

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

SALE OF AIRCRAFT, TRADING UPDATE, AND RESPONSE TO ANALYST QUESTION

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, advises that it has completed the sale of the first of a series of three ex-Virgin Australia Airlines ATR72-600s to Aegean Airlines.

Trading update

The company finished the period ended 31 December 2021 with 42 aircraft in the fleet of which 50% were modern narrowbody commercial aircraft. The average age was 5.3 years with remaining lease duration of 6.0 years. The fleet has unearned contracted revenue from operating leases of \$575 million (unaudited) and an additional \$64 million (unaudited) of minimum lease payments receivable under finance leases.

The collection rate of cash compared with contracted revenues as at the month of December 2021 was 171% (unaudited) with year-to-date 31 December 2021 cash collection rate of 91%. The cash and bank balances as at 31 December 2021 were \$121 million (unaudited).

Response to Analyst Question

In respect of Philippine Airlines 777-300 aircraft power by the hour rent collections for the period September 2021 to November 2021 the average monthly rental was around 95% of the notional level of the applicable contracted fixed rent.

The sale of three ATR aircraft to Aegean Airlines, in addition to the sale of an Airbus A321 and an Airbus A220 previously announced since 1 July 2021, will increase liquidity and release approximately \$42 million in aggregate net proceeds.

Results Announcement

The company is expected to release its unaudited results for the first half of the financial year ended 31 December 2021 on 3 March 2022.

Avation’s Executive Chairman, Jeff Chatfield said: “We see the air travel industry experiencing a gradual recovery from COVID-19 with most of our airline clients having navigated to stabilization of activity levels. We expect that the results for the first half will demonstrate certain improvements, albeit remain a loss. The Company sees improvements in liquidity, revenue collections and a gradual stabilisation of the business. The Company expects material receipts in the coming months from the sale of aircraft, the creditor pay out from the Virgin Australia administration and the PAL restructuring as well as continued collection of debtors and cashflow from operations.”

-ENDS-

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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.