

Via SGXNET

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

TRADING UPDATE
in line with market expectations

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, provides the following trading update as of 4 July 2025:

On 2 July 2025 Moody's Ratings assigned the Company a first-time B1 Corporate Family Rating (CFR) and B2 issuer rating with a stable outlook.

Market

According to IATA, passenger air travel grew at 8.0% in the year to 30 April 2025. International travel continued to show strong momentum with 10.8% year-on-year growth in revenue passenger kilometres. A decline in air travel in the United States was more than offset by strong growth in other regions. In the Asia-Pacific region, where Avation's fleet and customer base is concentrated, revenue passenger kilometres grew 10.6% year-on-year.

At the same time, supply chain constraints continue to impact new aircraft deliveries. New aircraft deliveries are lagging 30% behind peak levels, leading to a record aircraft order backlog of around 17,000 aircraft.

This market backdrop has continued to support aircraft valuations and lease rates over the last year with Avation seeing increases in values and lease rates for both new and second-hand commercial aircraft.

Fleet

Avation's fleet comprises 33 aircraft leased to 16 airlines in 14 countries. The fleet includes, 14 narrowbody jets, 17 ATR turboprops and 2 widebody jet aircraft. Narrowbody aircraft represent 55% of Avation's fleet by book value.

Since 30 June 2024 Avation has sold two ATR 72-600 aircraft pursuant to the exercise of purchase options held by the lessee and two new ATR 72-600 aircraft on delivery from the manufacturer. The combined net sale proceeds from these aircraft sales, after repayment of associated loans, amounted to approximately US\$20.3 million.

In March 2025 Avation acquired an 11-year-old Airbus A320-200 aircraft which is on long-term lease to Etihad Airlines. The Company continues to explore opportunities to add additional leased narrowbody aircraft to the fleet.

As of 30 June 2025, the weighted average age of the fleet is 8.4 years and the weighted average remaining lease term is 3.9 years

All aircraft are currently leased.

On 11 June 2025 the Company announced that it has agreed to sell a Boeing 777-300ER aircraft currently on lease to Philippine Airlines. The sale, which will generate a material profit

above book value, is expected to release around US\$33 million in net cash proceeds which is earmarked for debt reduction or strategic reinvestment into high-quality narrowbody aircraft.

The scheduled start date for the lease of an ATR 72-600 aircraft to Colombian airline Clic Air was delayed due to maintenance work undertaken by the previous lessee. The new lease is now expected to commence imminently.

An ATR 72-600 will be transitioned to PNG Air for a six-year lease following its scheduled redelivery from Mandarin Airlines in the fourth quarter of 2025.

In addition to the above, the leases for another three ATR 72-600 aircraft are scheduled to expire during the 2026 financial year. We expect to transition these aircraft to new lessees.

Orderbook and Purchase Rights

Avation has orders for 10 ATR 72-600 aircraft scheduled for delivery between the fourth quarter of 2025 and the second quarter of 2028.

The first two aircraft are scheduled to be delivered in the fourth quarter of 2025 and the first quarter of 2026. The Company has placed the aircraft on long-term leases with airlines in Japan and South Korea.

Avation also holds purchase rights to acquire 24 additional ATR 72-600 aircraft for delivery prior to June 2034. Avation believes that these purchase rights have significant value.

Debt and liquidity

Avation has continued to de-lever its balance sheet. The Company has paid down secured loans by around US\$25 million in the 11-month period ended 31 May 2025, before the effect of exchange differences, and has also repurchased US\$21.6 million face value Avation Capital S.A. Senior PIK Toggle Notes due 2026 ("Notes") in the current financial year to date, including US\$10.1 million in the period since the Company's previously announced Notes repurchase transaction. All repurchased Notes have been cancelled. Following these repurchases the current total outstanding balance of Notes is US\$310.0 million. The Notes mature on 31 October 2026 and Avation is actively considering various pathways to refinance this liability.

As at the Date of this announcement current total cash balances are US\$125 million (unaudited).

The Company is preparing an update of its GMTN programme thus allowing many forms of new debt issues in due course.

Avation has continued to make good progress in recovering arrears. Rent arrears and other customer receivables (excluding maintenance reserve arrears) have been reduced by around US\$9.5 million since 30 June 2024. The rent collection rate is around 103% for the 11 months ended 31 May 2025.

The Company has also repurchased 8,361,500 ordinary shares since 30 June 2024 at prices ranging between 138 pence and 150 pence per share. There are currently 66,588,757 ordinary shares in issue, excluding treasury shares. The treasury shares have subsequently been cancelled.

Avation's Executive Chairman, Jeff Chatfield said: "The Company has demonstrated consistent performance and a rapid recovery from the COVID-19 era. Avation has an orderbook of new aircraft deliveries and purchase rights underpinning the future for the business model over the next ten years. We are also considering further narrowbody aircraft

acquisitions in the secondary market. The Company is focussed on the optimal refinancing of its existing Notes issue and has a number of alternative options. Trading as at July 2025 is on track with expectations.”

-ENDS-

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Avation welcomes shareholder questions and comments and advises the email address for questions is: investor@avation.net and the Company provides an investor Q & A during the conference call associated with release of results. The head office telephone number is +65 6252 2077.

Notes to Editors:

Avation PLC is a commercial passenger aircraft leasing company, headquartered in Singapore, owning and managing a fleet of widebody, narrowbody jet and turboprop aircraft which it leases to airlines across the world. The Company's customers include 16 commercial airlines in 14 countries. Avation's fleet of aircraft is currently fully leased and utilised. The Company is listed on the London Stock Exchange with ticker AVAP.L, more information on Avation is available at www.avation.net.