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ASX Release

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Alliance Aviation Services Limited (“Alliance”) (ASX: AQZ)

Letters of Intent signed for the sale of 6 Airframes and 13 Engine Cores

Alliance today announces that it has executed two Letters of Intent (“LOI”) covering the sale of six Embraer E190 airframes and one LOI for the sale of 13 surplus Rolls-Royce engine cores.

Under the first two LOIs, Alliance will sell, to a European company, six Embraer E190 airframes that have been, or will be, purchased by Alliance over the next 9 months.

These aircraft represent six of the 30 aircraft previously announced under the “Aercap Transaction” in February 2023. The first of the deliveries under this LOI is scheduled to occur later this month.

The six aircraft will be flown from the delivery point in the United States direct to Europe, where the engines will be removed and shipped to Australia. The airframes will be delivered and settled at the point of engine removal.

Alliance’s Managing Director, Mr Scott McMillan, commented, “It is important to note that the underlying basis for the Aercap transaction was to provide a ready supply of high-quality GE CF34-10 engines for Alliance’s growing E190 fleet, and this transaction forms an important part of that strategy”.

Under the third LOI, Alliance will sell 13 surplus, time expired or unserviceable Rolls-Royce Tay 620/650 engine cores to another European operator.

Delivery of the first three of those engine cores will occur during September 2024

These engine cores are surplus to requirements for the Alliance Fokker 70 and Fokker 100 fleet given the recent acquisition of serviceable engines that will replace the Rolls-Royce “Total Care” programme from 1st January 2025.

Both cash transactions, whilst still subject to final contract, are to complete during FY25. Revenues will flow through the Company’s aviation services operation.

The estimated cash benefit of these sales and resulting airframe capital expenditure avoidance is between \$20m and \$23m in FY25/FY26.

In addition, the cessation of the “Total Care” programme reduces future annual capital expenditure by approximately \$10 to \$15m per annum from FY26 onwards.

- Ends -

This announcement has been authorised for release by the Board of Alliance Aviation Services Limited.

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About Alliance

Alliance is Australasia's leading provider of contract, charter and allied aviation and maintenance services currently employing more than 1,400 staff. The Company provides essential services to mining, energy, and government sectors as well as wet lease services for other airlines.

Alliance holds IATA's IOSA certification, the only Australian contract and charter operator to do so and Flight Safety Foundation "BARS Gold" status, the first such carrier in Australia to achieve gold status.

Alliance is unique in that it owns its whole fleet. Currently that fleet consists of 37 Fokker 70/100 aircraft, 46 Embraer E190 aircraft with firm purchase commitments stretching to mid-2026 for a further 17 E190 aircraft. Four of those delivered aircraft have been parted out.

The company dry leases three E190 aircraft to a third party, with those leases recently extended for a further five years.

Alliance has world leading operational performance, a key attribute sought by its customers. Alliance has operational bases in Brisbane, Townsville, Cairns, Adelaide, Perth, Darwin, and Rockhampton.

Alliance is locally owned, with the majority of the Company's shareholders located in Australia and New Zealand.

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