

AVOLON Q3 BUSINESS UPDATE

Dublin | 8 October 2020: Avolon, the international aircraft leasing company, issues an update for the third quarter of 2020 ('Q3').

Q3 LIQUIDITY UPDATE

- Maintained a strong liquidity position at quarter end, with total liquidity (including unrestricted cash and undrawn secured warehouse facilities) in excess of US\$5.5 billion;
- Closed a private offering of US\$650m senior unsecured notes with a 2026 maturity;
- Avolon's lease revenue collection rate trended upwards during Q3 but continues to be impacted by deferral arrangements and late payments. As a result, Avolon's aggregate increase in trade receivables and deferred revenue asset implied a year to date lease revenue collection rate of over 80%; and
- During Q3, 28 of Avolon's customers were due to start repayments at the scheduled expiry of their deferral arrangements. 24 of these airlines started repayments, in some cases under amended repayment terms. The remaining balance are either in arrears or subject to an extension of their deferral period.

Q3 FLEET METRICS & BUSINESS UPDATE

- Delivered 4 new aircraft and transitioned 1 aircraft to a follow-on lessee;
- Sold 1 aircraft during the quarter, representing the final aircraft to be sold to the Sapphire 2020-1 vehicle;
- Executed a total of 55 lease transactions in the quarter comprising new aircraft placements, follow-on leases, lease extensions and 15 sale and leaseback transactions;
- Owned and managed fleet of 551 aircraft at the end of Q3, with total orders and commitments for 286 new technology aircraft; and
- Total of 145 airline customers in 61 countries.

Dómhnaíl Slattery, Avolon CEO, commented: *"Our prudent approach to risk management and strong capital structure sets Avolon apart in the leasing sector. These attributes were again evident in our performance in Q3, as we maintained liquidity in excess of US\$5 billion, as we have done throughout 2020.*

We continue to maintain a close dialogue with our customers, and we have seen an upward trend in our lease revenue collection rate through Q3. Our team continues to actively manage our portfolio and executed over 50 lease transactions in the quarter, including a number of new sale and leaseback transactions, highlighting the opportunities available for well capitalised lessors.

While the timeframe for the normalisation of air travel remains uncertain, we have the liquidity, industry relationships and management experience to position the business for continued long-term success."

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About Avolon

Headquartered in Ireland, with offices in the United States, Dubai, Singapore, Hong Kong and Shanghai, Avolon provides aircraft leasing and lease management services. Avolon is 70% owned by an indirect subsidiary of Bohai Leasing Co., Ltd., a public company listed on the Shenzhen Stock Exchange (SLE: 000415) and 30% owned by ORIX Aviation Systems, a subsidiary of ORIX Corporation which is listed on the Tokyo and New York Stock Exchanges (TSE: 8591; NYSE: IX). Avolon is one of the world's largest aircraft leasing businesses with an owned, managed and committed fleet, as of 30 September 2020 of 837 aircraft.

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Note Regarding Forward-Looking Statements

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