

28th November 2024

Alliance

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ASX Release

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

Sale of 6 Airframes and 13 Engine Cores

Alliance today announces that it has executed two binding contracts, with Scissortail Aviation, LLC and Bellinger Asset Management Pty Ltd, covering the sale of six Embraer E190 airframes and one binding contract, with Airline Technical Support Caribe B.V., for the sale of 13 surplus Rolls-Royce engine cores.

Under the first two contracts Alliance will sell six Embraer E190 airframes that have been, or will be, purchased by Alliance over the next three months.

These airframes represent six of the 30 airframes previously announced under the ‘Aercap Transaction’ in February 2023. The first of the deliveries under these contracts will occur in December 2024 with all deliveries scheduled to be completed by the end of February 2025.

Four of the airframes are already owned by Alliance and two remain to be settled with Aercap in January and February 2025.

Under the airframe sale agreements, Alliance will retain ownership of the engines, undercarriage and auxiliary power unit, all of which will remain in storage in Europe, and be marketed for sale or retained for Alliance’s own internal use, if required.

Under the third contract, Alliance will sell 13 surplus, time expired and or unserviceable Rolls-Royce Tay 620/650 engine cores.

Deliveries of those engine cores has begun and will be completed by February 2025.

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.

These transactions monetise significant surplus inventory holdings and also provide additional high value componentry in a “ready for sale” condition. The revenues from this activity and any future revenues from the sales of these components will be captured in Alliance’s growing Aviation Services Business Unit.

As advised in our ASX announcement of 4th September 2024, the estimated cash benefit of these sales and resulting airframe capital expenditure avoidance is between \$20m and \$23m with most of this appearing in Alliance’s second half of FY25 results

In addition, the cessation of the ‘Rolls-Royce Total Care’ programme reduces future annual capital expenditure by approximately \$10m 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 38 Fokker 70/100 aircraft, 46 Embraer E190 aircraft with firm purchase commitments stretching to mid-2026 for a further 17 E190 aircraft. Seven of those delivered aircraft have now been parted out and held in inventory.

The company dry leases four E190 aircraft to a third party on five-year terms.

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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