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## **ASX RELEASE**

13th November 2020

## Alliance Aviation Services Limited (ASX: AQZ) ("Alliance") to acquire Toll Aviation Engineering Pty Ltd

- Material expansion of engineering and maintenance facilities, including in-house training capabilities co-located with Alliance's current facilities at Brisbane Airport.
- Strategic alignment with the previously announced acquisition of 14 x Embraer E190 aircraft.
- Completion of transaction scheduled to occur on 30 November 2020.

Alliance today announced that it has signed a Share Sale and Purchase Agreement for the purchase of Toll Aviation Engineering Pty Ltd ("Toll Aviation Engineering"), located at 75-79 Pandanus Avenue, Brisbane Airport.

Important points to be noted about this acquisition:

- The hangar located at Brisbane Airport and next door to Alliance's current facilities is materially larger than the existing Alliance facility and is fit for purpose for Embraer E190 maintenance.
- This is a "Walk In, Walk Out" transaction.
- A 20-year ground lease for the Toll Aviation Engineering facility has been agreed with Brisbane Airport.
- Upon completion, Toll Aviation Engineering will undergo a name change to Unity Aviation Maintenance Pty Limited ("UAM").
- UAM will retain its CASA Part 145 and Part 147 approvals which include the approval for Embraer E-190 maintenance and training.
- UAM will continue to provide third party maintenance and overhaul services and will be operated as a distinct subsidiary of Alliance.
- The vast majority of existing Toll Aviation Engineering staff will remain with UAM.
- The purchase consideration is not a financially material transaction however is of great strategic value to Alliance.
- The transaction will be neutral to Alliance's earnings for FY21.

Alliance's Managing Director, Mr Scott McMillan, said, "This transaction represents a unique opportunity to purchase a neighbouring business that is well established and well regarded in the aviation industry. The business is already certified to provide maintenance services on Embraer E190 aircraft of which we have recently purchased 14 fleet units. This purchase will allow for a much smoother integration of the Embraer E190's into revenue generating services in the short term and for a more efficient and financially sustainable line maintenance program in future years."

Mr McMillan continued, "Importantly, the Part 147 approval will allow us to carry out in house conversion training for all relevant Alliance personnel now and into the future."

Alliance is working closely with Toll Aviation Engineering's existing management team to finalise the sale, transfer of assets and transition of employees by 30 November 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.

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.

For more information contact:

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