

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

UNAUDITED RESULTS FOR YEAR ENDED 30 JUNE 2026

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, announces unaudited results for the year ended 30 June 2026.

Financial Highlights

- Revenue remained stable at US\$110.1 million (2025: US\$110.1 million);
- Operating profit increased by 38.4% to US\$64.3 million (2025: US\$46.4 million), delivering US\$17.9 million of year-on-year growth;
- 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 in 2026;
- Return to profitability, with profit after tax of US\$8.4 million (2025: US\$7.7 million loss), a US\$16.1 million year-on-year improvement;
- Lease yield ⁽¹⁾ was 10.7% (2025: 11.3%), with the reduction reflecting the typically lower rental rate on one extension lease and short periods of non-utilisation during the transition of two aircraft;
- Operating cash flow decreased to US\$30.8 million (2025: US\$91.5 million), reflecting the timing of movements in maintenance reserves and trade and finance lease receivables;
- Ten aircraft were unencumbered as at 30 June 2026 (30 June 2025: six);
- Net indebtedness reduced by 13.3% to US\$523.7 million (30 June 2025: US\$604.2 million);
- Total year-end cash and bank balances were US\$105.0 million (30 June 2025: US\$130.0 million);
- S&P Global Ratings upgraded the Group’s long-term issuer credit rating from ‘B-’ to ‘B’ in the year;
- Basic earnings per share were 13.36 cents (2025: -11.22 cents);
- Net asset value per share increased by 19.9% to US\$4.39 (£3.33) from US\$3.66 (£2.67) in the prior year; and
- An interim dividend of 1.5 US cents per share was declared for the year (30 June 2025: 1.0 US cents), representing a 50% increase on the prior year.

Operational Activity

- 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 September 2025 Avation sold a Boeing 777-300ER widebody aircraft, realising a gain of US\$4.1 million;
- The first two ATR 72-600 aircraft in Avation’s ATR aircraft orderbook were placed on lease with new airline customers in South Korea and Cambodia. The aircraft were delivered in December 2025 and June 2026 respectively;
- Five ATR 72-600 aircraft were transitioned to new leases in the year to 30 June 2026; and
- In July 2026, subsequent to the year-end, Avation signed a six-year lease for two ATR 72-600 aircraft with Finnair, the flag carrier airline of Finland, following the transition of the aircraft from a former customer.

1. Lease yield is the annualised lease rental income generated by the aircraft portfolio as a percentage of the average carrying value of the aircraft.

Executive Chairman, Jeff Chatfield, said:

“The financial year ended 30 June 2026 was a significant year of progress for Avation, with the Group delivering a strong profit before tax of US\$10.0 million (2025: US\$9.7 million loss). Operating profit increased by 38.4% to US\$64.3 million, supported by the continued positive contribution from the aircraft leasing portfolio, a significant reduction in unrealised losses on aircraft purchase rights and pre-delivery aircraft deposits, the gain on disposal of a Boeing 777-300ER and lower financing costs. During the year, the Group:

- successfully agreed a four-year extension to a lease for an Airbus A330-300;
- realised a US\$4.1 million gain on the sale of a Boeing 777-300ER;
- took delivery of two new ATR 72-600 aircraft which were placed on 12-year leases with new customers;
- transitioned three further ATR 72-600 aircraft onto six-year leases with other customers and, subsequent to the year-end;
- converted five of Avation’s 24 purchase rights into firm orders for ATR 72-600 aircraft under the long-term purchase contract with ATR, strengthening the trajectory of growth for the future.

Avation maintained a highly utilised fleet throughout the year, with only two aircraft off-lease for part of the year. After the financial year-end, both aircraft were transitioned onto new six-year leases with Finnair, the flag carrier airline of Finland, demonstrating Avation’s ability to manage and execute aircraft transitions efficiently. Subsequent to the financial year-end, airBaltic announced Chapter 11 proceedings. Avation leases four aircraft to airBaltic, with some or all of the aircraft potentially remaining with the airline or being transitioned to other airline customers in due course, depending on the outcome of the restructuring.

A September 2026 review of aircraft market values, using external market data, indicated that aggregate market values of the Group’s fleet were within 1% of net book value at 30 June 2026.

Cash generation was strong, enabling the Group to further reduce debt, achieving a reduction to 52.3% in the ratio of net debt to total assets as at 30 June 2026 (30 June 2025: 54.8%). In November 2025, Avation also successfully 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 in 2026 and strengthen the Group’s liquidity and funding capacity to support future growth.

S&P Global Ratings raised its long-term issuer credit rating from ‘B-’ to ‘B’, Moody’s affirmed its first-time B1 Corporate Family Rating (CFR) with a stable outlook and Fitch Ratings affirmed its long-term issuer default rating at ‘B’ with a stable outlook.

Avation plans to grow its business in a prudent and strategic manner. During the year, Avation exercised five purchase rights, increasing its firm ATR 72-600 order from 10 to 15 aircraft. The first two of the 15 new ATR 72-600 aircraft on firm order were placed with new customers in the financial year. Avation expects to continue to place its orderbook of aircraft in a timely manner. Avation also holds an additional 19 purchase rights, providing opportunities for further fleet growth.

The Board is pleased to reward shareholders with an interim dividend of 1.5 US cents per share in respect of the 2026 financial year.”

Financial Summary

US\$ '000s	Year ended 30 June,	
	2026	2025
Revenue	110,093	110,099
Other income	1,987	2,448
	112,080	112,547
Operating profit	64,281	46,444
Profit/(loss) before tax	10,039	(9,722)
Profit/(loss) after tax	8,419	(7,716)
EPS (basic)	13.36c	(11.22c)

US\$ '000s	Year ended 30 June,	
	2026	2025
Fleet assets (1)	746,912	819,807
Total assets	1,001,835	1,101,935
Total cash and bank balances (2)	104,978	129,975
Cash and cash equivalents	52,441	48,102
EBITDA (3)	99,231	107,063
Funds from operations (FFO) (4)	58,564	62,186
Net asset value per share (US\$) (5)	US\$4.39	US\$3.66
Net asset value per share (GBP) (6)	£3.33	£2.67

1. Fleet assets are defined as property, plant and equipment plus assets held for sale plus finance lease receivables.
2. Total cash and bank balances as at 30 June 2026 comprise cash and cash equivalents of US\$52.4 million (30 June 2025: US\$48.1 million), investment in fixed deposits of nil (2025: US\$1.0 million) and restricted cash balances of US\$52.5 million (30 June 2025: US\$80.8 million).
3. EBITDA is a non-GAAP measure of financial performance calculated as profit before tax plus finance expenses plus depreciation plus impairment charges plus unrealised loss on aircraft purchase rights and pre-delivery deposits paid.
4. FFO is a non-GAAP measure of financial performance calculated as EBITDA minus interest expense minus current tax expense.
5. Net asset value per share is total equity divided by the total number of shares in issue, excluding treasury shares.
6. Based on GBP:USD exchange rate as at 30 June 2026 of 1.32 (30 June 2025:1.37).

We use EBITDA and FFO to assess our consolidated financial and operating performance, and we believe these non-GAAP measures are helpful in identifying trends in our financial performance.

Aircraft Fleet

Aircraft Type	30 June 2026	30 June 2025
ATR 72-600	15	13
ATR 72-500	4	4
Airbus A220-300	4	5
Airbus A320-200	3	3
Airbus A321-200	6	6
Airbus A330-300	1	1
Boeing 777-300ER	0	1
Total	33	33

At 30 June 2026, Avation's fleet comprised 33 aircraft, including three aircraft on finance lease. Avation serves 16 customers in 16 countries. The weighted average age of the fleet is 9.1 years by net book value (30 June 2025: 8.5 years) and the weighted average remaining lease term is 3.8 years by net book value (30 June 2025: 3.9 years).

Fleet assets decreased by 8.9% to US\$746.9 million as at 30 June 2026 (30 June 2025: US\$819.8 million), primarily as a result of aircraft sales, depreciation and the write-off of one aircraft, partially offset by new aircraft deliveries and fair value movements. Narrowbody aircraft and turboprops represented 59% and 32% of fleet assets, respectively, as at 30 June 2026.

During the year, one Boeing 777-300ER aircraft was sold, one Airbus A220-300 aircraft was written off and a full insurance claim was made, and two new ATR 72-600 aircraft were delivered to new customers.

As at the date of this report, Avation has committed leases on all of its aircraft.

Avation has orders for 13 new ATR 72-600 aircraft and purchase rights for a further 19 aircraft as at 30 June 2026. The orderbook and purchase rights provide a pathway to future fleet growth.

Debt summary

US\$ '000s	30 June,	
	2026	2025
Current loans and borrowings	39,242	70,084
Non-current loans and borrowings	536,885	582,253
Total loans and borrowings	576,127	652,337
Cash and cash equivalents	52,441	48,102
Net indebtedness (1)	523,686	604,235
Net debt to total assets (2)	52.3%	54.8%
Weighted average cost of secured debt (3)	5.3%	5.2%
Weighted average cost of total debt (4)	7.0%	6.6%

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

During the period net indebtedness was reduced by 13.3% to US\$523.7 million (30 June 2025: US\$604.2 million).

The weighted average cost of total debt increased to 7.0% as at 30 June 2026 (30 June 2025: 6.6%) due to unsecured debt being a higher proportion of total debt in comparison to the prior year, after repayments of lower interest secured loans in the period. The weighted average cost of secured debt increased to 5.3% at 30 June 2026 (30 June 2025: 5.2%).

At the end of the financial period, Avation's net debt to total assets ratio reduced to 52.3% (30 June 2025: 54.8%). As at 30 June 2026, 97.3% of total debt was at fixed or hedged interest rates (30 June 2025: 84.2%). The ratio of unsecured debt to total debt was 51.0% (30 June 2025: 45.3%).

Financial Analysis

Revenue

US\$ '000s	Year ended 30 June,	
	2026	2025
Lease rental revenue	82,524	89,935
Less: amortisation of lease incentive assets	(1,672)	(3,141)
	80,852	86,794
Interest income from finance leases	805	1,219
Maintenance reserves income	21,565	22,086
End of lease compensation	6,871	-
	110,093	110,099

Lease rental revenue decreased by 8.2% to US\$82.5 million in the year ended 30 June 2026 (2025: US\$89.9 million). The decrease was principally due to the sale of a Boeing 777-300ER in September 2025 and the early termination of leases on two ATR 72-600 aircraft.

Interest income from finance leases decreased by 34.0% to US\$0.8 million in the year ended 30 June 2026 (2025: US\$1.2 million). The reduction was principally due to fewer aircraft on average leased on finance leases during the year ended 30 June 2026. There were three aircraft on finance leases at 30 June 2026.

Maintenance reserves were released to profit or loss as income of US\$18.6 million in the year ended 30 June 2026 (2025: US\$22.1 million) as the scope of some major maintenance events was reduced, resulting in lower reimbursements, and some major maintenance events are now not forecasted to occur during the term of the current leases. The remaining US\$3.0 million of the maintenance reserves were released following the expiry or termination of the related leases.

End of lease compensation represents contingent rents as set out in the revenue recognition accounting policy and arose in respect of three aircraft returned during the year.

Other income

US\$ '000s	Year ended 30 June,	
	2026	2025
Foreign currency exchange gain	149	-
Claim recovery	-	682
Fees for late payment	605	1,364
Security deposit released	816	-
Insurance claim recovery – net	52	-
Others	365	402
	1,987	2,448

Foreign currency exchange gains were reported in the year ended 30 June 2026 as a result of the strengthening US dollar.

Claim recoveries recognised in other income in the prior year represented the final distributions paid to creditors of Virgin Australia in excess of amounts allocated to trade receivables. No further recoveries were recognised in the year.

Fees for late payment reduced by 55.6% to US\$0.6 million in the year ended 30 June 2026 (2025: US\$1.4 million) due to a corresponding reduction in customer arrears.

Security deposits from transitioned airlines of US\$0.8 million following the early termination of the associated leases were released in the year ended 30 June 2026

Net income from the insurance claim for the written off A220-300 of US\$0.1 million was reported in the year ended 30 June 2026.

Administrative expenses

US\$ '000s	Year ended 30 June,	
	2026	2025
Staff costs	6,144	5,682
Other administrative expenses	4,692	3,444
	10,836	9,126

Staff costs increased by 8.1% to US\$6.1 million in the year ended 30 June 2026 (2025: US\$5.7 million) principally due to inflationary salary increments.

Other administrative expenses increased by 36.2% to US\$4.7 million in the year ended 30 June 2026 (2025: US\$3.4 million) principally due to inflationary increases to audit and accounting costs, overseas contractor fees and general office overheads.

Other operating income and expense items

US\$ '000s	Year ended 30 June,	
	2026	2025
Depreciation	(36,396)	(37,512)
Gain/(loss) on disposal of aircraft	4,145	3,455
Unrealised (loss)/gain on aircraft purchase rights and pre-delivery aircraft deposits paid	(1,442)	(21,643)
Unrealised loss on equity investment	(3,711)	(1,630)
Reversal of impairment loss on aircraft	7,786	4,831
Aircraft transition expenses	(1,527)	(244)
Expected credit (losses)/reversals	(3,040)	80
Legal and professional fees	(2,778)	(1,978)
Other expenses	-	(2,336)

Depreciation decreased by 3.0% from US\$37.5 million to US\$36.4 million due to the sale of a Boeing 777-300ER aircraft in September 2025. The sale also generated a gain on disposal of US\$4.1 million.

Avation's 19 aircraft purchase rights were revalued at 30 June 2026 using a Black-Scholes option pricing model. The principal factors leading to the recognition of an unrealised loss of US\$1.4 million (2025: US\$ 21.6 million) primarily due to a reduction in the time to expiry of the purchase rights, partially offset by favourable changes in other key valuation inputs used in the Black-Scholes option pricing model, resulting in a lower overall loss.

The Company recorded an unrealised loss of US\$3.7 million on its holding of shares in Philippine Airlines, Inc. (2025: US\$1.6 million). The Company received these shares as part of the settlement awarded to creditors in the bankruptcy restructuring of the airline in December 2021.

Previously recognised impairment losses of US\$7.8 million were reversed in the year ended 30 June 2026 due to firmer residual values in the Company's lease encumbered valuation model for aircraft, having similarly reversed US\$4.8 million of impairment losses in the year ended 30 June 2025. The market environment has been supportive for aircraft values due to strong demand for aircraft and constrained supply of new aircraft.

Aircraft transition expenses of US\$1.5 million (2025: US\$0.2 million) represent repairs and maintenance expenditure on aircraft incurred during the transition of aircraft during the year following the early termination of the leases.

The expected credit losses of US\$3.0 million (2025: US\$0.1 million reversal) primarily results from rent arrears written off on the termination of the lease for two ATR 72-600 aircraft to one customer which went into administration in the year ended 30 June 2026. Current trade receivables (before allowances for credit losses) were US\$8.1 million at 30 June 2026, an increase from US\$6.3 million at 30 June 2025.

Legal and professional fees increased by 40.4% to US\$2.8 million in the year ended 30 June 2026 (2025: US\$2.0 million) due to increased transaction activity on aircraft deliveries, disposals and transitions.

Other expenses of US\$2.3 million in the year ended 30 June 2025 represented foreign currency exchange losses on the Group's Euro denominated bank loans, whilst in the year ended 30 June 2026, the Company benefitted from foreign currency gains.

Finance income

US\$ '000s	Year ended 30 June,	
	2026	2025
Interest income	2,319	4,706
Dividend income (money market funds)	923	-
Finance income from discounting non-current deposits	665	629
Swap break gain	991	-
Gain on early full repayment of borrowings	-	960
	4,898	6,295

Interest income decreased in the year ended 30 June 2026 principally due to amounts being placed in low-risk money market funds rather than cash deposits and lower interest income on amounts due under a customer payment plan agreement which was fully repaid by 30 June 2025.

Avation's strategy of diversifying its investments into low-risk money market funds generated dividend income of US\$0.9 million in the year to 30 June 2026.

The swap break gain of US\$1.0 million in the year ended 30 June 2026 arose from the early unwind of the fixed-rate funding arrangement associated with an aircraft financing facility.

In the year to 30 June 2025, gains on early repayment of borrowings of US\$1.0 million arose on termination of interest rate swaps when seven aircraft loans were refinanced.

Finance expenses

US\$ '000s	Year ended 30 June,	
	2026	2025
Interest expense on secured borrowings	15,357	17,033
Interest expense on unsecured notes	24,932	26,924
Amortisation of loan transaction costs	1,765	1,979
Amortisation of IFRS 9 gain on debt modification	4,188	13,885
Fair value loss on financial derivatives	1,281	1,188
Amortisation of interest expense on non-current borrowings	671	628
Loss on early repayment of unsecured notes	10,063	599
Loss on early full repayment of borrowings	606	
Others	277	225
	59,140	62,461

Interest expense on secured borrowings reduced by 9.8% to US\$15.4 million in the year ended 30 June 2026 (2025: US\$17.0 million) as a result of net repayments of secured loans.

Secured borrowings have been paid down by US\$74.2 million to US\$282.4 million at 30 June 2026 (2025: US\$356.6 million).

Interest expense on unsecured notes decreased by 7.4% to US\$24.9 million in the year ended 30 June 2026 (2025: US\$26.9 million). The decrease principally reflects the repurchase of Avation Capital S.A. 8.25%/9.0% notes, which reduced the average outstanding principal balance prior to redemption of the remaining notes, partially offset by interest on the US\$300 million 8.5% unsecured notes issued by Avation Group (S) Pte Ltd in November 2025.

Amortisation of IFRS 9 gain on debt modification of US\$4.2 million (2025: US\$13.9 million) represents the final balance of amortisation 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 recognised a loss of US\$10.1 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.

A non-cash mark-to-market loss of US\$1.3 million (2025: US\$ 1.2 million) arose on the revaluation of interest rate swap agreements as a result of changes in floating interest rates in the year to 30 June 2026.

A US\$ 0.6 million loss on the early repayment of a secured loan was incurred relating to an aircraft that was transitioned to another customer in the year ended 30 June 2026 following the early termination of the previous customer's lease.

Other comprehensive income

Other comprehensive income of US\$25.6 million (2025: US\$4.7 million) comprised US\$3.2 million of gains on cash flow hedges (2025: US\$10.1 million loss), primarily relating to interest rate swaps, and a US\$22.4 million increase in the revaluation reserve arising from the upward revaluation of the aircraft portfolio (2025: US\$14.8 million) net of tax.

Dividend

A dividend of 1.0 US cents was paid in the year. The Board has increased the dividend by 50% and declared an interim dividend of 1.5 US cents per share for the financial year ended 30 June 2026, subject to approval by shareholders at the AGM. The dividend timetable will be advised in due course.

Interim Management Statement

The global aviation market experienced a period of increased volatility during the year ended 30 June 2026, with the outbreak of hostilities in the Middle East affecting passenger demand, fuel prices and airline operations. According to the International Air Transport Association (IATA), global passenger demand is forecast to increase by 2.1% in 2026, with Asia-Pacific demand forecast to increase by 5.1%. While near-term growth has moderated, IATA's longer-term projections indicate continued expansion in global air travel, with passenger demand forecast to grow at an average annual rate of approximately 3.1% between 2024 and 2050.

Aircraft supply constraints also continue to affect the aviation industry. According to IATA, the global aircraft order backlog reached approximately 18,100 aircraft in May 2026, equivalent to almost 60% of the active fleet, while the industry continues to face an accumulated delivery shortfall of approximately 5,600 aircraft. Aircraft deliveries remain below the levels required to address this shortfall, continuing to constrain airline fleet growth and supporting demand for aircraft available through the leasing market.

This market environment has continued to support aircraft values and lease rates. Avation has seen an increase in aircraft values and in lease rates for both new and second-hand commercial aircraft during the year.

Avation will continue to focus on placing the remaining ATR 72-600 aircraft with new and existing airline customers and identifying opportunities to grow and diversify its customer base. Avation expects to continue the gradual transition of its portfolio towards newer-generation, fuel-efficient aircraft. Aircraft delivered from Avation's ATR orderbook are fitted with Pratt & Whitney Canada PW127XT engines, providing improved fuel efficiency and maintenance characteristics compared with previous-generation engines. Avation also expects to continue to develop its portfolio of narrow-body aircraft, including the Airbus A220 and A320neo family, alongside its ATR turboprop fleet.

Following the year-end, Avation entered into a committed US\$100 million warehouse facility, providing additional funding capacity to support aircraft acquisitions and the continued growth of the fleet. Avation will continue to maintain a diversified funding base and assess opportunities to optimise its capital structure, including potential bond repurchases where appropriate.

Avation remains focused on disciplined investment, sustainable growth and customer diversification, while maintaining a modern and competitive fleet and identifying opportunities to support long-term shareholder value.

Market Positioning

Avation's long-term strategy is to deliver sustainable growth and diversification through the addition of new airline customers and the expansion of its fleet of modern commercial passenger aircraft, while maintaining a low average aircraft age and long remaining lease terms. Avation focuses on new and relatively new commercial passenger aircraft on long-term leases, with a particular focus on the turboprop and narrow-body segments.

Avation's business model involves rigorous investment criteria designed to mitigate the risks associated with the aircraft leasing sector. Avation typically seeks to sell mid-life and older aircraft and redeploy capital into newer assets. This approach is intended to mitigate technology change risk and operational and financial risk, while supporting sustainable growth and long-term shareholder value.

Avation will consider the acquisition or sale of individual aircraft and smaller portfolios based on prevailing market opportunities, expected returns and consideration of risk and revenue concentrations.

Funding for aircraft acquisitions is sourced from a combination of capital markets, asset-backed lending, operational cash flows and aircraft disposals. Access to appropriately priced and diversified funding is an important component of Avation's business model.

Avation supports the transition of the aviation industry towards more fuel-efficient aircraft and technologies capable of reducing CO2 emissions on a net basis. Avation's focus on newer-generation aircraft, including the ATR 72-600, supports the continued improvement in the fuel efficiency and emissions profile of its fleet.

Principal risk factors facing the aircraft leasing industry include, but are not limited to, exposure to the airline industry and the risk of deterioration in the financial condition of airline customers; asset value risk driven by changing patterns of supply and demand and technological change; operational risks including those resulting from war, acts of extremism, pandemics and natural disasters; regulatory risks arising from changes to government regulations and tax laws; and climate-change risks.

The Directors may seek to repurchase ordinary shares in the Company from time to time, subject to the terms of a share buy-back mandate which expires at the conclusion of the next Annual General Meeting.

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 year ended 30 June 2026.

Financial information presented in this announcement is being published for the purposes of providing preliminary Group financial results for the year ended 30 June 2026. 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 29 September 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 2 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.

-ENDS-

Enquiries:

Avation PLC – Jeff Chatfield, Executive Chairman

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 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

**AVATION PLC CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2026**

	2026 US\$'000s	2025 US\$'000s
Continuing operations		
Revenue	110,093	110,099
Other income	1,987	2,448
	<u>112,080</u>	<u>112,547</u>
Depreciation	(36,396)	(37,512)
Gain on disposal of aircraft	4,145	3,455
Unrealised loss on aircraft purchase rights and pre-delivery aircraft deposits paid	(1,442)	(21,643)
Unrealised loss on equity investments	(3,711)	(1,630)
Reversal of impairment loss on aircraft	7,786	4,831
Aircraft transition expenses	(1,527)	(244)
(Allowance for)/reversal of expected credit losses	(3,040)	80
Administrative expenses	(10,836)	(9,126)
Legal and professional fees	(2,778)	(1,978)
Other expenses	-	(2,336)
Operating profit	<u>64,281</u>	<u>46,444</u>
Finance income	4,898	6,295
Finance expenses	(59,140)	(62,461)
Profit/(loss) before taxation	<u>10,039</u>	<u>(9,722)</u>
Taxation	(1,620)	2,006
Profit/(loss) from continuing operations	<u>8,419</u>	<u>(7,716)</u>
Profit/(loss) attributable to:		
Shareholders of Avation PLC	<u>8,419</u>	<u>(7,716)</u>
Earnings per share for profit/(loss) attributable to:		
Shareholders of Avation PLC		
<i>Basic earnings per share (US cents)</i>	13.36	(11.22)
<i>Diluted earnings per share (US cents)</i>	<u>13.13</u>	<u>(10.84)</u>

**AVATION PLC CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026**

	2026 US\$'000s	2025 US\$'000s
Profit/(loss) from continuing operations	8,419	(7,716)
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net gain/(loss) on cash flow hedge, net of tax	3,246	(10,140)
	3,246	(10,140)
<i>Items that may not be reclassified subsequently to profit or loss:</i>		
Revaluation gain on property, plant and equipment, net of tax	22,362	14,815
Other comprehensive income, net of tax	25,608	4,675
Total comprehensive income/(loss) for the year	34,027	(3,041)
Total comprehensive income/(loss) attributable to: Shareholders of Avation PLC	34,027	(3,041)

AVATION PLC CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2026

	2026 US\$'000s	2025 US\$'000s
ASSETS		
Non-current assets		
Property, plant and equipment	735,763	725,134
Finance lease receivables	-	11,129
Trade and other receivables	717	1,005
Pre-delivery aircraft deposits paid	16,454	18,218
Derivative financial assets	995	836
Aircraft purchase rights	78,840	91,740
Lease incentive assets	7,622	4,831
Goodwill	1,902	1,902
	842,293	854,795
Current assets		
Finance lease receivables	11,149	1,734
Trade and other receivables	11,867	9,912
Pre-delivery aircraft deposits paid	23,446	10,960
Derivative financial assets	-	714
Investment in equity, fair value through profit or loss	5,404	9,115
Lease incentive assets	2,698	2,920
Restricted cash	52,537	80,831
Cash investment in fixed term bank deposits	-	1,042
Cash and cash equivalents	52,441	48,102
	159,542	165,330
Asset held for sale	-	81,810
	159,542	247,140
Total assets	1,001,835	1,101,935

**AVATION PLC CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2026**

	2026 US\$'000s	2025 US\$'000s
EQUITY AND LIABILITIES		
Equity		
Share capital	1,010	1,234
Share premium	79,368	79,447
Treasury shares	(2,867)	(16,003)
Merger reserve	6,715	6,715
Asset revaluation reserve	78,368	62,158
Capital reserve	8,876	8,876
Other reserves	1,655	(1,406)
Retained earnings	90,149	102,818
Equity attributable to shareholders of Avation PLC	263,274	243,839
Non-controlling interests	7	7
Total equity	263,281	243,846
Non-current liabilities		
Loans and borrowings	536,885	582,253
Trade and other payables	20,038	18,843
<i>Derivative</i> financial liabilities	-	3,142
Maintenance reserves	47,528	31,360
Deferred tax liabilities	34,645	31,637
	639,096	667,235
Current liabilities		
Loans and borrowings	39,242	70,084
Trade and other payables	22,782	19,595
Derivative financial liabilities	1,389	
Maintenance reserves	35,206	69,423
Income tax payable	839	1,314
	99,458	160,416
Liabilities associated with assets held for sale	-	30,438
	99,458	190,854
Total equity and liabilities	1,001,835	1,101,935

**AVATION PLC CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026**

	Attributable to shareholders of Avation PLC										
	Share capital	Share premium	Treasury Shares	Merger reserve	Asset revaluation reserve	Capital reserve	Other reserves	Retained earnings	Total	Non- controlling interest	Total equity
	US\$'000s	US\$'000s	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
Profit for the year	-	-	-	-	-	-	-	8,419	8,419	-	8,419
Other comprehensive income	-	-	-	-	22,362	-	3,246	-	25,608	-	25,608
<i>Total comprehensive income</i>	-	-	-	-	22,362	-	3,246	8,419	34,027	-	34,027
Issue of shares	5	518	-	-	-	-	(911)	-	(388)	-	(388)
Purchase of treasury shares	-	-	(15,185)	-	-	-	-	-	(15,185)	-	(15,185)
Treasury shares re-issue	-	(597)	1,676	-	-	-	-	-	1,079	-	1,079
Cancellation of treasury shares	(229)	-	26,645	-	-	-	229	(26,645)	-	-	-
Share warrant expense	-	-	-	-	-	-	551	-	551	-	551
Dividend paid	-	-	-	-	-	-	-	(649)	(649)	-	(649)
<i>Total transactions with owners recognised directly in equity</i>	(224)	(79)	13,136	-	-	-	(131)	(27,294)	(14,592)	-	(14,592)
Release of revaluation reserve upon aircraft written off	-	-	-	-	(6,152)	-	-	6,152	-	-	-
Expiry of share warrants	-	-	-	-	-	-	(54)	54	-	-	-
<i>Total others</i>	-	-	-	-	(6,152)	-	(54)	6,206	-	-	-
Balance at 30 June 2026	1,010	79,368	(2,867)	6,715	78,368	8,876	1,655	90,149	263,274	7	263,281

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 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026**

	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	US\$'000s	US\$'000s
Balance at 1 July 2024	1,182	70,120	-	6,715	47,343	8,876	11,210	110,944	256,390	7	256,397
Loss for the year	-	-	-	-	-	-	-	(7,716)	(7,716)	-	(7,716)
Other comprehensive income	-	-	-	-	14,815	-	(10,140)	-	4,675	-	4,675
<i>Total comprehensive loss</i>	-	-	-	-	<i>14,815</i>	-	<i>(10,140)</i>	<i>(7,716)</i>	<i>(3,041)</i>	-	<i>(3,041)</i>
Issue of shares	52	9,327	-	-	-	-	(2,847)	-	6,532	-	6,532
Purchase of treasury shares	-	-	(16,003)	-	-	-	-	-	(16,003)	-	(16,003)
Share warrant expense	-	-	-	-	-	-	411	-	411	-	411
Dividend paid	-	-	-	-	-	-	-	(450)	(450)	-	(450)
<i>Total transactions with owners recognised directly in equity</i>	<i>52</i>	<i>9,327</i>	<i>(16,003)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(2,436)</i>	<i>(450)</i>	<i>(9,510)</i>	<i>-</i>	<i>(9,510)</i>
Expiry of share warrants	-	-	-	-	-	-	(40)	40	-	-	-
<i>Total others</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(40)</i>	<i>40</i>	<i>-</i>	<i>-</i>	<i>-</i>
Balance at 30 June 2025	1,234	79,447	(16,003)	6,715	62,158	8,876	(1,406)	102,818	243,839	7	243,846

**AVATION PLC CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
30 JUNE 2025**

	2026 US\$'000s	2025 US\$'000s
Cash flows from operating activities:		
Profit/(loss) before income tax	10,039	(9,722)
Adjustments for:		
Amortisation of lease incentive asset	1,672	3,141
Depreciation expense	36,396	37,512
Depreciation of right-of-use assets	293	283
Allowance for/(reversal of) expected credit losses	3,040	(80)
Finance income	(4,898)	(6,295)
Finance expense	59,140	62,461
Gain on disposal of aircraft	(4,145)	(3,455)
Interest income from finance leases	(805)	(1,219)
Reversal of impairment loss on aircraft	(7,786)	(4,831)
Maintenance reserves income	(21,565)	(22,086)
Insurance claim recovery - net	(52)	-
Share warrants expense	551	411
Foreign currency exchange (gain)/loss	(383)	2,834
Unrealised loss on aircraft purchase rights and pre-delivery aircraft deposits paid	1,442	21,643
Unrealised loss on equity investments	3,711	1,630
Operating cash flows before working capital changes	76,650	82,227
Movement in working capital:		
Trade and other receivables and finance lease receivables	(826)	32,147
Pre-delivery aircraft deposits paid	(7,939)	(6,238)
Trade and other payables	5,245	2,625
Maintenance reserves	(725)	17,884
Cash from operations	72,405	128,645
Finance income received	3,452	7,831
Finance expense paid	(41,943)	(43,487)
Income tax paid	(3,115)	(1,486)
Net cash from operating activities	30,799	91,503
Cash flows from investing activities:		
Dividend income received (money market funds)	923	-
Cash receipt from/(investment) in fixed term bank deposits	1,042	(1,042)
Purchase of property, plant and equipment	(40,201)	(63,249)
Proceeds from settlement of insurance claims	33,432	-
Proceeds from disposal of aircraft	55,376	39,556
Net cash from/(used in) investing activities	50,572	(24,735)
Cash flows from financing activities:		
Net proceeds from issuance of ordinary shares	162	6,532
Purchase of treasury shares	(15,185)	(16,003)
Dividend paid	(649)	(450)
Decrease/(increase) of restricted cash balances	28,294	13,548
Proceeds from loans and borrowings, net of transactions costs	350,426	109,146
Repayment of loans and borrowings	(440,080)	(155,000)
Net cash used in financing activities	(77,032)	(42,227)
Net increase in cash and cash equivalents	4,339	24,541
Cash and cash equivalents at beginning of year	48,102	23,561
Cash and cash equivalents at end of year	52,441	48,102