



Alliance Aviation Services Limited
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ASX RELEASE

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Alliance Aviation expands fleet with acquisition of 14 Embraer E190 aircraft

Alliance Aviation Services Limited (“**Alliance**”) has entered an agreement with Azorra Aviation LLC of the United States to expand its fleet, specifically with the following aviation equipment:

- The purchase of 14 Embraer E190 aircraft including a significant package of related inventory, ground support equipment, tooling and training devices;
- The purchase of six spare General Electric CF34 engines;
- An option to acquire a further five E190 aircraft;
- An option to acquire a full flight simulator and related training equipment;
- Aircraft will be delivered progressively over eight months commencing in September 2020;
- Financial settlement will be matched against aircraft deliveries.
- All aircraft will undergo repainting with Alliance livery, prior to delivery in Australia.

The total acquisition price for the package is US\$79,400,000 and will be funded from the proceeds of the placement and SPP announced by Alliance on 11 June 2020.

“This fleet acquisition represents another milestone for Alliance and is a result of many years of considered planning. With many airlines not flying and the increased demand for a 100-seat narrow body configured aircraft in the Australian market, this acquisition is more than opportunistic, it underpins our expected growth,” said Managing Director, Scott McMillan.

“Our Fokker fleet remains the core of our fleet and we believe will remain in service for many years to come, especially given our significant spare parts and inventory stores. With limited Fokker aircraft acquisition opportunities, it was also the time to acquire a newer aircraft in order to position us for our next growth phase,” he said.

Alliance has already commenced the addition of this aircraft type on its Air Operator’s Certificate with CASA.

Embraer is a Brazil-based aerospace conglomerate founded in 1969. It is the third largest commercial jet manufacturer globally and has delivered more than 8,000 aircraft. It has a global footprint of factories, offices and distribution centres for parts and service. The E190, which can carry up to 114 passengers, and is still in production, was designed specifically for regional routes with mainline capabilities.

“We expect the E190 to fly predominately regional routes. Given the reduced passengers on mainline routes due to COVID-19, the E190 has the potential to be the perfect aircraft type for some mainline routes.

“We are being conservative and are not forecasting any material impact on FY21 financial results as a result of this acquisition, with the first revenue from an E190 expected to be realised in February 2021.

“Alliance, since inception in 2002, has a track record of purchasing aircraft at opportunistic times and at significantly reduced value to their market value. Our purchase of 21 aircraft from Austrian Airlines in 2015 resulted in significant growth opportunities as well as providing a long term supply of spare parts at minimal cost for our ongoing operations. Alliance is confident that this purchase of 14 Embraer E190 aircraft will result in similar opportunities presenting themselves,” said Mr McMillan.

Alliance will be releasing its full FY20 results post market close this Wednesday, 5th August 2020

- Ends -

This announcement has been authorised for release by Alliance Aviation Services Limited’s Board of Directors.

About Alliance

Alliance is Australasia's leading provider of contract, charter and allied aviation services currently employing in excess of 550 full time staff.

The Company provides essential services to mining, energy, tourism and government sectors and holds IATA's IOSA certification and Flight Safety Foundation "BARS Gold" status, the first such carrier in Australia to be so recognised.

Alliance currently operates a fleet of 24 Fokker F100, 13 Fokker 70LR jet aircraft and five Fokker 50 turboprops with an additional three aircraft in storage and available for entry into the fleet.

Alliance has world leading operational performance, a key attribute sought by its customers.

The Company has operational bases in Brisbane, Townsville, Cairns, Melbourne, Adelaide, Perth, Darwin and Rockhampton.

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