

Via RNS and SGXNET

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

**PHILIPPINE AIRLINES RESTRUCTURING**

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, advises that its customer Philippine Airlines (“**PAL**”) has filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in order to complete a prearranged restructuring process. Avation and PAL have agreed terms for PAL to retain the use of a Boeing 777-300ER aircraft on lease from Avation.

PAL have advised that sufficient creditors, including Avation, have agreed to support the restructuring and the airline has a high level of confidence that the process will be completed successfully. A successful restructuring will ensure that Avation’s aircraft will remain with PAL and that Avation will recommence collecting cash rent on the aircraft for the first time since mid-2020. Under the restructuring, Avation will also be entitled to receive payments relating to utilisation since 1 September 2020 on a power by the hour basis and a promissory note for a portion of rent outstanding for the period prior to 1 September 2020. The Company believes that this is a positive outcome given the current market environment for twin-aisle aircraft. The outcome is that the lease will continue to its original scheduled termination, following an initial period on a power by the hour basis the lease will revert to current market rate fixed rents and maintenance reserves.

Avation’s Executive Chairman, Jeff Chatfield said: “A successful restructuring outcome for Philippine Airlines would amount to significant step forward to provide Avation with certainty on lease duration in respect of its Boeing 777-300ER. A successful restructuring returns this aircraft to revenue generation and ensures rent collection which is a positive outcome for Avation.”

-ENDS-

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Avation welcomes shareholder questions and comments and advises the email address is: [investor@avation.net](mailto: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](http://www.avation.net).