

PO Box 1126, Eagle Farm QLD 4009 T +61 7 3212 1212 | F +61 7 3212 1522 www.allianceairlines.com.au

27th June 2025

ASX Release

Alliance Aviation Services Limited ("Alliance") (ASX: AQZ)

Spare Parts Inventory Sale and Strategic Partnership with AVIAN

Alliance is pleased to announce that it has entered into a binding agreement for the sale of the majority of its Embraer E190-E1 inventory to AVIAN Inventory Management (AVIAN) of Orlando, Florida for a total consideration of USD32.5 million. This transaction marks a strategic step forward in Alliance's long-term E190 operational support strategy.

AVIAN is recognised as the world's leading independent supplier of Embraer spare parts, with extensive inventory holdings at its global distribution centre in Orlando.

Under the terms of the agreement, AVIAN will acquire the current E190 inventory (excluding engines, undercarriages and auxiliary power units), and this inventory will be relocated to newly established facilities at Brisbane Airport.

In a further commitment to the region, AVIAN will leverage its substantial volume of additional E190 inventory from its Orlando headquarters. This will create one of the largest Embraer E190 parts holdings globally, not only supporting Alliance's growing E190 fleet but also benefiting other operators across the Asia-Pacific region.

This transaction, together with the Company's announcement earlier this week regarding the sale of engines to Beautech, are part of a broader initiative to strengthen the Company's balance sheet whilst enhancing operational readiness. Together these transactions are expected to materially reduce Alliance's inventory levels along with enabling a significant reduction in the net debt position of the company. The current profit guidance for this financial year remains unchanged following this transaction.

Commenting on this transaction, Alliance Managing Director, Scott McMillan stated, "We are delighted to be able to take this opportunity to materially increase the spare parts holdings in Australia for our growing E190 fleet of aircraft and for other operators. AVIAN is a well-respected supplier with whom we have had supply dealings in the past. AVIAN hold the most significant Embraer inventory of any provider globally and Alliance will now have access to that here in Australia. Having this supply of spare parts stored locally will provide great support and improvements to our operational capability, including on-time performance and overall fleet reliability. Spare parts will also be located in Adelaide, Darwin, Cairns and Townsville to support day-to-day operations for FIFO and wet lease customers and base maintenance in Rockhampton. This strategic partnership puts Alliance in an industry leading position to support its expanding E190 operations with increased efficiency, improved fleet reliability, and strengthened service delivery for its diverse customer base."

Ian Gurekian, AVIAN Inventory Management CEO & Founder commented on the transaction, "AVIAN is extremely proud to have been selected by Alliance to provide a capital solution and manage their aircraft parts and component portfolio needs. Alliance is AVIAN's first direct airline customer, and this partnership is testament to how our platform's innovative, customised solutions can be equally applied to airlines, OEMs, suppliers and MROs to release value trapped in valuable aerospace inventory, optimise distribution, and re-direct capital to growth efforts. We thank Alliance for the trust they have placed in AVIAN and are very excited to install our proven platform in Brisbane and serve Alliance as well as the entire APAC region from that location."

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

About AVIAN

Designed to promote accessibility and speed to the market, AVIAN's focused distribution center in Orlando, Florida delivers unparalleled product availability to all aircraft operators, and maintenance and repair stations around the world, providing a one-stop, same-day, go-to access point through its multiple Sales Channel Partners.

Website: www.avianparts.com

About Alliance

Alliance is Australasia's leading provider of contract, charter and allied aviation and maintenance services currently employing more than 1,400 staff.

The Company provides essential services to mining, energy, and government sectors as well as wet lease services for other airlines.

The Company also has a growing aircraft, engine and spare parts trading business allied to the two types of aircraft it operates.

Alliance holds IATA's IOSA certification, the only Australian contract and charter operator to do so and Flight Safety Foundation "BARS Gold" status, the first such carrier in Australia to achieve gold status.

Alliance is unique in that it owns its whole fleet. Currently that fleet consists of 36 Fokker 70/100 aircraft, 43 Embraer E190 aircraft with firm purchase commitments stretching to mid-2026 for a further 10 E190 aircraft.

The Company dry leases five E190 aircraft to a third party with those leases having been recently extended for a further five years.

Alliance has world leading operational performance, a key attribute sought by its customers. Alliance has operational bases in Brisbane, Townsville, Cairns, Adelaide, Perth, Darwin, and Rockhampton.

Alliance is locally owned with the majority of the Company's shareholders located in Australia and New Zealand.

Website: www.allianceairlines.com.au

For more information contact:

Scott McMillan
Managing Director
Alliance Aviation Services Limited
+61 (7) 3212 1201