

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

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, announces unaudited results for the six months ended 31 December 2025.

Financial Highlights

- Revenue and other income increased to US\$56.0 million (2024: US\$55.4 million);
- Operating profit increased to US\$29.3 million (2024: US\$18.8 million);
- Total cash was US\$104.8 million (30 June 2025: US\$130.0 million) after paying cash for a new ATR 72-600 in December 2025;
- Ten aircraft unencumbered at 31 December 2025 (30 June 2025: six);
- Net indebtedness reduced by US\$61.5 million to US\$542.7 million (30 June 2025: US\$604.2 million), representing 54.7% of total assets (30 June 2025: 54.8%);
- In November 2025 Avation Group (S) Pte Ltd issued US\$300 million 8.5% unsecured notes due May 2031. The proceeds were used to fully redeem the group’s outstanding 8.25% unsecured notes due 2026;
- Ratio of net debt to EBITDA improved to 5.1x (30 June 2025: 5.6x); and
- Net asset value per share increased by 2.6% to £2.74 (30 June 2025: £2.67).

Operational Highlights

- In October 2025 the Company agreed a four-year extension to a lease for an Airbus A330-300 widebody aircraft with EVA Air. The lease will now run to November 2031;
- In August 2025 Avation sold a Boeing 777-300ER widebody aircraft realising a gain of US\$4.1 million;
- In December 2025 Avation took delivery of a new ATR 72-600 which has been placed on a 12-year lease to Korean airline Sum Air; and
- Two ATR 72-600 aircraft have recently been transitioned to new 6-year leases with existing customers PNG Air and Clic Air. A third ATR 72-600 aircraft is due to transition to a new 6-year lease with a Croatian airline in March.

Overview

Avation PLC is a commercial passenger aircraft leasing company focused on the acquisition, leasing and management of modern, fuel-efficient commercial aircraft. The Company’s

strategy is to generate stable long-term cash flows through secured lease contracts with airline counterparties globally, supported by disciplined capital management.

The Company derives the majority of its income from fixed-rate operating lease rentals and associated maintenance reserve contributions.

Avation continued to focus on:

- Maintaining high fleet utilisation;
- Securing long-term lease agreements with creditworthy counterparties;
- Active asset management and remarketing;
- Strengthening the balance sheet through refinancing and maturity extension; and
- Identifying opportunities to acquire new and used aircraft to grow the portfolio.

This report should be read in conjunction with the Company's Annual Report and Audited Financial Statements for the year ended 30 June 2025.

Market

According to IATA, in 2025 global passenger traffic grew 5.3% year-on-year. Both domestic and international passenger traffic growth moderated in 2025. Domestic traffic increased by 2.4% year-on-year, while international traffic expanded by 7.1%. Passenger load factors increased to 83.6%, the highest on record for any year. Continued growth in the overall air travel market is supportive for commercial aircraft leasing.

Fleet and Leasing Activity

The number of aircraft in Avation's fleet is unchanged since 30 June 2025 at 33 aircraft following the sale of a Boeing 777-300ER in August 2025 and delivery of a new ATR 72-600 aircraft in December 2025. The fleet is set to grow through nine further deliveries of ATR 72-600 aircraft on order from the manufacturer. The nine ordered aircraft are scheduled for delivery between the second quarter of this year and the second quarter of 2028.

The first of these nine aircraft is scheduled for delivery in April 2026 and will be placed on lease to Cambodia Airways for 12 years. A second aircraft, scheduled for delivery later this year, has also been placed with Cambodia Airways on a 12-year lease. A total of four new aircraft deliveries are expected this year, based on the manufacturer's current production schedule.

Avation was pleased to conclude a four-year extension to the lease of its remaining widebody aircraft in October. This extension, which was agreed more than two years ahead of the scheduled expiry of the lease, is an indicator of the continued strong demand for leased aircraft.

Two ATR 72-600 aircraft have been transitioned to new lessees recently following the expiry of their lease to Mandarin Airlines. A third aircraft will be transitioned to a new lessee in March. Avation has one additional ATR 72-600 aircraft coming off lease in May and is currently in discussion with prospective new lessees for the aircraft.

Avation's customer for two ATR 72-600 aircraft Braathens Regional Airways AB entered administration in October 2025 and the Company has terminated the leases for both aircraft. The aircraft were both redelivered to Avation recently and the Company is currently seeking replacement lessees. The Company is still evaluating the financial impacts, if any, of the termination of the leases to Braathens.

Avation was recently notified that following a technical failure, one of its Airbus A220-300 aircraft on lease to Air Baltic has been classified as unrepairable and is deemed to be a total loss. Avation will receive an insurance claim settlement of US\$33.4 million as compensation

for loss of the aircraft which is in line with its book value. It is expected that the claim settlement will be paid shortly.

Capital Structure and Financing

The Company was pleased to close the issuance of US\$300 million 8.5% unsecured notes due May 2031 in November 2025 ("Notes"). The new Notes, which represent just over 50% of Avation's total debt, provide the Company with a stable long-term capital structure, support operational stability, and remove the near-term refinancing risk inherent in the group's previous note issue which was due to mature in October 2026.

The Notes are rated B by Fitch Ratings, B2 by Moody's and B by S&P Global Ratings. The rating agencies also provide corporate ratings for Avation of B (outlook stable), B1 (outlook stable) and B (outlook stable) respectively.

During the period the Company repurchased 5,181,996 ordinary shares at an average price of 147 pence per share and issued a total of 890,978 shares pursuant to exercises of employee and bondholder warrants. As a result of these actions the number of shares in issue less treasury shares has been reduced by 6.4% from 66,588,737 at 30 June 2025 to 62,297,739 at 31 December 2025.

The Company paid an interim dividend of 1.0 US cents per share in respect of the financial year ended 30 June 2025 in October 2025.

The Group continues to manage leverage levels prudently, with a focus on maintaining adequate headroom under debt facilities and compliance with financial covenants.

Executive Chairman, Jeff Chatfield, said:

"We are pleased to present these results for the six-month period ended 31 December 2025 which show continued stable cash flow generation from a fully utilised fleet with ten unencumbered aircraft.

We are particularly pleased to report the successful refinancing of our near-term unsecured debt obligations with a new long-dated issue of US\$300 million unsecured Notes in November 2025. The extended maturity for the new Notes creates stability in our capital structure and provides a platform for future fleet growth.

The result for the period includes the final expenses recorded in relation to amortisation of the 2021 accounting gain on modification of the terms of our previous bond issue and the full redemption of the bonds in November 2025. These non-cash expenses, totalling US\$13.0 million, are non-recurring and stripping their impact from our half-year results reveals the underlying strength of the Company's financial performance.

Demand for passenger air travel continues to grow steadily and long OEM order backlogs, supply chain issues and delays to new aircraft deliveries are all supportive for aircraft lessors such as Avation. These factors have contributed to increased demand for lease extensions, which is notably illustrated by our agreement of a four-year lease extension with EVA Air for an Airbus A330-300 widebody aircraft in October 2025. This extension was negotiated over two years ahead of the scheduled expiry date for the lease.

Avation enters the second half of the financial year with a contracted lease portfolio providing visibility of cash flows, extended debt maturities following the successful refinancing of our unsecured debt obligations and continued demand for leased aircraft amid constrained new aircraft supply.

Management remains focused on portfolio optimisation, disciplined capital allocation and maintaining financial flexibility.

The Board believes that the Company is well positioned to navigate prevailing market conditions while continuing to generate long-term shareholder value."

Financial Summary

US\$ '000s	Six months ended 31 December,	
	2025	2024
Revenue	55,547	52,980
Other income	454	2,468
	56,001	55,448
EBITDA (1)	54,027	55,553
Operating profit	29,258	18,816
Profit/(loss) before tax	(5,681)	(9,769)
Profit/(loss) after tax	(4,901)	868
EPS	(7.56c)	1.23c
US\$ '000s	31 December 2025	30 June 2025
Fleet assets (2)	744,836	819,807
Total assets	992,512	1,101,935
Cash and bank balances (3)	104,788	129,975
Unrestricted cash and cash equivalents	46,004	48,102
Net asset value per share (US\$) (4)	\$3.70	\$3.66
Net asset value per share (GBP) (5)	£2.74	£2.67

- EBITDA is a non-GAAP financial measure used as an indicator of a company's ability to incur and service debt. EBITDA has been calculated as the sum of profit before tax, finance expenses, depreciation and impairment and unrealised losses on aircraft purchase rights and deposits paid for aircraft. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies.
- Fleet assets are defined as property, plant and equipment plus assets held for sale plus finance lease receivables.
- Cash and bank balances as at 31 December 2025 comprise cash and cash equivalents of US\$46.0 million (30 June 2025: US\$48.1 million), restricted cash balances of US\$58.8 million (30 June 2025: US\$80.8 million) and investment in fixed term deposits US\$nil (30 June 2025: US\$1.0 million).
- Net asset value per share is total equity divided by the total number of shares in issue, excluding treasury shares.
- Based on GBP:USD exchange rate as at 31 December 2025 of 1.35 (30 June 2025:1.37).

Aircraft Fleet

Aircraft Type	31 December 2025	30 June 2025
Boeing 777-300ER	-	1
Airbus A330-300	1	1
Airbus A321-200	6	6
Airbus A320-200	3	3
Airbus A220-300	5	5
ATR 72-600	14	13
ATR 72-500	4	4
Total	33	33

At 31 December 2025, Avation's fleet comprised 33 aircraft, including three aircraft on finance lease. Avation currently serves 16 customers in 15 countries. The weighted average age of the fleet is 8.8 years (30 June 2025: 8.5 years) and the weighted average remaining lease term is 4.3 years (30 June 2025: 3.9 years).

Avation sold a Boeing 777-300ER widebody aircraft during the period generating a gain on sale of US\$4.1 million. The Company also acquired a new ATR 72-600 turboprop aircraft in late December which has been placed on a 12-year fixed rate lease agreement with an airline

in Korea. Avation's fleet comprises 61% narrowbody, 31% turboprop and 8% widebody aircraft by book value as at 31 December 2025. Fleet assets have decreased 9.1% to US\$744.8 million (30 June 2025: US\$819.8 million) principally due to the Boeing 777-300ER sale noted above. During the six months ended 31 December 2025 all aircraft were on lease.

Avation has nine new ATR 72-600 aircraft on order for delivery between Q2 2026 and Q2 2028 and purchase rights for a further 24 aircraft as at 31 December 2025.

Debt summary

US\$ '000s	31 December 2025	30 June 2025
Current loans and borrowings	45,638	70,084
Non-current loans and borrowings	543,086	582,253
Total loans and borrowings	588,724	652,337
Unrestricted cash and bank balances	46,004	48,102
Net indebtedness (1)	542,720	604,235
Net debt to total assets	54.7%	54.8%
Net debt to EBITDA	5.1x	5.6x
Weighted average cost of secured debt (2)	5.1%	5.2%
Weighted average cost of total debt (3)	6.8%	6.6%

1. Net indebtedness is defined as loans and borrowings less unrestricted cash and bank balances.
2. Weighted average cost of secured debt is the weighted average interest rate for secured loans and borrowings at period end.
3. Weighted average cost of total debt is the weighted average interest rate for total loans and borrowings at period end.

Net indebtedness was reduced by 10.2% to US\$542.7 million (30 June 2025: US\$604.2 million).

The weighted average cost of total debt has increased to 6.8% at 31 December 2025 (30 June 2025: 6.6%) largely due to an increase in the Company's unsecured debt coupon from 8.25% to 8.50% following the successful issue of US\$300 million unsecured notes due May 2031 in November 2025. The weighted average cost of secured debt decreased to 5.1% at 31 December 2025 (30 June 2025: 5.2%).

At the end of the period, Avation's net debt to total assets ratio improved slightly to 54.7% (30 June 2025: 54.8%). At 31 December 2025, 84.0% of total debt was at fixed or hedged interest rates (30 June 2025: 84.2%). The ratio of unsecured debt to total debt was 50.1% (30 June 2025: 45.3%).

Financial Analysis

Revenue

US\$ '000s	Six months ended 31 December,	
	2025	2024
Lease rental revenue	44,108	44,558
Less: amortisation of lease incentive assets	(1,540)	(1,628)
	42,568	42,930
Interest income from finance leases	420	780
Maintenance reserves revenue	10,299	9,270
End of lease compensation	2,260	-
	55,547	52,980

Lease rental revenue decreased by 1.0% from US\$44.6 million in the six months ended 31 December 2024 to US\$44.1 million in the six months ended 31 December 2025. The decrease

was principally due to the sale of a Boeing 777-300ER aircraft in August 2025 partially offset by an increase in the US dollar equivalent value of the Company's Euro-denominated lease revenue. All of Avation's aircraft were on-lease throughout the period.

Interest income from finance leases decreased by 46.2% from US\$0.8 million in the six months ended 31 December 2024 to US\$0.4 million in the six months ended 31 December 2025. The reduction was principally due to fewer aircraft on average leased on finance leases during the six months ended 31 December 2025. There were three aircraft leased on finance leases at 31 December 2025.

Other income

US\$ '000s	Six months ended 31 December,	
	2025	2024
Fees for late payment	269	753
Foreign currency exchange gain	-	1,002
Claim recovery	-	442
Others	185	271
	454	2,468

Fees charged for late payments reduced by 64.3% from US\$0.8 million in the six months ended 31 December 2024 to US\$0.3 million in the six months ended 31 December 2025. The reduction is due to reduced levels of arrears throughout the period.

Claim recoveries recognised in other income in the six months ended 31 December 2024 are distributions paid to creditors of Virgin Australia in excess of amounts allocated to trade receivables.

Foreign currency exchange gains in the six months ended 31 December 2024 arose principally from the revaluation of Euro-denominated loans during the period.

Administrative expenses

US\$ '000s	Six months ended 31 December,	
	2025	2024
Staff costs	3,055	2,875
Other administrative expenses	2,551	1,725
	5,606	4,600

Staff costs increased by 6.8% from US\$2.9 million in the six months ended 31 December 2024 to US\$3.1 million in the six months ended 31 December 2025 principally as a result of inflationary salary increments.

Other administrative expenses increased by 47.9% from US\$1.7 million in the six months ended 31 December 2024 to US\$2.6 million in the six months ended 31 December 2025. The increase in the six months ended 31 December 2025 was principally due to additional audit and accounting fees of US\$0.4 million associated with the update of the Company's GMTN programme documentation and US\$0.2 million of fees paid to retained contractors for commercial marketing services.

Finance income

US\$ '000s	Six months ended 31 December,	
	2025	2024
Interest income	2,116	2,752
Fair value gain on financial derivatives	-	-
Finance income from discounting non-current deposits to fair value	317	315
Gain on early full repayment of borrowings	-	1,084
	2,433	4,151

Interest income was US\$2.1 million in the six months ended 31 December 2025. Interest income includes distributions from investments in money-market funds. The group deploys surplus cash balances into fixed term deposits and money-market funds while maintaining sufficient liquidity to meet near-term payment obligations.

A gain of US\$1.1 million on early full repayment of borrowings arose when in-the-money interest rate swaps were terminated concurrently with repayment of two loans on the sales of aircraft in August 2024.

Finance expenses

US\$ '000s	Six months ended 31 December,	
	2025	2024
Amortisation of IFRS 9 gain on debt modification	4,188	7,440
Interest expense on secured borrowings	8,139	8,447
Interest expense on unsecured notes	12,477	13,677
Amortisation of loan transaction costs	575	699
Amortisation of interest expense on non-current borrowings	324	314
Loss on repurchases and redemption of unsecured notes	8,790	-
Fair value loss on financial derivatives	2,800	2,002
Others	79	157
	33,184	25,296

Amortisation of IFRS 9 gain on debt modification of US\$4.2 million represents the non-cash accretion in the book value of Avation Capital S.A. 8.25%/9.0% unsecured notes resulting from the accounting treatment of the extension and changes to the terms of the notes agreed with noteholders in March 2021. The extension was accounted for as a substantial modification of a debt instrument in accordance with IFRS 9.

Avation Capital S.A. 8.25%/9.0% unsecured notes were fully redeemed in November 2025. The Company has recognised a loss of US\$8.8 million on the redemption of these notes to write off the difference between the accreted value of the notes and the amount paid on redemption.

Interest expense on secured borrowings reduced by 3.6% to US\$8.1 million in the six months ended 31 December 2025 from US\$8.4 million in the six months ended 31 December 2024 as a result of repayments of secured loans. Secured loans have been reduced by US\$34.9 million from US\$328.7 million at 31 December 2024 to US\$293.8 million at 31 December 2025.

Interest expense on unsecured notes reduced by 8.8% from US\$13.7 million in the six months ended 31 December 2024 to \$12.5 million in the six months ended 31 December 2025. The reduction principally results from repurchases of notes which reduced the average outstanding principal amount.

A non-cash mark-to-market loss of US\$2.8 million arose on the revaluation of interest rate swap agreements as a result of changes in floating interest rates in the six months ended 31 December 2025.

Results Conference Call

Avation's senior management team will host an investor update call on 26 February 2026, at 12:00 PM GMT (UK) / 7:00 AM EST (US) / 8:00 PM SGT (Singapore), to discuss the Company's financial results.

A replay of the investor update call will be made available on the Investor Relations page of the Avation PLC website.

Forward Looking Statements

This release contains certain "forward looking statements". Forward looking statements may be identified by words such as "expects," "intends," "initiate," "anticipates," "plans," "believes," "seeks," "estimates," "will," or words of similar meaning and include, but are not limited to, statements regarding the outlook for Avation's future business and financial performance. Forward looking statements are based on management's current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially due to global political, economic, business, competitive, market, regulatory and other factors and risks. Further information on the factors and risks that may affect Avation's business is included in Avation's regulatory announcements from time to time, including its Annual Report, Full Year Financial Results and Half Year Results announcements. Avation expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in its views or expectations, or otherwise.

Basis of presentation

This announcement covers the unaudited results of Avation PLC for the six months ended 31 December 2025.

Financial information presented in this announcement is being published for the purposes of providing preliminary Group financial results for the six months ended 31 December 2025. The financial information in this preliminary announcement is not audited and does not constitute statutory financial statements of Avation PLC within the meaning of section 434 of the Companies Act 2006. The Board of Directors approved this financial information on 25 February 2026. Avation PLC's most recent statutory financial statements for the purposes of Chapter 7 of Part 15 of the Companies Act 2006 for the year ended 30 June 2025, upon which the auditors have given an unqualified audit, were published on 1 October 2025 and have been annexed to the annual return and delivered to the Registrar of Companies.

All "US\$" amounts in this release are US Dollar amounts unless stated otherwise. Certain comparative amounts have been reclassified to conform with current year presentation.

Enquiries:

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

More information on Avation is available at www.avation.net.

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Note	31 Dec 2025 US\$'000s	31 Dec 2024 US\$'000s
Continuing operations			
Revenue	5	55,547	52,980
Other income	6	454	2,468
		<u>56,001</u>	<u>55,448</u>
Depreciation	11	(18,102)	(18,599)
Gain on disposal of aircraft		4,145	1,713
Unrealised loss on aircraft purchase rights and pre-delivery aircraft deposits paid	16,17	(4,234)	(15,389)
Unrealised loss on equity investment	18	(1,093)	(124)
Reversal of impairment loss on aircraft	11	-	1,402
Aircraft transition expenses		(50)	(180)
(Provision for)/reversal of expected credit losses		(54)	85
Administrative expenses		(5,606)	(4,600)
Legal and professional fees		(1,640)	(940)
Other expenses	7	(109)	-
Operating profit		<u>29,258</u>	<u>18,816</u>
Finance income	8	2,433	4,151
Amortisation of IFRS 9 gain on debt modification of the unsecured notes		(4,188)	(7,440)
Finance expenses	9	(33,184)	(25,296)
Loss before taxation		<u>(5,681)</u>	<u>(9,769)</u>
Taxation		780	10,637
(Loss)/profit from continuing operations		<u>(4,901)</u>	<u>868</u>
(Loss)/profit attributable to:			
Shareholders of Avation PLC		(4,901)	868
Non-controlling interests		-	-
		<u>(4,901)</u>	<u>868</u>
Earnings per share for (loss)/profit attributable to shareholders of Avation PLC			
Basic earnings per share (US cents)		(7.56)	1.23
Diluted earnings per share (US cents)		<u>(7.36)</u>	<u>1.18</u>

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	31 Dec 2025 US\$'000s	31 Dec 2024 US\$'000s
(Loss)/profit from continuing operations	(4,901)	868
Other comprehensive loss:		
<i>Items may be reclassified subsequently to profit or loss:</i>		
Net profit/(loss) on cash flow hedge, net of tax	1,468	(2,003)
	1,468	(2,003)
<i>Items may be reclassified subsequently to profit or loss:</i>		
Revaluation loss on property, plant and equipment, net of tax	-	(561)
Other comprehensive loss, net of tax	(3,433)	(2,564)
Total comprehensive loss for the period	(3,433)	(1,696)
Total comprehensive loss attributable to:		
Shareholders of Avation PLC	(3,433)	(1,696)
Non-controlling interests	-	-
	(3,433)	(1,696)

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	31 Dec 2025 US\$'000s	30 Jun 2025 US\$'000s
ASSETS			
Non-current assets			
Property, plant and equipment	11	732,665	725,134
Finance lease receivables	13	3,546	11,129
Trade and other receivables	12	820	1,005
Pre-delivery aircraft deposits paid	16	13,086	18,218
Derivative financial assets	15	393	836
Aircraft purchase rights	17	86,050	91,740
Lease incentive assets		3,319	4,831
Goodwill	14	1,902	1,902
		841,781	854,795
Current assets			
Finance lease receivables	13	8,625	1,734
Trade and other receivables	12	11,952	9,912
Pre-delivery aircraft deposits paid	16	14,443	10,960
Derivative financial assets		9	714
Investment in equity, fair value through profit or loss	18	8,022	9,115
Lease incentive assets		2,892	2,920
Restricted cash		58,784	80,831
Cash investment in fixed term bank deposits		-	1,042
Cash and bank balances		46,004	48,102
		150,731	165,330
Assets held for sale		-	81,810
		150,731	247,140
Total assets		992,512	1,101,935
EQUITY AND LIABILITIES			
Equity			
Share capital	19	1,098	1,234
Share premium		78,924	79,447
Treasury shares	19	(8,484)	(16,003)
Merger reserve		6,715	6,715
Asset revaluation reserve		62,158	62,158
Capital reserve		8,876	8,876
Other reserves		(206)	(1,406)
Retained earnings		81,265	102,818
Equity attributable to shareholders of Avation PLC		230,346	243,839
Non-controlling interests		7	7
Total equity		230,353	243,846
Non-current liabilities			
Loans and borrowings	20	543,086	582,253
Trade and other payables		19,996	18,843
Derivative financial liabilities	15	3,044	3,142
Maintenance reserves	21	35,646	31,360
Deferred tax liabilities		29,775	31,637
		631,547	667,235
Current liabilities			
Loans and borrowings	20	45,638	70,084
Trade and other payables		18,911	19,595
Maintenance reserves	21	63,197	69,423
Income tax payable		2,866	1,314
		130,612	160,416
Liabilities associated with assets held for sale		-	30,438
		130,612	190,854
Total equity and liabilities		992,512	1,101,935

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

		Attributable to shareholders of Avation PLC								Non-controlling interest	Total equity	
		Share capital	Share premium	Treasury Shares	Merger reserve	Asset revaluation reserve	Capital reserve	Other reserves	Retained earnings			Total
		US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s			US\$'000s
Balance at 1 July 2025		1,234	79,447	(16,003)	6,715	62,158	8,876	(1,406)	102,818	243,839	7	243,846
Loss for the period		-	-	-	-	-	-	-	(4,901)	(4,901)	-	(4,901)
Other comprehensive income		-	-	-	-	-	-	1,468	-	1,468	-	1,468
<i>Total comprehensive loss</i>		-	-	-	-	-	-	1,468	(4,901)	(3,433)	-	(3,433)
Issue of shares	19	1	85	-	-	-	-	-	-	86	-	86
Purchase of treasury shares	19	-	-	(10,132)	-	-	-	-	-	(10,132)	-	(10,132)
Treasury shares re-issue		-	(608)	1,648	-	-	-	(648)	-	392	-	392
Cancellation of treasury shares		(137)	-	16,003	-	-	-	137	(16,003)	-	-	-
Share warrant expense		-	-	-	-	-	-	243	-	243	-	243
Dividend paid	24	-	-	-	-	-	-	-	(649)	(649)	-	(649)
<i>Total transactions with owners recognised directly in equity</i>		(136)	(523)	7,519	-	-	-	(268)	(16,652)	(10,060)	-	(10,060)
Balance at 31 December 2025		1,098	78,924	(8,484)	6,715	62,158	8,876	(206)	81,265	230,346	7	230,353

Capital reserve comprises acquisitions with non-controlling interests that do not result in a change of control.

Other reserves consists of capital redemption reserve, share warrant reserve, fair value reserve and foreign currency hedge reserve.

The merger reserve arose on acquisition of additional shares of the Company's subsidiary Capital Lease Aviation Limited through the allotment of ordinary shares in the year ended 30 June 2015. The merger reserve represents the difference between the fair value and the nominal value of the shares issued by the Company.

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

		Attributable to shareholders of Avation PLC								Non-controlling interest	Total equity
		Share capital	Share premium	Treasury Shares	Merger reserve	Asset revaluation reserve	Capital reserve	Other reserves	Retained earnings		
		US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s
Balance at 1 July 2024		1,182	70,120	-	6,715	47,343	8,876	11,210	110,944	7	256,397
Profit for the period		-	-	-	-	-	-	-	868	-	868
Other comprehensive loss		-	-	-	-	(561)	-	(2,003)	-	-	(2,564)
<i>Total comprehensive loss</i>		-	-	-	-	(561)	-	(2,003)	868	-	(1,696)
Issue of shares	19	48	8,847	-	-	-	-	(2,753)	-	-	6,142
Purchase of treasury shares	19	-	-	(14,962)	-	-	-	-	-	-	(14,962)
Share warrant expense		-	-	-	-	-	-	222	-	-	222
Dividend paid	24	-	-	-	-	-	-	-	(450)	-	(450)
<i>Total transactions with owners recognised directly in equity</i>		48	8,847	(14,962)	-	-	-	(2,531)	(450)	-	(9,048)
Balance at 31 December 2024		1,230	78,967	(14,962)	6,715	46,782	8,876	6,676	111,362	7	245,653

AVATION PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Note	31 Dec 2025	31 Dec 2024
		US\$'000s	US\$'000s
Cash flows from operating activities:			
Loss before taxation		(5,681)	(9,769)
Adjustments for:			
Amortisation of lease incentive asset	5	1,540	1,628
Depreciation expense	11	18,102	18,599
Depreciation of right-of-use assets		144	141
Provision for/(reversal of) expected credit losses		54	(85)
Finance income	8	(2,433)	(4,151)
Finance expense	9	33,184	25,296
Amortisation of IFRS 9 gain on debt modification of the unsecured notes		4,188	7,440
Gain on disposal of aircraft		(4,145)	(1,713)
Interest income from finance lease	5	(420)	(780)
Reversal of impairment loss on aircraft	11	-	(1,402)
Maintenance reserves income	5	(10,299)	(9,270)
Share warrants expense		243	222
Foreign currency exchange loss/(gain)		74	(1,231)
Unrealised gain on aircraft purchase rights and pre-delivery aircraft deposits paid	16,17	4,234	15,389
Unrealised loss on equity investments	18	1,093	124
Operating cash flows before working capital changes		39,878	40,438
Movement in working capital:			
Trade and other receivables and finance lease receivables		(1,026)	29,685
Pre-delivery aircraft deposits paid		(1,134)	(4,536)
Trade and other payables		1,286	806
Maintenance reserves		(22,079)	5,438
Cash from operations		16,925	71,831
Finance income received		2,727	5,236
Finance expense paid		(20,787)	(21,972)
Income tax refund/paid		98	(514)
Net cash (used in)/from operating activities		(1,037)	54,581
Cash flows from investing activities:			
Cash investment in fixed term bank deposits		1,042	(39,274)
Purchase of aircraft and aircraft engine		(21,394)	(15,682)
Proceeds from disposal of aircraft		85,814	19,790
Net cash from/(used in) investing activities		65,462	(35,166)
Cash flows from financing activities:			
Net proceeds from issuance of ordinary shares		86	6,142
Purchase of treasury shares	19	(10,132)	(14,962)
Dividend paid	24	(649)	(450)
Decrease of restricted cash balances		22,047	40,217
Proceeds from loans and borrowings, net of transactions costs		302,141	-
Repayment of loans and borrowings		(380,016)	(41,747)
Net cash used in financing activities		(66,523)	(10,800)
Net (decrease)/increase in cash and cash equivalents		(2,098)	8,615
Cash and cash equivalents at beginning of financial period		48,102	23,561
Cash and cash equivalents at end of financial period		46,004	32,176

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

This interim condensed consolidated financial statements for Avation PLC for the six months ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 25 February 2026.

1 CORPORATE INFORMATION

Avation PLC is a public limited company incorporated in England and Wales under the Companies Act 2006 (Registration Number 05872328) and its shares are traded on the Standard Segment of the Main Market of the London Stock Exchange.

The Group's principal activity is aircraft leasing.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These interim condensed consolidated financial statements have been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority and in accordance with UK-adopted International Accounting Standard (IAS) 34 'Interim Financial Reporting'.

The interim condensed consolidated financial statements do not include all the notes of the type normally included within the annual report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the consolidated entity as the annual report.

It is recommended that the interim condensed consolidated financial statements be read in conjunction with the annual report for the year ended 30 June 2025 and considered together with any public announcements made by Avation PLC during the six months ended 31 December 2025.

The accounting policies and methods of computation are the same as those adopted in the annual report for the year ended 30 June 2025.

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported income and expenses, assets and liabilities and disclosure of contingencies at the date of the Interim Report, actual results may differ from these estimates.

The statutory financial statements of Avation PLC for the year ended 30 June 2025, which carried an unqualified audit report, have been delivered to the Registrar of Companies and did not contain any statements under section 498 of the Companies Act 2006.

The interim condensed consolidated financial statements are unaudited.

The interim condensed consolidated financial statements do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

3 NEW STANDARDS AND INTERPRETATIONS NOT APPLIED AND STANDARDS IN EFFECT IN 2026

(a) New standards and interpretations not applied

The Group has not adopted the following new or amended standards and interpretations which are relevant to the Group that have been issued but are not yet effective:

Description	Effective date (period beginning)
Amendments to IFRS 9 and IFRS 7 : Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Annual Improvement Volume 11	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or joint venture	Postponed indefinitely

Based on a preliminary assessment using currently available information, the Group does not expect the adoption of the above standards to have a material impact on the financial statements in the period of initial application. These preliminary assessments may be subject to changes arising from ongoing analyses when the Group adopts the standards. The Group plans to adopt the above standards on the effective date.

(b) Standards in effect in 2026

The Group has adopted all new standards that have come into effect during the six months ended 31 December 2025. The adoptions do not have a material impact on the Group's interim condensed consolidated financial statements.

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

4 FAIR VALUE MEASUREMENT

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of cash and bank balances, trade and other receivables, finance lease receivables – current, trade and other payables – current, loans and borrowings – current and maintenance reserves are a reasonable approximation of fair value either due to their short-term nature or because the interest rate charged closely approximates market interest rates or that the financial instruments have been discounted to their fair value at a current pre-tax interest rate.

	31 Dec 2025		30 Jun 2025	
	Carrying amount US\$'000s	Fair value US\$'000s	Carrying amount US\$'000s	Fair value US\$'000s
Financial assets:				
Finance lease receivables – non-current	3,546	3,295	11,129	10,301
Pre-delivery aircraft deposits paid	27,529	27,529	29,178	29,178
Derivative financial assets	402	402	1,550	1,550
Aircraft purchase rights	86,050	86,050	91,740	91,740
Investment in equity, fair value through profit or loss	8,022	8,022	9,115	9,115
Financial liabilities:				
Deposits collected – non-current	16,977	15,608	15,313	13,379
Loans and borrowings other than unsecured notes – non-current	248,159	235,827	286,565	264,290
Unsecured notes	294,927	293,754	295,688	301,549
Share warrants	3,044	3,044	3,142	3,142

The fair values (other than for unsecured notes, investment in debt instrument, fair value through profit or loss) above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period, which is classified under level 2 of the fair value hierarchy.

The fair value of the unsecured notes and share warrants are based on level 1 quoted prices (unadjusted) in an active market that the Group can access at measurement date.

The fair value of pre-delivery aircraft deposits paid are classified under level 2 of the fair value hierarchy for which the inputs are observable for the determination of fair value using the discounted cashflow model.

The fair value of the derivative financial instruments is determined by reference to marked-to-market values provided by counterparties. The fair value measurement of all derivative financial instruments is classified under level 2 of the fair value hierarchy, for which inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) are included as inputs for the determination of fair value.

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

4 FAIR VALUE MEASUREMENT (continued)

Assets measured at fair value classified under level 3:

	31 Dec 2025 US\$'000s	30 Jun 2025 US\$'000s
Fair value measurement using significant unobservable inputs:		
Aircraft and engines	732,647	725,116

5 REVENUE

	31 Dec 2025 US\$'000s	31 Dec 2024 US\$'000s
Lease rental revenue	44,108	44,558
Less: amortisation of lease incentive asset	(1,540)	(1,628)
	42,568	42,930
Interest income on finance leases	420	780
Maintenance reserves revenue	10,299	9,270
End of lease compensation	2,260	-
	55,547	52,980

Geographical analysis

	Europe US\$'000s	South America US\$'000s	Asia Pacific US\$'000s	Total US\$'000s
31 Dec 2025	10,198	819	44,530	55,547
31 Dec 2024	10,031	-	42,949	52,980

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

5 REVENUE (continued)

Operating lease commitments

The Group leases out aircraft under operating leases. The maturity analysis of the undiscounted lease payments to be received under operating leases are as follows:

	31 Dec 2025	31 Dec 2024
	US\$'000s	US\$'000s
Within one year	84,463	87,878
One to two years	79,934	80,822
Two to three years	57,980	75,315
Three to four years	41,424	48,408
Four to five years	37,996	31,482
Later than five years	36,158	26,245

6 OTHER INCOME

	31 Dec 2025	31 Dec 2024
	US\$'000s	US\$'000s
Fees for late payment	269	753
Foreign currency exchange gain	-	1,002
Recovery of claims from customer	-	442
Others	185	271
	454	2,468

7 OTHER EXPENSES

	31 Dec 2025	31 Dec 2024
	US\$'000s	US\$'000s
Foreign currency exchange loss	109	-

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

8 FINANCE INCOME

	31 Dec 2025	31 Dec 2024
	US\$'000s	US\$'000s
Interest income from financial institutions	1,467	2,555
Interest income from non-financial institutions	28	197
Dividend income (money market funds)	621	-
Finance income from discounting non-current deposits to fair value	317	315
Gain on repurchases of unsecured notes	-	-
Gain on early full repayment of borrowings	-	1,084
	2,433	4,151

9 FINANCE EXPENSES

	31 Dec 2025	31 Dec 2024
	US\$'000s	US\$'000s
Interest expense on borrowings	8,139	8,447
Interest expense on unsecured notes	12,477	13,677
Amortisation of loan transaction cost	575	699
Amortisation of interest expense on non-current deposits	324	314
Fair value loss on financial derivatives	2,800	2,002
Loss on repurchase/redemption of unsecured notes	8,790	-
Others	79	157
	33,184	25,296

10 RELATED PARTY TRANSACTIONS

Significant related party transactions:

	31 Dec 2025	31 Dec 2024
	US\$'000s	US\$'000s
Entities controlled by key management personnel (including directors):		
Lease liability paid	(159)	(175)
Consulting fee expense	(349)	(221)
Service fee income	47	41

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

11 PROPERTY, PLANT AND EQUIPMENT

	Furniture and equipment US\$'000s	Engines US\$'000	Jet aircraft US\$'000s	Turboprop aircraft US\$'000s	Total US\$'000s
31 December 2025:					
<i>Cost or valuation:</i>					
At 1 July 2025	64	-	751,883	291,277	1,043,224
Additions	4	2,619	-	23,010	25,633
At 31 December 2025	68	2,619	751,883	314,287	1,068,857
<i>Representing:</i>					
At cost	68	-	-	-	68
At valuation	-	2,619	751,883	314,287	1,068,789
	68	2,619	751,883	314,287	1,068,857
<i>Accumulated depreciation and impairment:</i>					
At 1 July 2025	46	-	226,758	91,286	318,090
Depreciation expense	4	49	13,313	4,736	18,102
At 31 December 2025	50	49	240,071	96,022	336,192
<i>Net book value:</i>					
At 1 July 2025	18	-	525,125	199,991	725,134
At 31 December 2025	18	2,570	511,812	218,265	732,665

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

11 PROPERTY, PLANT AND EQUIPMENT (continued)

	Furniture and equipment	Jet aircraft	Turboprop aircraft	Total
	US\$'000s	US\$'000s	US\$'000s	US\$'000s
30 June 2025:				
<i>Cost or valuation:</i>				
At 1 July 2024	102	850,755	289,411	1,140,268
Additions	16	31,922	38,101	70,039
Disposals	(54)	-	(38,101)	(38,155)
Revaluation recognised in equity	-	14,260	1,866	16,126
Reclassified to assets held for sale	-	(145,054)	-	(145,054)
At 30 June 2025	64	751,883	291,277	1,043,224
<i>Representing:</i>				
At cost	64	-	-	64
At valuation	-	751,883	291,277	1,043,160
	64	751,883	291,277	1,043,224
<i>Accumulated depreciation and impairment:</i>				
At 1 July 2024	91	264,402	84,355	348,848
Depreciation expense	9	28,282	9,221	37,512
Disposals	(54)	-	-	(54)
(Reversal of)/impairment loss	-	(2,541)	(2,290)	(4,831)
Reclassified to assets held for sale	-	(63,385)	-	(63,385)
At 30 June 2025	46	226,758	91,286	318,090
<i>Net book value:</i>				
At 1 July 2024	11	586,353	205,056	791,420
At 30 June 2025	18	525,125	199,991	725,134

Assets pledged as security

The Group's aircraft and aircraft held under asset for sale with carrying values of US\$555.5 million (30 June 2025: US\$651.2 million) are mortgaged to secure the Group's borrowings (Note 20).

Additions and Disposals

During the period, the Group purchased 1 turboprop aircraft, 1 aircraft engine and sold 1 jet aircraft held under asset held for sale and recognised a gain on disposal of US\$4.1 million.

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

11 PROPERTY, PLANT AND EQUIPMENT (continued)

Geographical analysis

31 Dec 2025	Europe US\$'000s	South America US\$'000s	Asia Pacific US\$'000s	Total US\$'000s
Capital expenditure	-	2,619	23,014	25,633
Net book value – aircraft and engines	216,118	15,954	500,575	732,647
30 Jun 2025	Europe US\$'000s	South America US\$'000s	Asia Pacific US\$'000s	Total US\$'000s
Capital expenditure	38,031	-	32,008	70,039
Net book value – aircraft	221,200	-	503,916	725,116

12 TRADE AND OTHER RECEIVABLES

	31 Dec 2025 US\$'000s	30 Jun 2025 US\$'000s
Current		
Trade receivables	7,716	6,262
Less:		
Allowance for expected credit losses	(484)	(432)
	7,232	5,830
Accrued revenue	2,036	2,144
Less:		
Allowance for expected credit losses	(5)	(6)
	2,031	2,138
Other receivables	1,105	631
Less:		
Allowance for expected credit losses	-	(22)
	1,105	609
Interest receivables	261	452
Less:		
Allowance for expected credit losses	(18)	(14)
	243	438
Deposits	551	446
Prepaid expenses	790	451
	11,952	9,912
Non-current:		
Other receivables	-	41
Right-of-use assets	820	964
	820	1,005

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

13 FINANCE LEASE RECEIVABLES

Future minimum lease payments receivable under finance leases are as follows:

	31 Dec 2025		30 Jun 2025	
	Minimum lease payments US\$'000s	Present value of payments US\$'000s	Minimum lease payments US\$'000s	Present value of payments US\$'000s
Within one year	9,189	8,668	2,632	1,756
Less:				
Allowance for expected credit losses	(43)	(43)	(22)	(22)
	9,146	8,625	2,610	1,734
One to two years	3,589	3,546	11,405	11,129
Two to three years	-	-	-	-
Three to four years	-	-	-	-
Four to five years	-	-	-	-
Later than five years	-	-	-	-
Total minimum lease payments	12,735	12,171	14,015	12,863
Less: amounts representing interest income	(564)	-	(1,152)	-
Present value of minimum lease payments	12,171	12,171	12,863	12,863

14 GOODWILL

The Group performs its annual impairment test in June and when circumstances indicate the carrying value may be impaired. For the purpose of these financial statements there was no indication of impairment. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 30 June 2025.

15 DERIVATIVE FINANCIAL ASSETS/LIABILITIES

	Contract/ notional amount		Fair value	
	31 Dec 2025 US\$'000s	30 June 2025 US\$'000s	31 Dec 2025 US\$'000s	30 Jun 2025 US\$'000s
Derivative financial assets -current				
Interest rate swap – current	6,500	58,501	9	714
Derivative financial assets -non- current				
Interest rate swap – non-current	75,994	80,183	393	836
Derivative financial liabilities				
Warrants	-	-	3,044	3,142

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

15 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (continued)

Hedge accounting has been applied for interest rate swap contracts and cross-currency interest rate swap contracts which have been designated as cash flow hedges.

The Group pays fixed rates of interest of 2.3% to 3.8% per annum and receives floating rate interest equal to 1 to 3 month SOFR under the interest rate swap contracts.

The swap contracts mature between 28 January 2026 and 25 September 2031.

Changes in the fair value of these interest rate swap contracts are recognised in the fair value reserve. The net fair value gain net of tax of US\$1.3 million (31 December 2024: loss of US\$3.2 million) on these derivative financial instruments was recognised in the fair value reserve for the period.

The Group entered into Euro denominated lease agreements which create exposure to variability in cash flows due movements in the EUR:USD exchange rate. To hedge its exposure to variable cash flows resulting from changes in EUR:USD spot rates, the Group has arranged Euro denominated financing which reduces overall exposure to variable cash flows to the extent that lease receipts and debt service cashflows are matched. The Group is making use of a non-derivative hedging instrument and has designated the cash flows with respect to the loan interest and principal repayment (hedging instrument) against a specific portion of the lease receivable (hedged item).

Unrealised foreign exchange gains and losses arising on Euro denominated loans designated as cash flow hedges are recognised in the foreign currency hedge reserve. Unrealised foreign exchange gains and losses recorded in the foreign currency hedging reserve are systematically re-cycled through profit or loss over the remaining term of the related loan on a straight-line basis.

The share warrants consist of 5,654,078 (30 June 2025: 5,728,054) share warrants granted to the holders of the unsecured notes to subscribe for the ordinary shares of the Company exercisable to 31 October 2026 at a price of 114.5 pence per share (including cashless exercise option).

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

16 PRE-DELIVERY AIRCRAFT DEPOSITS PAID

	31 Dec 2025	30 Jun 2025
	US\$'000s	US\$'000s
Current	14,443	10,960
Non-current	13,086	18,218
	27,529	29,178
Pre-delivery aircraft deposits paid, at fair value:		
At 1 July 2025/ 1 July 2024	29,178	30,333
Additions	1,134	6,238
Transfer to property, plant and equipment upon delivery of aircraft	(4,239)	(6,790)
Unrealised gain/(loss)	1,456	(603)
At 31 December/30 June	27,529	29,178

17 AIRCRAFT PURCHASE RIGHTS

	31 Dec 2025	30 Jun 2025
	US\$'000s	US\$'000s
Aircraft purchase rights, at fair value:		
At 1 July 2025/ 1 July 2024	91,740	112,780
Unrealised loss	(5,690)	(21,040)
At 31 December/30 June	86,050	91,740

The Group has determined that it would seek to dispose of excess aircraft purchase rights over and above its requirement to acquire additional aircraft for its fleet. The Group accounts for aircraft purchase rights at fair value through profit or loss.

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

18 INVESTMENT IN EQUITY, FAIR VALUE THROUGH PROFIT OR LOSS

	31 Dec 2025	30 Jun 2025
	US\$'000s	US\$'000s
Listed equity, at fair value		
At 1 July 2025/ 1 July 2024	9,115	10,745
Unrealised loss	(1,093)	(1,630)
At 31 December/30 June	8,022	9,115

The Group received 8,014,602 ordinary shares from an airline customer as part of the airline's restructuring plan during the year ended 30 June 2022.

The Group exchanged 8,014,602 unlisted ordinary shares in Philippine Airlines, Inc. with 124,787,353 ordinary shares in PAL Holdings, Inc. during the previous year.

The Group holds 124,491,353 ordinary shares in PAL Holdings, Inc as of 31 December 2025.

19 SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	31 Dec 2025		30 Jun 2025	
	No of shares	US\$'000s	No of shares	US\$'000s
Allotted, called up and fully paid				
Ordinary shares of 1 penny each:				
At 1 July 2025/ 1 July 2024	74,950,257	1,234	70,878,124	1,182
Issue of shares	47,981	1	4,072,133	52
Cancellation	(8,361,500)	(137)	-	-
At 31 December/30 June	66,636,738	1,098	74,950,257	1,234

During the period, the Company issued 47,981 ordinary shares of 1 penny each at an exercise price of 114.5 pence following the exercise of the Company's listed warrants by warrant holders.

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

19 SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Treasury shares

	31 Dec 2025		30 Jun 2025	
	No of shares	US\$'000s	No of shares	US\$'000s
At 1 July 2025/ 1 July 2024	8,361,500	16,003	-	-
Acquired during the period	5,181,996	10,132	8,361,500	16,003
Re-issue during the period	(842,997)	(1,648)	-	-
Cancellation	(8,361,500)	(16,003)	-	-
At 31 December/30 June	4,338,999	8,484	8,361,500	16,003

During the six months ended 31 December 2025, the Company bought 5,181,996 treasury shares at market prices ranging from 138.0 pence to 160.0 pence per share, cancelled 8,361,500 shares and re-issued 842,997 treasury shares through the employee warrants exercise.

(c) Net asset value per share

	31 Dec 2025	30 Jun 2025
Net asset value per share (US\$) ⁽¹⁾	\$3.70	\$3.66
Net asset value per share (GBP) ⁽²⁾	£2.74	£2.67

⁽¹⁾ Net asset value per share is total equity divided by the total number of shares issued and outstanding at period end.

⁽²⁾ Based on GBP:US\$ exchange rate as at 31 December 2025 of 1.35 (30 June 2025: 1.37).

AVATION PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

20 LOANS AND BORROWINGS

		31 Dec 2025	30 Jun 2025
		US\$'000s	US\$'000s
Secured borrowings		293,797	356,649
Unsecured notes		294,927	295,688
Total loans and borrowings		588,724	652,337
Less: current portion		(45,638)	(70,084)
Non-current loans and borrowings		543,086	582,253

	Maturity		Weighted average interest rate per annum	
	31 Dec 2025	30 Jun 2025	31 Dec 2025	30 Jun 2025
			%	%
Secured borrowings	2026-2031	2026-2031	5.09%	5.19%
Unsecured notes	2031	2026	8.50%	8.25%

Secured borrowings are secured by first ranking mortgages over the relevant aircraft, security assignments of the Group's rights under leases and other contractual agreements relating to the aircraft, charges over bank accounts in which lease payments relating to the aircraft are received and charges over the issued share capital of certain subsidiaries.

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21 MAINTENANCE RESERVES

	31 Dec 2025	30 Jun 2025
	US\$'000s	US\$'000s
Current:		
Maintenance reserves	50,654	56,880
Maintenance lease contribution	12,543	12,543
	63,197	69,423
Non-current:		
Maintenance reserves	29,181	24,895
Maintenance lease contribution	6,465	6,465
	35,646	31,360
Total maintenance reserves	98,843	100,783
	31 Dec 2025	30 Jun 2025
	US\$'000s	US\$'000s
At 1 July 2025/ 1 July 2024	100,783	135,423
Contributions	20,981	32,450
Utilisations	(12,622)	(7,879)
Released to profit or loss	(10,299)	(22,086)
Transfer to buyer	-	(6,687)
Transfer to liabilities directly associated with assets held for sale	-	(30,438)
At 31 December/30 June	98,843	100,783

During the six months ended 31 December 2025, maintenance reserves of US\$10.3 million were released to profit or loss as income.

22 CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not recognised in the financial statements is as follows:

	31 Dec 2025	30 Jun 2025
	US\$'000s	US\$'000s
Property, plant and equipment	183,554	207,591

Capital commitments represent amounts due under contracts entered into by the Group to purchase aircraft. The Company has paid deposits towards the cost of these aircraft which are included in pre-delivery aircraft deposits paid.

As at 31 December 2025, the Group has commitments to purchase nine ATR 72-600 aircraft from the manufacturer with expected delivery dates ranging from 2026 to 2028.

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23 CONTINGENT LIABILITIES

There were no material changes in contingent liabilities since 30 June 2025.

24 DIVIDENDS

	31 Dec 2025	31 Dec 2024
	US\$'000s	US\$'000s
<i>Paid during the period:</i>		
<i>Dividends on ordinary shares</i>		
-Interim (one-tier) dividend for 1.0 US cents (31 Dec 2024: Nil US cents) per share	649	-
-Final (one-tier) dividend for Nil pence (31 Dec 2024: 0.5 pence) per share	-	450

Dividends are recognised as liabilities when they are approved for payment.

25 SUBSEQUENT EVENTS

Subsequent to the period end, the Company repurchased 170,000 ordinary shares, through the market at prices ranging from 138.0 pence to 141.8 pence per share. The repurchased shares will be held in treasury.

In January 2026 the Company was notified that one of its Airbus A220-300 aircraft on lease to Air Baltic has been classified as unrepairable and is deemed to be a total loss. Avation will receive an insurance claim settlement of US\$33.4 million as compensation for loss of the aircraft.

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PRINCIPAL RISKS

The Group's risk management processes bring greater judgement to decision making as they allow management to make better, more informed and more consistent decisions based on a clear understanding of risk involved. We regularly review the risk assessment and monitoring process as part of our commitment to continually improve the quality of decision-making across the Group.

The principal risks and uncertainties which may affect the Group in the second half of the financial year will include the typical risks associated with the aviation business, including but not limited to any downturn in the global aviation industry, fuel costs, finance costs, war and extremism and the like which may affect our airline customers' ability to fulfil their lease obligations.

The business also relies on its ability to source finance on favourable terms. Should this supply of finance contract, it would limit our fleet expansion and therefore growth.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The financial risk management objectives and policies of the Group and the exposure of the Group to credit risk and liquidity risk are discussed in the annual report for the Group for the year ended 30 June 2025.

DIRECTORS

The directors of Avation PLC are listed in its Annual Report for the year ended 30 June 2025. A list of the current directors is maintained on the Avation PLC website: www.avation.net

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that, to the best of their knowledge, this condensed consolidated interim financial information have been prepared in accordance with UK-adopted IAS 34 and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 namely

- an indication of important events that have occurred during the first six months and their impact on the Interim Report, and a description required by the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

By order of the Board



Jeff Chatfield
Executive Chairman
Singapore, 25 February 2026