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ASX RELEASE

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## <u>Alliance Aviation Services Limited (ASX: AQZ) ("Alliance") Trading Update</u> Expected Underlying PBT \$26.5 million for the six months ending 31 December 2020

Alliance is pleased to provide this trading update to outline what has been a productive first half of FY21. Key components include:

- Increased operational activity (compared to 2HFY20) has continued to generate strong results which are likely to be reflected in an expected underlying PBT of around \$26 million for the half (1HFY20: \$15.5million);
- The receipt of ~\$7.5 million in the first half of government grants via the Australian Airlines Financial Relief Package (AAFRP). This scheme is forecast to cease at the end of December 2020 and accordingly is a non-recurring item.

When taking into account the AAFRP grants, the statutory PBT for the six months to December 2020 is likely to be approximately \$33.5 million, which exceeds consensus forecast.

These strong financial results continue to be driven by the robustness of Alliance's contract and charter resource sector operations. "One impact of COVID-19 has been the market shift away from regular public transport to closed charter", said Alliance's Managing Director, Scott McMillan.

Mr McMillan continued, "Clients, both existing and new, have certainly appreciated the flexibility, reliability and the efficiency of moving their workforce on closed charters over the course of the pandemic and we see this continuing."

Limited services have also resumed under the Virgin Australia wet lease agreement with Alliance now operating flights on behalf of Virgin Australia between Brisbane and Emerald.

Alliance continues to pursue opportunities for further growth across all five revenue streams.

## Embraer E190 fleet and simulator update

The first E190 arrived in Brisbane on 29 October 2020. Four more E190s have been delivered and are undergoing maintenance and repainting prior to delivery to Australia in the new year.

The simulator is currently being prepared for relocation to Brisbane and it is likely to be commissioned and available for training from March 2021.

The first E190 is scheduled to be in service by March 2021, with five additional fleet units ready for entry to service prior to 30 June 2021. As a result, the material impact of the increased fleet on earnings is not likely until FY22.

## E190 Maintenance & Training Capability

Alliance completed the acquisition of Toll Aviation Engineering Pty Ltd on 30 November 2020 and is currently undertaking the process to change its name to Unity Aviation Maintenance Pty Ltd ("UAM"). UAM has significant maintenance and training capability, including approvals related to the E190s, and is suitably located adjacent to Alliance's Brisbane Airport facility.

~ Ends ~

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

## About Alliance Group

Alliance Group is Australasia's leading provider of contract, charter and allied aviation and engineering services currently employing in excess of 600 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, 14 Fokker 70LR jet aircraft and five Fokker 50 turboprops.

In June 2020 Alliance announced the acquisition of 14 E190 jet aircraft together with associated spare parts, spare engines, tooling and a Full Flight Simulator. The first of these aircraft arrived in Brisbane on 29th October and will enter revenue service in March 2021. Subsequent fleet units will be added progressively through 2021

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 and a dedicated engineering base located at Brisbane Airport.

For more information contact:

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