

AVATION PLC
(“Avation” or “the Company”)

SUSTAINABLE FUEL AND DECARBONISATION GROWTH STRATEGY

Avation PLC (AVAP: LSE), the commercial passenger aircraft leasing company advises that it has established a low carbon transition pathway for its ATR orderbook to sustain its future growth.

ATR are a world leader in regional aviation with dominance of the regional turboprop aircraft market. The ATR family of turboprop aircraft emit up to 40% less carbon versus comparable regional jets. More than half of Avation’s fleet by number is already comprised of ATR 72 aircraft. Furthermore, Avation has an orderbook of two firm ATR 72-600 aircraft to be delivered in 2024 and 28 purchase rights.

Existing ATR 72-600 aircraft are certified by the European Union Aviation Safety Agency (“EASA”) for the use of up to 50% sustainable aviation fuel (“SAF”). SAF is the main term used by the aviation industry to describe a nonconventional (fossil derived) aviation fuel. At least one of Avation’s existing airline customers is already using a blend of SAF in its operations under this certification. As at the date of this announcement, the price of jet fuel is at or near its record high. The Company believes that high fuel prices will increase demand for new technology aircraft and engines with better fuel efficiency, lower carbon footprint and the ability to use SAF.

ATR have recently announced the introduction of aircraft powered by the new Pratt and Whitney Canada PW127XT engine which is expected to have 20% lower maintenance costs, extended time on wing, 3% lower fuel consumption and 5% more power compared with the existing engine variant. Moreover, the manufacturer expects that the PW127XT engine will be certified to operate with 100% SAF from 2025. When using SAF net emissions of CO₂ will be reduced by 80%. Avation’s future orders will include this new engine variant or its successors.

On 18 May 2022, ATR announced the intention to develop and launch the ATR EVO next generation aircraft programme, targeting a further 20% fuel efficiency improvement, close to net zero CO₂ emissions (when using 100% SAF) and a 20% overall reduction in maintenance costs, with plans for a new powerplant with hybrid capability and will combine existing and future technologies. ATR aims to launch the EVO programme in 2023 and targets an entry into service before 2030.

Executive Chairman Jeff Chatfield said “Being a longstanding customer of ATR, Avation is extremely pleased with ATR’s plan for technological developments of its aircraft which target close to net zero CO₂ emissions and increased usage of SAFs. We are excited by the technology pipeline for aviation in relation to which we believe ATR to be in the vanguard. We believe that our airline consumers will require a considerable number of such sustainable aviation technology aircraft as the world accelerates its progression towards global net zero carbon emissions targets. We believe that ATR’s planned developments are also very timely in the context of the record high fuel prices and fuel price volatility.

“In 2019, Avation financed three ATR aircraft with a “green loan” made under the UK Loan Market Association’s Green Loan Principles. We remain supportive of further developments in efficiency and reductions in CO2 emissions, from which we stand to benefit through our ATR orderbook.”

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Avation welcomes shareholder questions and comments and advises the email address is: investor@avation.net

Notes to Editors:

Avation PLC is an aircraft leasing company, headquartered in Singapore, owning and managing a fleet of commercial passenger aircraft which it leases to airlines around the world. More information on Avation is available at www.avation.net.