financing gap caused by the unforeseen circumstances that cannot be blamed on the undertaking. In addition to aid worth EUR 3 million in the form of a capital injection from the Conseil Départemental de la Guadeloupe, the aid is made up mainly of the waiver of the remissible public debt (EUR 23 million), the waiver of interest accrued and capitalised on the PP loan (worth EUR 4.7 million), the overseas tax credit (worth EUR 38.1 million), and the rescheduling of the non-remissible public debt (EUR 19 million), the aid amount being valued in terms of the advantage conferred.

(292) Turning first to the aid worth EUR 3 million in the form of a capital injection from the Conseil Départemental de la Guadeloupe, the Commission finds that this measure constitutes an instrument that is targeted and necessary to the restructuring, in accordance with the relevant points in the R&R Guidelines in so far as the instrument chosen – the capital injection – is the most direct tool to remedy Corsair's liabilities and immediately strengthen its solvency, thereby eliminating the imminent risk of failure. Moreover, the origin of the aid, deriving directly from a local authority in an overseas region, highlights both the regional cohesion dimension and the essential public interest dimension associated with the destination. The Conseil Départemental de la Guadeloupe's direct participation in the capital provides validation of the revised restructuring plan's credibility and injects funds that are structurally decisive for the company's future viability. This measure is also deemed to be proportionate because it contributes to limiting the effects of an exit from, and therefore distortion of, the market while guaranteeing that the benefits deriving from the aid serve solely to restore Corsair's competitivity and financial autonomy.

(293) Regarding the loans agreed and paid in 2020 as part of the first restructuring decision (which counted the principal in full), the waiver of the claim in support of the amended plan does indeed constitute new aid on top of the other aid (recital 211). However, for the purpose of examining the proportionality of the additional aid for restructuring, the waiver of the principal should no longer be taken into consideration, because it would otherwise result in counting the same public resources twice in support of a single restructuring plan. Therefore, since the principal has already been taken into account in full when assessing the initial Corsair restructuring aid, only the interest due is taken into account to review the proportionality of the new and past aid (Table 1), thereby ensuring transparency and full traceability of the measure, in accordance with point 58 of the R&R Guidelines.

(294) The Commission considers that the additional aid envisaged, mainly in the form of a waiver of claims as stated above, in fact constitutes an appropriate and proportionate instrument within the meaning of points 60 et seq. of the R&R Guidelines, in so far as it is intended to restore Corsair's long-term viability while limiting distortions of competition. This waiver of debt, which in effect is equivalent to a capital injection, will decisively improve the company's solvency and will boost its ability to meet its financial obligations without further aid.

(295) Moreover, the Commission considers that the additional aid of EUR 38.1 million envisaged, mainly in the form of a tax credit (CIOM), also constitutes an appropriate and proportionate instrument within the meaning of points 60 et seq. of the R&R Guidelines, in so far as it is intended to restore Corsair's long-term viability while limiting distortions of competition. Since this financial support is the functional equivalent of a capital injection, it significantly improves the beneficiary's equity structure and solvency. The resulting safeguarding of liquidity is essential to allow Corsair to absorb the costs associated with the restructuring and to finance the expenses necessary to implement the revised restructuring plan. This strengthening of the balance sheet and the self-financing capacity is deemed to be part of the minimum requirement for the company to be able to meet its future financial obligations, thereby ensuring its viability without depending on new aid.

(296) On this basis, Corsair's own contribution stands at 61.4 % of the total restructuring costs when considering the two restructuring periods (2020-2026), and higher at 62.3 % for the supplementary period (2023-2026).

(297) These ratios far exceed the minimum threshold of 50 % set out in point 64 of the R&R Guidelines, thereby guaranteeing that the public aid remains strictly proportionate to the residual need for financing and that most of the economic risk is borne by the shareholders and private investors. This holds true both for the financing in the initial plan and for the revised plan's financing, in line with point 124(b) of the R&R Guidelines, as regards the amendment of the plan considered in isolation.

(298) Moreover, the combination of measures envisaged as set out above fully meets the requirements in points 61 and 65 of the R&R Guidelines since it ensures that the aid is limited to the minimum necessary and the restructuring burden is shared equally between the stakeholders.

(299) The high own contribution (62.3 %) is the best indicator that the public aid is limited to the strict minimum required to enable the company's return to long-term viability, thereby fully complying with the proportionality criterion for restructuring aid.

(300) Moreover, even if point 124 of the R&R Guidelines does not require scrutiny of this aspect of the revised restructuring plan, the Commission finds that these restructuring measures occur after the complete absorption of Corsair's cumulated losses, which have wiped out the value of the shares held by the existing shareholders who have supported previous restructuring (recital 47).

(301) Finally, with regards to the State's remuneration, the Commission had expressed reservations in its opening decision as to the fact that the French authorities had not planned for any conversion of debt into capital, finding that merely waiving the claim was likely to mean that all of the future gains of the restructuring would benefit the new private shareholders.

(302) However, under point 67 of the R&R Guidelines, any State aid that enhances the beneficiary's equity position should be granted on terms that afford the State a reasonable share of future gains in value of the beneficiary, in view of the amount of State equity injected in comparison with the remaining equity of the company after losses have been accounted for. In this respect, it should be noted that the notion of 'reasonable share of future gains' for any aid including components that enhance equity is dependent on the 'remaining equity of the company after losses have been accounted for', and that these two terms must be applied in conjunction with each other.

(303) As regards Corsair, after the restructuring measures were implemented, the current shareholders (OMRP) and the secured creditors (the French State) saw their shares completely wiped out and their claims almost entirely cancelled (recital (47)). There is therefore no more equity which may benefit from future gains resulting from the injection of public funds or debt write-off.

(304) In these circumstances, the Commission finds that, as regards the requirements of point 67 of the R&R Guidelines, the absence of specific remuneration for writing off Corsair's debts is completely justified. The shareholders and secured creditors were (almost) completely sacrificed, they can therefore no longer bear the burden of Corsair's restructuring.

(305) That being said, the Commission nonetheless notes that the French authorities have convincingly shown that the implicit economic remuneration of waiving the claims would be directly correlated to the success of the restructuring plan, and therefore to the prospects of a return to better fortunes for Corsair. Equally, the amount of remuneration expressed as a percentage of the written-off claims is substantial, which would be paid as a priority before the remuneration of new shareholders, including the Conseil départemental. However, the latter agree to bear the risks of the injections that the State is not taking by writing off those claims that are unlikely to be reimbursed. The State's asymmetrical and lower risk profile therefore justifies the remuneration by means of the better fortunes clause, which dispels the doubts raised.

(306) On this basis, the Commission has examined the remuneration of the aid agreed by the French State, in particular the writing-off of claims, against the requirements set out in points 54 and 67 of the R&R Guidelines on remuneration of the aid and burden sharing.

(307) First, as regards the remuneration of the aid, the Commission finds that the structure chosen by the French authorities meets the requirement of appropriate remuneration that takes into account the critical financial situation and the profile of the risk taken by the State in the circumstances of Corsair's situation. The French authorities have opted for a better fortunes clause, rather than fixed and immediate remuneration (which could have jeopardised Corsair's viability) or shares with an uncertain value and remuneration. The clause makes the remuneration of the State conditional on the future performance and effective balance sheet repair, with the clause being triggered only when a net positive situation is achieved. The reimbursement mechanism, based on [...]% of an amount linked to the operational result, therefore guarantees that the State is remunerated by the company's generation of operational financial flows, rather than by the accumulation of new debts. This potential remuneration – capped at EUR [...] million – imitates the conduct of a creditor who agrees to convert their claim (the present value of which is zero since Corsair cannot reimburse it) into a conditional participative instrument, thereby guaranteeing that the aid is compensated only by the restructuring gains.

(308) Second, the Commission considers that point 67 of the R&R Guidelines does not require any additional burden sharing once Corsair's current shareholders (who took part in the initial plan's financing) have seen their shares fully depreciated in order to absorb losses so that there is no 'remaining equity', whose holders would have to share the restructuring burden, together with the State (see recitals 302 to 304), whether for shareholders prior to the plan approved in December 2020 or for shareholders who financed the plan initially approved. That being said, even if the relevant point of the R&R Guidelines required burden sharing beyond the full wipeout of existing capital instruments, which is not the case for the shareholders of the plan approved in December 2020, the better fortunes clause would also ensure compliance with the principle of fair burden sharing in so far as it guarantees symmetry between the risk borne and the gain shared. By agreeing to waive the claim, the State initially bears the risk and, by limiting the maximum amount of reimbursement to EUR [...] million, it foregoes recovery of the full amount, which could discourage new shareholders and private creditors from long-term investment in the company. This cap therefore allows private investors to benefit in full from future performance in excess of that ceiling, which is reserved for the State.

(309) It is on the basis of these explanations and justifications as presented by the French authorities that the Commission finds that this structure guarantees that the State has an adequate share in Corsair's future gains in value. The State aid granted in the form of a waiver of claims, which has the effect of improving the company's equity position, is therefore compensated by the better fortunes clause. This mechanism ensures that the State receives a reasonable share of the future gains of the restructuring, in proportion to the effort put in to rescue the company. By linking the reimbursement to the State to the operational performance and the achieving of a net positive situation, this approach sets up a balanced sharing of risks and gains with the private investors, which constitutes a positive and credible signal as regards the sustainability of Corsair's business model.

(310) More specifically, the clause provides that where the conditions laid down are met, Corsair will proceed to reimburse per year an amount corresponding to [...]% of the positive difference between its operational result, including provisions for maintenance, and the amortisation of the reinstated debt ([51]). The effective triggering of this clause is conditional upon cumulative compliance with strict financial conditions, i.e. existence of positive equity and maintenance of a sufficient cash flow position, thereby ensuring that the payments made under the return to better fortunes do not jeopardise the company's solvency or liquidity.

(311) Moreover, the mechanism includes an 'excess cash' clause, which is intended to catch a larger share of value creation in the event that Corsair's cash flow exceeds 75 % of the amount of regulatory operating requirements. In this case, and subject to maintaining positive equity and cash flow that is persistently above this threshold, Corsair's annual contribution would be increased to 75 % of its annual operational result, subject to the cumulated ceiling of EUR [...] million. This arrangement ensures that the return to better fortunes adapts dynamically to the undertaking's actual ability to pay, without putting undue strain on its financial structure.

([51]) See Annex 5 to the Term Sheet signed on 7 November 2025.

(312) The Commission also notes that the clause provides for an early maturity mechanism should Corsair be ceded, by virtue of which the balance due would be reimbursed at this time, within the overall ceiling established. This provision makes it possible to ensure that the State benefits fairly from any positive liquidity event.

(313) On the basis of the financial projections communicated by the French authorities, the Commission finds that, in the baseline scenario, the triggering conditions for the return to better fortunes clause would be met only starting from the [...] financial year, when Corsair's equity would again become persistently positive and the cash flow position would reach a sufficient level. The triggering of the clause up to the ceiling of EUR [...] million would then occur without jeopardising the progressive strengthening of equity, which would remain positive during the whole of the period under consideration, or Corsair's ability to finance its operations and future investments.

(314) Under these conditions, the Commission considers that the mechanism of return to better fortunes as envisaged is proportionate, strictly conditional upon Corsair's actual return to viability and in line with the objectives of the R&R Guidelines in that it makes it possible to limit the net costs of the State intervention while avoiding any obstacle to the long-term recovery of the undertaking.

(315) Accordingly, the Commission's initial doubts regarding the proportionality of the planned aid have now been dispelled and the overall package of State and private interventions for Corsair can be considered compatible with the internal market under the R&R Guidelines.

5.3.2.2. Measures to limit distortions of competition

(316) In accordance with points 76 et seq. of the R&R Guidelines, when restructuring aid is granted, measures must be taken to limit distortions of competition, so that adverse effects on trading conditions are minimised as much as possible and positive effects outweigh any adverse ones.

(317) These measures should address both moral hazard concerns and possible distortions in the markets where the beneficiary operates. The extent of such measures is determined by a case-by-case analysis, which includes criteria such as the size and nature of the aid, the conditions and circumstances in which it was granted, the size and relative importance of the beneficiary in the market, and the extent of the own-contribution and burden-sharing measures.

(318) In particular, measures limiting the distortion of competition should usually take the form of structural measures, i.e. clear-cut divestments of viable activities, and exclude divestments of loss-making activities which would need to be abandoned anyway to preserve viability. A fundamental principle is that the measures must not compromise the prospects of the beneficiary's return to viability or be taken at the expense of consumers and competition.

(319) In accordance with point 124(c) and (d) of the R&R Guidelines, where a restructuring plan has been amended, the Commission will require from the Member State concerned, if the amount of the aid is increased, measures to limit distortions of competition that are more extensive than those initially imposed, and, if the proposed measures to limit distortions of competition are more limited than those initially imposed, a corresponding reduction in the amount of the aid. Moreover, in accordance with points 127 to 129 of the R&R Guidelines, where restructuring aid is examined under the guidelines, the grant of any other aid during the restructuring period, even in accordance with a scheme that has already been authorised, is liable to influence the Commission's assessment concerning the necessary extent of the measures to limit distortions of competition. The Commission accordingly assesses the extent of the measures intended to limit distortions of competition taking into account other aid of any kind granted to the beneficiary during the restructuring period.

(320) In its opening decision, the Commission had stated that France intended, in Corsair's revised restructuring plan, to adjust the measures initially accepted. In practice, France envisaged that (i) Corsair would commit to relinquishing up to 365 take-off and landing slots by handing them over to the COHOR association, and (ii) the increase of the fleet would be limited to ten planes as of August 2024. Furthermore, no mention was made as to the renewal or reinforcement of previous measures.

(321) On this basis, and taking into account the supplementary State aid (including EUR 32.4 million) received and to be received during the restructuring period, the Commission expressed some serious doubts regarding the appropriateness of the measures intended to limit distortions of competition. Pursuant to point 124(c) of the R&R Guidelines, if the amount of the aid is increased, measures to limit distortions of competition must be more extensive than those initially imposed. However, the measures remained substantially unchanged despite a significant increase in aid. The increase of the fleet to ten planes was in breach of the principle of reducing the size of the fleet with the increase in aid, and that, even when calculated in terms of seats, capacity remained slightly above that set out in the 2020 plan.

(322) Moreover, the relinquishing of time slots did not seem either qualitatively or quantitatively more significant than the initial measure of making available an annual quota to a third-party company, for which the procedure to approve the specification had moreover not been complied with. Consequently, the revised restructuring aid raised serious doubts as to its compatibility with the R&R Guidelines.

(323) As regards the increase in the size of Corsair's fleet, following exchanges with the French authorities, the business plan in the Term Sheet relating to the adaptation of Corsair's restructuring plan, signed by Corsair, its shareholders and the French State, now provides for, unlike the previous versions [...] ([52]). Likewise, the number of slots that could temporarily be transferred to competitors who asked for them has more than doubled. In conjunction with developments in the size of the fleet, this doubling has adequately addressed the doubts raised by the Commission in its opening decision.

(324) Further to the measures set out in the initial plan, the package of measures now includes: (i) a substantial reduction of flights on the overseas department routes – The French authorities have agreed to abolish 97 of Corsair's rotations from metropolitan France to Fort de France, Pointe à Pitre and Réunion for the 2025/2026 financial year, in order to achieve an annual volume equivalent to the rotations carried out on average by one Corsair aircraft –, (ii) the permanent relinquishing by Corsair of 700 time slots at Paris-Orly airport, and (iii) the temporary release by Corsair of 800 times slots at Paris-Orly airport until the end of the restructuring period.

(325) As regards the assessment of the measures, first of all, Corsair's activities take place in the assisted areas referred to in Article 107(3)(a) TFEU (overseas territories), which justify a more flexible application of the principles laid down in the R&R Guidelines, as stated in point 98 of the Guidelines. This justifies less stringent requirements in terms of reductions of capacity or market presence. In this respect, the behavioural measure reducing the rotations towards the overseas destinations reduces the use of aircraft and transport services provided for the equivalent of [...] for the remaining restructuring period. It is targeted to reducing distortions of competition on destinations within the internal market that only rival airlines registered in the EU serve, which is not the case for Corsair's African destinations.

(326) Likewise, the timeslots concerned by the measure constitute a significant share of [...]% of the timeslots available to Corsair at Paris-Orly airport. Due to the congestion and air traffic limitations at that airport, the demand for timeslots exceeds supply, which creates a barrier to entry for competitors wishing to offer flights. This measure is therefore also targeted towards routes operated by Corsair.

(327) Finally, the openness to agreements with other companies that so request is likely to open up part of Corsair's market and network to competition and to foster an extension of agreements, which, since it will increase the services on offer, can only be beneficial for competition and consumers. A commitment from Corsair to negotiate codeshare agreements in good faith would contribute to strengthening the interconnection of networks and to improving market access for other airlines. This concerns, in particular, small-sized airlines, which, given their network's limited size, cannot offer customers a service and experience similar to those of large airlines which can provide such services with their own fleet within their networks.

([52]) Annex II to the Term sheet: Presentation 'Gwalior project', 23 May 2025, p.11.

(328) All the measures should also be assessed in the light of Corsair's relative size and importance in the market, and the characteristics of the market in question. Available data shows that the aviation market in Europe is growing and, in 2025, has resumed 2019 levels of activity; they also show that thanks to the adjustments made there is no overcapacity. More specifically for France and the beneficiary, with 16 flights per day on average in 2024, the last full year for which data is available, Corsair accounted for a volume of [...]% of the total 4 086 flights a day departing from/arriving in France, a figure that has seen a 2 % growth compared with the previous year ([53]). Likewise, in value, the EUR [...] million of Corsair's revenue accounted for only ([...]%) of the EUR 8.5 billion turned over by airlines registered in France for 2023, last full year for which data are available ([54]).

(329) The distortions to competition caused by the aid are therefore very limited and the measures to remedy the situation must take this into account. This is all the more the case since Corsair does not possess own assets such as aircraft that could be sold in order to foster market entry by new competitors, the expansion of existing competitors or cross-border activity.

(330) As regards the circumstances in which the aid was granted, it should be noted that the amendment of the restructuring plan occurred following unavoidable events beyond Corsair's control, primarily the prolongation of the Covid-19 crisis and Russia's military aggression against Ukraine, which led it to deviate from the initial business plan, be it in terms of the financial trajectory (recital 346) or of destinations, with a reorientation towards Africa, and thus outside the internal market. Moreover, the vast majority of the aid requested as part of the revised restructuring plan consists in an waiver of the aid granted in 2020 in the form of loans, not new injections. These circumstances must also be taken into account when analysing the appropriateness of the measures intended to limit distortions of competition.

(331) Furthermore, the amount of the own contribution, which is relatively high compared with the aid amount, should also be taken into consideration. Even after adding the EUR 6 million in support from the local authorities in the overseas regions through OMRP (which underpinned the initial restructuring plan), both the previous aid and the aid now notified finance a percentage that is well below half of the restructuring costs. In the same way as the aid measures, the own contributions made by Corsair as part of the restructuring address both Corsair's solvency and liquidity needs, thereby reducing the extent of the State intervention. Likewise, the participation of current shareholders, as with the previous shareholders with the 2020 decision, who have seen their participation reduced to zero as part of the upcoming capital increase, should be taken into consideration. Greater degrees of own contribution and burden sharing, by limiting the amount of aid and moral hazard, in Corsair's case reduce the necessary extent of the measures to limit distortions of competition, as laid down in point 90 of the R&R Guidelines.

(332) Finally, in terms of the impact of the commitments proposed on the undertaking's long-term viability, an essential criterion is that measures limiting distortions should not reduce activity to such an extent that its return to viability would be compromised. In this respect, as shown in the latest version of the revised restructuring plan, Corsair is back on track for its return to viability, even in a pessimistic scenario that incorporates the anti-distortions measures proposed.

(333) The Commission finds that, having regard to the circumstances and factors taken into consideration in calibrating the measures, given the extent of additional timeslots temporarily released, in addition to the measures in the initial plan, this clearly improved package of measures fully meets the requirements of the R&R Guidelines, in particular point 124(c) thereof, by ensuring that any negative effects on competition caused by the additional aid are countered adequately. Moreover, Corsair will permanently relinquish 700 timeslots at Paris-Orly airport and will cease 97 rotations from metropolitan France to Fort de France, Pointe à Pitre and Réunion over the 2025/2026 financial year.

([53]) Eurocontrol, European Aviation Overview, 23 January 2025. Corsair data extracted from the Gwailor project, 23 May 2025, p.11.
([54]) IATA, The Value of Air Transport to France, source Oxford Economics, 2023.

5.3.2.3. Weighing up the positive effects of the aid with the negative effect on the internal market

(334) A State aid measure is compatible with the internal market under Article 107(3)(c) TFEU where its positive effects outweigh its negative effects. The R&R Guidelines set out the criteria under which the Commission assesses the compatibility of aid for the restructuring of an undertaking in difficulty with the internal market, ensuring that the development of the economic activity in question does not adversely affect trading conditions to an extent contrary to the common interest.

(335) In the R&R Guidelines, the Commission laid down the criteria that it examines when assessing the compatibility of an undertaking's restructuring aid with the internal market, ensuring that the development of the economic activity in question does not adversely affect trading conditions to an extent contrary to the common interest. The Commission also provided for the possibility of changing restructuring aid already approved by setting compatibility conditions for such changes in point 124 of the Guidelines.

(336) In the present case, the assessment set out in Sections 5.3.1 and 5.3.2 (and also in Section 5.3.3 as regards the 'one time, last time' principle) shows that the conditions set out in the Guidelines are met and that all the concerns raised by the Commission in its opening decision have been dispelled. Corsair's restructuring plan provides for a return to viability; the increase in restructuring costs and the amount of aid are offset by an increase in the own contribution and the reinforcement of measures intended to limit distortions of competition.

(337) Finally, while the increase of the aid and the extension of the restructuring plan have non-negligeable effects on the air transport sector, it should be stressed that this amended aid makes it possible to address market failure and prevent social hardship which could affects areas constrained by their insularity and remoteness. The Commission also takes into account the fact that the routes served by Corsair do not link two different EU Member States but rather French territories either with third countries or, more decisively, with the outermost regions affected by the specific constraints identified in Article 349 TFEU (Guadeloupe, Martinique, Réunion, Saint Barthélemy and Saint-Martin) where it contributes to territorial continuity with metropolitan France. Corsair's restructuring aid therefore does not unduly affect trade between Member States given the limited interest operators in other Member States have in serving these routes, for various reasons of their own (see recital 16).

(338) Consequently, the positive impact of the amended restructuring aid on the development of the economic activity in question outweighs the potential negative effects on competition and trade, which are therefore not adversely affected to an extent contrary to the common interest.

5.3.2.4. Conclusion on the compatibility

(339) In light of the findings of the assessment set out above, the Commission is of the opinion that the new restructuring aid complies with the main requirements of the R&R Guidelines, and, consequently, that the trading conditions in the internal market are not adversely affected to an extent contrary to the common interest, so that the restructuring aid is compatible with the internal market in line with Article 107(3)(c) TFEU.

5.3.3. *Compatibility of the additional aid granted to Corsair during the restructuring period*

(340) In its opening decision (see recitals 116 to 118), the Commission found that the additional aid received by Corsair during the restructuring period had not been individually notified, contrary to the requirements set out in point 129 of the R&R Guidelines. The French authorities acknowledged that, since Corsair was an undertaking in difficulty at 31 December 2019, it should not have benefited from the arrangements implemented as part of the Temporary Framework, and they admitted that an error may have been made in the exceptional context of the COVID-19 crisis (see recitals 18 to 21). They nonetheless expressed their hope that a solution could be found to regularise the situation.

(341) The Commission reiterated that, in line with the 'one time, last time' principle set out in point 70 of the R&R Guidelines, an undertaking that had already benefited from restructuring aid could not receive new aid of this kind during the implementation of the plan. In this case, Corsair continued to request and receive several instances of public aid between March 2021 and April 2022, when it was already undergoing restructuring.

(342) Even though the COVID-19 pandemic could justify some compensation for losses linked to travel restrictions, the Commission noted that the French State's interventions (amounting to EUR 32.4 million in additional aid) came on top of the EUR 136.9 million already approved in 2020. This recurring character of the aid raised a serious doubt as to compliance with the 'one time, last time' principle and the appropriateness of the first restructuring operation.

(343) Consequently, and in the absence of any alternative legal basis to assess the compatibility of the aid with the internal market, the Commission found that doubts remained as to its compatibility under Article 107(3)(c) TFEU, in particular as regards the restoring of Corsair's long-term viability, the aid's proportionality and the appropriateness of the measures intended to limit distortions to competition.

(344) In this context, the Commission noted that, on 19 December 2025, Corsair had proceeded to voluntarily pay back the full amount of EUR 32.4 million corresponding to the additional aid granted in 2021 and 2022, including the associated interest. The actual recovery of the unlawful aid deprives Corsair of the advantage conferred on it by the aid and dispels any risk of a double intervention by the State or of unauthorised cumulation of aid. Subsequently, the non-compliance detected has been fully regularised and doubts have been dispelled, in particular as regards the aid's proportionality and the appropriateness of the measures intended to limit distortions to competition.

(345) In view of the 'one time, last time' principle set out in point 70 of the R&R Guidelines, the assessment of the reception of additional unlawful aid must take into account the circumstances during the period in which the aid was granted (i.e. between April 2021 and May 2022); these circumstances were marked by the continued effects across the globe of the deepest crisis air transport has ever faced since its inception. These effects were made all the worse in the case of Corsair because the airline served almost solely territories where air travel was seriously restricted on public health grounds and unavoidable circumstances (recitals 19 and 20).

(346) These combined circumstances and effects contributed to increasing Corsair's losses beyond what the restructuring plan had accounted for. When the Commission approved the restructuring aid in December 2020, the cumulated losses expected between 2020 and 2022 came to EUR [...] million. The actual losses for that period came to EUR [...] million ([55]). This difference was far from offset by the other aid compatible under Article 107(2)(b) TFEU approved at the time ([56]).

(347) Lastly, it transpires that unlawful aid was granted during the implementation of the restructuring plan. Even if it were to be analysed as additional aid (despite having been recovered) covering the costs incurred in 2021 ([57]), this aid remains well below the additional own contribution to cover the restructuring costs with regard to the total amount, and well below the restructuring aid approved in December 2020 in addition to the measures covered by this Decision (Table 1). Furthermore, the gap between the restructuring costs estimated in December 2020 and the costs actually incurred in 2021 by Corsair rules out the possibility of the same costs being covered by the restructuring aid and any unlawful aid.

([55]) Decision of December 2020, Table 1, footnote on page 3 above and revised restructuring plan.
([56]) Decision of December 2020, footnote on page 4 above.
([57]) The Commission notes in this respect that the aid concerned received by Corsair in 2022 was granted to compensate for the costs it incurred up to the end of 2021 (see extension decision, recital 21(iii) and the decision referred to in the footnote on page 12 of the extension decision).

(348) In these conditions, receiving unlawful aid in the amount of EUR 32.4 million due to exceptional and unforeseeable circumstances not imputable to Corsair allows for an exception to be made to the 'one time, last time' principle set out in point 72(c) of the R&R Guidelines. Consequently, and taking into account the repayment in full of this aid and its associated interest, the granting of this aid is not an obstacle to the granting of additional aid intended to finance the revised restructuring plan and has no bearing on the way the latter is counted (see recital 119).

(349) An exception such as referred to in recital 348 is not required for the EUR 6 million in support from the local authorities in the overseas regions via OMRP which underpinned the initial restructuring plan that was the subject of the 2020 decision. Although this support turned out to constitute unlawful aid, it was already planned in the initial restructuring plan and was paid together with the other instances of restructuring aid and for the same purpose, as part of the same operation, so that it does not constitute repeated instances of aid which may be in breach of the 'one time, last time' principle set out in points 70 and 71 of the R&R Guidelines. It is a component of the restructuring operation, the overall financing of which is specified in Table 1, which must be deemed to be aid compatible with the internal market for the same reasons that applied to the aid approved in the 2020 decision, also taking into account the tenor of recital 331.

(350) Consequently, the Commission finds that the previously expressed doubts as to the granting of the additional instances of aid have been dispelled. Therefore, these instances of unlawful aid recovered in the meantime no longer call into question the compatibility with the internal market, within the meaning of Article 107(3)(c) TFEU, of the aid underpinning the revised restructuring plan.

5.4. **Misuse of the restructuring aid**

(351) In its extension decision, the Commission reiterated that, in line with Article 107(3)(c) TFEU, aid to facilitate the development of certain economic activities may be considered compatible with the internal market where such aid does not adversely affect trading conditions to an extent contrary to the common interest.

(352) The Commission also reiterated the provisions of Article 108(2) TFEU and Article 20 of Regulation (EU) 2015/1589, which state that any misuse of aid may result in the Member State concerned having to change or abolish it.

(353) In its 2020 decision, the Commission found Corsair's restructuring aid to be compatible with Article 107(3)(c) TFEU subject to full compliance with the restructuring plan and the measures limiting distortions of competition that were included therein (recital 101 of the opening decision). Moreover, the French authorities had committed to submitting biannual reports to the Commission in order to ensure regular monitoring of the implementation of the plan, the aid disbursements and any deviations from the initially approved financial trajectories (recital 102 of the 2020 decision).

(354) In accordance with points 122, 126 and 129 of the R&R Guidelines, any failure in the implementation of the plan or any additional aid granted outside the initial decision must be notified to the Commission and must be considered to be misuse of the initial aid.

5.4.1. *The requirement to limit the fleet to nine aircraft*

(355) In its opening decision, the Commission found that use of Corsair's restructuring aid in breach of commitments undertaken pursuant to the 2020 decision, in particular the limitation of the fleet to nine aircraft as laid down in recital 88(b) of that decision, could constitute misuse of the aid within the meaning of Article 108(2) TFEU (recital 65 of the extension decision). Should this be the case, the Commission should then decide whether or not France should abolish the approved aid by recovering it or by amending it within a deadline to be determined.

(356) On the basis of observations made by competitors and the information communicated by the French authorities, the Commission found that, over the 2023 and 2024 IATA summer seasons, Corsair had operated a fleet made up of at least ten aircraft by repeatedly chartering aircraft for extended periods of time (recitals 48 to 62 of the extension decision). The French authorities acknowledged that limits had been exceeded while stating that these were one-off instances that were justified due to exceptional circumstances beyond Corsair's control (see recital 49 of the extension decision).

(357) However, as regards the size of Corsair's fleet for 2021 and 2022, the information given by the French authorities shows that any exceeding of the limit laid down in the 2020 decision could be explained by the latency inherent to the registration process for aircraft and not by the chartering of a tenth plane (see recital 62 of the extension decision).

(358) In this context, the Commission held that exceeding the maximum fleet approved could constitute misuse of the aid within the meaning of Article 20 of Regulation (EU) 2015/1589 (see recital 65 of the extension decision). It therefore decided to expand the formal scrutiny procedure to assess whether this breach of the fleet limit called into question the compatibility of the restructuring aid approved in the 2020 decision, and where applicable, to check the actual size of Corsair's fleet during the extended restructuring period.

5.4.2. *Assessment of the changes to be made to the restructuring aid*

(359) However, the information submitted by France show the de minimis character of the identified departures from the 2020 decision; this is not contradicted by third-parties' observations.

(360) In particular, the Commission notes that Corsair's use of additional aircraft since 2020 remained strictly exceptional, justified by external circumstances beyond the company's control (such as delivery delays, safety imperatives or maintenance operations) and did not in practice result in the ceiling of nine aircraft as laid down in the 2020 decision ever being actually exceeded. These one-off instances, representing less than [...]% of the activity covered by the restructuring plan, were shown to be limited in duration and without any significant impact on competition, as confirmed by the study submitted by the French authorities (see recital (xx). Furthermore, the Commission notes that the extended formal investigation procedure did not determine that Corsair had exceeded the fleet ceiling either in 2021 or 2022. The interested parties did not provide any evidence to contradict the explanations given by the French authorities as set out in recital 357. The only instances where Corsair was found to have exceeded the ceilings concern the events of 2023 and 2024.

(361) Therefore the Commission holds that even should a formal irregularity be noted, it is strictly negligible. The Commission thus considers that, rather than impose any recovery of the restructuring aid concerned, an amendment of the aid constitutes a sufficient measure to address the irregularities identified, in accordance with Article 108(2) TFEU.

(362) In this case, the Commission considers that since the misuse concerns a measure limiting distortions of competition, an appropriate amendment of the aid must also be made to the competition measures plan. Additional conditions or measures are therefore necessary so as to reduce distortions of competition compared with the measures planned for the initial aid and which go beyond the measures calibrated in relation to the new aid. The permanent relinquishing of 700 timeslots at Paris-Orly airport and the decrease of rotations from metropolitan France to Fort de France, Pointe à Pitre and Réunion will meet this requirement. These are measures that reduce the barriers to entry or facilitate the expansion of competitors based in Paris-Orly, in the first case, and which target specific routes where the temporary chartering of a tenth plane may have had direct or indirect effects, in the second case.

(363) For both measures, since neither of them applied to the initial restructuring aid, setting them as conditions results in changes to the aid already approved. However, there is no need to formally distinguish measures to be taken or commitments proposed by France from the specific conditions that amend the initially approved aid. Thus, all the terms to be complied with by France – by Corsair if need be – must be reflected in the conditions attached to approval of the aid.

5.5. **Monitoring compliance with the decision**

(364) Moreover, given the instances where additional aid was granted to Corsair in 2021 and 2022, and the non-compliance with the limitations on the size of the aircraft fleet in 2023 and 2024, strict compliance with all the conditions set out in this Decision should be ensured, as should the ability to check it is the case. To this end, the Commission deems it necessary to introduce an obligation to allow it to check compliance with its decision, that France will have to abide by, through the intermediary of a trustee independent of both the French authorities and Corsair. This trustee, who will have to be approved by the Commission, will be responsible for the close monitoring of compliance with the conditions set out in the decision, including precise implementation of the revised restructuring plan and checking of the results achieved compared with those expected in the corresponding financial trajectories. The French authorities, in cooperation with Corsair, will pass on any information and take all measures necessary so that the trustee can duly discharge their duties. The trustee will submit regular reports to the Commission,

HAS ADOPTED THIS DECISION:

Article 1

1. The restructuring aid in the amount of EUR 167.8 million, of which EUR 80 million by way of the cancellation of public debts corresponding to the amount of State loans granted as part of the 2020 restructuring plan, and EUR 87.8 million by way of additional aid, that the French Republic is planning to implement for the benefit of the economic entity comprising Corsair SAS and all the subsidiaries under its control, and also the EUR 6 million already granted to Corsair SAS in 2020 as part of the investment made by the company Outre-Mer R-Plane in Corsair, are compatible with the internal market, subject to the conditions laid down in Article 2.

Article 2

1. The French Republic shall ensure that Corsair SAS, or its subsidiaries where applicable, fully and immediately implements the measures included in the revised restructuring plan as described in this Decision.

2. The French Republic shall ensure that Corsair SAS, or its subsidiaries where applicable, fully and immediately implements the measures limiting distortions of competition as described in this Decision, namely:

(a) limiting Corsair SAS's fleet to nine aircraft until the end of the revised restructuring period;

(b) reducing by 97 rotations the number of rotations carried out by Corsair SAS between Paris-Orly airport and the airports of the three destinations, Pointe-à-Pitre, Fort-de-France and Réunion, until the end of the revised restructuring period;

(c) relinquishing irrevocably 700 timeslots at Paris-Orly airport as soon as possible and at the latest before the end of the revised restructuring period;

(d) making available to one or more third parties as soon as possible 800 timeslots at Paris-Orly airport until the end of the revised restructuring period;

(e) offering and negotiating in good faith commercial agreements with airlines that so wish, until the end of the revised restructuring period;

(f) refraining from acquiring shares in any company, except where it is essential to ensure the long-term viability of Corsair SAS, or of its subsidiaries where applicable, and in that case, subject to the Commission's approval of the purchase, during the entire revised restructuring period; and

(g) refraining from presenting State support as a competitive advantage when marketing their products and services, during the entire revised restructuring period.

Article 3

1. The French Republic shall submit regular reports on the implementation of the restructuring plan and compliance with the conditions of this Decision, every three months from the date of adoption of this Decision and until the end of the revised restructuring period.

2. The reports shall be submitted through a trustee independent of the beneficiary; the choice of the trustee shall be validated by the Commission within 30 days of the adoption of this Decision.

3. The reports shall specify the dates of disbursement or actual granting of the aid and the beneficiary's own contribution, developments of the network, the market position, the aircraft fleet and its use by Corsair SAS. The reports shall investigate any departure from the financial or operational trajectories in the revised restructuring plan in terms of revenue, cost control and reduction, and the results achieved through the restructuring; where applicable they shall show the corrective measures implemented or to be implemented to achieve the results set out in the plan. Compliance with the conditions set out in Article 2 of this Decision shall be assessed comprehensively by the trustee in each report in order to address without delay any departure detected or foreseeable.

Article 4

This formal investigation procedure laid down in Article 108(2) of the Treaty on the Functioning of the European Union, in so far as it concerns State aid in the amount of EUR 32.4 million granted by the French Republic between 2021 and 2022 to Corsair SAS in breach of Article 108(3) of the Treaty on the Functioning of the European Union, and since it has been established that Corsair SAS has repaid the aid with interest, is devoid of purpose.

Article 5

The French Republic shall inform the Commission, within one month of notification of this Decision, of the measures it has taken and intends to take to comply therewith.

Article 6

This Decision is addressed to the French Republic.

Done at Brussels, 23 December 2025.

For the Commission
Teresa RIBERA
Executive Vice-President