

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

UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2022

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, announces preliminary unaudited financial results for the year ended 30 June 2022.

Key Financial Results

- Profit after tax of \$17.1 million (2021: \$84.9 million loss);
- Earnings per share of 24.7 cents (2021: Loss per share 131.2 cents);
- Net asset value per share increased 63% to £2.68 (2021: £1.64);
- Revenue and other income reduced by 3% to \$116.4 million (2021: \$120.1 million);
- Net indebtedness was reduced by 14% to \$792.9 million (2021: \$922.6 million);
- Unrestricted cash and cash equivalents increased by 41% to \$35.3 million (2021: \$25.1 million), with total cash and bank balances of \$119.2 million (2021: \$122.5 million); and
- Profit before tax (before non-cash loan modification charges) of \$34.9 million (2021: Loss before tax \$120.5 million).

Operational Highlights

- Warehouse loan facility maturity date extended to 30 September 2026;
- Five aircraft were sold during the year, comprising an Airbus A220-300, an Airbus A321-200 and three ATR 72 turboprops;
- Placed one ex-Virgin Australia ATR 72 aircraft on lease;
- Three leases extended including two ATR 72 turboprops and one Airbus A320 jet aircraft;
- Transitioned an Airbus A320 to a new customer;
- Repossessed a Boeing 737-800;
- Philippine Airlines restructuring completed with a Boeing 777-300ER remaining on lease with the airline.

Executive Chairman, Jeff Chatfield, said:

“In the year ended 30 June 2022 Avation has returned to profitability, increased net asset value per share, maintained liquidity, materially lowered net indebtedness and clearly enunciated its new low CO2 strategy. The Company is well positioned to execute its business strategy as the aviation sector returns to pre-pandemic levels of activity.

“The 2022 financial results reflect the end of the pandemic and the return to a high level of utilisation for Avation’s aircraft fleet. There has been a significant recent recovery in passenger numbers and the airline industry. The Company is optimistic about a future for the leasing industry characterised by high demand for aircraft as the global fleet builds and transitions to low CO2 technology in the coming years.

“Fleet utilisation has improved as unutilised aircraft have been repositioned or sold. The significant impacts of airline insolvencies and the restructuring of some of Avation’s customers have mostly been reflected in previous periods and distributions to creditors from these insolvencies are being received.

“The Company is seeing increased levels of interest from airlines to buy or lease aircraft at sustainable lease rates, senior lenders willing to lend against aircraft assets and improved utilisation of aircraft. These factors confirm the emergence of the industry from the pandemic.

“The Company’s strategy will focus on leasing modern, low CO2 emissions, fuel-efficient aircraft in the future. Avation is supportive of the aviation industry’s goal of becoming more sustainable through a transition to new technology more fuel-efficient aircraft engines and the use of sustainable aviation fuel to reduce CO2 emissions.

“The Company will position itself for a return to growth through opportunistic aircraft trading and deliveries from its orderbook in the post pandemic environment.”

Financial Highlights and Analysis

	30 June 2022 US\$ 000s	30 June 2021 US\$ 000s	Change
Revenue	112,232	117,738	(5%)
Other income	4,152	2,406	73%
	116,384	120,144	-
Depreciation	(39,304)	(46,332)	(15%)
Loss on disposal of aircraft	(2,396)	(6,948)	
Unrealised gain on aircraft purchase rights	38,320	(150)	
Impairment loss on aircraft	(6,158)	(87,394)	
Expected credit loss on receivables and accrued revenue	1,980	(25,428)	(108%)
Administrative expenses	(9,465)	(9,485)	-
Legal and professional fees (5)	(3,698)	(2,561)	44%
Other expenses	(5,479)	(4,560)	20%
Operating Profit/(Loss)	90,184	(62,714)	(244%)
Finance income	3,344	2,441	37%
Finance expenses (net of Amortisation of gain on loan modification)	(58,676)	(60,218)	(3%)
Profit/(Loss) before taxation (before non-cash loan modification charges)	34,852	(120,491)	(129%)
(Loss)/gain on loan modification	(3,545)	50,270	
Amortisation of gain of loan modification	(8,805)	-	
Profit/(loss) before taxation	22,502	(70,221)	(132%)
Taxation	(5,375)	(14,664)	(63%)
Total profit after tax	17,127	(84,885)	(120%)

EPS	24.7 cents	(131.2) cents	(119%)
	30 June 2022	30 June 2021	
	US\$ 000s	US\$ 000s	
Fleet assets (1)	987,995	1,079,594	(8%)
Total assets	1,217,020	1,282,934	(5%)
Cash and bank balances (2)	119,171	122,471	(3%)
Cash and cash equivalents	35,267	25,067	41%
Net asset value per share (US\$) (3)	\$3.27	\$2.26	45%
Net asset value per share (GBP) (4)	£2.68	£1.64	63%

1. Fleet assets are defined as property, plant and equipment plus assets held for sale plus finance lease receivables.
2. Cash and bank balances as at 30 June 2022 comprise cash and cash equivalents of \$35.3 million (30 June 2021: \$25.1 million) and restricted cash balances of \$83.9 million (30 June 2021: \$97.4 million).
3. Net asset value per share is total equity divided by the total number of shares in issue, excluding treasury shares.
4. Based on GBP:USD exchange rate as at 30 June 2022 of 1.22 (30 June 2021:1.38).
5. Legal and professional fees were included within administrative expenses in the financial statements for the year ended 30 June 2021. Legal and professional fees are disclosed as a separate line item in the financial statements for the year ended 30 June 2022 and the comparative figures have been restated to conform presentation.

Aircraft Fleet

Aircraft Type	30 June 2022
Boeing 777-300ER	1
Airbus A330-300	1
Airbus A321-200	6
Boeing 737-800NG	1
Airbus A320-200	2
Airbus A220-300	5
ATR 72-600	18
ATR 72-500	5
Total	39

At 30 June 2022, Avation's fleet comprised 39 aircraft, including six aircraft on finance lease. Avation serves 17 customers in 14 countries. The weighted average age of the fleet is 5.6 years (30 June 2021: 4.8 years) and the weighted average remaining lease term is 5.7 years (30 June 2021: 6.4 years).

One Airbus A220-300, one Airbus A321-200 and three ATR 72-600 aircraft were sold during the period. Turboprop and narrowbody aircraft make up 83% of fleet assets as at 30 June 2022. Fleet assets decreased 8.0% to \$988.0 million (30 June 2021: \$1,079.6 million). Three aircraft in the fleet were unencumbered at 30 June 2022. As at the date of this report, Avation has four unutilised aircraft as a result of re-positioning or selling 17 of the 20 aircraft that were returned from customers during the pandemic and the repossession of an ATR 72-600 since 30 June 2022.

Avation has orders for two ATR 72-600 aircraft and purchase rights for a further 28 aircraft as at 30 June 2022. The order-book represents a growth opportunity as purchase rights provide a visible pathway to fleet growth.

Avation has no current, and has never had any, direct exposure to Russia or any Russian airline. Avation is currently not aware of any sanctions resulting from the events in Ukraine that will impact the Company.

Fleet Valuation Review

Avation has impaired the value of its aircraft fleet by over \$132.8 million over the past two years, due to significant airline customer failures and uncertainty created by the pandemic, including \$9.9 million in the results for the six months to 31 December 2021. The rapid recovery in global air travel and improvements in airline credit worthiness now support an improvement in the overall value of Avation's fleet.

Avation has reviewed the values of aircraft in its fleet and reversed some of the previous impairment charges and increased the overall value of the fleet. The increase in valuation represents a small proportion of the impairments taken during the pandemic. The review resulted in \$3.7 million of impairment being reversed in the six months ended 30 June 2022 with a further \$17.5 million recorded as an increase in the asset revaluation reserve. The value of aircraft purchase rights has also increased. Purchase rights represent an opportunity for access to the popular, new technology, fuel efficient ATR 72 turboprop aircraft.

As the world continues to emerge from the pandemic, demand for aircraft is expected to continue increasing. As airline travel continues to recover, expected improvements in lease rates may lead to further increases in aircraft values in the future.

Airline Customers subject to Restructuring or Insolvency

Insolvency proceedings impacted two airlines during the period, Virgin Australia and Philippine Airlines

Virgin Australia

Avation's claim against Virgin Australia has been adjudicated by the Trustee of the Creditors Trust in the sum of AUD101.4 million. Avation was notified of an initial distribution from the Creditors Trust of 5.4 cents in the dollar on 15 September 2022. A further distribution based on funds withheld by the Trustee is expected. In addition to this distribution further funds may be made available to creditors should Virgin Australia meet performance targets in the financial year ended 30 June 2023. The potential total of these additional distributions is estimated to be in the range of 1.0 - 2.0 cents in the dollar.

Philippine Airlines

The Philippine Airlines ("PAL") restructuring plan became effective on 31 December 2021. Pursuant to the restructuring plan, PAL has retained a Boeing 777-300ER aircraft on lease from Avation. The lease for this aircraft will continue until the original scheduled termination date. PAL has met its commitments under the restructuring agreement and continues to meet the ongoing lease terms. Avation has received shares in PAL as part of the restructuring arrangement and may seek to realise the value of these shares in the future.

Debt summary

	30 June 2022 US\$000s	30 June 2021 US\$000s	Change
Current loans and borrowings	63,900	442,622	(86%)
Non-current loans and borrowings	764,230	505,018	51%
Total loans and borrowings	828,130	947,640	(13%)
Unrestricted cash and bank balances	35,267	25,067	41%
Net indebtedness (1)	792,863	922,573	(14%)
Net debt to assets (2)	65.1%	71.9%	
Weighted average cost of secured debt (3)	4.0%	3.9%	
Weighted average cost of total debt (4)	5.7%	5.4%	

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 14.1% to \$792.9 million (30 June 2021: \$922.6 million). In addition to this the Company was able to successfully extend the maturity date of its aircraft warehouse loan facility to 30 September 2026 resulting in a material reduction in current liabilities.

The weighted average cost of total debt is 5.7% as at 30 June 2022 (30 June 2021: 5.4%). The weighted average cost of secured debt was stable at 4.0% at 30 June 2022 (30 June 2021: 3.9%).

At the end of the financial period, Avation's net debt to total assets ratio had improved to 65.1% (30 June 2021: 71.9%). As at 30 June 2022, 89.2% of total debt was at fixed or hedged interest

rates (30 June 2021: 90.9%). The proportion of unsecured debt to total debt was 35.8% (30 June 2021: 29.9%).

Accounting impact (non-cash) of Bond extension and Warehouse Facility Extension

In the year ended 30 June 2021 Avation completed a process to extend the maturity date of Avation Capital S.A.'s Senior Notes ("Notes") from May 2021 to October 2026. The extension of the maturity date and other revisions to the terms and conditions of the Notes were accounted for as a substantial modification of the terms of a debt instrument in accordance with IFRS 9 which led to a non-cash gain of \$50.3 million being recognised in the statement of profit or loss in the year ended 30 June 2021. Under IFRS 9 this gain is required to be amortised over the term of the extension of the Notes. Investors should note that in the current financial year ended 30 June 2022 amortisation of this gain led to a non-cash charge of \$8.8 million being recognised in finance expenses. A further non-cash charge of \$3.5 million was recorded when Avation successfully extended the maturity date of its aircraft warehouse loan facility to 30 September 2026.

Interim Management Statement

The global aviation industry's emergence from the pandemic continues. The rapid resurgence of passenger numbers has been particularly evident in the period to the date of this announcement. Current trading and collection of arrears remain steady. In the Company's opinion, the recent improvement in travel is due to a combination of the Omicron variant being less severe and high vaccination rates that have allowed governments to drop mask mandates and ease travel restrictions. This trend is evident in regional and domestic travel and is being followed by a recovery in international travel.

Avation's recent focus has necessarily been directed towards maintaining liquidity, re-positioning or sale of unutilised aircraft and reducing leverage. In the six-month period to 30 June 2022 material events that have impacted Avation's financial position include the completion of PAL's restructuring, completion of the sale of three ex-Virgin Australia ATR 72 aircraft and the extension to 30 September 2026 of the Company's warehouse loan facility. The Company will maintain focus on these key elements of the business in the short term. However, given that a significant number of pandemic related issues have been resolved, the Company is optimistic about opportunities in the post pandemic environment.

During the period to the date of this announcement, Avation has developed a sustainable, low emissions aircraft growth strategy. This initiative was supported by the recent release of the new lower emissions PW127XT engine and announcement that future variants of the ATR 72 aircraft will include hybrid technology and use 100% Sustainable Aviation Fuel. In addition, an ATR 72 aircraft has also completed the first 100% Sustainable Aviation Fuel commercial flight. The Company's future business strategy will be to focus on leasing modern, low CO₂ emissions, fuel-efficient aircraft. We anticipate gradually trading out of older aircraft types and focussing on aircraft types such as the Airbus NEO and A220 series in addition to ATR 72 aircraft with the recently announced new generation engines. The Company's portfolio already comprises a significant proportion of Airbus A220 and ATR 72 aircraft showing our commitment to new technology, fuel-efficient aircraft types.

Future ATR 72 deliveries from Avation's orderbook will be powered by the new Pratt and Whitney Canada PW127XT engine which promises 20% lower maintenance costs, extended time on wing, 3% lower fuel consumption and 5% more power compared with the current engine. The manufacturer expects that the PW127XT engine will be certified to operate with 100% SAF from 2025. When using SAF net emissions of CO₂ will be reduced by 80%.

Industry data suggests that airlines will require significant numbers of leased aircraft following the pandemic due to the large number of older aircraft that have been retired and the impact of the pandemic on airline balance sheets, reducing their ability to purchase aircraft directly. This supports the Company's strategy of focussing on young and popular commercial aircraft.

Avation's functional currency is the US Dollar. As at 30 June 2022 the net asset value per share was \$3.27, equivalent to £2.68 based on a GBP:USD exchange rate of 1.22. As at the date of this report the GBP:USD exchange rate is 1.07. The 30 June 2022 net asset value per share of \$3.27 is equivalent to £3.06 based on an exchange rate of 1.07.

Market Positioning

Avation's long-term strategy is to target growth and diversification by adding new airline customers, while maintaining a low average aircraft age and long remaining lease term metrics. Avation focuses on new and relatively new commercial passenger aircraft on long-term leases.

Avation supports and recognises the transition of the aircraft industry towards aircraft using 100% sustainable aviation fuel to produce low CO₂ emissions on a net basis. Low CO₂ emissions will advantage airlines in terms of taxes and government imposts and are key to providing a sustainable future for global aviation.

The Company's business model involves rigorous investment criteria that seeks to mitigate the risks associated with the aircraft leasing sector. Avation will typically sell mid-life and older aircraft and redeploy capital to newer assets. This approach is intended to mitigate technology change risk, operational and financial risk, support sustained growth and deliver long-term shareholder value.

Avation is an active trader of aircraft and from time to time will consider the acquisition or sale of individual or smaller portfolios of aircraft, based on prevailing market opportunities and consideration of risk and revenue concentrations.

Funding of asset acquisitions is traditionally sourced from capital markets, asset-backed bank lending, operational cash flows and disposals of selected aircraft. Access to acceptably priced funding is a key factor in aircraft leasing. Specific risks which are inherent in the aircraft leasing industry include, but are not limited to, ongoing pandemic impacts on travel, government regulations, the creditworthiness of airline customers, over-production of new aircraft and market saturation, technology change, residual value risks, competition from other lessors and the risk of impairment of aircraft assets.

Results Conference Call

Avation's senior management team will host an investor update call on 29 September 2022, at 2:30 pm BST (UK) / 9:30 am EST (US) / 9:30 pm SGT (Singapore), to discuss the Company's financial results. Investors can participate in the call by using the following link:

<https://www.investormeetcompany.com/avation-plc/register-investor>

A replay of the broadcast will be 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 financial period ended 30 June 2022.

Financial information presented in this announcement is being published for the purposes of providing preliminary Group financial results for the year ended 30 June 2022. 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 28 September 2022. 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 2021, upon which the auditors have given an unqualified audit, were published on 26 October 2021 and have been annexed to the annual return and delivered to the Registrar of Companies.

All “\$” 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:

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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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022 US\$'000s	2021 US\$'000s
Continuing operations		
Revenue	112,232	117,738
Other income	4,152	2,406
	<u>116,384</u>	<u>120,144</u>
Depreciation	(39,304)	(46,332)
Loss on disposal of aircraft and aircraft engine	(2,396)	(6,948)
Unrealised gain/(loss) on aircraft purchase rights	38,320	(150)
Impairment loss on aircraft	(6,158)	(87,394)
Expected credit losses	1,980	(25,428)
Administrative expenses	(9,465)	(9,485)
Legal and professional fees	(3,698)	(2,561)
Other expenses	(5,479)	(4,560)
Operating profit/(loss)	<u>90,184</u>	<u>(62,714)</u>
(Loss)/gain on debt modification	(3,545)	50,270
Finance income	3,344	2,441
Finance expenses	(67,481)	(60,218)
Profit/(loss) before taxation	<u>22,502</u>	<u>(70,221)</u>
Taxation	(5,375)	(14,664)
Profit/(loss) from continuing operations	<u>17,127</u>	<u>(84,885)</u>
Profit/(loss) attributable to:		
Shareholders of Avation PLC	17,126	(84,886)
Non-controlling interests	1	1
	<u>17,127</u>	<u>(84,885)</u>
Earnings per share for profit/(loss) attributable to shareholders of Avation PLC		
Basic earnings per share (US cents)	24.65	(131.15)
Diluted earnings per share (US cents)	<u>24.65</u>	<u>(131.15)</u>

AVATION PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022 US\$'000s	2021 US\$'000s
Profit/(loss) from continuing operations	17,127	(84,885)
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net gain on cash flow hedge, net of tax	35,387	1,686
	35,387	1,686
<i>Items that may not be reclassified subsequently to profit or loss:</i>		
Revaluation gain on property, plant and equipment, net of tax	16,209	7,440
Other comprehensive income, net of tax	51,596	9,126
Total comprehensive income/(loss) for the year	68,723	(75,759)
Total comprehensive income/(loss) attributable to:		
Shareholders of Avation PLC	68,722	(75,760)
Non-controlling interests	1	1
	68,723	(75,759)

AVATION PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022 US\$'000s	2021 US\$'000s
ASSETS		
Non-current assets		
Property, plant and equipment	813,908	963,304
Finance lease receivables	55,208	45,836
Trade and other receivables	19,388	8,857
Derivative financial assets	5,920	-
Aircraft purchase rights	65,280	26,960
Lease incentive assets	310	6,661
Goodwill	1,902	1,902
	961,916	1,053,520
Current assets		
Finance lease receivables	5,624	4,154
Trade and other receivables	13,202	35,112
Investment in equity, fair value through profit or loss	3,715	-
Lease incentive assets	137	1,377
Cash and bank balances	119,171	122,471
	141,849	163,114
Assets held for sale	113,255	66,300
	255,104	229,414
Total assets	1,217,020	1,282,934
EQUITY AND LIABILITIES		
Equity		
Share capital	1,203	1,203
Share premium	67,681	67,681
Treasury shares	(7,811)	(7,811)
Merger reserve	6,715	6,715
Asset revaluation reserve	51,730	37,602
Capital reserve	8,876	8,876
Other reserves	14,174	(21,382)
Retained earnings	84,519	64,058
Equity attributable to shareholders of Avation PLC	227,087	156,942
Non-controlling interests	6	68
Total equity	227,093	157,010
Non-current liabilities		
Loans and borrowings	764,230	505,018
Trade and other payables	18,274	16,472
Derivative financial liabilities	1,055	20,161
Maintenance reserves	75,131	89,279
Deferred tax liabilities	25,437	17,138
	884,127	648,068
Current liabilities		
Loans and borrowings	63,900	442,622
Trade and other payables	15,940	16,449
Maintenance reserves	10,156	12,202
Income tax payable	658	666
	90,654	471,939

Liabilities directly associated with assets held for sale

15,146

5,917

105,800

477,856

Total equity and liabilities

1,217,020

1,282,934

AVATION PLC

CONSOLIDATED STATEMENT OF EQUITY CHANGES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	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
As at 1 July 2021	1,203	67,681	(7,811)	6,715	37,602	8,876	(21,382)	64,058	156,942	68	157,010
Profit for the period	-	-	-	-	-	-	-	17,126	17,126	1	17,127
Other comprehensive income	-	-	-	-	16,209	-	35,387	-	51,596	-	51,596
<i>Total comprehensive income</i>	-	-	-	-	16,209	-	35,387	17,126	68,722	1	68,723
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(63)	(63)
Share warrant expense	-	-	-	-	-	-	1,423	-	1,423	-	1,423
<i>Total transactions with owners recognised directly in equity</i>	-	-	-	-	-	-	1,423	-	1,423	(63)	1,360
<i>Release of revaluation reserve upon sale of aircraft</i>	-	-	-	-	(2,081)	-	-	2,081	-	-	-
Expiry of share warrants	-	-	-	-	-	-	(1,254)	1,254	-	-	-
<i>Total others</i>	-	-	-	-	(2,081)	-	(1,254)	3,335	-	-	-
Balance at 30 June 2022	1,203	67,681	(7,811)	6,715	51,730	8,876	14,174	84,519	227,087	6	227,093

AVATION PLC

CONSOLIDATED STATEMENT OF EQUITY CHANGES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	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
As at 1 July 2020	1,108	57,747	(7,811)	6,715	30,162	8,876	(24,302)	148,455	220,950	72	221,022
Loss for the period	-	-	-	-	-	-	-	(84,886)	(84,886)	1	(84,885)
Other comprehensive income	-	-	-	-	7,440	-	1,686	-	9,126	-	9,126
<i>Total comprehensive income</i>	-	-	-	-	7,440	-	1,686	(84,886)	(75,760)	1	(75,759)
Issue of new shares	95	9,934	-	-	-	-	-	-	10,029	-	10,029
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(5)	(5)
Share warrant expense	-	-	-	-	-	-	1,723	-	1,723	-	1,723
<i>Total transactions with owners recognised directly in equity</i>	95	9,934	-	-	-	-	1,723	-	11,752	(5)	11,747
Expiry of share warrants	-	-	-	-	-	-	(489)	489	-	-	-
<i>Total others</i>	-	-	-	-	-	-	(489)	489	-	-	-
Balance at 30 June 2021	1,203	67,681	(7,811)	6,715	37,602	8,876	(21,382)	64,058	156,942	68	157,010

AVATION PLC

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022 US\$'000s	2021 US\$'000s
Cash flows from operating activities:		
Profit/(loss) before income tax	22,502	(70,221)
Adjustments for:		
Amortisation of lease incentive asset	1,383	2,069
Depreciation expense	39,304	46,332
Depreciation of right-of-use assets	218	215
Expected credit losses	(1,980)	25,428
Finance income	(3,344)	(2,441)
Finance expense	67,481	60,218
Loss/(gain) on debt modification	3,545	(50,270)
Loss on disposal of aircraft and aircraft engine	2,396	6,948
Interest income from finance leases	(2,918)	(2,364)
Impairment loss on aircraft	6,158	87,394
Pre-delivery payments expensed	-	2,850
Share warrants expense	1,423	1,723
Unrealised (gain)/loss on aircraft purchase rights	(38,320)	150
Operating cash flows before working capital changes	97,848	108,031
Movement in working capital:		

Trade and other receivables and finance lease receivables	12,923	(40,757)
Trade and other payables	1,562	8,390
Maintenance reserves	(7,124)	34,879
Cash from operations	105,209	110,543
Finance income received	1,581	2,172
Finance expense paid	(51,700)	(49,935)
Income tax paid	(610)	(495)
Net cash from operating activities	54,480	62,285
Cash flows from investing activities:		
Purchase of property, plant and equipment	(17)	(104)
Proceeds from disposal of aircraft and aircraft engine	65,636	20,187
Net cash from investing activities	65,619	20,083
Cash flows from financing activities:		
Net proceeds from issuance of ordinary shares	-	10,029
Dividend paid to non-controlling interest of a subsidiary	(63)	(5)
Decrease/(increase) of restricted cash balances	13,500	(18,109)
Proceeds from loans and borrowings, net of transactions costs	17,060	11,747
Repayment of loans and borrowings	(140,396)	(88,712)
Transaction costs for modification of unsecured notes	-	(7,541)
Net cash used in financing activities	(109,899)	(92,591)
Net increase / (decrease) in cash and cash equivalents	10,200	(10,223)
Cash and cash equivalents at beginning of year	25,067	35,290
Cash and cash equivalents at end of year	35,267	25,067