



Alliance Aviation Services Limited

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Alliance Aviation Services Limited
ABN 96 153 361 525
ASX code: AQZ

12th February 2025

Appendix 4D
For the half year ended 31 December 2024
Results for announcement to the market

Revenue and profit after tax Comparison to previous period	Increase / Decrease	Change %		To \$'000
Revenue from ordinary activities	Increase	11.3%	to	333,036
Profit from ordinary activities after tax attributable to members	Increase	9.9%	to	28,860
Profit for the period attributable to members	Increase	9.9%	to	28,860

Dividends/distributions

There is no interim dividend declared for the half year ending 31 December 2024.

Additional information

Net tangible asset backing

	Dec -24	Jun- 24
Net tangible asset backing per ordinary share	2.51	2.39

Audit status

This report has been based on the consolidated financial statements for the year ended 31 December 2024 which have been subject to an audit by PricewaterhouseCoopers. The audit report contains no qualifications.

Additional information and commentary

The statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and the accompanying notes to these statements is contained in the Financial Report for the half year ended 31 December 2024 as released on the Australian Stock Exchange and published on the Company's website www.allianceairlines.com.au.

For more information contact:

*Andrew Evans
Chief Financial Officer
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Alliance

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INTERIM REPORT

For the half year ended 31 December 2024

Alliance Aviation Services Limited

Interim report for the half year ended 31 December 2024

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Alliance Aviation Services Limited

Interim report for the half year ended 31 December 2024

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Director's Report

for the half year ended 31 December 2024

DIRECTORS' REPORT

Your directors are pleased to present their report on the consolidated entity (referred to hereafter as the "Group") consisting of Alliance Aviation Services Limited (the "Company") or ("Alliance") and the entities it controlled at the end of, or during, the half year ended 31 December 2024.

DIRECTORS

The following persons were Directors of Alliance Aviation Services Limited during the whole of the half year and up to the date of this report, unless otherwise noted:

Directors Name	Position	Period served
Stephen Padgett OAM	Non- Executive Director, Chairman	Ongoing
Scott McMillan	Executive Director, Managing Director	Ongoing
David Crombie	Non-Executive Director	Resigned 3 October 2024
Peter Housden	Non-Executive Director	Resigned 3 October 2024
James Jackson	Non-Executive Director	Appointed 10 July 2024
Mark Stanton	Non-Executive Director	Appointed 10 July 2024

GROUP OVERVIEW

The principal activities of the Group are the provision of contract, charter, and allied aviation services to the resource industry and airlines both domestically and internationally. The Group also provides specialised aviation services to airlines and clients including aircraft dry leasing, airport management, aircraft trading, part sales, engine leasing and engineering services.

FINANCIAL REVIEW

EBITDA* \$101.2m 1H24:\$80.4m 25.9% Increase	PBT \$41.3m 1H24:\$37.7m 9.5% Increase	NPAT \$28.9m 1H24:\$26.3m 9.9% Increase	Net Assets \$440.3m 1H24:\$376.3m 17% Increase	Operating Cash # \$27.2m 1H24:\$39.2m 30.6% Decrease
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* This is not a statutory number

#Operating cashflow is net of aircraft purchased for inventory.

The Group has consistently prioritised safety, punctuality, and financial sustainability. In the first half of 2025, the fleet expanded with the addition of three E190 aircraft, bringing the total to 38 aircraft, along with one additional Fokker 100 aircraft which brought the total Fokker fleet to 38 aircraft. The Group also entered into agreements to sell six E190 airframes and 13 Rolls-Royce engine cores, with deliveries commencing in December 2024 and scheduled to be completed by June 2025. The Group's profitability benefited from having re-signed major components of the contract book in prior periods, with no major contract reviews occurring in the first half of 2025.

Due to downward pricing pressures on the global nickel market, BHP Nickel West announced in September 2024 that they would transition their operations from full production to care and maintenance by December 2024. This transition has led to a reduction in services from 24 per week to seven per week which has impacted the Contract revenue stream .

Alliance has felt the impact of the national rise in industrial action within the aviation sector. Protected industrial action (PIA) and disputes relating to pay and working conditions have affected the Group's cost base. In September 2024, Brisbane engineers' PIA led to cancelled flights for our customers and a backlog of maintenance tasks. Furthermore, two aircraft were sidelined for three and 12 weeks respectively due to structural damage. These issues significantly impacted the Group's on-time performance and reliability statistics, revenue and profit for the first half of the 2025 financial year.

Director's Report

for the half year ended 31 December 2024

REVENUE FROM CONTINUING OPERATIONS

Contract	Charter	Wet Lease	RPT	Other	Total
\$153.6m	\$7.2m	\$160.1m	\$5.9m	\$6.2m	\$333.0m
1H24: \$154.7.0m	1H24: \$8.1m	1H24: \$127.6m	1H24: \$6.3m	1H24: \$2.6m	1H24: \$299.4m
Decrease: 0.7%	Decrease: 11.1%	Increase: 25.5%	Decrease: 6.3%	Increase: 129.6%	Increase: 11.3%

- **Contract revenue** reported a decrease of \$1.1m or 0.7% when compared to the prior comparative period (\$154.7m). The Contract revenue stream generated a result reflective of the strong contract renewals in prior periods offset by lower fuel prices and the downturn in the world nickel market.
- **Charter Revenue** reported a decrease of \$0.9m or 11.1% when compared to the prior comparative period (\$8.1m). Charter revenue was again impacted by aircraft availability with airframes being prioritised to Wet Lease and Contract revenue operations.
- **Wet Lease Revenue** reported an increase of \$32.5m or 25.5% when compared to the prior comparative period (\$127.6m). Wet Lease activity benefited from three additional aircraft being deployed to operate Wet Lease flying in 1Q25; however, this growth was curtailed in the last quarter of 1H25 with two aircraft sidelined with structural damage.
- **RPT Revenue** reported a decrease of \$0.4m or 6.3% when compared to the prior comparative period (\$6.3m). This decrease is aligned with the Group's strategy of supplying capacity to high utilisation Wet Lease flying and Contract Charter clients.
- **Other Revenue** Aviation Services revenue reported an increase of \$3.6m or 127.2% when compared to the prior comparative period (\$2.6m) due to the timing of inventory sales transactions.

CASH FLOW

Operating	Investing	Financing	Net Cash Flow
(\$15.1m)	(\$103.4m)	\$106.9m	(\$11.6m)
1H24: \$12.0m	1H24: (\$42.4m)	1H24: \$45.0m	1H24: \$14.6m
Decrease: \$27.1	Increase: (\$61.0m)	Increase: \$61.9m	Decrease: \$26.2m

Net Cash Inflow (Outflow) from Operating Activities reported a decrease of \$27.1m or 224.8% when compared to the prior comparative period (\$12.0m). The following are factors that affected the operating cash flow in the first half:

- Inventory purchases included four aircraft purchased for inventory of \$42.3m (1H24: \$28.4m); and
- As the growth program advances, the Group's debt levels have risen, leading to interest payments being \$4.3m higher than the prior comparative period.

Net Cash (Outflow) Inflow from Investing Activities reported an increase of \$61.0m when compared to the prior comparative period.

- Recognising the need for more hangar space in Brisbane, the Group seized the opportunity to purchase additional hangars located adjacent to the current facilities. This strategic acquisition, valued in total at \$20.9m, will support the needs of the growing fleet and accommodate future increases in demand. In 1H25 the final payment of \$19.6m was settled.
- The Embraer program, along with associated costs—including entry into service expenses and the purchase of an additional three E190 aircraft—totalled \$48.5m.
- Ongoing heavy maintenance checks (\$19.5m) and Engine care programs (\$12.0m) continued in 1H25. The Rolls-Royce engine care program ended on 31 December 2024.

Net Cash Inflow (Outflow) from Financing Activities reported an increase of \$61.9m when compared to the prior comparative period.

Director's Report

for the half year ended 31 December 2024

- In August 2024, the Group successfully refinanced \$64.8m of its existing debt facilities and increased its debt facilities by \$100m with the Australia and New Zealand Banking Group Limited (ANZ). Simultaneously, the Group secured an additional \$50m from Pricoa Private Capital.
- The Group drew down on these debt facilities by \$111.7m in the half year to cover E190 aircraft settlements, entry into service costs, and the acquisition of additional hangars at Brisbane Airport.
- The Group made total repayments of \$3.7m towards ANZ term loan facilities II and IV.

CAPITAL EXPENDITURE

Capital expenditure for the period was \$145.7m (1H24: \$81.4m).

Existing Capex	Growth Capex	Total Capex
\$59.7m	\$86.0m	\$145.7m
1H24:\$65.0m Decrease: \$5.3m	1H24:\$16.4m Increase: \$69.6m	1H24:\$81.4m Increase: \$64.3m

Capital expenditure on pre-existing fleet and services was \$59.7m with base maintenance and engine care programme costs being the key drivers. The Group's base maintenance program has increased to three lines and this will continue throughout FY25 and beyond. The Rolls-Royce engine programme expired at the end of December 2024.

Growth capital expenditure incurred during the half-year was \$86.0m which included the acquisition of three E190 aircraft, entry into service costs, and the expenditure related to the acquisition of additional hangars at Brisbane Airport. A summary of the capital expenditure is shown below.

	31 December 2024 \$ m	Forecast 2HFY25 \$ m
Reconciliation of Capital Expenditure		
Existing Fleet Maintenance		
Cash outflows		
Base maintenance providers	19.5	15.2
Engine care program	12.0	7.3
Other Miscellaneous	3.8	0.7
Operating costs capitalised	2.5	1.4
Total Cash outflows	37.8	24.6
Non-cash		
Parts from inventory transferred to PPE	21.9	18.0
Total Existing Fleet Maintenance	59.7	42.6
Growth Capital Expenditure		
Cash outflows		
Costs associated with aircraft acquisitions	48.5	64.2
Hangar purchase	19.6	(3.0)
Operating Costs capitalised	1.4	0.8
Total Cash outflows	69.5	62.0
Non-cash		
Parts from inventory transferred to PPE	16.5	12.1
Total Growth Capital Expenditure	86.0	74.1
Total Capital Expenditure	145.7	116.7

Director's Report

for the half year ended 31 December 2024

KEY FINANCIAL METRICS


	31 December 2024	31 December 2023
	\$m	\$m
Total Revenue and Income	338.9	304.5
Earnings before Interest, Tax, Depreciation and Amortisation	101.2	80.4
Profit/(Loss) Before Tax	41.3	37.7
Income tax (expense) / benefit	(12.4)	(11.4)
Net Profit After Tax	28.9	26.3
Basic Earnings per Share (cents)	18.0	16.3
Total Dividends paid/payable in relation to the financial year - cents	-	-
Net Assets	440.3	376.3
Net Operating Cash Flow (excluding aircraft purchases for inventory)	27.2	39.2

SUMMARY OF OPERATIONAL METRICS

FLEET

The Group operates an all-jet fleet of Fokker and Embraer aircraft. The fleet consists of two types of Fokker aircraft, namely F100 (100 seat aircraft) and F70 (80 seat aircraft) and one type of Embraer aircraft, the E190 (with three cabin configurations, either 94, 97 or 100 seats).

F70	F100	E190	Total Fleet
13	25	38	76
1H24: 13 Unchanged	1H24: 24 Increased by 1	1H24: 33 Increased by 5	1H24: 70 Increased by 6



FLIGHT HOURS

The flights hours for 1H25 have increased by 7,569 or 14.9% compared to the prior comparative period.

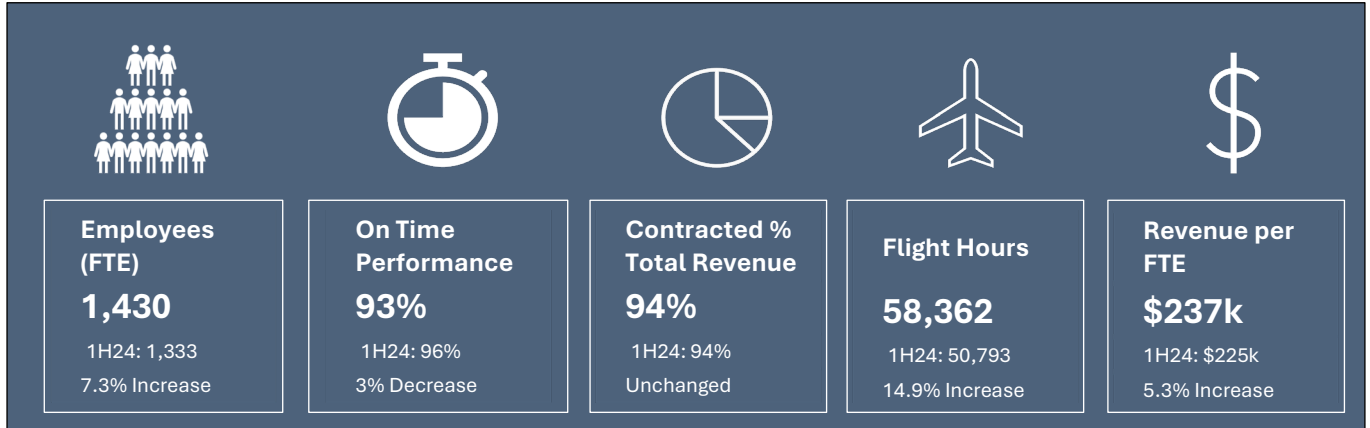
Contract	Charter	Wet Lease	RPT	Ferry/Maint	Total
14,265	595	42,682	423	397	58,362
1H24: 14,156 0.8% Increase	1H24: 666 10.7% Decrease	1H24: 35,191 21.3% Increase	1H24: 499 15.2% Decrease	1H24: 281 41.3% Increase	1H24: 50,793 14.9% Increase

Director's Report

for the half year ended 31 December 2024

SUMMARY OF OPERATIONAL METRICS

The metrics below represent the key indicators the Company uses to monitor operational performance.



SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than disclosed elsewhere in this report, there were no significant changes in the state of affairs of the Group during the half year ended 31 December 2024.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration required under section 307C of the *Corporations Act 2001* is on page 6.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in the Australian Securities and Investment Commission (ASIC) Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors of Alliance Aviation Services Limited.

S Padgett, OAM
Chairman
Sydney
12 February 2025

Auditor's Independence Declaration

for the half year ended 31 December 2024



Auditor's Independence Declaration

As lead auditor for the review of Alliance Aviation Services Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Alliance Aviation Services Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads "PricewaterhouseCoopers".

Tim Allman
Partner
PricewaterhouseCoopers

Brisbane
12 February 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2024

		31 December 2024 \$'000	31 December 2023 \$'000
Revenue and Income	Note		
Revenue from continuing operations	A1	333,036	299,364
Net foreign exchange (losses)/gains		(89)	132
Other Income		5,960	5,026
Total Revenue and Income		338,907	304,522
Expenses			
Direct flight costs		(64,453)	(74,403)
Parts and inventory costs		(29,640)	(23,354)
Labour and staff related costs		(130,577)	(114,770)
Repairs and maintenance costs		(1,108)	(853)
Accommodation and utility costs		(1,104)	(1,498)
IT and communication costs		(3,624)	(2,787)
Other administrative costs		(7,180)	(6,424)
Finance costs		(16,047)	(8,146)
Depreciation & amortisation	D2,D3	(43,861)	(34,587)
Total Expenses		(297,594)	(266,822)
Profit/(Loss) before income tax for the period		41,313	37,700
Income tax (expense) / benefit	E1	(12,453)	(11,431)
Profit/(Loss) for the period		28,860	26,269
Other Comprehensive Income			
Items that may be classified to profit or loss		-	-
Other Comprehensive Income for the period net of tax		-	-
Total Comprehensive income for the period		28,860	26,269
Total Comprehensive income for the period is attributable to:			
Owners of Alliance Aviation Services Limited		28,860	26,269

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Earnings per Share for Profit from Continuing Operations Attributable to the Ordinary Equity Holders of the Company

	Cents	Cents
Basic Earnings per Share	17.95	16.34
Diluted Earnings per Share	17.91	16.33

Condensed Consolidated Balance Sheet

For the half year ended 31 December 2024

		31 December 2024	30 June 2024
		\$'000	\$'000
Assets	Note		
Current Assets			
Cash and cash equivalents	B1	19,603	31,230
Receivables		84,863	78,333
Inventories	D1	167,659	143,570
Total Current Assets		272,125	253,133
Non-Current Assets			
Property, plant & equipment	D2	822,869	719,446
Intangibles	D3	137	163
Right of use assets	D4	35,815	26,053
Total Non-Current Assets		858,821	745,662
Total Assets		1,130,946	998,795
Liabilities			
Current Liabilities			
Trade and other payables		81,794	110,738
Borrowings	B2	36,452	7,452
Current tax liabilities		-	-
Lease liabilities	D4	2,216	2,607
Provisions		23,178	22,769
Total Current Liabilities		143,640	143,566
Non-Current Liabilities			
Borrowings	B2	408,608	329,629
Provisions		3,284	2,047
Deferred tax liability		97,953	85,660
Lease liabilities	D4	37,156	27,153
Total Non-Current Liabilities		547,001	444,489
Total Liabilities		690,641	588,055
Net Assets		440,305	410,740
Equity			
Contributed equity	F1	288,801	288,206
Reserves		(110,011)	(110,121)
Retained earnings		261,515	232,655
Total Equity		440,305	410,740

The above Condensed Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the half year ended 31 December 2024

		31 December 2024 \$'000	31 December 2023 \$'000
Cashflow from Operating Activities	<i>Note</i>		
Receipts from customers (Inclusive of GST)		393,848	326,523
Payments to Suppliers (inclusive of GST)		(396,682)	(306,944)
Interest received		224	485
Interest paid		(12,378)	(8,035)
Income tax (paid)/refunded		(157)	-
Net Cash Flows from Operating Activities		(15,145)	12,029
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(103,411)	(42,414)
Proceeds from sale of property, plant and equipment		14	-
Net Cash Inflow (Outflow) from Investing Activities		(103,397)	(42,414)
Cash Flows from Financing Activities			
Proceeds from borrowings		111,705	50,000
Repayment of borrowings		(3,726)	(3,726)
Principal elements of lease payments		(1,065)	(1,262)
Net Cash Inflow (outflow) from Financing Activities		106,914	45,012
Net Increase (Decrease) in Cash and Cash Equivalents		(11,627)	14,627
Cash and Cash equivalents at beginning of the year		31,230	22,317
Cash and Cash Equivalents at end of year.	<i>B1</i>	19,603	36,944

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2024

31 December 2024	<i>Note</i>	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at beginning of period		288,206	(110,121)	232,655	410,740
Profit for the period		-	-	28,860	28,860
Other comprehensive income		-	-	-	-
Total Comprehensive Income for the Period		-	-	28,860	28,860
Transactions with owners in their capacity as owners:					
Share-based payment reserve	<i>F1</i>	47	192	-	239
Employee share plan issue	<i>F1</i>	548	-	-	548
Foreign currency translation reserve		-	(82)	-	(82)
Balance as at end of period		288,801	(110,011)	261,515	440,305

30 June 2024	<i>Notes</i>	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at beginning of period		288,206	(110,642)	172,203	349,767
Profit for the period		-	-	60,452	60,452
Other comprehensive income		-	-	-	-
Total Comprehensive Income for the Period		-	-	60,452	60,452
Transactions with owners in their capacity as owners:					
Share-based payment reserve		-	329	-	329
Foreign currency translation reserve		-	192	-	192
Balance as at end of period		288,206	(110,121)	232,655	410,740

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the half year ended 31 December 2024

A – FINANCIAL OVERVIEW

A1 - REVENUE FROM CONTINUING OPERATIONS

The Group recognises revenue at a point in time once control of the goods or services passes to the customer. Revenue is derived from contract air charter services, ad-hoc air charter services, wet lease services, regular public transport (RPT) services and several allied aviation services including engine and part sales, aircraft, engine and parts leasing, aerodrome management services and other engineering services.

The Group's operations and revenue streams are consistent with those described in the Group's Annual Report for the year ended 30 June 2024.

In the following table revenue has been disaggregated by revenue type.

	31 December 2024	31 December 2023
	\$'000	\$'000
Contract Revenue	153,650	154,650
Charter Revenue	7,174	8,140
Wet Lease Revenue	160,103	127,640
RPT Revenue	5,908	6,305
Aviation Services Revenue	4,932	1,949
Other Revenue	1,269	680
Total Revenue from Continuing Operations	333,036	299,364

B – CASH MANAGEMENT

B1 - CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	31 December 2024	30 June 2024
	\$'000	\$'000
Cash and cash equivalents	19,603	31,230
Total cash and cash equivalents	19,603	31,230

B2 - BORROWINGS

The Group's borrowings increased in the half year ended 31 December 2024 to \$445.0m (FY24: \$337.1m).

In August 2024, the Group completed both a refinancing of its existing debt facilities of \$64.8m and increased debt facilities by \$100m with Australia and New Zealand Banking Group Limited. At the same time, the Group increased its debt facilities with Pricoa Private Capital in an amount of \$50m. The increased and renewed debt facilities have provided the funding required for the Group to settle its aircraft and hangar acquisition commitments.

The refinancing of the ANZ debt facilities has provided the following:

- Facility I remained at \$15m with an extended expiry to July 2027.
- Facility II increased by \$50m to \$87.3m with an expiry in July 2027.
- Facility III remained at \$12.5m with an extended expiry to July 2027.
- Facility IV, a no redraw facility, was established for \$50m with an expiry date of January 2026. Discussions have commenced with ANZ to extend the expiry date of this facility and Management is confident that this will be finalised before 30 June 2025.
- A reduction in the working capital multi option (Facility I) to \$4m.

Notes to the Financial Statements

For the half year ended 31 December 2024

B. CASH MANAGEMENT (CONTINUED)

B2 - BORROWINGS (CONTINUED)

The Pricoa facilities allow the Group to draw down up to USD225 million and provides the option to have the drawdown issued and repayable in either AUD or USD based on the prevailing exchange rate. To date the Group has elected to process all drawdowns in AUD therefore minimising ongoing exchange variation risks.

As at 31 December the Group has drawn down USD211.0 million equivalent to AUD 301.2 million and has access to a further USD14 million.

FACILITIES

Funding Mechanism	Financier Limit			Current \$'000	Utilisation \$'000
	ANZ	Pricoa	NAIF		
		\$'000	\$'000		
AUD Mechanisms	AUD	AUD	AUD	AUD	AUD
Term loan facility I	13,405	-	-	-	13,405
Term loan facility II	85,200	-	-	37,200	48,000
Term loan facility III	12,500	-	-	-	12,500
Term loan facility IV	50,000	-	-	1,095	48,905
Northern Australia Infrastructure Facility (NAIF)	-	-	21,000	-	21,000
Senior secured guaranteed notes		322,217	-	20,967	301,250
Sub-total AUD Borrowings	161,105	322,217	21,000	51,262	445,060
Working capital multi option (Facility I)	4,000	-	-	3,950	50
Bank guarantee facility	1,000	-	-	151	849
Total AUD Mechanisms	166,105	322,217	21,000	55,363	445,959

C – CAPITAL MANAGEMENT

The Group's objective, when managing capital, is to safeguard the ability to continue as a going concern so that the Group can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure. To maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management and the Board continue to monitor risks relating to the current operating environment and ensure that risk mitigation strategies are in place should the current political and financial environment present challenges to the performance of the business.

C1 - DIVIDENDS

FRANKING CREDITS

	31 December 2024 \$'000	31 December 2023 \$'000
Franking credits available for subsequent reporting based on tax rate of 30% (2023: 30%)	5,966	5,966
	5,966	5,966

Notes to the Financial Statements

For the half year ended 31 December 2024

D - OTHER ASSETS

D1 - INVENTORY

Inventory consists of spare aircraft and engine parts, spare aircraft, spare engines, and components. The following balances contain inventory for the Fokker and Embraer fleet types. The increase in inventory includes the purchase of four E190 aircraft for spares or sale.

	31 December 2024 \$'000	30 June 2024 \$'000
Aircraft, aircraft spares and spare engines		
Fokker	29,231	40,164
Embraer	111,671	78,451
Total aircraft, aircraft spares and spare engines	140,902	118,615
Consumables	26,757	24,955
Total Inventory	167,659	143,570

AMOUNT RECOGNISED IN PROFIT AND LOSS

Inventory recognised as an expense during the half year ended 31 December 2024 amounted to \$3,317k (FY24: \$5,682k) and is included in parts and inventories expense.

D2 - PROPERTY, PLANT & EQUIPMENT

31 December 2024	Aircraft Assets \$'000	Property, Plant and Equipment \$'000	Total \$'000
Balance at beginning of the period			
Cost	1,111,570	65,975	1,177,545
Accumulated depreciation	(433,408)	(24,691)	(458,099)
Net book value at the beginning of the period	678,162	41,284	719,446
Opening net book value	678,162	41,284	719,446
Additions	150,978	1,563	152,541
Transfers - Inventory and other	(6,792)	-	(6,792)
Disposals at Cost	-	(45)	(45)
Disposals - accumulated depreciation	-	(22)	(22)
Depreciation charge	(40,413)	(1,846)	(42,259)
Closing net book value at the end of the period	781,935	40,934	822,869

ADDITIONS AND TRANSFERS

Additions to property, plant & equipment for the period ended 31 December 2024 include any aircraft entered into service, all aircraft heavy maintenance and the addition of major modifications and significant components. Transfers relate to the removal of rotatable parts from the aircraft which are transferred to inventory.

Notes to the Financial Statements

For the half year ended 31 December 2024

D – OTHER ASSETS (CONTINUED)

D3 – INTANGIBLES

Intangibles relate to certifications and internally generated software.

	31 December 2024 \$'000	30 June 2024 \$'000
Opening net book amount	163	218
Additions	-	-
Amortisation charge	(26)	(55)
Closing net book value	137	163

D4 – RIGHT OF USE ASSETS (LEASES)

The Group leases various offices, warehouses, and equipment. Rental contracts are typically made for fixed periods of six months to eight years but may have extension options as described in further detail below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Right of Use additions of \$10.9m represent the ground leases relating to the new hangars at Brisbane airport. These leases, with options expire in April 2042.

This note provides information for leases where the Group is a lessee.

AMOUNTS RECOGNISED IN THE BALANCE SHEET

The Balance Sheet shows the following amounts in relation to leases:

	31 December 2024 \$'000	30 June 2024 \$'000
Right of Use Assets		
Property, Plant and Equipment	35,815	26,053
Total right of use assets	35,815	26,053
Lease Liabilities		
Current	2,216	2,607
Non-Current	37,156	27,153
Total Lease Liabilities	39,372	29,760

AMOUNTS RECOGNISED IN THE CONDENSED CONSOLIDATED INCOME STATEMENT

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a negotiated lease term not in excess of twelve months.

Extension and termination options are typically included in property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

Notes to the Financial Statements

For the half year ended 31 December 2024

E – INCOME TAX

E1 - INCOME TAX

	31 December 2024 \$'000	31 December 2023 \$'000
A. Income Tax Expense		
Current Tax		
Current tax on profits for the period	-	-
Total current tax expense	-	-
Deferred Income Tax		
Decrease/(increase) in deferred tax assets	(3,772)	(4,324)
(Decrease)/increase in deferred tax liabilities	16,225	15,755
Adjustments for deferred tax of prior periods	-	-
Total deferred tax expense / (benefit)	12,453	11,431
Income tax on profit from continuing operations	12,453	11,431
Effective tax rate	30.1%	30.3%
B. Numerical Reconciliation of Income Tax (Benefit)/Expense to Prima Facie Tax Payable		
Profit/(Loss) before income tax expense	41,314	37,700
Tax at Australian Corporate Tax rate of 30% (1H24: 30%)	12,394	11,310
Tax effect of amounts not deductible/(taxable) in calculating taxable income		
Sundry	59	121
Total income tax expense	12,453	11,431
C. Amounts recognised directly in equity		
Aggregate deferred tax arising in the period and directly credited to equity	-	-

F – EQUITY

F1 - CONTRIBUTED EQUITY

	31 December 2024		31 December 2023	
	No. Shares	\$'000	No. Shares	\$'000
Share Capital				
Ordinary shares - fully paid	160,950,999	288,801	160,734,697	288,206
Total Contributed Equity	160,950,999	288,801	160,734,697	288,206
Movement in Ordinary Share Capital Issued and Fully Paid				
Balance at beginning of period	160,734,697	288,206	160,734,697	288,206
Dividend reinvestment plan issues	-	-	-	-
Performance incentive shares granted and exercised	17,015	47	-	-
Employee share plan issues	199,287	548	-	-
Balance at end of period	160,950,999	288,801	160,734,697	288,206

Notes to the Financial Statements

For the half year ended 31 December 2024

G – RELATED PARTY TRANSACTIONS

G1 - RELATED PARTY TRANSACTIONS

Where transactions are entered into with Key Management Personnel (KMP), these are approved by the Board. Board members who have an interest in the matter either directly or via related party do not participate in the Board approval process. No new arrangements have been entered into since the annual report for year ended 30 June 2024.

H – OTHER ITEMS

H1 – CONTINGENCIES AND COMMITMENTS

CONTINGENT LIABILITIES

Alliance has on issue six bank guarantees relating to existing leases totalling \$0.85m (FY24: \$0.62m).

CAPITAL COMMITMENTS

The Group has been a party to a Total Care Services Agreement with Rolls-Royce for the maintenance of Fokker 100 aircraft engines. The agreement was based on engine operating hours for 46 Tay 650-15 engines and was payable monthly in arrears. The agreement expired on 31 December 2024. The Group will not incur any further commitments under this agreement.

The Group entered into a sale and purchase agreement for an additional 30 Embraer E190 jet aircraft from AerCap Ireland Limited in February 2023.

The final purchase price for each aircraft will be adjusted for the maintenance status of the airframe and the two fitted engines in the week preceding each delivery. Accordingly, there is a significant degree of variation in the unit cost and a firm fleet price is unable to be given at this time. A total of 10 aircraft were settled in FY2024 with an additional 7 aircraft settled in 1H25 leaving 13 aircraft to be purchased with the last aircraft to be settled in 2H26. The final purchase price of the remaining aircraft purchases is estimated to be approximately USD103m.

H2 - EVENTS OCCURRING AFTER BALANCE DATE

The Directors are not aware of any other matters or circumstances not otherwise dealt with in the interim financial report that have significantly affected or may significantly affect the operations of the Consolidated Group, the results of those operations or the state of the consolidated Group in the period subsequent to the half year ended 31 December 2024.

I – BASIS OF PREPARATION

I1 - COMPLIANCE

This is the condensed consolidated interim financial report for Alliance Aviation Services Limited (the “Company”) and its controlled entities (collectively referred to as “Alliance” or “the Group”) for the half year ended 31 December 2024.

The interim financial report has been prepared in accordance with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*. The interim report does not include all the notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act, 2001*.

Notes to the Financial Statements

For the half year ended 31 December 2024

J – CHANGES IN ACCOUNTING POLICIES

J1 – NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period. Several amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of these standards.

Directors' Declaration

DIRECTORS' DECLARATION

In the Directors' opinion:

- The financial statements and notes set out on pages 7 to 16, are in accordance with the *Corporations Act 2001*, including:
 - complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half year ended on that date, and
 - there are reasonable grounds to believe that Alliance Aviation Services Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



S Padgett, OAM

Chairman

Sydney

Date: 12 February 2025



Independent Auditor's review report to the members of Alliance Aviation Services Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Alliance Aviation Services Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated balance sheet as at 31 December 2024, the Condensed consolidated statement of changes in equity, Condensed consolidated statement of cash flows and Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Alliance Aviation Services Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Allman', is written over a stylized, horizontal, wavy line that serves as a signature separator.

Tim Allman
Partner

Brisbane
12 February 2025