

16th September 2020

The Manager
Markets Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

2020 Annual General Meeting of Shareholders - addresses

Please find attached:

1. Chairman's Address
2. Managing Director's Address
3. Chief Executive Officer's Address.

This release has been authorised by the Group's Chief Executive Officer.

Yours faithfully



Nicola Clark
Company Secretary

Attachments

Stephen Padgett, OAM
Chairman, Alliance Aviation Services Limited
Address to the Alliance Aviation Services Limited Annual General Meeting
16th September 2020

Good morning, everyone. My name is Steve Padgett and I am the Chairman of Alliance and I will be chairing today's meeting. On behalf of my fellow Directors, welcome to the 2020 Annual General Meeting of Alliance Aviation Services Limited.

The safety, health and well-being of our staff and all our stakeholders is paramount, particularly considering the COVID-19 pandemic and therefore this year's AGM is being conducted as a hybrid AGM. Shareholders are either physically present at the meeting, with the venue adhering to strict social distancing guidelines, or are participating online via a webcast which allows shareholders to listen to the meeting, vote and to ask questions online.

For those of you online who have a question that you would like to put to the meeting today on a particular resolution, or of a general business nature, we suggest that you enter your questions now and we will use our best endeavours to address them at the appropriate time during the meeting.

Finally, due to time constraints, we may not be able to get to every question. If this happens, we will be in touch as soon as possible to answer your questions after the meeting. encourage you to contact us via email or telephone after the meeting so that we can answer your question in due course. If you experience any difficulties during the meeting, please refer to the live webcast details available on the ASX and Alliance's website at www.allianceairlines.com.au. Also, if technical difficulties arise with the webcast which results in a number of members being unable to participate, and I do not believe it is reasonable the circumstances to proceed with the meeting, I will adjourn the meeting until the problem is fixed. Where the meeting is adjourned, we will upload notification of adjournment onto the ASX platform and the Alliance website. We will also provide details on those sites about when the adjourned meeting will be reconvened.

After all that introduction it is now past 10:00a.m., so I call the meeting to order. I am advised by the Company Secretaries that we have a quorum present and therefore declare the meeting open. I thank you all for your attendance today and extend a warm welcome to everyone participating in this quite different meeting format.

Today in the meeting venue I am joined by my fellow Directors including the Group's Managing Director, Scott McMillan, the Group's Chief Executive Officer, Lee Schofield and non-executive Director & Chair of the Remuneration Committee David Crombie. Non-executive Director and Chair of the Audit and Risk Committee Peter Housden joins us via the webcast from Sydney. Also joining the Board today are our Group Company Secretaries Marc Devine and Nicky Clark.

We also have present today the Group's auditor, Ben Woodbridge from PwC and a number of representatives from professional firms who support the Group on an ongoing basis and I welcome you all. Due to capacity restrictions at the venue, the other members of the executive leadership team and staff of Alliance are also participating by webcast. Link Market Services, our share registry is represented by BeeYen Nah.

The agenda for today's meeting is as follows:

- Firstly, I will present my address.
- Following that, Scott McMillan, will present his view of the Group's activities and following that Lee Schofield will present his review of the Group's activities.
- We will then proceed with the formal business of the meeting.

I will now take a few moments to reflect on the past year.

The 2020 financial year continued the trend from previous years with Alliance achieving another record financial result. This exceptional result was delivered in an ever-changing operational environment as a result of the COVID-19 pandemic. Before I continue it would be remiss of me not to pass on the Boards sincere appreciation to all the employees of Alliance for their tremendous hard work and flexibility during these recent times. They are the core reason Alliance continues to deliver improved financial and operational results.

The 2020 Annual Report, which includes the financial statements for the year ended 30 June 2020, was released to shareholders in August 2020. Highlights from this report include:

- Revenue increased by 7.8% to \$298.6 million;
- An increase in profit before tax of 24.1% to \$40.7 million;
- The Company's flying activity of 37,620 hours;
- Debt reduced to \$54.4 million;
- A successful placement and share purchase plan completed raising \$96 million for fleet expansion; and
- The execution of a purchase agreement for 14 Embraer E190 jet aircraft.

The Alliance Fokker fleet continued to expand in 2020 with four aircraft joining the fleet, bringing the fleet size to a total of 42. Scott will provide an update relating to the E190 fleet expansion shortly.

In a year where many aviation companies suffered significantly as a result of COVID-19, Alliance was able to adapt and flourish with five long-term contracts retained and the addition of several new clients across the contract and charter revenue streams. Our wet lease and regular passenger transport operations were impacted negatively as a result of COVID-19 however the reduced activity in these areas was quickly replaced by additional services for

new and existing contract and ad-hoc charter clients. The 2020 financial year once again highlights Alliance's robust and diverse business model.

Alliance continues to be the market leader when it comes to on-time performance and reliability. In 2020 the company maintained its industry leading on-time performance indicator of 95%. This is quite an achievement considering Alliance's crew movements were impacted by the domestic border restrictions that were implemented by various state and territory governments in the second half of the year.

A product of the outstanding financial and operational results on Alliance's share price was positive with the price ending the financial year at a high of \$3.03. This contributed to Alliance's market capitalisation reaching \$481 million, an increase of 48% from the previous year.

As the Chairman of Alliance, I am particularly proud that historically we have been able to continue to reward you, our valued shareholders, with increasing dividends. As you are all aware on 20 March 2020 Alliance cancelled the 2019 fiscal year full year dividend. This decision was one that the Board did not take lightly, however it was deemed appropriate considering the uncertainty around the potential impacts of COVID-19 on Alliance's business. This was one of many measures taken at that time, by Alliance, to protect itself from the impacts of the COVID-19 pandemic.

As was noted in our end of year results release no dividend was declared for the financial year ended 30 June 2020 due to the Embraer fleet expansion project. We expect that the capital for this project will be fully deployed by the end of the 2021 financial year with the financial impacts starting to flow from the 2022 financial year.

We do recognise the importance of shareholder value and the Board will continue to monitor and review Alliance's capital management structure, ensuring that it delivers positive outcomes for Alliance and its shareholders.

The Board continues to maintain an appropriate approach to remuneration. The details of Alliance's remuneration policies and practices are outlined in the Annual Report. In summary Alliance's policies are designed to ensure that the remuneration package is reflective of an employee's duties and responsibilities and enables the company to attract, motivate and retain high calibre executives.

It is important that I highlight to you, our shareholders that one of the measures implemented to safeguard against COVID-19 was the suspension and subsequent cancellation of the Alliance senior management team performance incentive plan for the year ended 30 June 2020. This was a decision that Board made at a time when the impacts of COVID-19 were uncertain and shareholder value had been negatively impacted by COVID-19. We considered this a vital step in aligning shareholder value with management remuneration.

On behalf of all the Directors, I wish to thank Alliance's shareholders for their continued support over the last 12 months, and in particular the last four months of the financial year. We have overcome many obstacles and more importantly have set ourselves up for the next chapter in Alliance's history.

Before I hand over to our Managing Director, Scott McMillan to talk more about the strategy of the business and the next 12 months, I would like to personally thank the Board of Directors, the senior management team and the entire staff at Alliance.

The results we have achieved this year would not have been possible if it were not for the hard work and dedication of the Alliance staff.

We now look forward to completing on the fleet expansion and increasing the value of Alliance to our shareholders.

Scott McMillan
Managing Director, Alliance Aviation Services Limited
Address to the Alliance Aviation Services Limited Annual General Meeting
16th September 2020

Thank you, Chairman and good morning, to you, ladies and gentlemen. It is my pleasure to be addressing you today as I reflect on several outcomes from 2020 and outline a few key strategies for the future. Following my address, Lee will talk about some of our key operational achievements and successes from the past year.

On review, the 2020 financial year has reinforced the decision made by Alliance in 2015 to establish a more diverse business model that does not rely on one revenue stream. This was further validated during the last four months of the FY20 financial year. As Steve mentioned our operational activity dropped by approximately 30% in late March due to decreases in wet lease and Regular Public Transport activity as a result of COVID-19. Most of the lost activity was replaced shortly thereafter with increased activity in contract and ad-hoc charter services for existing and new clients.

As of today, most of those new customers are still flying with us and we have strong indications this will be a permanent change to our customer base

During the year, five contract renewals were completed with a 100% success rate. A number of these were material and range in term from 3 to 10 years. Our three KPI's of safety, on-time performance and sustainable financial performance were again noted as key factors in many renewals.

During the 2020 financial year, Alliance introduced five additional Fokker aircraft into the fleet, bringing the total to 42. These aircraft are fully deployed, servicing a broad range of clients across all of Alliance's flying streams.

Our forecast base maintenance program has also undergone several changes as a result of COVID-19. The European offshore base-maintenance program has temporarily been suspended as it has been increasingly challenging to secure ferry crew with the appropriate clearances required to move aircraft from Australia and into Europe. In the short-term this means Alliance will be utilising the services of Hawker Pacific in Cairns and Fokker Services Asia in Singapore for Fokker fleet base maintenance until international movement restrictions are eased.

Alliance is committed to its Fokker fleet as it has been and continues to be the backbone of the Company. Moving forward we will be focusing on utilising our significant Fokker inventory balance to assist in maintaining the fleet for the next 7-9 years. Alliance will also continue to be a major supplier of Fokker and Rolls Royce spare parts to the other Fokker operators in Australasia. We do not anticipate any further Fokker aircraft or related large spares purchases.

I would like to take a moment to formally thank those shareholders that supported Alliance in its capital raising in June 2020. At the time I am sure we were the only profitable airline in the world seeking to raise funds for expansion purposes, and we were delighted that the raising was nearly three times oversubscribed.

For those of you who know the history of the company we have always been opportunistic in our aircraft purchasing. Given we operate a low aircraft utilisation business we must secure quality aircraft at low capital costs. In keeping with our tradition of owning all our aircraft, the opportunity to purchase a fleet of quality Embraer E190 jets has allowed us to continue with this successful formula.

The purchase of 14 Embraer 190 aircraft, a huge inventory of spare parts, spare engines, tooling, ground support equipment and a full flight simulator will provide us with a “turn-key” expansionary fleet.

Late last week the first consignment of six shipping containers of spare parts, tooling ground support equipment and first spare engine were loaded for shipping to Brisbane. This Saturday we will settle on the first aircraft which will be repainted into Alliance livery, undergo configuration and records audits and is anticipated to land here in Brisbane in late October.

First revenue service is scheduled for February/March 2021.

The remainder of the fleet, spare parts and engines will be delivered progressively through to June 2021 but as we have provided guidance on previously, this expansionary fleet will have only a minor positive impact on FY21 results.

We look forward to starting a new and prosperous relationship with both Embraer and General Electric in the same way we have with Fokker and Rolls Royce. As I have stated before, building robust relationships with our suppliers, customers, shareholders and staff, is imperative for the long-term sustainability and operational reliability of the increased fleet both now and into the future.

Finally, and on behalf of the Directors and our shareholders, I would like to again thank those organisations who provide professional support to Alliance, many of these companies have representatives here today, namely PwC, Norton White, Herbert Smith Freehills and Catapult Partners and to our financiers the ANZ and Commonwealth banks.

I will now pass across to Lee.

Lee Schofield
Chief Executive Officer, Alliance Aviation Services Limited
Address to the Alliance Aviation Services Limited Annual General Meeting
16th September 2020

Thank you, Scott, and good morning all. It is my pleasure to be able to address you all today both in person and via the webcast.

The 2020 financial year was again a very busy year at Alliance. It was just over 12 months ago that Alliance started operating charter flights at short notice to support various emergency services agencies in their fight against the devastating bushfires raging across Australia. In the last four months of the year Alliance has also been able to support several sporting codes to ensure their respective seasons could continue in a safe and reliable manner during periods of border closures and government restrictions. These types of charter work are of course, in addition to our core business of being the leading provider of aviation services to the resources sector.

Personally, the highlight of the year is the way the Alliance staff across all areas of the business have handled themselves during the COVID-19 pandemic. First and foremost, I want to thank every staff member for ensuring that our operations could continue in a safe and reliable manner during what has been the greatest disruption to aviation in Australia. I want to thank those team members who temporarily relocated to other bases to ensure reliable operations could continue. Our COVID-19 committee have done an excellent job in ensuring that Alliance lead the way in responding to the pandemic, the travel and border restrictions and the implementation of COVID safe aviation measures. I want to thank all our staff who were flexible and assisted when and where required, mostly at short notice, over the last few months of last financial year. It was an ever-changing environment and the one statistic that I would like to leave you with is that Alliance did not have one flight delay as a result of COVID-19 restrictions. That is truly remarkable, but not surprising given our focus on this area.

The efforts of the employees contributed to Alliance being able to report the Company's largest ever profit before tax. To show their appreciation in July 2020, the Directors offered an employee share plan to all eligible staff. Accordingly, an offer was made to 469 eligible employees for \$1,000 worth of Alliance shares for no monetary cost. The offer was accepted by 93% of the employees. The Directors were again very proud of this take up as it is a further indication that the interests of the Directors, Shareholders and employees are aligned.

In such a unique year it has been particularly impressive that the value placed on our three core principles of safety, on-time performance and sustainable profit were not diluted. I would say the opposite was true.

The safe transportation of passengers continues to be the number one priority for all the team, with Alliance maintaining its excellent safety and compliance record during the 2020 financial year. We continue to be recognised as an IOSA certified airline, maintained our BARS Gold status and have retained Wyvern Wingman certification.

I would also like to take this opportunity to thank all our clients for the way they worked with Alliance in implementing ground-breaking health screening measures that ensured the protection of both their workforce and ours. This was and continues to be Alliance's number one priority.

Having an industry leading on time performance of 95% is something that all our staff and related service providers should be very proud of. It is an impressive result that impacts positively on our contact renewal processes.

Whilst we celebrate the achievements of the last financial year, our focus quickly turns to the new financial year which will see Alliance adding a new fleet type, adding more capacity into a number of ports, commencing a number of new ports and renewing contracts as they expire.

Alliance prides itself on being able to deliver a safe and reliable product at the lowest possible cost to our clients. The focus of the Board, Senior Management Team and all Alliance staff will be to continue to preserve our low-cost base and therefore our major competitive advantage.

To the Management Team, again thank you for your continued efforts and contribution over the 2020 financial year. I know it has been an extra-ordinarily busy time particularly over the last six months and you should all be very proud of what we have all achieved especially given the circumstances we were operating in. It is due to your efforts we are now in a poised to undertake the next phase of the Company's growth.

Outlook

- The Directors are of the opinion that should current operating conditions remain relatively stable; the 2021 financial year will see growth in contract and charter revenues focussed on our traditional FIFO clients. Alliance's outlook is therefore positive and in line with consensus forecast.