

Via RNS and SGXNET

AVATION PLC
(“AVAP” or “the ‘Company’”)

AVATION DELIVERS FIRST AIRCRAFT FINANCED WITH A GREEN LOAN

SINGAPORE, 19 DECEMBER 2019 - Avation PLC, (LSE: AVAP), the commercial passenger aircraft leasing company, is pleased to announce that it has delivered the first in a series of five new ATR 72-600 turboprop aircraft to Braathens Regional Airways AB. (“Braathens”, “BRA”) at the ATR facility in Toulouse, France. Braathens represents Avation’s 18th airline customer. The Company has been advised that this is the first ever commercial aircraft financed with a Green Loan. The green loan was provided by Deutsche Bank.

Vigeo Eiris, one of the world’s leading institutions for Environmental, Social and Governance ratings, has expressed an opinion that the project of replacing aging regional jets with new ATR 72-600 aircraft is aligned with the Loan Market Association’s Green Loan Principles guidelines 2018. In their opinion Vigeo Eiris stated “We express a reasonable assurance (our highest level of assurance) on the Borrower’s commitments and on the Loan’s contribution to sustainability.”

This reinforces the environmental benefits of the modern ATR turboprop aircraft, which emits 40% less CO₂ than a comparable regional jet, largely due to its latest generation turboprop engines. ATR 72 aircraft currently comprise 26 aircraft out of Avation’s total fleet of 48 aircraft. Together with other fuel efficient and lower carbon aircraft in the fleet, they comprise over 50% of Avation’s overall fleet.

Executive Chairman of Avation, Jeff Chatfield, commented: “As a lessor, it is essential for us to progress our fleet into new technology low carbon emission aircraft such as the ATR 72-600 which maintain their value over a long period. BRA’s decision to consolidate their own operation around the ATR 72-600 aircraft type demonstrates their understanding of the regional aviation market and the importance of reducing carbon emissions. BRA is an airline that is leading the way in terms of striving to offer their passengers the best possible experience, whilst optimising operations and minimising environmental impact.”

Mr Chatfield went further to say: “We anticipate financing cost improvements as a consequence of these Green Finance initiatives as the market develops. Avation will be ideally placed due to an improving credit rating outlook and its modern technology, new, fuel efficient and lower carbon aircraft fleet”.

The full text of the ATR Green Financing announcement is annexed below.

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

Notes to Editors:

Avation PLC is an aircraft leasing company, headquartered in Singapore, owning and managing a fleet of commercial passenger aircraft which it leases to airlines around the world.

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

ANNEX – ATR's ANNOUNCEMENT

ATR Delivers First Ever Green Financed Aircraft

First of five new 72-600 orders by Braathens Regional Airlines

Toulouse, 19 December, 2019 – ATR, world number one regional aircraft manufacturer, today delivered the first ever green financed aircraft to Swedish regional airline Braathens Regional Airlines, BRA. The aircraft is leased from Avation and is financed by Deutsche Bank. It is part of a new order for five 72-600s, all purchased by Avation from ATR and leased to BRA. Upon completion of the order in early 2020, the airline will itself operate an entirely ATR fleet, comprised of 15 ATR 72-600 aircraft.

Vigeo Eiris, one of the world's leading independent agencies providing Environmental, Social and Governance (ESG) ratings, expressed the opinion that the project of replacing ageing regional jets with new ATR 72-600 aircraft is aligned with the Green Loan Principles (GLP) established by the Loan Market Association in 2018.

This first ever Green Financing of an aircraft confirms the high sustainable value of the modern ATR turboprop aircraft. The ATR 72-600 aircraft has a significant environmental advantage over regional jets and other turboprops emitting 40% less CO₂. Turboprops are more efficient than jets on short sectors as they accelerate air using less power, so use less fuel.

BRA CEO, Geir Stormorken, remarked: "We have made a commitment to decrease our environmental impact and the ATR is an essential part of our strategy. With that as a goal, it simply makes sense to choose the most efficient aircraft. By replacing parts of our existing fleet of regional jets with ATR 72-600 aircraft we will emit 7,500 fewer tonnes of CO₂ per aircraft, per year. We believe that aviation is an essential part of Sweden's regional transport network and we look forward to showing our passengers and the Swedish public at large that there is a sustainable way of flying."

Executive Chairman of Avation, Jeff Chatfield, commented: “As a lessor, it is essential for us to progress our fleet into new technology low carbon emission aircraft such as the ATR 72-600 which maintain their value over a long period. ATR is one of the best assets in terms of residual value retention in the business. BRA’s decision to consolidate their own operation around the ATR 72-600 aircraft type demonstrates their understanding of the regional aviation market and the importance of reducing carbon emissions. BRA is an airline that is leading the way in terms of striving to offer their passengers the best possible experience, whilst optimising operations and minimising environmental impact.”

“Deutsche Bank is proud to have played a key role in the first green financing of a commercial aircraft,” said Richard Finlayson, Deutsche Bank Head of Global Transportation Finance, Asia. “We’re hopeful that this leads the way for more sustainable financing activity in aviation, and increased adoption of lower carbon emission aircraft across the industry, to help make flying more eco-responsible.”

Stefano Bortoli, Chief Executive Officer of ATR, said: “It is only natural that the first Green Financing deal for a commercial aircraft would involve an ATR and BRA. Thanks to the innovation of the ATR design, it inherently benefits from its lighter fuselage and the efficiency of its turboprop, meaning it burns less fuel and emits less CO₂. It also makes sense that BRA, the leading voice on responsible regional flying in Sweden, would upgrade its own fleet to an all ATR 72-600 one, benefitting from these advantages compared to its rivals. We are proud to launch Green Financing in commercial aviation and lead the way in terms of innovation and sustainable regional aviation. We are thankful to Avation for having the foresight and flexibility to establish the operating lease for this series of aircraft deliveries.”

About Braathens Regional Airlines

Braathens Regional Airlines, is one of Sweden’s leading domestic airlines, with a Swedish market share of 30 percent. Braathens operates 26 routes to 17 destinations and carries more than 2,2 million passengers annually. Braathens’ On Time Punctuality is outperforming all other airlines in the world.

In 2016, 2017 and 2018, BRA was awarded as the airline with the most satisfied passengers in Sweden. The airline was formed in 2016 after consolidation of several domestic air carriers, but the company’s aviation DNA reaches back to 1946 when the very first airline of the Braathen family was founded, Braathens S.A.F.E.

BRA was the first commercial airline to become environmentally certified by ISO 14001 in 2009, the first airline to offer bio-fuel to travelers in 2018 and the first to off-set 110 % of its emissions of GHG in 2019. As a leader in sustainable aviation, BRA has ambitious environmental goals:

To reduce GHG emissions by 50 percent per passenger by 2025, and to become fossil free by 2030.

These goals will be reached through new and environmental efficient ATR aircraft, increased use of sustainable biofuel, and even smarter traffic planning.

www.flygbra.se

About Avation:

Avation PLC (AVAP: LSE) is an aircraft leasing company, headquartered in Singapore, owning and managing a fleet of commercial passenger aircraft which it leases to international airlines across the globe.

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

About Deutsche Bank:

Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals. Deutsche Bank is Germany's leading bank, with a strong position in Europe and a significant presence in the Americas and Asia Pacific.

About ATR:

ATR is the world number one regional aircraft manufacturer with its ATR 42 and 72 aircraft the best-selling aircraft in the less than 90-seat market segment. In 2018 the company had a turnover of US\$1.8 billion. The unifying vision of the company's 1,400 employees is to help everyone, no matter where they are in the world, to connect and develop in a responsible manner. Thanks to the efficiency of turboprop technology and the benefits of the company's focus on continuous innovation, ATRs open more than 100 new routes every year, burn up to 40% less fuel and emit up to 40% less CO2 than regional jets. For all of these reasons, ATRs have been chosen by some 200 companies in 100 countries around the world. ATR is a joint-venture between Airbus and Leonardo.

For more information, please visit <http://www.atr-aircraft.com> and www.atr-intolife.com.

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