Alliance

RESULTS PRESENTATION

- For The Half Year Ended -

31 December 2024

Alliance Aviation Services Limited

1H25 HIGHLIGHTS

Strong Revenue and Profit before tax result along with record EBITDA and flight hours

$338.9m

Total Revenue & Income

$101.2m

EBITDA

$41.3m

Profit Before Tax

$27.2m

Operating Cashflow

(before aircraft acquisitions classified as inventory)

58,362

Flight Hours

76

Aircraft in Service

REVENUE STREAMS

98% of flights operated by Alliance in 1H25 were operated under long term contracts.

CONTRACT CHARTER (FIFO)

Flights operated on behalf of resource sector customers.

Stable and important backbone of company revenue mix

Slight decrease in revenue (1%) but hours up by (1% compared to 1H24.

BHP Nickel West wound down to full care and maintenance in December 2024.

No major contract renewals due in the half year period.

WET LEASE

Providing flight services to major airlines.

Wet lease revenue grew by $32m to $160m (up 25%). Flying hours were up 21% to 42,682 in 1H25.

Revenue includes 29 x E190s operating on contracted wet lease for Qantas. The one remaining aircraft option will be delivered in February 2025.

Other contracted wet lease hours decreased marginally (0.6%) compared to 1H24.

AD HOC CHARTER

Short-term flying contracts to a range of customers incl. corporates, government, and sporting teams.

Charter revenue decreased by 11%. Flying hours were down 11%

Reduction in available capacity due to the sustained demand for contract and wet lease services.

Capacity to return as additional aircraft join the fleet.

AVIATION SERVICES

Alliance provides specialised services to airlines and clients.

Aviation services reported revenue of $4.9m in 1H25 (up 153% from 1H24).

Airport management, and ground handling services performed as expected.

The market was once again very active for aircraft part out sales which the Group will continue to capitalise upon.

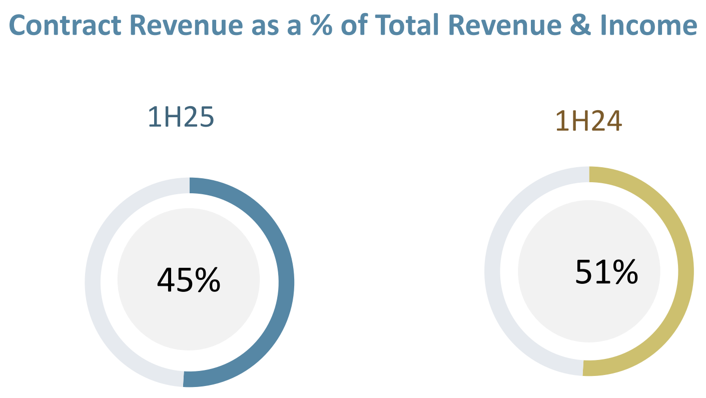
FLYING

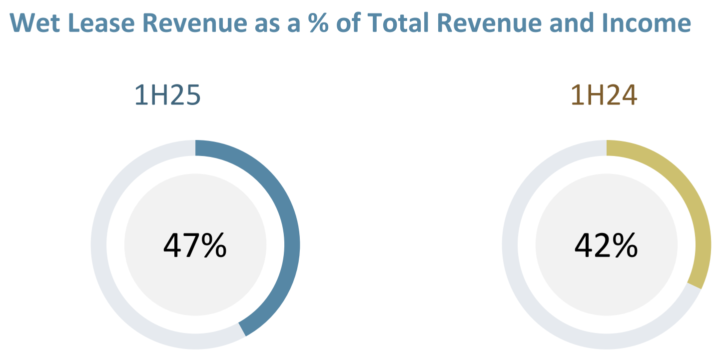
SERVICES

OPERATIONAL METRICS

Alliance continues to realise increased economic benefits of its capital expansion programme. Increases in both activity and asset utilisation has been the key profitability driver in 1H25.

	31 Dec 2024 Actual	31 Dec 2023 Actual
Aircraft in Service - Fokker	38	37
Aircraft in Service - Embraer	38	33
Aircraft in Service - Total	**76**	**70**
Flight Hours - Contract Revenue	14,265	14,156
Flight Hours - Charter Revenue	595	666
Flight Hours - Wet Lease Revenue	42,682	35,191
Flight Hours - RPT Revenue	423	499
Flight Hours - Other (incl maitenance)	397	281
Flight Hours - Total	**58,362**	**50,793**





Industrial Relations

Alliance Airlines has invested, and continues to invest, significant management time into Enterprise Agreement (EA) negotiations across multiple disciplines.

Enterprise Agreement Update

- Brisbane Engineers
  - Agreement reached and approved by FWC in December 2024.
- QLD/SA pilots and Perth Cabin Crew
  - Agreement reached in December 2024 with awaiting FWC approval.
- Further EAs are in negotiation

Enterprise Agreement Financial Impact

- Forecast financial impact of EAs to be finalised in FY2025 is 7.5 – 8% of total labour and staff costs.
- This impact is in addition to the CPI increases already agreed prior to EA negotiations.

Industrial Relations landscape

- New industrial relations legislation has already had a significant impact in the aviation industry and other sectors of the Australian economy.
- This includes the resource industry which provides significant customers and revenue to Alliance Airlines.
- Accordingly, The Board and management of Alliance Airlines have a heightened focus on ensuring that further impacts are minimised.

FINANCIAL SUMMARY

For the Half Year Ended

31 December 2024

INCOME STATEMENT

Observations:

- Contract revenue decreased by 1% with BHP Nickel West's initial decrease in flying hours offset by other clients.
- Wet lease revenue increased as additional aircraft were deployed on wet lease services.
- Charter and RPT revenue both remain relatively consistent as the Group continues to focus on being a wholesaler of capacity.
- Aviation Services revenue includes the sale of one airframe and thirteen engine cores.
- Dry lease revenue of $5.7 million is included in Other Revenue.
- Increased debt to fund the Group's strategic growth programme has resulted in an increase in finance costs.
- Depreciation has continued to increase which is reflective of increased number of operating aircraft and increased utilisation.
- Tax expense increased in line with profitability however no cash tax is forecast to be payable until 2027.

$Million	31 Dec 2024 Actual	31 Dec 2023 Actual	%PCP Change
Revenue			
Contract Revenue	153.6	154.7	(1%)
Charter Revenue	7.2	8.1	(13%)
Wet Lease Revenue	160.1	127.6	25%
RPT Revenue	5.9	6.3	-
Aviation Services Revenue	4.9	2.0	150%
Other Revenue	7.2	5.8	17%
Total Revenue	338.9	304.5	11%
Operating Expenses	(237.7)	(224.1)	6%
EBITDA	101.2	80.4	25%
Depreciation and amortisation	(43.9)	(34.6)	26%
EBIT	57.3	45.8	24%
Finance costs	(16.0)	(8.1)	100%
PBT	41.3	37.7	10%
Income tax expense	(12.4)	(11.4)	(9%)
NPAT	28.9	26.3	(10%)
Basic EPS (cents)	17.9	16.3	10%

STATEMENT OF FINANCIAL POSITION

Observations:

- Strong increase in the Net Asset position to $440.3 million up 7% from 30 June 2024 ($410.7 million)
- Underlying inventory decreased in the period by $19 million. This is offset by $43 million of aircraft acquired for part out and/or sale.
- PP&E increased in the half-year predominately as a result of the acquisition of three aircraft as part of the E190 expansion program and acquisition of the two additional hangars in Brisbane.
- Right of use assets and liabilities increased as a result of the land lease in relation to the additional hangars at Brisbane airport.
- Trade and other payables decreased mainly due to the timing of payroll payments and accruals.
- Borrowings increased during the period as seven aircraft ($87.3m) were acquired and the final settlement of the two additional hangars ($19.6m) was made.
- Net debt at 31 December2024 was $425.5 million.

$Million	31 Dec 2024 Actual	30 Jun 2024 Actual	%PCP Change
Cash	19.6	31.2	
Receivables	84.9	78.3	
Inventory	167.7	143.6	
Total Current Assets	272.2	253.1	8%
PP&E & Intangibles	823.0	719.6	
Right of Use Assets	35.8	26.1	
Total Non-Current Assets	858.8	745.7	15%
Total Assets	**1,131.0**	**998.8**	**13%**
Trade & Other Payables	81.8	110.7	
Borrowings	36.4	7.5	
Current Tax Liabilities	-	-	
Lease liabilities	2.2	2.6	
Provisions /Other	23.2	22.8	
Total Current Liabilities	143.6	143.6	1%
Borrowings	408.6	329.6	
Deferred Tax Liability	98.0	85.7	
Lease Liabilities	37.2	27.2	
Provisions / Other	3.3	2.0	
Total Non-Current Liabilities	547.1	444.5	23%
Total Liabilities	**690.7**	**588.1**	**18%**
Net Assets	**440.3**	**410.7**	**7%**

CASH FLOW STATEMENT

Observations:

- Operating cash flows includes $42.3 million for the purchase of four aircraft that are classified as inventory, as they will be parted out for internal use or third-party sales. The result is an underlying operating cash flow is $27.2 million for the half year ended December 2024
- Interest expense has increased due to additional debt.
- Payments for PP&E included:
    - Embraer fleet expansion capex - $48.5 million
    - Fokker and Embraer fleet maintenance - $19.5 million
    - Rolls-Royce engine program - $12.0 million
    - Brisbane hangar purchases completed in October 2024 - $19.6 million
    - General Property, plant and equipment - $3.8m
- $111.7 million of debt was drawn down in the year to fund the acquisition of seven aircraft (four in inventory and three in PP&E) and the additional hangars in Brisbane.

$Million	31 Dec 2024 Actual	31 Dec 2023 Actual
Receipts from customers (Inclusive of GST)	393.8	326.5
Payments to suppliers (inclusive of GST)	(396.7)	(306.9)
Interest received	0.2	0.4
Interest paid	(12.3)	(8.0)
Income tax (paid)/refunded	(0.1)	-
Net Cash Flows from Operating Activities	**(15.1)**	**12.0**
Payments for property, plant and equipment	(103.4)	(42.4)
Free Cash flow	**(118.5)**	**(30.4)**
Proceeds from borrowings	111.7	50.0
Repayment of borrowings	(3.7)	(3.7)
Principal elements of lease payments	(1.1)	(1.3)
Net Cash Inflow (outflow) from Financing Activities	**106.9**	**45.0**
Net Increase (Decrease) in Cash and Cash Equivalents	**(11.6)**	**14.6**
Cash and Cash Equivalents at beginning of the year	31.2	22.3
Cash and Cash Equivalents at end of year	**19.6**	**36.9**

$Million	31 Dec 2024 Actual
EBITDA	101.2
Timing difference - receipts, payments and taxes	(23.3)
Inventory - General	(38.6)
Inventory - Aircraft	(42.3)
Net Interest	(12.1)
Net Cash Flows from Operating Activities	**(15.1)**

CAPITAL EXPENDITURE

Observations:

- 11 x Fokker and 10 x Embraer E190 base maintenance checks will be completed in FY2025.
- Rolls-Royce engine care program ceased from 31 December 2024.
- Planned Tay620 engine maintenance events in FY2025, plus contingency for Tay650 and CF34-10 requirements.
- The growth capital expenditure includes the cost of acquisition and entry into service of 7 x E190s that will be settled in FY2025.
- Growth capital expenditure includes the improvements to the additional hangars at Brisbane Airport offset by the anticipated sale of Hangar One also located at Brisbane airport.

$Million	1H25 Actual	2H25 Forecast	Full Year FY2025
Existing fleet maintenance			
Cash outflows			
Base maintenance providers	19.5	15.2	34.7
Engine care program	12.0	7.3	19.3
Other miscellaneous	3.8	0.7	4.5
Operating costs capitalised	2.5	1.4	3.9
Total Cash Outflows	37.8	24.6	62.4
Non-cash			
Parts from inventory transferred to PPE	21.9	18.0	39.9
Total existing fleet maintenance	59.7	42.6	102.3
Growth capital expenditure			
Cash outflows			
Costs associated with the addition of E190 aircraft	48.5	64.2	112.7
Brisbane hangar purchase and sale	19.6	(3.0)	16.6
Operating costs capitalised	1.4	0.8	2.2
Total Cash Outflows	69.5	62.0	131.5
Non-cash			
Parts from inventory transferred to PPE	16.5	12.1	28.6
Total growth capital expenditure	86.0	74.1	160.1
Total capital expenditure	145.7	116.7	262.4

1. *Equates to movement in PP&E plus depreciation (adjusted for Right of Use Depreciation)*

APPROVED DEBT FUNDING FACILITIES

Observations:

- In August 2024, the Group increased debt facilities by $100.0 million with ANZ and $50.0 million with Pricoa. As at December 2024 the Group had drawn down $111.7 million of this additional funding.
- The current E190 acquisition program cost (aircraft purchase only) is expected to be $162.0 million in FY2025 ($83.7M in 2HFY25) and $79.2 million in FY2026. These capital commitments will be funded by the remaining debt facility and operating cash flow (which includes aviation services activity).
- Leverage ratio (post AASB 16) was 2.44 times as at 31 December 2024 and is forecast to reduce from this point forward.
- Total facility limits are $483.3 million.
- All banking covenants are well within limits.
- Net debt to reduce once aircraft purchases have been completed and operating cash flows continue to increase.

DRIVING GROWTH

For the Half Year Ended

31 December 2024

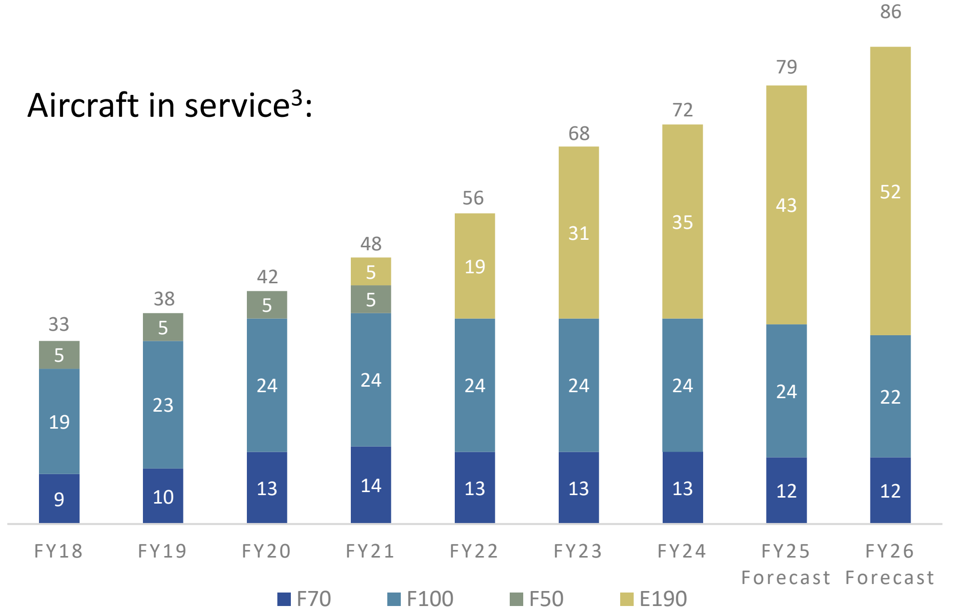
CONTINUING E190 FLEET EXPANSION

The Company continues to add aircraft into the fleet at the earliest available opportunity. This is forecast to accelerate in FY2025 and FY2026 as additional E190s are acquired.

Fleet Acquisition - update

- Alliance settled on a further seven E190 aircraft from the AerCap contract[1], bringing the total settled to 17 out of 30.
- Six E190 aircraft are expected to settle in 2H25. The remaining seven are expected to settle in FY2026.
- The balance of the fleet will be funded by the additional debt facilities finalised in August 2024 of $150 million plus operating cashflow.
- Six E190 airframes of the 30 purchased through the AerCap transaction have been earmarked for sale, expecting to be completed 2H25.[2]

Aircraft in service[3]:



Quarter Ending	Jun 23	Sept 23	Dec 23	Mar 24	June 24	Sept 24	Dec 24	Mar 25	June 25	Sept 25	Dec 25	Mar 26	Jun 26
E190 Delivery	-	2	4	4	4	4	3	3	3	3	3	1	-
E190 Fleet Units[2]	33	35	39	43	47	48	50	52	54	57	60	61	61

1. *As announced on 27 February 2023.*
2. *As announced on 28 November 2024.*
3. *Total E190 fleet units may be lower where aircraft are disassembled for parts. This is for illustrative purposes only. Excludes aircraft earmarked for sale.*

**Bar Chart: Includes all operational aircraft whether flying or in heavy maintenance. Includes all aircraft on dry lease to third parties.*

STRATEGY & OUTLOOK

The outlook for 2025 remains strong with additional aircraft due for deployment on wet lease services and stable contract charter operations. Focus will continue to be on cost management and margin growth.

- Operational staffing levels have reached optimal levels to support the growth program.
- Alliance will actively drive additional ad-hoc charter revenue throughout the forecast period.
- The last Qantas wet lease option is to be delivered in 2H25.
- Alliance concluded discussions with a third party which will see an additional aircraft on dry lease by the end of FY2025.
- There will be continued investment in technology to support current and future operations.
- Increased utilisation of the Rockhampton maintenance facility.
- 1H25 was an active period in Aviation Services. This is forecast to continue in 2H25 as airlines globally continue to deal with engine reliability issues.
- At balance date there were 13 E190 aircraft due to be settled between 1 January 2025 and 30 June 2026. Significant cash flows will return to the business once these aircraft settlements are completed.
- The Company has determined to retain capital to continue to fund business growth and accordingly will not be declaring a dividend for 1H25. Once the cash flows return to the business excess capital will be utilised to repay debt and/or pay dividends.
- Transition of Brisbane line maintenance activities to the facilities purchased in 1H25.
- Guidance remains unchanged of a 2025 financial year consensus forecast of $92.9 million PBT and $202.1 million EBITDA.

OTHER INFORMATION

For the Half Year Ended

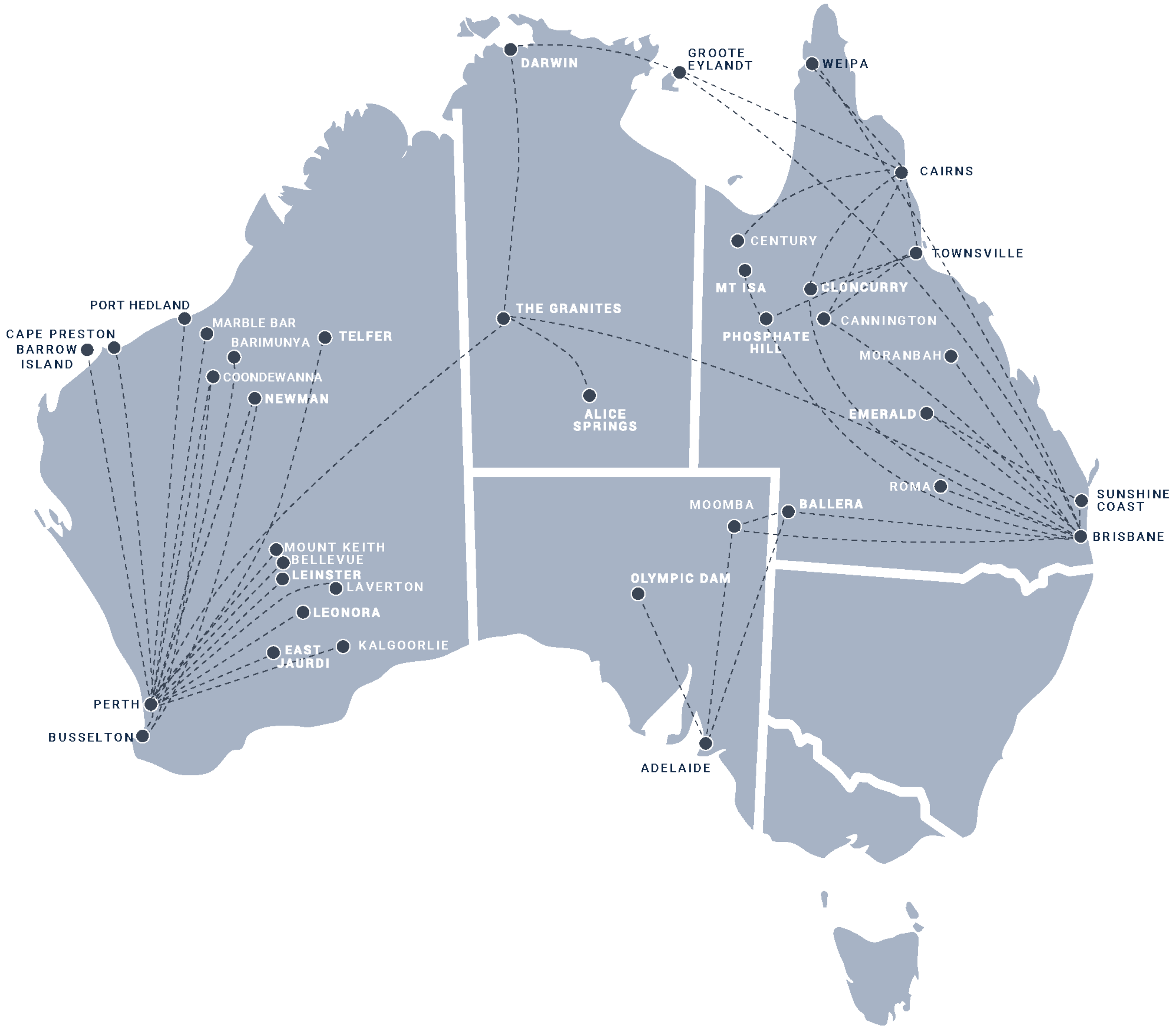
31 December 2024

NATIONAL FOOTPRINT CONTRACT CHARTER

Alliance has crew and engineering bases in most Australian capital cities, and several regional ports being Townsville, Cairns and Rockhampton. This is a notably greater regional presence than other Australian operators, which gives Alliance a distinct advantage in gaining=, and retaining, customers.

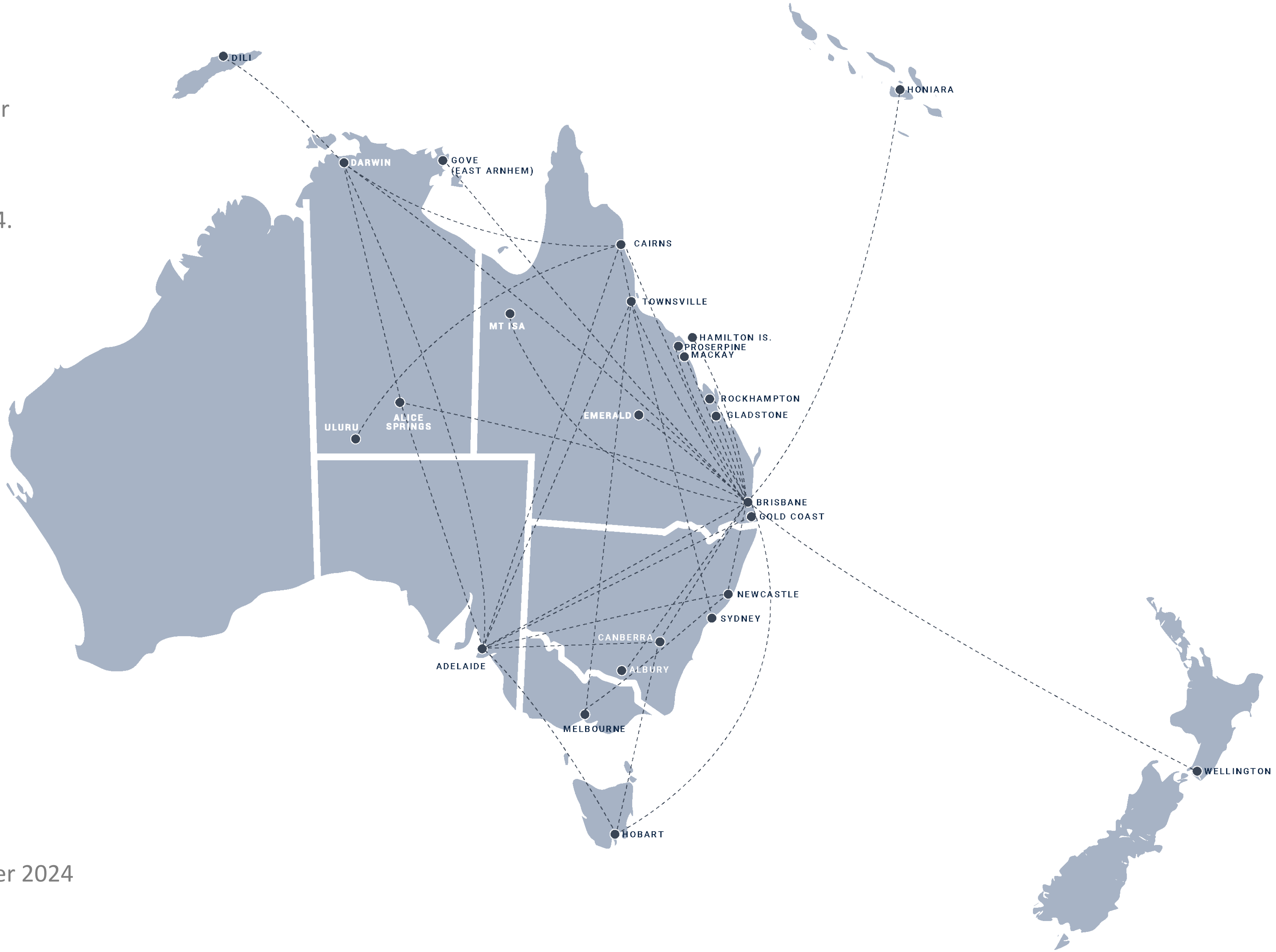
Due to Alliance's nationwide footprint the Company can move quickly with maximum flexibility and responsiveness to client needs.

Our national infrastructure supports our ability to grow our ad-hoc charter revenues.



NATIONAL FOOTPRINT CONTRACT WET LEASE

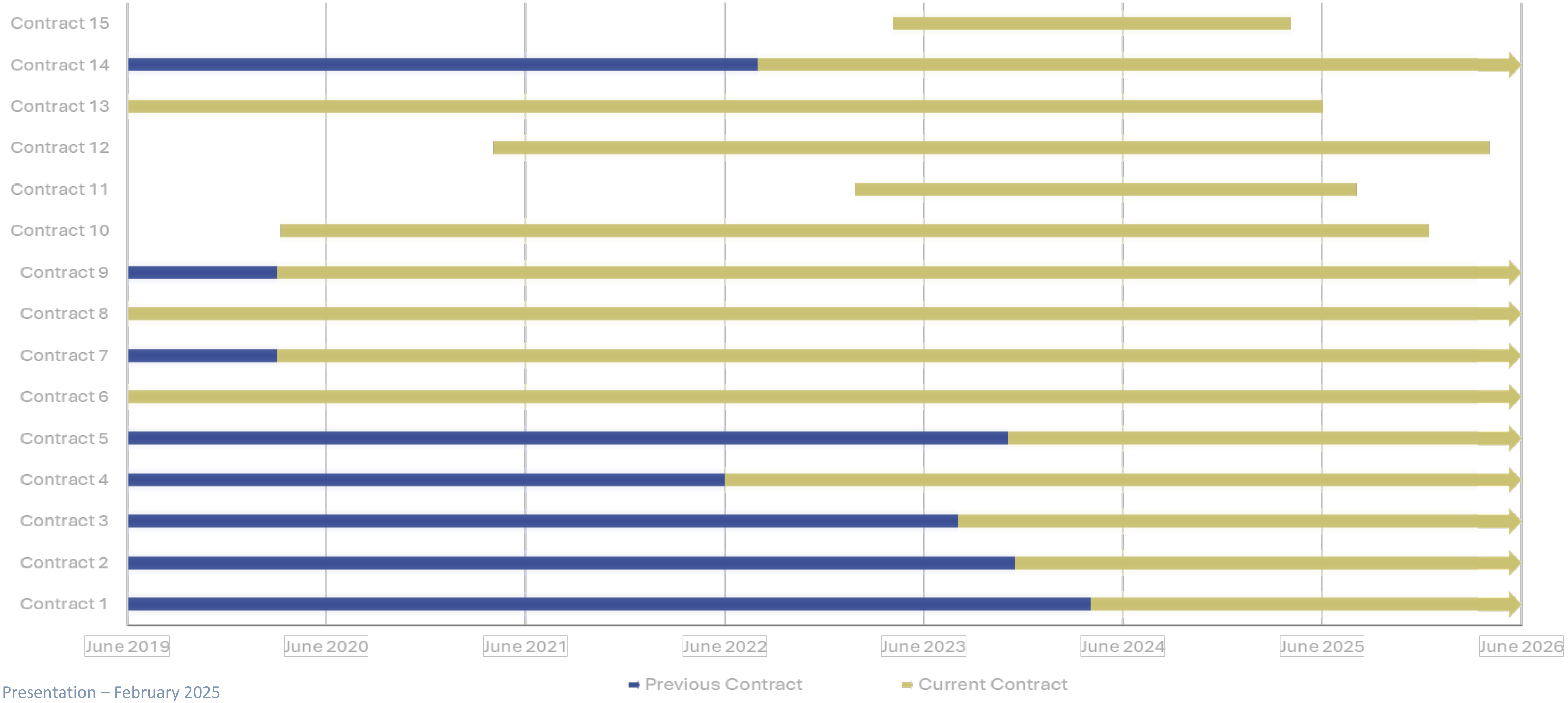
Alliance's wet lease operations are based on a fixed schedule with seasonal fluctuations. Under contracted wet lease agreements, Alliance has operated to nearly every state in Australia. The routes shown are those flown in December 2024.



Note: Brisbane Noumea commenced December 2024

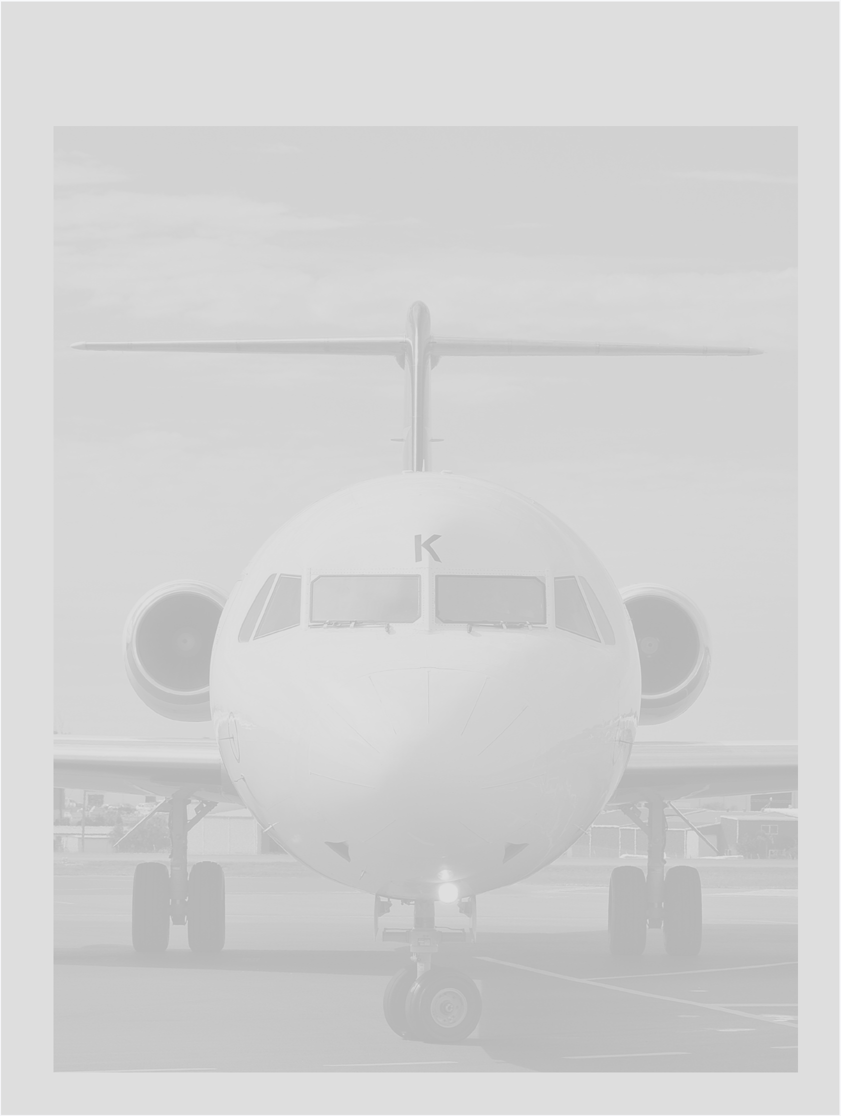
CONTRACT CLIENT BASE

Alliance continues to be the leading FIFO operator in Australia, providing safe, on-time and cost-effective charter solutions.



COMMODITY EXPOSURE

Major commodity exposure as a percentage of the top 15 contracted FIFO client's revenue for the year ended 31 December 2024.



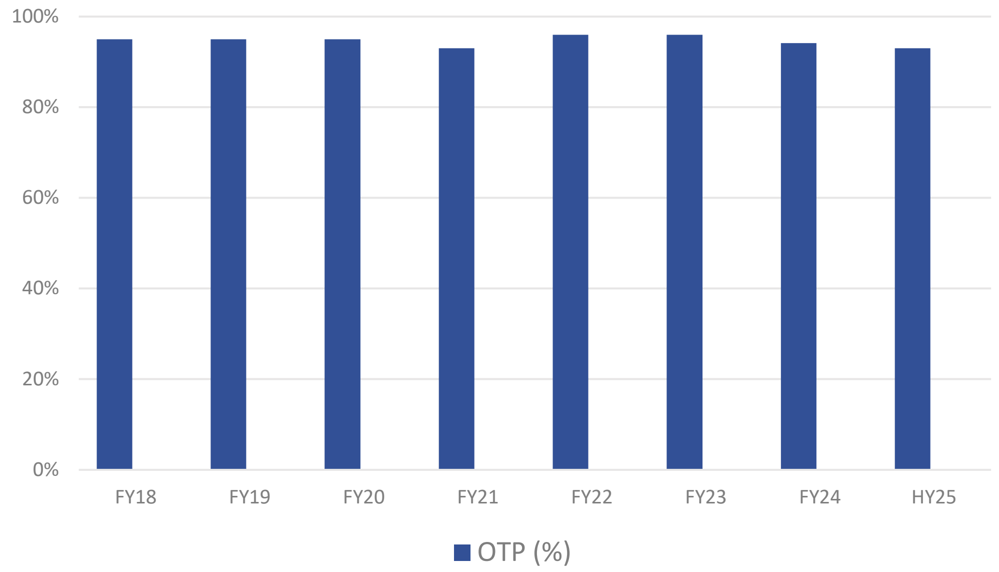
OPERATIONAL PERFORMANCE

On-Time Performance Comparison

The Alliance OTP record is a key differentiator and significant contributor to its outstanding success in securing contract renewals.

During the first half, OTP fell short of expectations due to several factors including protected industrial action (PIA), aircraft ground damage incidents, delays in aircraft entering service, significant weather events and technical issues with aircraft.

OTP continues to be a top priority for the Alliance team, with on-going initiatives focussed on controllable delays, both internally and through collaboration with service providers.



Safety Certifications

Safety is the Group's number one priority. Alliance is proud to hold the IATA Operational Safety Audit (IOSA) certification, the Basic Aviation Risk Standard (BARS) Gold standard, and International Association of Oil & Gas Producers Aviation Standard (IOGP) . Alliance was the first aviation company in Australia to achieve BARS gold standard. The BARS standard was established by BHP and Rio Tinto as a not for profit to serve the contract aviation sector and implement a set of industry aviation standards. This is critical for Alliance's FIFO business.

Australian Government
Civil Aviation Safety Authority

IATA IOSA
IATA OPERATIONAL SAFETY AUDIT

IOGP International Association of Oil & Gas Producers

BARS BASIC AVIATION RISK STANDARD GOLD FLIGHT SAFETY FOUNDATION

ESG

By integrating ESG principles, the Group fosters sustainable growth, ethical practices, and positive societal impact for long-term stakeholders value.

ENVIRONMENT

Committed eco-friendly initiatives to safeguard our planet for future generations.

- Driving efficiency on the ground and in the air
- Collaborating with service providers
- Fuel initiative program
- Embracing technology to reduce carbon footprint

SOCIAL

Fostering social responsibility and positive community impact.

- Assisting Foodbank with a vehicle and staff volunteering program
- Sponsorship of local sporting clubs
- Community fares for remote ports

GOVERNANCE

Robust governance standards ensure transparency, accountability, and ethical management practices.

- Commitment to adhering to Modern Slavery policies
- Instilling strong business ethics in all employees
- Embracing inclusivity across the Group

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T H A N K Y O U

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