Alliance Aviation Services Limited
ACN 153 361 525 | ABN 96 153 361 525

PO Box 1126, Eagle Farm QLD 4009
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www.allianceairlines.com.au

20th August 2025

ASX Market Announcement Office
Australian Stock Exchange
10 Bridge Street
SYDNEY NSW 2000

Via: ASX Online Companies

Dear Sir / Madam,

Announcement for release via the Market Announcement Platform

Please find attached an announcement titled "Appendix 4E and FY25 Annual Report" for release via the ASX Market Announcement Platform.

For further information regarding this announcement, please contact:

Nicola Clark
Company Secretary
P: + 61 7 3212 1201

By Order of the Board



Nicola Clark
Company Secretary

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20 August 2025

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

Appendix 4E
Preliminary Final Report
For Year Ended FY2025
(Previous reporting period year ended FY2024)

The following sets out the requirements of Appendix 4E with the stipulated information either provided here or cross-referenced to the FY25: Financial Report and associated documents as released to the Australian Stock Exchange and as published on the Company's website www.allianceairlines.com.au.

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	19	to	760,872
Profit from ordinary activities after tax attributable to members	Decrease	-5	to	57,323
Profit for the period attributable to members	Decrease	-5	to	57,323

Dividends/distributions	***Amount per share (cents)***	***Franked amount per share (cents)***	***Tax rate for franking credit***
Final dividend declared for year ended 30 June 2025	3.0	3.0	30%

Ex-dividend date for dividend	2nd September 2025
Record date for determining entitlements to the dividend	3rd September 2025
Payment date for dividend	3rd November 2025

Additional information

Net tangible asset backing

	FY2025	**FY2024**
Net tangible asset backing per ordinary share	$2.70	$2.39

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

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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 year ended 30 June 2025 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
Alliance Aviation Services Limited
+61 7 3212 1201

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Resilience. Reliability. Sustainability.



2025
ANNUAL REPORT

Alliance AIRLINES

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Who we are

Alliance Airlines is Australia's leading air charter services operator providing contract, charter and allied aviation services to both the resources industry and airlines, domestically and internationally.

Alliance also provides specialised aviation services to airlines and clients including aircraft dry leasing, airport management, aircraft trading, part sales, engine leasing and engineering services.

In FY2025 our fleet of aircraft flew more than 113,000 hours.

Our business is built on delivering the highest standards of safety, reliability and operational performance for our clients.



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Financial Highlights

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DIVIDEND
3.0 cents
Per share
Fully franked

REVENUE AND INCOME
$769.7m
▲ 19% Increase
FY24: $646.8m

EBITDA
$207.3m
▲ 16.2% Increase
FY24: $178.4m

STATUTORY PBT
$82.1m
▼ 4.9% Decrease
FY24: $86.3m

NET DEBT
$378.1m
▲ 24% Increase
FY24: $305.9m

OPERATING CASH
$105.6m
▼ 3.4% Decrease
FY24: $109.3m

NET DEBT TO EBITDA
1.8x
▲ 5.9% Increase
FY24: 1.7x

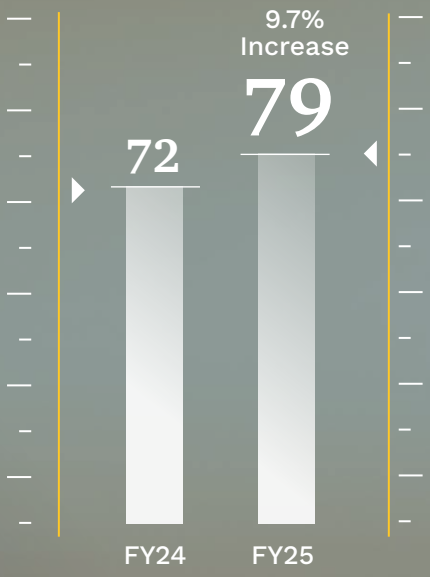
Operational Highlights



97.3%

of FY2025 flight hours under long-term customer contracts

OPERATING FLEET





ON-TIME PERFORMANCE

91%

RECORD FLIGHT HOURS

113,621

▲ 8.7% Increase
FY24: 104,545

STAFF NUMBERS INCREASED TO

1,452FTE

▲ in line with fleet expansion

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Chairman's Letter

"The outlook for the Group in FY2026 remains positive."



James Jackson
Chairman

Dear Shareholders,
I am pleased to present my first report as Chairman of Alliance Aviation Services Limited, for the FY2025 financial year.

The operational, financial and strategic performance of the Group was characterised by resilience, reliability and sustainability, which is the theme of this year's annual report.

Alliance managed considerable external pressures to achieve record flight hours for the fifth consecutive year and maintain industry leading on-time performance, and at the same time made substantial progress in implementing its longer-term strategic plans.

The Group reported a solid financial performance with improvements in earnings before interest, depreciation and amortisation, net assets and operating cash flow. On this basis, I am pleased to advise that the Board of Directors have declared a dividend of a 3.0 cents per share fully franked.

Strategic sales of inventory and aircraft engines during the year will strengthen the reliability of our operations by improving access to spare parts for our E190 fleet, and have enabled the Group to reduce its debt from December 2024.

Our fleet expansion program neared completion with the acquisition of ten Embraer E190 aircraft settled during the year and the remaining ten due for settlement in FY2026. To support this expansion, the Group acquired additional hangars at Brisbane Airport and has expanded our workforce to more than 1,450 people.

The Board of Alliance Aviation Services has undergone significant renewal during the last financial year. David Crombie AM and Peter Housden retired as directors in October 2024. Alliance Airlines Co-founder and Chairman, Steve Padgett OAM retired from the Board in February 2025. These three non-executive directors served the Group since its ASX listing in December 2011, and have been instrumental in establishing Alliance Airlines as Australia's leading air charter operator and setting the foundations for the Group's continuing success.

Mark Stanton and I were appointed to the Board in July 2024, and Bernie Campbell joined in February 2025. We are honoured to serve the Group on behalf of the shareholders, and excited to build on the strong foundations created by the Board and management team.

On behalf of the Board, I would like to thank the three departing directors for their outstanding service.

As a Group One organisation under the Commonwealth Government Safeguard Mechanism, Alliance is on track to meet its climate-related disclosure requirements in FY2026 as mandated by the *Corporations Act 2001* Chapter 2M.

The Group measures and reports its Scope 1 and 2 emissions under the National Greenhouse and Energy Reporting Scheme, and has a range of initiatives underway to review energy use and emissions from our business.

The outlook for the Group in FY2026 remains positive with the first full year of wet lease operations for Qantas. A range of initiatives underway are being undertaken to improve utilisation of aircraft and operational resources. As the fleet expansion is finalised during this financial year, we are focused on improving operational reliability and cost management, and optimising cash flow to reduce debt levels.

Further to these operational initiatives the board has engaged the services of a corporate adviser to undertake a strategic review of the group. They will be assisting the board to further develop strategy and actions with the objective of converting the significant growth and scale now in the business into greater shareholder value.

In closing, I would like to thank Alliance's staff and contractors for their hard work and dedication to providing safe and reliable service for our clients. Thank you also to our shareholders for your continued support for Alliance Airlines.



James Jackson
Chairman

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The world's largest operator of Fokker and Embraer E190 aircraft

Alliance is the world's largest operator of both Fokker and Embraer E190-E1 jets with 79 aircraft currently flying.

We fly 36 Fokkers — 24 100-seat F100s and twelve 80-seat F70s — for FIFO operations, charter, and wet leasing for other airlines.

We operate 43 E190s; a versatile jet for regional travel with seating capacity for up to 100 passengers and a maximum range of 4,100km with a full payload.

We have expanded our Embraer fleet in two transactions.

- Thirty E190s have been deployed for wet lease operations to Qantas with the last of those aircraft delivered in the second half of FY2025.
- The second transaction consisted of 34 E190 aircraft with 24 settled as at 30 June 2025. The remaining ten E190 purchases will settle in FY2026.

Half of the 24 E190s will expand the Fokker and Embraer fleet and be deployed on long-term contracts with clients, with the remainder either to be sold or disassembled for parts to support our operating aircraft.

30

Embraer E190s have been deployed for wet lease operations to Qantas

36

Fokkers for FIFO operations, charter, and wet leasing for other airlines

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Aviation services — a unique competitive advantage

Owning our entire aircraft fleet gives Alliance a unique competitive advantage.

This has created an opportunity for the Group's Aviation Services business to trade surplus aircraft and components to generate revenue, and support efficient flight and maintenance operations.

During FY2025, the business completed a number of strategic sales to boost our operational performance and unlock the value of surplus inventory, enabling a significant reduction in net debt from December 2024.

Alliance completed sales of six airframes, 13 engine cores, twelve engines and the majority of our E190-E1 inventory. Under the inventory sale, Alliance will have ready access to one of the largest holdings of E190 components in the world, which will help to improve our operational capability, reliability and on-time performance.

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Image courtesy Chris G. (passenger)

Chief Executive Officer's Report

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Stewart Tully
Chief Executive Officer

Alliance delivered a strong performance during FY2025 in spite of some setbacks for our operations. Flight operations have been resilient in the face of these challenges and maintained industry-leading operating reliability for our clients, and delivered a solid financial outcome.

STRONG OPERATING AND SAFETY PERFORMANCE

Severe weather events across a number of regions, particularly the effects of Cyclone Alfred on south-east Queensland during March and April 2025, caused widespread flight delays and cancellations. Our agility in responding to these situations mitigated the disruption to flights and allowed us to uphold our client service commitments.

Protected Industrial Action and Enterprise Agreement negotiations resulted in increased operating costs, a number of flight cancellations and a backlog of maintenance workload.

Fleet availability was affected by two aircraft experiencing damage from ground service equipment, sidelining them for prolonged periods and straining service delivery.

Despite these challenges, we achieved 113,621 flight hours driven by increased schedules for a number of clients, recording a fifth consecutive year of record flying activity. Of this, 97.3% was conducted under long-term contracts with key clients. We also preserved our position as the industry leader for on-time performance, reaching a rate of 91%.

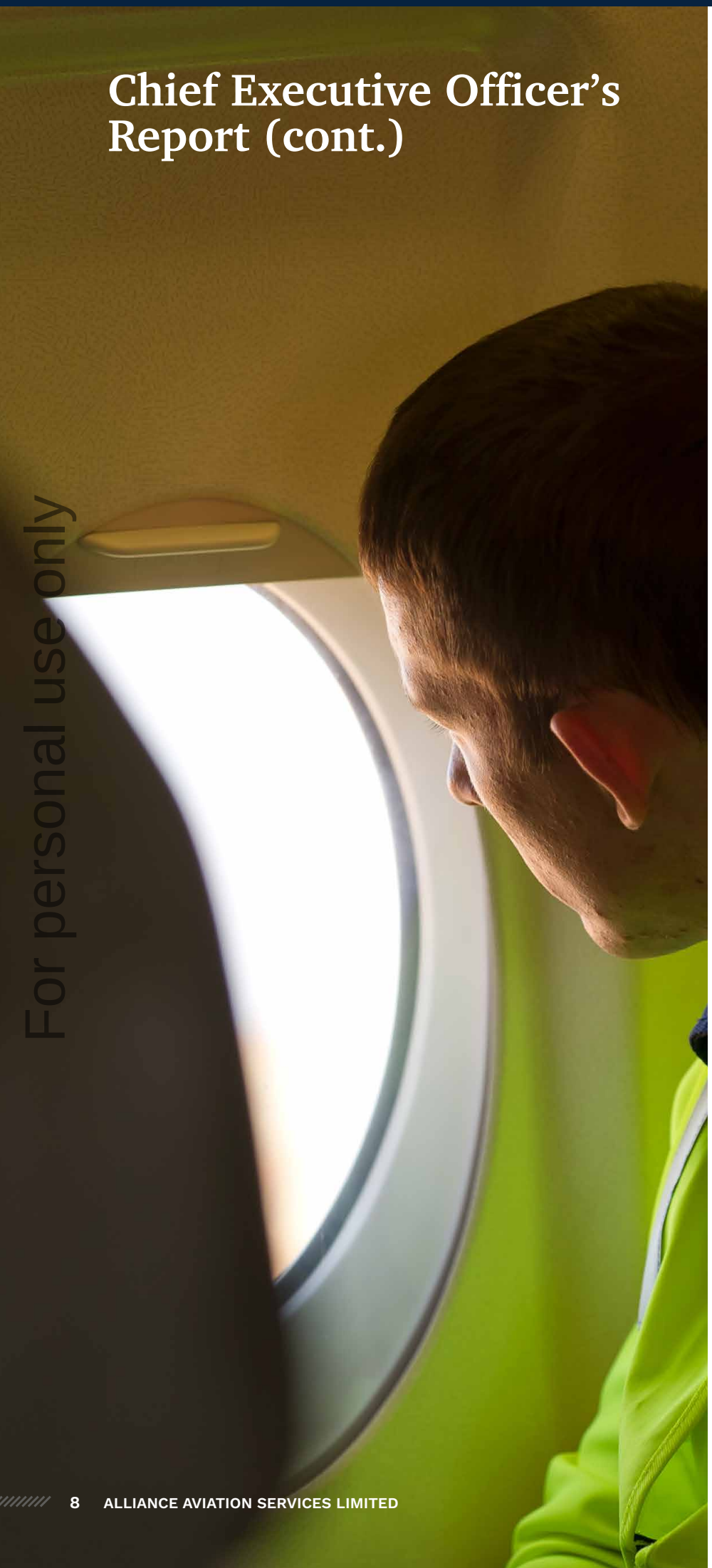
Wet lease flying hours increased by 13.8% to 83,212. In contrast, contract flying decreased by 3.6% to 27,376 hours and charter operations reduced 10.3% to 1,214 hours.

The Group made good progress in meeting aircraft fleet commitments during the year. Ten of the Group's 34 Embraer E190 aircraft acquisitions were settled with three entering service, five designated for sale and two under maintenance ahead of service entry. To support the fleet expansion, the Group acquired two additional hangars at Brisbane Airport.

The Qantas wet lease entry-into-service program concluded in the third quarter of the financial year with the last of 30 aircraft successfully deployed.

Aviation Services sales initiatives contributed to streamlining our inventory and reducing debt from December 2024. Binding agreements were reached for the sales of the majority of our Embraer E190-E1 inventory to AVIAN Inventory Management LLC and twelve General Electric CF34-10 engines to BeauTech Power Systems, LLC. These arrangements significantly improved domestic spare parts availability for our expanding E190 fleet, boosting reliability and on-time performance capabilities.

Chief Executive Officer's Report (cont.)



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The highest safety standards are the cornerstone of our success and one of Alliance's three core values. Maintaining and continually improving safety performance is essential not only to deliver a consistently safe and efficient operation in the air and on the ground, but also to support customer confidence, safeguard our people, and optimise fleet and resource utilisation.

During the year, we successfully renewed several key third-party accreditations that demonstrate confidence in our safety management capability. In July 2024, we completed the new International Aviation Transport Association risk-based operational safety audit (IOSA), resulting in the renewal of our IOSA registration for a further two years. We also successfully renewed our International Association of Oil & Gas Producers (IOGP) and Basic Aviation Risk Standard (BARS) accreditations, both of which are critical to our operations in the resources sector. These rigorous assessments validate that our systems, practices, and operational controls meet the high safety expectations of resources clients and global standards for remote and high-risk environments.

SOLID FINANCIAL PERFORMANCE

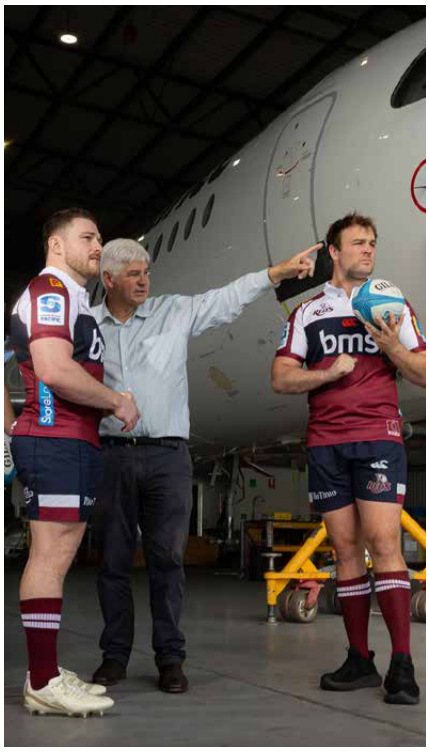
Alliance recorded a statutory net profit before tax of $82.1 million, a decrease of $4.2 million or 4.9% compared to the year ended 30 June 2024. Net profit after tax was $57.3 million, representing a year-on-year decrease of $3.2 million or 5.3%.

The Group reported total revenue from continuing operations of $760.9 million, which was a 19.4% increase on $637.2 million in the previous financial year.

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“During the year, we successfully renewed several key third-party accreditations that demonstrate confidence in our safety management capability.”

Wet lease revenue increased by $53.1 million or 20.0% to $318.8 million (FY24: $265.7 million). This reflected the increase in wet lease flying hours because of expanded schedules for a number of existing clients, partially offset by the effects of wet weather events and industrial action.

Contract flying revenue was $298.3 million, a decrease of $11.5 million or 3.7% compared to the previous financial year (FY24: $309.8 million). This was a strong result supported by the continued growth in client demand within the resources sector, the addition of a new client during the year, and the favourable impact of increased margins arising from contract renewals in the current and prior financial years.

Charter revenue of $17.3 million was an increase of $1.0 million or 6.7% compared to the previous financial year (FY24: $16.3 million). Charter revenue remained stable during the year and future growth is contingent upon the availability of additional aircraft capacity to meet increasing client demand.

Other revenue was $113.9 million, an increase of $81.2 million compared to the previous financial year (FY24: $32.7 million). The Group continued to provide ground handling and aerodrome management services, and grow its spare parts supply business. The sales of engines and Embraer inventory bolstered this revenue category.

Operating cash flows for the year included $46.8 million for the purchase of four aircraft which are classified as inventory that will be sold or disassembled for components for use in our fleet. Resulting underlying operating cash flow was $152.4 million.

The Group’s net asset position increased by 14.1% to $468.6 million compared to the previous financial year (FY24: $410.7 million). Net debt as at 30 June 2025 was $378.1 million (FY24: $305.9 million).

OPERATIONAL PRIORITIES

After a period of rapid growth, our fleet expansion program is nearing completion with ten aircraft acquisitions to be settled in FY2026. We are progressing solutions to consolidate our systems, processes and organisational culture across the expanded fleet, and optimise operating capabilities and reliability.

Chief Executive Officer's Report (cont.)

The Group has also invested in new operating systems to improve operations and crew management, fleet growth and utilisation, and engineering productivity.

These improvements are assisting in generating additional aircraft capacity from the expanded E190 fleet to satisfy client demand.

We are also placing greater management emphasis on disciplined cost management to maximise cash flow, and give the Group increased flexibility to reduce debt and generate dividends for shareholders.

SUSTAINABILITY

Alliance continues to implement initiatives with respect to fuel efficiency, flight planning and engine management as part of efforts to reduce CO_2 emissions.

These actions align with our strategic objectives to reduce the Group's carbon footprint, enhance fuel efficiency, and promote the development and use of sustainable aviation fuels.

Alliance Aviation Services is a Group 1 emitter under the Commonwealth Government Safeguard Mechanism, which requires the Group to meet mandatory AASB S2 climate-related financial reporting standards from the current financial year.

These initiatives will form part of the Group's Climate Action Plan which is currently being prepared by the leadership team to provide a clear plan for our staff, management, Board and stakeholders.

The plan will be approved by the Board and set out our objectives, actions and performance indicators so that we can monitor and report on our progress over time.

CONCLUSION

The operational and financial performance of the Group during the FY2025 financial year has demonstrated the resilience of our business model and reinforced the importance of focusing on our core values of safety, on-time performance and financial sustainability. I would like to thank all of the Alliance staff and contractors for their efforts to live up to these values during a year which has presented the business with a range of challenges.

Thank you also to our clients and suppliers for your continued support and trust in Alliance as a partner to your businesses, and to the Board for your confidence and guidance.



Stewart Tully
Chief Executive Officer



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Record flight hours in FY2025

During FY2025, Alliance flew more than 113,000 flight hours, a record for our business, providing a range of flight operations services to suit our clients.

Under wet lease arrangements, the Group operates a fully crewed aircraft on behalf of our clients, including providing maintenance and insurance. This allows other airlines to operate scheduled flights without having to own and manage the aircraft or employ crew.

Long-term contracts provide regular scheduled flights between major airports and our clients' destinations, usually remote resources operations.

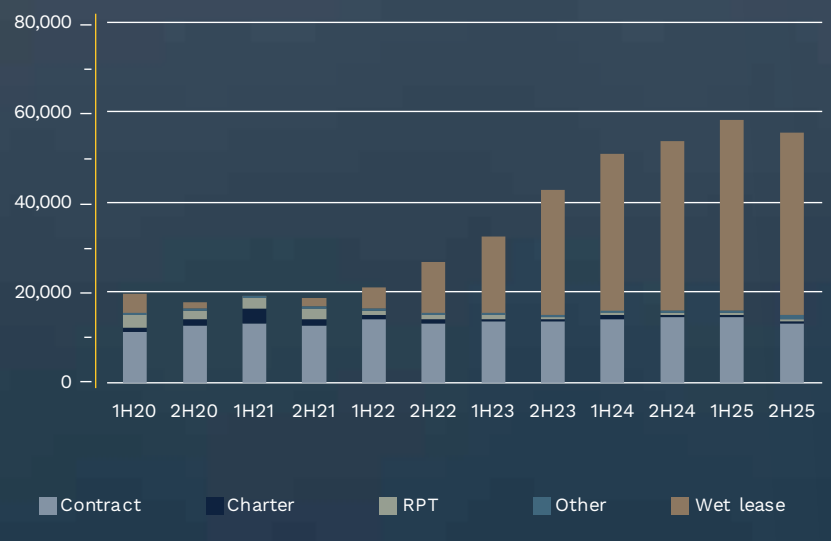
This is an essential service for the resources industry, transporting workers to remote operations safely and on time.

Charter flights are mostly one-off or short-term arrangements for Alliance to fly our clients to their chosen destination.

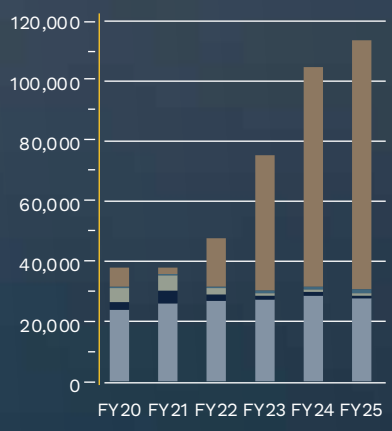
Alliance dry leases five E190s on five-year terms, providing an aircraft without any crew, maintenance or insurance included, allowing the lessee to operate the aircraft independently.

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FLIGHT HOURS BY FLIGHT OPERATIONS SERVICE



FLIGHT HOURS



Directors' Report

FOR THE YEAR ENDED 30 JUNE 2025

DIRECTORS' REPORT

Your directors 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 year ended 30 June 2025.

DIRECTORS

The following persons were Directors of Alliance for the entire financial year ended 30 June 2025 unless otherwise stated:

Name	Position	Appointed	To
Stephen Padgett, OAM	Chairman, Non-executive Director	26-Oct-2011	12-Feb-2025
James Jackson	Independent Non-executive Director	10-Jul-2024	11-Feb-2025
	Chairman, Non-executive Director	12-Feb-2025	
Mark Stanton	Independent Non-executive Director	10-Jul-2024	
Bernard Campbell	Independent Non-executive Director	12-Feb-2025	
Peter Housden	Independent Non-executive Director	26-Oct-2011	03-Oct-2024
David Crombie, AM	Independent Non-executive Director	26-Oct-2011	03-Oct-2024
Scott McMillan	Managing Director	26-Oct-2011	

PRINCIPAL ACTIVITIES

The principal activities of the Group are the provision of contract, charter and allied aviation services to both 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.

FY2025 SUMMARY

FY2025 was a year defined by both operational turbulence and strategic advancement for the Group. Despite mounting external pressures, the Group demonstrated unwavering resilience, agility, and a continued commitment to safety, reliable performance, and financial sustainability.

During the first half of the year, the Group expanded its infrastructure footprint through the acquisition of additional hangars at Brisbane Airport, supporting its growth trajectory. However, a surge in industrial activity across Australia's aviation sector led to Protected Industrial Action and wage-related disputes, resulting in increased operating costs, flight cancellations and a backlog in maintenance operations. Fleet availability was further impacted by two aircraft experiencing structural damage, sidelining them for prolonged periods and straining service delivery.

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Directors' Report (cont.)

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In the second half, Cyclone Alfred brought severe weather to South-east Queensland during March and April, causing wide-scale delays, cancellations and infrastructure stress. Concurrently, record rainfall and flooding across multiple regions presented additional operational challenges, demanding agile response strategies to mitigate disruption and uphold client service commitments.

Despite these setbacks, the Group delivered its fifth consecutive year of record flight activity, achieving 113,621 flight hours. An impressive 97.3% of flying was conducted under long-term contracts with key clients. The Group preserved its industry-leading on-time performance, reaching a rate of 91%, and generated positive operating cash flow of $105.6 million.

No major new contracts were executed during FY2025 following the successful implementation of seven key agreements in the prior year. Nonetheless, the Group was awarded an air transport support contract during the lead-up to the Federal Election in April and May, reinforcing its reputation for responsiveness and reliability.

Progress was made in aircraft fleet commitments. Ten of the Group's 34 Embraer E190 acquisitions were settled during the year: three entered service, five were designated for sale, and two remain under maintenance ahead of service entry. One Fokker F100 aircraft, acquired in FY2024, entered operational use in August 2024. The Qantas wet lease entry-into-service program concluded in February 2025, with the last aircraft successfully deployed.

Strategic sales initiatives contributed to inventory streamlining and debt reduction. The Group finalised binding agreements for the sale of the majority of its Embraer E190-E1 inventory to AVIAN Inventory Management LLC and sold twelve General Electric CF34-10 engines to BeauTech Power Systems, LLC. Ten of these engines were settled in FY2025 with the remaining engines transferring in FY2026. These arrangements significantly improved domestic spare parts availability for the Group's expanding E190 fleet, boosting reliability and on-time performance capabilities across operations.

Financial review

KEY FINANCIAL METRICS

The Group recorded a statutory net profit before tax of $82.1 million and a statutory net profit after tax of $57.3 million for the financial year ended 30 June 2025. This represents a decrease of statutory net profit before tax of $4.2 million when compared to the year ended 30 June 2024.

REVENUE AND INCOME
$769.7m
▲ 19% Increase
FY24: $646.8m

NPAT
$57.3m
▼ 5.3% Decrease
FY24: $60.5m

EBITDA*
$207.3m
▲ 16.2% Increase
FY24: $178.4m

PBT
$82.1m
▼ 4.9% Decrease
FY24: $86.3m

OPERATING CASH
$105.6m
▼ 3.4% Decrease
FY24: $109.3m

NET ASSETS
$468.5m
▲ 14.1% Increase
FY24: $410.7m

* This is not a statutory number. EBITDA represents Profit before Tax (PBT) less Finance Costs and Depreciation.

Directors' Report (cont.)

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FLIGHT HOURS

CONTRACT	CHARTER
27,376	1,214
▼ 3.6% Decrease FY24: 28,402	▼ 10.3% Decrease FY24: 1,354
WET LEASE	**RPT**
83,212	856
▲ 13.8% Increase FY24: 73,116	▼ 9.9% Decrease FY24: 949
FERRY/MAINTENANCE	**TOTAL HOURS**
963	113,621
▲ 33.1% Increase FY24: 724	▲ 8.7% Increase FY24: 104,545

REVENUE FROM CONTINUING OPERATIONS

CONTRACT	CHARTER
$298.3m	$17.4m
▼ 3.7% Decrease FY24: $309.9m	▲ 6.7% Increase FY24: $16.3m
WET LEASE	**RPT**
$318.8m	$12.5m
▲ 20.0% Increase FY24: $265.7m	▼ 1.6% Decrease FY24: $12.7m
OTHER	**TOTAL**
$113.9m	$760.9m
▲ 248.3% Increase FY24: $32.7m	▲ 19.4% Increase FY24: $637.2m

Contract

Contract flight hours decreased by 3.6% during the year, driven by temporary reductions in scheduled services resulting from severe weather events, aircraft sidelined due to damage and periods of Protected Industrial Action, plus BHP Nickel West going into care and maintenance. These declines were partially offset by expanded schedules for several existing customers.

Wet lease

Wet lease flying hours continued to grow during the year, reflecting the Group's ongoing commitment to meeting capacity requirements from contracted wet lease clients. However, the rate of growth moderated in FY2025 with Qantas deploying the remaining four aircraft over the course of the year to reach the full allocation of 30 E190s.

Contract and wet lease revenue represent 81.0% (FY24: 90.3%) of Total Revenue from Continuing operations and 97.3% (FY24: 97.1%) of total flight hours.

- **Contract revenue** declined by $11.6 million or 3.7% when compared to the prior comparative period ($309.9 million).

  The contract revenue stream decline was driven by BHP Nickel West going into care and maintenance resulting in a decrease in services from 23 to seven per week. The balance of the contract clients delivered a strong result driven by the continued growth in client demand within the resources sector, the addition of a new client during the period, and the favourable impact of increased margins arising from contract renewals in both the current and prior financial years.

Directors' Report (cont.)

- **Wet lease revenue** reported an increase of $53.1 million or 20.0% when compared to the prior comparative period ($265.7 million).

  The wet lease revenue stream experienced growth during the period, driven by the Group's ability to deploy additional E190 fleet capacity to contracted wet lease clients. This growth was partially offset by a reduction in demand for Fokker aircraft capacity.

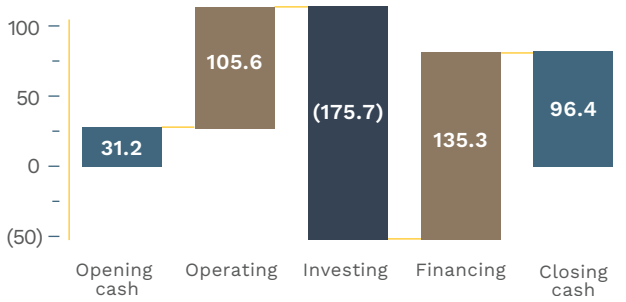
- **Charter revenue** reported an increase of $1.1 million or 6.7% when compared to the prior comparative period ($16.3 million).

  Charter revenue remained stable during the year. Future growth in this segment is contingent upon the availability of additional aircraft capacity to meet increasing client demand.

- **Other revenue** reported an increase of $81.3 million or 248.3% when compared to the prior comparative period ($32.7 million).

  Other revenue includes Aviation Services and other revenue items. The Group continued to provide ground handling and aerodrome management services, and continued to grow its spare parts supply business. The Group negotiated the sale of twelve engines to Beautech and Embraer inventory to AVIAN, both of which bolstered this revenue category. As highlighted previously, ten engines settled before the end of FY2025 with the balance to settle in early FY2026.

CASH FLOW



Statutory Operating cash flow for the year was $105.6 million, an increase of 325.4% or $80.7 million from the previous financial year. Included in the operating cash outflows was an amount of $57.2 million for four E190 aircraft acquired for sale or parts, and receipts from the sale of Embraer inventory to AVIAN $50.5 million (US$32.5 million) and ten GE CF43-10 engines ex-inventory to BeauTech $52.1 million (US$33.5million) offset by a deposit of $10.9 million (US$7.0 million) on engines to be settled in FY2026.

Cash outflows related to investing for the year were $175.7 million or $60.7 million higher when compared to the prior comparative period. The E190 programme continued into FY2025 with $98.1 million expended on aircraft and entry into service costs, $20.1 million on hangar acquisitions at Brisbane Airport, $53.0 million on heavy maintenance and engine care costs, with the balance being $4.5 million spent on general PP&E.

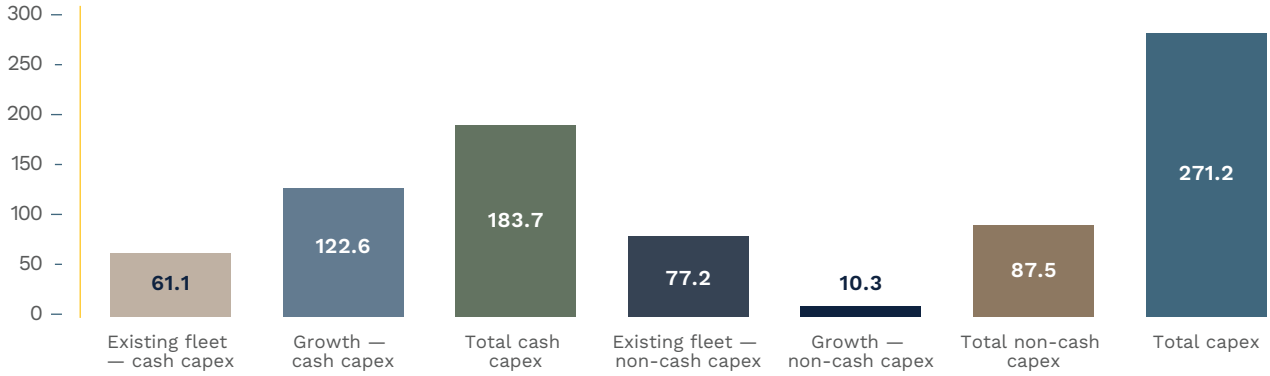
Cash inflows from financing activities during the financial year saw the Group record a debt increase of $135.3 million. This increase was primarily attributable to drawdowns used to fund the acquisition of Embraer E190 aircraft, as well as associated ferrying, storage, and entry into service and the hangar acquisition. Loan repayments for the period were $34.5 million, which includes regular repayments of $9.5 million and the paying down of a Pricoa senior secured guaranteed note of $25.0 million.

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Directors' Report (cont.)

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CAPITAL EXPENDITURE



Capital expenditure for the year was $271.2 million (FY24: $226.9 million).

Total cash capital expenditure includes $8.1 million of capitalised labour costs recorded as payments to suppliers in the cash flow reconciliation below.

Existing fleet — non-cash capital expenditure includes a transfer of inventory to property, plant and equipment of $32.1 million.



This growth capital expenditure included the addition of four Embraer E190 aircraft to the operating fleet, bringing the total number of operational E190 aircraft to 43 as at the balance date.

This investment aligns with the Group's long-term strategic objectives and supports future operational requirements.

A reconciliation of this investment is included below.

Directors' Report (cont.)

	30 June 2025 $ million	30 June 2024 $ million
Reconciliation of Capital Expenditure		
Existing Fleet Maintenance		
Cash outflows		
Base maintenance providers	37.7	25.2
Engine care program	15.3	23.2
Other miscellaneous	4.4	7.4
Operating costs capitalised	3.7	3.8
Total Cash outflows	**61.1**	**59.6**
Non-cash		
Reclassification of inventory to property, plant and equipment	32.1	–
Parts from inventory used in base maintenance	45.1	97.6
Total Existing Fleet Maintenance	**138.3**	**157.2**
Growth Capital Expenditure		
Cash outflows		
Costs associated with aircraft acquisitions	98.1	53.8
Hangar purchase	20.1	1.4
Fokker aircraft purchases	–	2.5
Rockhampton construction	–	1.7
Operating costs capitalised	4.4	1.9
Total Cash outflows	**122.6**	**61.3**
Non-cash		
Parts from inventory used in base maintenance	10.3	8.4
Total Growth Capital Expenditure	**132.9**	**69.7**
Total Capital Expenditure	**271.2**	**226.9**

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Directors' Report (cont.)

NON-FLIGHT HOUR METRICS

EMPLOYEES (FTE)

1,452

▲ 2.8% Increase
FY24: 1,413

ON-TIME PERFORMANCE

91%

▼ 3.2% Decrease
FY24: 94.0%

OPERATING FLEET (INCLUDES FIVE ON DRY LEASE)

79

▲ 9.7% Increase
FY24: 72

As at 30 June 2025, Alliance employed 1,452 full time equivalent staff which is an increase of 39 or 2.8% from the previous financial year (FY24: 1,413). All future staff increases will be aligned to the movement in forecast expectations around client demand for scheduled services. The Group has an operational presence in Adelaide, Darwin, Brisbane, Townsville, Cairns, Perth, Melbourne, Alice Springs and Rockhampton.

Despite a challenging year with several severe weather events, aircraft sidelined for extended periods due to damage and Protected Industrial Action (PIA), Alliance continues to hold an enviable on-time performance record with an average of 91% (FY24: 94%) for the year ended 30 June 2025. On-time performance is a key focus for the Group and is one of the major factors that differentiates Alliance from its competitors.

As at 30 June 2025, the Group had 79 aircraft in service, including five on dry lease. This is a net increase of seven when compared to the prior comparative period. The Group also had seven aircraft in inventory and two in PPE waiting to enter service.

SAFETY

Safety excellence is the cornerstone of our success within the Group and remains one of the three core values. The Group's strategy recognises that maintaining and continually improving safety performance is essential not only to delivering a consistently safe and efficient operation, but also to supporting customer confidence, safeguarding our people, and optimising the utilisation of our fleet and resources.

The Group's operational safety performance continues to reflect a mature and proactive approach.

This financial year, we successfully renewed several key accreditations that demonstrate external confidence in our safety management capability. In July 2024, Alliance Airlines completed IATA's new IOSA audit, resulting in the renewal of our IATA registration for a further 24 months.

During this reporting period, Alliance also successfully renewed our IOGP (International Association of Oil & Gas Producers) and BARS (Basic Aviation Risk Standard) accreditations, both of which are critical to our operations in the resources sector.

These rigorous assessments validate that our systems, practices and operational controls meet the high safety expectations of resource clients, and global standards for remote and high-risk environments.

Fleet

CURRENT FLEET

Alliance operates an all-jet fleet comprising Fokker and Embraer aircraft. The fleet includes two Fokker aircraft types — the F100, configured with 100 seats, and the F70, configured with 80 seats. In addition, the fleet features the Embraer E190, which is available in three cabin configurations accommodating between 94 and 100 seats, including business class for wet lease services.

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Directors' Report (cont.)

The total number of Alliance aircraft in service as at 30 June 2025 is shown below:

F70
12
Decreased by 1
FY24: 13

F100
24
Unchanged
FY24: 24

E190*
43
Increased by 8
FY24: 35

TOTAL FLEET
79
Increased by 7
FY24: 72

* Includes five aircraft on dry lease.

Where demand for maintenance slots exceeds the capacity of the Rockhampton maintenance facility, the Group utilises additional base maintenance capacity through established partnerships with several external providers. These include Jet Aviation in Cairns, Fokker Services Asia in Singapore, Austrian Airlines Technik in Slovakia, Coopesa in Costa Rica, and KLMUK in the United Kingdom.

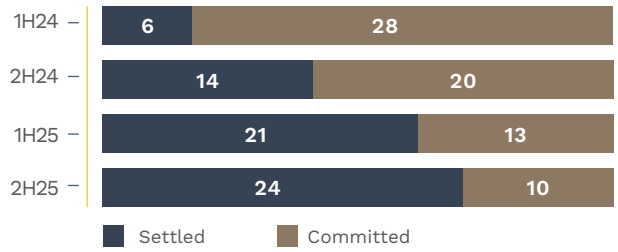
THE EMBRAER FLEET

Throughout FY2025, the following milestones have been achieved in relation to the Embraer E190 fleet.

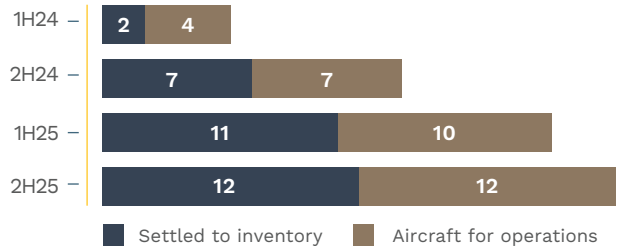
The final aircraft from the first tranche of Embraer E190 aircraft was deployed to Qantas in the second half of FY2025, completing the delivery and deployment of this tranche in accordance with the Group's fleet agreement. This milestone marks the conclusion of the initial phase of the Embraer E190 fleet program, which has been implemented to support contracted wet lease flying operations.

As part of the second tranche of the Group's fleet renewal and expansion strategy, which includes 30 aircraft from AerCap and four from Azzora, ten Embraer E190 aircraft were settled during FY2025. This comprised seven aircraft settled in the first half of the financial year and a further three in the second half.

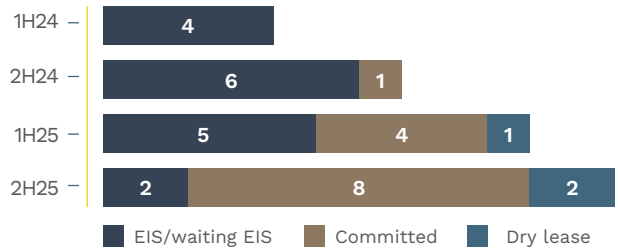
AIRCRAFT COMMITMENT — 30 AERCAP & 4 AZORRA



SETTLED ALLOCATION



SETTLED AIRCRAFT ALLOCATED TO OPERATIONS



These settlements brought the total number of aircraft delivered and settled under the second tranche of the Embraer E190 program to 24 as at 30 June FY2025. Of the 24 settled aircraft, twelve have been recorded as inventory with five sold in FY2025. Of the remaining twelve aircraft, two have been assigned to dry lease operations, eight have entered service and two are completing entry into service maintenance activities.

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Directors' Report (cont.)

The remaining ten aircraft under the second tranche are scheduled for settlement in FY2026, consistent with the Group's fleet planning and long-term operational commitments. One of these aircraft has been sold with the airframe going to Eirtrade and the engines to Beautech. These transactions will be settled in FY2026.

OUTLOOK AND DIVIDEND

OUTLOOK

The outlook for FY2026 is positive, driven by increased wet lease flying, and improved utilisation of both aircraft and crew resources.

- Contract activity is expected to continue its organic growth, driven by increased demand from existing clients and new business opportunities, particularly within Western Australia and Queensland.
- With Qantas exercising its final four wet lease options in FY2025, FY2026 will mark the first full year of Qantas wet lease operations. This is anticipated to contribute to higher revenue and improved crew utilisation and efficiency.
- The Rockhampton hangar will expand its base maintenance capabilities. This enhancement will reduce the need for ferry flights to offshore MRO facilities, thereby lowering the Group's carbon emissions and operating costs, and improve fleet availability with less time spent ferrying aircraft internationally.
- The Group remains committed to pursuing strategic Aviation Services transactions that deliver enhanced profitability, generate cash flows and align operational capacity.
- The Group will continue to focus on cost management during the year, thus ensuring that profitability margins are maintained and, where possible, increased.

During the forecast period, Alliance will continue to prioritise its core business activities, focusing on the provision of air transport services to the resources sector and the supply of wet lease capacity to other carriers, capitalising on market opportunities as they arise. With the overall fleet expansion phase coming to an end, the Group will shift its strategic emphasis toward disciplined financial management, with a particular focus on optimising cash flow and reducing debt levels.

DIVIDEND

The Directors have resolved to declare a full franked dividend of 3.0 cents per ordinary share for the year ended 30 June 2025. The record date is 3 September 2025.

OTHER RELEVANT FACTS

RISKS

The key risks faced by the Group that have the potential to affect the financial prospects of the Group, as disclosed above, and how the Group manages these risks, include:

- **Ability to meet client demand** — The Group recognises the risk that pilot recruitment and training challenges could impact its ability to meet growing client capacity demands. To mitigate this risk, the Group proactively recruits pilots well in advance of operational requirements, and leverages a network of flight simulators across Australia and internationally to ensure timely and effective training delivery.
- **International supply chain** — The Group faces potential risks associated with the timely and efficient sourcing of aircraft parts, and the availability of third-party repair and overhaul services. To mitigate these risks, the Group employs long-term forecasting of parts and maintenance requirements, pursues opportunistic acquisitions of parts packages, and actively seeks to engage local or domestic suppliers where feasible. In addition, the Group has entered into a strategic arrangement with AVIAN Inventory Management LLC, the world's largest holder of Embraer inventory. This partnership enhances supply chain resilience by providing greater certainty and reliability in the availability of critical components for the Embraer fleet.

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Directors' Report (cont.)

- **Employee relations** — The Group operates under a range of industrial instruments covering various employee groups across Australia. There is an inherent risk that industrial disputes could impact the Group's operational capability in one or more locations. To mitigate this risk, the Group maintains proactive engagement with employee representatives and work groups, fostering open communication and collaboration to achieve fair and equitable outcomes.
- **Regulatory changes** — The Group operates in a highly regulated environment. Any material change to regulation may have an impact on the business. The Group meets regularly with various regulators to ensure that any prospective changes are known and appropriate actions taken. The Group is also a member of various industry bodies who engage with regulators on the industry's behalf.
- **Climate change** — The Group recognises that climate change is a significant issue for the aviation industry and has engaged with external stakeholders to identify the climate-related risks and opportunities, to put forward strategies to manage the risks and opportunities, and to ensure compliance with future climate change regulation.
- **Decision making** — Alliance has implemented a comprehensive risk management framework designed to ensure that both operational and corporate risks are systematically identified, assessed and effectively managed. This framework supports informed decision-making and promotes organisational resilience across all areas of the business.

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ENVIRONMENTAL REGULATION

The Group's operations are governed by a comprehensive framework of environmental legislation at the Commonwealth, State, Territory and international levels. Alliance is committed to environmental sustainability and upholds high standards of environmental performance across its operations.

Oversight of environmental matters is a key focus of the Board, which delegates responsibility for monitoring regulatory compliance to the Executive Safety Action Group (ESAG). ESAG is tasked with ensuring adherence to applicable environmental regulations and reporting regularly to the Board of Directors.

Given the Group's revenue, asset and employee base it is classified as a Group 1 organisation under AASB S2 — *Climate Related Disclosures* and will be required to present a Sustainability Report at 30 June 2026. The Group is actively working towards compliance across the four key pillars of Governance, Strategy, Risk Management, and Metrics and Targets, incorporating these into its overall strategy.

The Directors are satisfied that the Group has robust systems and processes in place to effectively manage its environmental risks and performance. Furthermore, the Directors confirm that they are not aware of any breaches of environmental legislation or any material environmental incidents during the reporting period.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group during the reporting period that have not been disclosed in this Directors' Report or elsewhere in the Annual Report.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance statement for Alliance Aviation Services Limited is located at:

https://www.allianceairlines.com.au/investor-centre/corporate-governance

Directors' Report (cont.)

INFORMATION ON DIRECTORS

The following information is current as at the date of this report.



Mr James Jackson

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

EXPERIENCE AND EXPERTISE

Mr Jackson is a highly experienced company director and former investment banking executive with extensive experience in both capital markets, agribusiness and general business.

Mr Jackson has served on several ASX-listed and private company boards, holding roles as Chairman, Deputy Chairman and non-executive director over the past 20 years.

OTHER CURRENT LISTED COMPANY DIRECTORSHIPS

Chairman of ARC Funds Limited.

FORMER LISTED DIRECTORSHIPS IN THE LAST THREE YEARS

None.

SPECIAL RESPONSIBILITIES

Chair of the Board.

Member of the Remuneration and Audit Committees.

INTERESTS IN SHARES, OPTIONS AND RIGHTS

17,000 ordinary shares held.



Mr Mark Stanton

NON-EXECUTIVE DIRECTOR

EXPERIENCE AND EXPERTISE

Mr Stanton is a Chartered Accountant with 30 years of executive management experience having been CEO of one of Australia's largest and most profitable private companies and CFO/Company Secretary of an ASX 200 publicly listed company.

Mr Stanton recently retired from a maximum eight-year tenure on the Board of the Queensland Rugby Union having been instrumental in a remarkable turnaround in the financial wellbeing of the organisation as well as the director in charge of the funding and construction of the new National Rugby Training Centre at Ballymore, Queensland. Mr Stanton has also recently retired as the President of the Royal Queensland Golf Club.

OTHER CURRENT LISTED COMPANY DIRECTORSHIPS

None.

FORMER LISTED DIRECTORSHIPS IN THE LAST THREE YEARS

None.

SPECIAL RESPONSIBILITIES

Chair of Audit Committee.

Member of the Remuneration Committee.

INTERESTS IN SHARES, OPTIONS AND RIGHTS

175,833 ordinary shares held.

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Directors' Report (cont.)

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Mr Bernard Campbell

NON-EXECUTIVE DIRECTOR

EXPERIENCE AND EXPERTISE

Mr Campbell brings deep experience in equipment finance and leasing (including aircraft).

Mr Campbell is familiar with the company having been heavily involved in the initial financing of the fleet prior to Alliance Aviation Services Limited listing on the Australian stock exchange.

Mr. Campbell also has significant experience with ASX-listed entities, holds a Master of Applied Finance from Macquarie University and has completed the INSEAD Advanced Management Program.

OTHER CURRENT LISTED COMPANY DIRECTORSHIPS

Chairman of Angle Auto Finance Pty Ltd, Garrison Lending Operations Pty Ltd and non-executive director of boutique retirement village operator Oaktree Holdings Pty Ltd.

FORMER LISTED DIRECTORSHIPS IN THE LAST THREE YEARS

None.

SPECIAL RESPONSIBILITIES

Chair of Remuneration Committee.

Member of the Audit Committee.

INTERESTS IN SHARES, OPTIONS AND RIGHTS

38,000 ordinary shares held.



Mr Scott McMillan

MANAGING DIRECTOR

EXPERIENCE AND EXPERTISE

Mr McMillan has been Managing Director of Alliance since its establishment in April 2002. Prior to joining Alliance, Mr McMillan held various positions with Ansett Australia, Flight West Airlines and qualified as a Chartered Accountant with Peat Marwick Mitchell & Co (now KPMG).

Mr McMillan has been involved in the aviation industry since 1986 in Australasia across various financial, operational and commercial roles, including significant experience in the FIFO industry.

OTHER CURRENT LISTED COMPANY DIRECTORSHIPS

None.

FORMER LISTED DIRECTORSHIPS IN THE LAST THREE YEARS

None.

SPECIAL RESPONSIBILITIES

None.

INTERESTS IN SHARES, OPTIONS AND RIGHTS

4,022,425 ordinary shares held and 27,628 rights that are performance qualified.

Directors' Report (cont.)

COMPANY SECRETARIES

Mrs Nicola Clark and Mr Andrew Evans are joint Company Secretaries. Mr Andrew Evans is also the Chief Financial Officer of the Group.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

	Full meetings of Directors		Meetings of committees			
			Audit*		Nomination and Remuneration*	
Directors	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**
Stephen Padgett, OAM	4	7	2	3	3	4
James Jackson	7	7	2	3	4	4
Mark Stanton	7	7	2	3	4	4
Bernard Campbell	3	7	1	3	1	4
Peter Housden	3	7	1	3	2	4
David Crombie, AM	3	7	1	3	2	4
Scott McMillan	7	7	3	3	4	4

* S McMillan was present at these meetings as an invitee only.

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Remuneration Report

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION REPORT (AUDITED)

This Report is prepared in accordance with section 300A of the *Corporations Act 2001 (Cth)* (Corporations Act) and has been audited as required by section 308(3C) of the Corporations Act.

The Directors present the Group's FY2025 Remuneration Report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year to the Key Management Personnel (KMP).

Key Management Personnel (KMP)

This Remuneration Report covers the remuneration of Non-Executive Directors, the Managing Director, CEO and employees (KMP Executives) who have authority and accountability for planning, directing and controlling the activities of the consolidated entity (collectively, KMP). The roles and individuals addressed in this Report are set out below:

Name	Position	Appointed	To
Stephen Padgett, OAM	Chairman, Non-executive Director	26-Oct-2011	12-Feb-2025
James Jackson	Independent Non-executive Director	10-Jul-2024	11-Feb-2025
	Chairman, Non-executive Director	12-Feb-2025	
Mark Stanton	Independent Non-executive Director	10-Jul-2024	
Bernard Campbell	Independent Non-executive Director	12-Feb-2025	
Peter Housden	Independent Non-executive Director	26-Oct-2011	03-Oct-24
David Crombie, AM	Independent Non-executive Director	26-Oct-2011	03-Oct-24
Scott McMillan	Managing Director	26-Oct-2011	
Stewart Tully	Chief Executive Officer	01-Mar-2024	
Andrew Evans	Chief Financial Officer & Company Secretary	01-Sep-2024	
Marc Devine	Chief Financial Officer & Company Secretary	03-Apr-2017	06-Sep-24
Paul Doherty	Chief Operating Officer	01-Mar-2024	

KMP SERVICE AGREEMENTS

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. This letter of appointment summarises the Board's policies and terms and includes remuneration details relevant to the Director.

Remuneration and other terms of employment for the Managing Director, Chief Executive Officer and the other Key Management Personnel are formalised in employment agreements. These agreements provide for remuneration in the form of Total Fixed Annual Remuneration (TFAR) and any other applicable benefits. The service agreements are summarised below:

Position	Name	Commence Date	Term of Employment Contract	Base Salary and Super	Termination Benefits	Notice Period
Managing Director	S McMillan	12-Apr-02	On-going	693,282	Nil	12 months
Chief Executive Officer	S Tully	01-Mar-24	On-going	506,721	Nil	3 months
Chief Financial Officer	A Evans	01-Sep-24	On-going	500,000	Nil	3 months
Chief Operating Officer	P Doherty	01-Mar-24	On-going	416,653	Nil	3 months

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Remuneration Report (cont.)

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CESSATION OF EMPLOYMENT

Under the service agreements for Key Management Personnel and other members of the executive management team, if a member ceases employment with the Group before performance against targets were assessed, they would generally not be entitled to receive any awards, unless otherwise determined by the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is accountable for making recommendations to the Board on the Group's remuneration framework. The Nomination and Remuneration Committee reviews and determines the remuneration policy and structure annually to ensure it remains aligned to business needs, and meets the principles contained in the Nomination and Remuneration Committee charter.

In conducting its accountabilities, the Nomination and Remuneration Committee is authorised to obtain external professional advice as it determines necessary.

Non-Executive Directors' remuneration policy

NON-EXECUTIVE DIRECTORS' REMUNERATION

Fees and payments made to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board.

An annual base fee has been set for the Chairman and other Non-Executive Directors. Additional fees are paid to Non-Executive Directors who chair a committee. The Chairman's remuneration is inclusive of committee fees.

The only increase to Non-Executive Directors' fees, which was effective from 1 July 2024, reflects the increase in the superannuation guarantee to 11.5% (FY24: 11%).

Non-Executive Directors' fees are determined within an aggregate Directors' fee annual pool limit, which is periodically recommended for approval by shareholders. The approved maximum currently stands at $700,000 per annum.

This limit can only be changed by approval of shareholders at a general meeting.

The following table outlines the Non-Executive Director fee rates that were applicable during the financial year.

	30 June 2025 $	30 June 2024 $
Base Fees		
Chair	208,276	207,342
Other Non-Executive Directors	117,527	89,530
Additional Fees		
Committee — Chair	16,072	15,585

Superannuation contributions required under the Australian superannuation guarantee legislation will continue to be made and are inclusive to the Directors' overall fee entitlements.

Alliance does not pay benefits (other than statutory entitlements) on retirement of Directors.

Remuneration Report (cont.)

Executive remuneration strategy and framework

FRAMEWORK

This remuneration framework ensures that the executive management team is able to work towards meeting key performance targets that are clear, easily understood and aligned with the Group's overall objectives. The framework also allows for the identification of performance outcomes which are a direct result of the actions of the individual executive management team member.

PURPOSE AND STRATEGY	BUSINESS DRIVERS	VALUES	MARKET
The objective of the remuneration strategy is to drive the Group's purpose of providing safe, on-time and financially sustainable outcomes for all stakeholders.	The Group strives to create a remuneration framework that ensures a performance edge, guaranteeing a strong link between executive pay and the achievement of the Group's strategic performance outcomes and returns to shareholders. The remuneration framework is underpinned by the Group's commitment to creating long-term value for shareholders and other stakeholders.	The Group is committed to ensuring its remuneration framework is equitable and supports the objective of increasing professional representation at all levels of the Company. The Group regularly reviews the remuneration framework to ensure that it is fit-for-purpose and drives performance outcomes that deliver on the Group's business and strategic objectives.	The Group's executive remuneration strategy is designed to attract, retain and motivate a highly qualified and experienced executive management team with the necessary skills required to lead the Group in achieving its business and strategic objectives.

EXECUTIVE REMUNERATION FRAMEWORK AND ALIGNMENT TO STRATEGY

The Group's executive remuneration strategy is designed to achieve the Group's goals and strategic objectives. The table below shows how the executive remuneration framework aligns with the Group's strategic goals.

	FIXED ANNUAL REMUNERATION	SHORT-TERM INCENTIVE PLAN	LONG-TERM INCENTIVE PLAN
How does it link to strategy?	Competitive remuneration to attract and retain executives with the right capability and experience to deliver against the strategic objectives.	Rewards executives for delivering financial returns and progressing the Group's strategy; annual metrics are aligned to Business Drivers.	Rewards executives for long-term performance. Encourages long-term value creation for shareholders and other stakeholders.
How is it determined?	▸ Skills and experience ▸ Role complexity ▸ Responsibility ▸ Benchmarked against industry standards	Annual performance period ▸ PBT results ▸ Safety record ▸ On-time performance	Annual performance period ▸ PBT results ▸ Safety record ▸ On-time performance
How is it delivered?	Base salary and superannuation	Cash and performance rights	Performance rights

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Remuneration Report (cont.)

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REMUNERATION MIX

The executive remuneration and reward framework has a number of components:

- Base pay and benefits, including superannuation (referred to as "Total Fixed Annual Remuneration" or "TFAR")
- A target performance incentive plan that combines traditional short-term (cash) and long-term (equity) performance incentives (referred to as the "Performance Incentive Plan" or "PIP").

Total fixed annual remuneration	Target incentive	Stretch target incentive

The PIP also contains stretch targets which, if met, allow for additional remuneration to be provided to the employees covered under the plan.

TOTAL FIXED ANNUAL REMUNERATION (TFAR)

Executives receive their base pay, superannuation and any other prescribed benefits as a total fixed annual remuneration (TFAR) package. Executives can elect to salary sacrifice certain items and may also receive non-monetary benefits.

The TFAR provides a base level of reward for each executive for completion of role and business-specific accountabilities. The TFAR is set with reference to the role, qualifications, responsibilities, skill and prior experience. The Group is committed to gender pay equity across employees, including executives.

The only guaranteed increase in the minority of executive management employment contracts is aligned to any movement in the consumer price index. TFAR is reviewed annually by the Nomination and Remuneration Committee.

PERFORMANCE INCENTIVE PLAN

The Board is committed to a remuneration reward framework that is focused on creating sustainable shareholder value, which is supported by an equity ownership culture which is made available to Key Management Personnel ("KMP") and other members of the executive management team.

Performance Incentive Plan (PIP) structure and quantum

The Performance Incentive Plan combines the features of short-term incentive (STI) and long-term incentive (LTI) plans, and ensures alignment with longer-term business strategy. The vesting and exercise requirements of the equity-based incentives ensures Key Management Personnel and executive management team members' interests are aligned with the long-term interests of the Group and its shareholders. The PIP sets a target amount as a percentage of fixed remuneration (Target Opportunity) and an additional percentage for stretch performance (Stretch Target Opportunity). These targets are assessed against a scorecard of KPIs.

The target incentive for FY2025 is 30% of Total Fixed Annual Remuneration (TFAR). There is an opportunity to earn up to 50% of TFAR for exceptional performance (Stretch Target). In combination this represents a KMP's total target annual remuneration package (TTAR).

Total fixed annual remuneration: 50%	Target incentive: 30%	Stretch target incentive: 20%

This target amount is split 50/50 into cash bonuses and performance rights. Each performance right equals one ordinary share. The total number of performance rights is granted post-shareholder approval and will vest subject to achievement of the required KPIs.

Total fixed annual remuneration: 50%	Target incentive		Stretch target incentive	
	Cash: 15%	Equity: 15%	Cash: 10%	Equity: 10%

The Board considers that this model achieves the goal of providing a transparent and simple remuneration framework.

Remuneration Report (cont.)

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How are performance targets established?

Annual performance targets are designed to ensure, at a minimum, the achievement of the Group's forecast with stretch targets designed to encourage financial growth through client acquisition, process innovation and more efficient utilisation of the Group's resources.

Grant date and allocation methodology

Performance Incentive Plan rights are allocated on an annual basis. Performance rights for each twelve-month performance period (i.e. financial year) may require shareholder approval to be sought.

The allocation methodology is as follows:

- The value of the equity portion of the performance incentive is calculated
- The number of performance rights to be granted is calculated by dividing the maximum possible equity incentive award dollar value (i.e. include stretch targets) by a five-day average VWAP from around the time of the grant date
- The total number of performance rights is granted post-shareholder approval and will vest subject to achievement of the required KPIs.

Performance period

The performance period for FY2025 is 1 July 2024 to 30 June 2025.

Performance criteria

Performance is assessed against a scorecard of internal key performance indicators as determined by the Board. These KPIs are weighted with a majority of financial metrics (40% or more) together with a small number of operational metrics. For FY2025 the KMP PIP targets are as shown in the table below.

SAFETY	ON-TIME PERFORMANCE	FINANCIAL SUSTAINABILITY
Preserve the Group's safety record by: ▸ Maintaining IOSA accreditation ▸ Maintaining BARS Gold ▸ No serious incidents during year ▸ No insurance claims greater than the insurance deductible	On-time performance in excess of: ▸ 95% for QQ Charter flights	Meet or exceed a profit before tax (PBT) for the financial year of: ▸ $92.9m

Performance rights vesting conditions

Once the performance criteria have been met and the financial statements are released with an unqualified audit opinion, vesting is based purely on service i.e. for performance rights to vest the participant must remain continuously employed by the Group at each vesting date.

Any performance rights which do not vest due to the holder not meeting the KPI targets will lapse.

Performance rights vesting schedule

The vesting schedule is:

- Tranche 1 — 50% of the rights vest on the later of 15 August 2026 or the date on which the Group's FY2025 financial statements with unqualified audit opinion are released to the ASX, and
- Tranche 2 — 50% of the rights vest on the later of 15 August 2027 or the date on which the Group's FY2025 financial statements with unqualified audit opinion are released to the ASX.

Exercise of rights and exercise price

The rights will be deemed exercised on the date of provision of the vesting and confirmation notice or, if the individual is not permitted to trade securities under the Group's securities trading policy on such date, the first subsequent day that the individual is permitted to trade such securities. There is nil value on exercised rights.

Remuneration Report (cont.)

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Expiry date of rights

The rights will expire 36 months after the grant date.

Cash incentives

Once performance has been assessed, the cash incentive payments are made post the release of the Group's audited and unqualified FY2025 financial statements to the ASX.

Board discretion

The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any deferred Performance Incentive (PI) award.

Assessment of performance

Performance, against the performance targets, is assessed by the Board. The Managing Director's performances is assessed against the individual KPIs by the Nomination and Remuneration Committee which then makes recommendations to the Board. The performance of other Key Management Personnel against their individual KPIs is assessed by the Chief Executive Officer, who confers with the Nomination and Remuneration Committee and then the Board regarding this assessment.

The Board believes the method of assessment is rigorous and provides a balanced evaluation of the Managing Director's, Executive Directors' and other KMPs' performances.

The qualification of Performance Incentives is generally considered by the Nomination and Remuneration Committee and the Board after the financial accounts for that performance period (financial year) have been audited.

Post this review, the Board approves the payment of any cash bonuses and confirms the quantum of performance rights that have become qualified rights.

Key Management Personnel and executive management team PIP outcomes

To support the Group's strategic direction for the financial year, the Board established performance targets for each member of the Key Management Personnel (KMP) and the executive management team. These targets were aligned with the Group's financial, safety and strategic objectives.

- **Financial targets** included the achievement of the forecast profit before tax (PBT) for FY2025.
- **Non-financial targets** encompassed safety metrics and on-time performance benchmarks.

For FY2025, the safety performance target was achieved; however, the financial and on-time performance targets were not met. As a result, the Board determined that the criteria for the Performance Incentive Plan (PIP) were not satisfied for the year, as confirmed at the Board meeting held on 11 June 2025.

In making its assessment, the Board considered the impact of an unprecedented number of severe weather events, aircraft damage by third parties and the Protected Industrial Action (PIA) on on-time performance. Taking these exceptional circumstances into account, the Board exercised its discretion to award an ex-gratia bonus payment to the KMP and senior executive team in recognition of their efforts during a challenging year.

At the time of reporting, the value of this ex-gratia payment had not been finalised due to variable settlement options under consideration and is therefore not included in this report.

The table below outlines the PIP outcomes for Key Management Personnel:

Position	Name**	TFAR*	PIP Target as per KPI	KPI Outcome	Stretch KPI Outcome	Total PI Awarded	Cash Bonus awarded 50% of total	Performance rights awarded 50% of total
Managing Director	S McMillan	667,902	–	0%	0%	–	–	–
Chief Executive Officer	S Tully	485,981	–	0%	0%	–	–	–
Chief Operating Officer	P Doherty	399,600	–	0%	0%	–	–	–

* The TFAR used to determine the PIP reward is calculated at the commencement of the financial year and is not recalculated for salary or position changes after this date.

** A Evans has opted not to participate in the PIP program.

Remuneration Report (cont.)

Statutory remuneration table

The following tables show details of the statutory remuneration received by the Directors and the Key Management Personnel of the Group for the current and previous financial year.

	Fixed remuneration				Variable remuneration				
Current Period	**Short-term employee benefits**		**Post employ't benefits**	**Long-term employee benefits**	**Short-term employee benefits**	**Post employ't benefits**	**Share-based payments[9,10]**	**Total**	**Perform related %**
Amounts shown as $	**Cash, salary and fees**	**Annual leave**	**Super-annuation**	**Long service leave**	**Cash bonus**	**Term'n benefits**	**Perform rights per PIP**		
Non-Executive Directors									
S Padgett[1]	115,190	–	13,247	–	–	–	–	128,437	–
J Jackson[2]	135,034	–	15,529	–	–	–	–	150,563	–
M Stanton[3]	126,113	–	–	–	–	–	–	126,113	–
B Campbell[4]	40,845	–	4,697	–	–	–	–	45,542	–
D Crombie[5]	31,257	–	3,594	–	–	–	–	34,851	–
P Housden[6]	34,852	–	–	–	–	–	–	34,852	–
Sub Total	**483,291**	**–**	**37,067**	**–**	**–**	**–**	**–**	**520,358**	**–**
Executive Directors and other KMP									
S McMillan	657,150	34,789	30,000	23,018	94,626	–	30,343	869,926	3.5%
S Tully	478,094	21,266	30,000	(36)	52,265	–	18,687	600,276	3.1%
M Devine[7]	68,803	646	13,923	(50,882)	52,264	–	28,702	113,456	25.3%
A Evans[8]	394,990	19,300	23,131	1,845	–	–	–	439,266	–
P Doherty	387,813	7,322	30,000	(7,292)	43,244	–	15,462	476,549	3.2%
Sub Total	**1,986,850**	**83,323**	**127,054**	**(33,347)**	**242,399**	**–**	**93,194**	**2,499,473**	**3.7%**
Total KMP Compensation	**2,470,141**	**83,323**	**164,121**	**(33,347)**	**242,399**	**–**	**93,194**	**3,019,831**	**3.1%**

1. S Padgett resigned as Chair and non-executive director effective 12 February 2025.
2. J Jackson was appointed as a non-executive director on 10 July 2024 and assumed the role of Chair effective 12 February 2025.
3. M Stanton was appointed as a non-executive director on 10 July 2024.
4. B Campbell was appointed as a non-executive director on 12 February 2025.
5. D Crombie resigned from his non-executive director role effective 3 October 2024.
6. P Housden resigned from his non-executive director role effective 3 October 2024.
7. M Devine resigned as Chief Financial Officer effective 6 September 2024.
8. A Evans was appointed as Chief Financial Officer effective from 1 September 2024.
9. Rights to deferred shares granted under the executive STI scheme are expensed over the performance period, which includes the year the bonus relates to and the subsequent vesting of rights.
10. Equity-settled share-based payments per Corporations Regulation 2M.3.03(1)Item11. These may include negative amounts for options and rights forfeited during the year.

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Remuneration Report (cont.)

Prior Period	Fixed remuneration				Variable remuneration				
	Short-term employee benefits		Post employ't benefits	Long-term employee benefits	Short-term employee benefits	Post employ't benefits	Share-based payments[1,2]	Total	Perform related %
Amounts shown as $	**Cash, salary and fees**	**Annual leave**	**Super-annuation**	**Long service leave**	**Cash bonus**	**Term'n benefits**	**Perform rights per PIP**		
Non-Executive Directors									
S Padgett	186,795	–	20,547	–	–	–	–	207,342	–
D Crombie	94,698	–	10,417	–	–	–	–	105,115	–
P Housden	105,115	–	–	–	–	–	–	105,115	–
Sub Total	**386,608**	**–**	**30,964**	**–**	**–**	**–**	**–**	**417,572**	**–**
Executive Directors and other KMP									
S McMillan	624,820	43,066	27,500	21,004	141,939	–	50,572	908,901	5.6%
S Tully	398,222	7,291	27,500	37,403	87,413	–	31,145	588,974	5.3%
M Devine	376,734	454	27,500	25,120	87,413	–	31,145	548,366	5.7%
P Doherty[3]	127,654	10,106	5,546	2,454	16,072	–	8,590	170,422	5.0%
Sub Total	**1,527,430**	**60,917**	**88,046**	**85,981**	**332,837**	**–**	**121,452**	**2,216,663**	**5.5%**
Total KMP Compensation	**1,914,038**	**60,917**	**119,010**	**85,981**	**332,837**	**–**	**121,452**	**2,634,235**	**4.6%**

1. Rights to deferred shares granted under the executive STI scheme are expensed over the performance period, which includes the year the bonus relates to and the subsequent vesting of rights.
2. Equity-settled share-based payments per Corporations Regulation 2M.3.03(1)Item11. These may include negative amounts for options and rights forfeited during the year.
3. P Doherty commenced as a KMP on 1 March 2024.

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Remuneration Report (cont.)

Other Key Management Personnel disclosures

MOVEMENT IN KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

The number of ordinary shares held by Directors and Key Management Personnel (and their related parties) of the Group during the financial year are as follows:

	Balance at start of period	Exercise of Rights	Other Additions	Disposals	Balance at end of period
Directors					
S Padgett^	6,203,269	–	–	(400,000)	5,803,269
J Jackson	–	–	17,000	–	17,000
M Stanton	–	–	175,833	–	175,833
B Campbell	–	–	38,000	–	38,000
D Crombie^	179,466	–	–	–	179,466
P Housden^	49,698	–	–	–	49,698
S McMillan	3,883,425	–	139,000	–	4,022,425
Other Key Management Personnel					
S Tully	87,122	–	–	–	87,122
A Evans	–	–	23,598	–	23,598
M Devine^	64,493	17,015	–	–	81,508
P Doherty	28,500	–	17,500	–	46,000

RIGHTS TO ORDINARY SHARES — REMUNERATION

For each grant of rights to ordinary shares, the percentage of the grant that vested in the financial year and the percentage that was forfeited because the KMP did not meet the service and performance criteria, are set out below. The minimum value of the rights yet to vest is nil, as the rights will be forfeited if the service condition is not met. The maximum value of the rights yet to vest is determined as the amount of the grant date fair value that is yet to be expensed to the income statement.

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Remuneration Report (cont.)

FY2025 PIP	S McMillan	S Tully	P Doherty
Granted during the period			
Number granted	57,138	41,763	34,340
Grant date	31-Oct-24	31-Oct-24	31-Oct-24
Share price at grant date ($)	2.70	2.70	2.70
Vested			
Vested %	–	–	–
Vested number	–	–	–
Qualified or Forfeited			
Qualified %	–	–	–
Forfeited %	100	100	100
Vesting			
Tranche 1 vesting date	15-Aug-26	15-Aug-26	15-Aug-26
Tranche 2 vesting date	15-Aug-27	15-Aug-27	15-Aug-27
Fair Value Tranche 1 — $	2.61	2.61	2.61
Fair Value Tranche 2 — $	2.56	2.56	2.56
Estimated value yet to vest	–	–	–

FY2024 PIP			
Granted during the period			
Number granted	46,047	28,358	23,463
Grant date	28-Nov-23	28-Nov-23	28-Nov-23
Share price at grant date ($)	2.90	2.90	2.90
Vested			
Vested %	–	–	–
Vested number	–	–	–
Qualified or Forfeited			
Qualified %	60	60	60
Forfeited %	40	40	40
Vesting			
Tranche 1 vesting date	15-Aug-25	15-Aug-25	15-Aug-25
Tranche 2 vesting date	15-Aug-26	15-Aug-26	15-Aug-26
Fair Value Tranche 1 — $	2.81	2.81	2.81
Fair Value Tranche 2 — $	2.76	2.76	2.76
Estimated value yet to vest	16,261	10,015	8,286

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Remuneration Report (cont.)

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MOVEMENTS IN KEY MANAGEMENT PERSONNEL PERFORMANCE RIGHTS HOLDINGS

The number of performance rights held by Directors and other Key Management Personnel of the Group during the financial year are shown below:

	Balance at start of period	Granted as remuneration	Cancelled	Exercised and vested	Forfeited	Balance at end of period
Directors						
S McMillan	46,047	57,138	–	–	(75,557)	27,628
Other Key Management Personnel						
S Tully	28,358	41,763	–	–	(53,106)	17,015
M Devine	28,358	–	–	(17,015)	(11,343)	–
P Doherty	23,463	34,340	–	–	(43,725)	14,078

Loans to Directors and Key Management Personnel

There have been no loans to Directors or Key Management Personnel during the financial year.

Transactions with related parties

Where transactions are entered into with KMP, these are approved by the Board. Board members who have an interest in the matter either directly or via a related party do not participate in the Board approval process. No new arrangements have been entered into during FY2025.

A Director, Mr Steve Padgett, is a Director and Shareholder of Flight Options (Australia) Pty Ltd. The Group has a contract for the lease of office space in Sydney with Flight Options (Australia) Pty Ltd. This lease is based on normal commercial terms and conditions.

The following related party transactions occurred during the period in which Mr Steve Padgett held a Directorship with the Group:

	30 June 2025 $'000	30 June 2024 $'000
Lease of Sydney Office	(31)	(47)
Fuel for VH-CCJ Citation Bravo flight — Hangar opening MCY to ROK 1/11/23	–	(2)
VH-KBX operating charges	–	635
Engineering & maintenance services — VH-VIF	–	130
Total Cash inflows / (outflows)	(31)	716

There are no amounts owed to or by any related parties as at 30 June 2025.

Shares under option

There were no ordinary shares of Alliance Aviation Services Limited under option at the date of the report.

The end of the audited remuneration report.

Directors' Report

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Insurance and indemnity of officers

During the financial year, Alliance and its controlled entities paid premiums to insure the Directors and Company Secretaries of the Group of Companies.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ the audit firm on assignments additional to their statutory audit duties where the audit firm's expertise and experience with the Group are important.

Details of the amounts paid or payable to the audit firm, PricewaterhouseCoopers, for audit and non-audit services provided during the year are set out in note J5 to the financial statements.

The Board of Directors has considered the position and, in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 81.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' 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.



James Jackson
Chairman

Sydney
20 August 2025

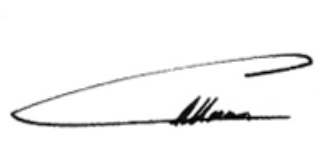
Auditor's Independence Declaration

As lead auditor for the audit of Alliance Aviation Services Limited for the year ended 30 June 2025, 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 audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

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



Tim Allman
Partner
PricewaterhouseCoopers

Brisbane
20 August 2025

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Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

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These financial statements are consolidated financial statements for the Group consisting of Alliance Aviation Services Limited and its subsidiaries. The financial statements are presented in the Australian currency.

Alliance Aviation Services Limited is a company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is:

Alliance Aviation Services Limited
81 Pandanus Avenue
Brisbane Airport QLD 4009

The financial statements were authorised for issue by the Directors on 20 August 2025. The Directors have the power to amend and reissue the financial statements.

All press releases, financial statements, corporate governance statements and additional information are available on our website:

www.allianceairlines.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 $'000	30 June 2024 $'000
Revenue and Income			
Revenue from continuing operations	A1	**760,872**	637,190
Net foreign exchange (losses)/gains		**(3,837)**	(528)
Other Income	A2	**12,626**	10,103
Total Revenue and Income		**769,661**	646,765
Expenses			
Direct flight costs		**(128,484)**	(144,963)
Parts and inventory costs		**(139,096)**	(61,083)
Labour and staff-related costs	A3	**(267,879)**	(236,441)
Repairs and maintenance costs		**(2,424)**	(1,944)
Accommodation and utility costs		**(2,782)**	(3,112)
IT and communication costs		**(7,785)**	(6,725)
Other administrative costs		**(13,890)**	(14,092)
Finance costs		**(33,193)**	(18,863)
Depreciation and amortisation	D2,D3,D4	**(92,047)**	(73,243)
Total Expenses		**(687,580)**	(560,466)
Profit/(Loss) before income tax for the period		**82,081**	86,299
Income tax (expense) / benefit	E1	**(24,758)**	(25,847)
Profit/(Loss) for the period		**57,323**	60,452
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		**57,323**	60,452
Total Comprehensive Income for the period is attributable to:			
Owners of Alliance Aviation Services Limited		**57,323**	60,452

The above 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	G3	**35.64**	37.61
Diluted Earnings per Share	G3	**35.53**	37.56

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Consolidated Balance Sheet

FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 $'000	30 June 2024 $'000
Assets			
Current Assets			
Cash and cash equivalents	B1	**96,489**	31,230
Receivables		**85,660**	78,333
Inventories	D1	**86,546**	143,570
Total Current Assets		**268,695**	253,133
Non-Current Assets			
Property, plant and equipment	D2	**901,879**	719,446
Intangibles	D3	**109**	163
Right of use assets	D4	**34,429**	26,053
Total Non-Current Assets		**936,417**	745,662
Total Assets		**1,205,112**	998,795
Liabilities			
Current Liabilities			
Trade and other payables	J2	**83,337**	110,738
Borrowings	B2	**11,452**	7,452
Lease liabilities	D4	**4,540**	2,607
Provisions	J3	**25,535**	22,769
Total Current Liabilities		**124,864**	143,566
Non-Current Liabilities			
Borrowings	B2	**463,082**	329,629
Provisions	J3	**3,810**	2,047
Deferred tax liability	E2	**110,418**	85,660
Lease liabilities	D4	**34,397**	27,153
Total Non-Current Liabilities		**611,707**	444,489
Total Liabilities		**736,571**	588,055
Net Assets		**468,541**	410,740
Equity			
Contributed equity	G1	**288,801**	288,206
Reserves	G2	**(110,238)**	(110,121)
Retained earnings		**289,978**	232,655
Total Equity		**468,541**	410,740

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

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Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2025

30 June 2025	Note	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		**–**	**–**	**57,323**	**57,323**
Other comprehensive income		**–**	**–**	**–**	**–**
Total comprehensive income for the period		**–**	**–**	**57,323**	**57,323**
Transactions with owners in their capacity as owners:					
Share-based payment reserve		**47**	**109**	**–**	**156**
Employee share plan issue		**548**	**–**	**–**	**548**
Foreign currency translation reserve		**–**	**(227)**	**–**	**(227)**
Balance as at end of period		**288,801**	**(110,239)**	**289,978**	**468,540**

30 June 2024	Note	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 Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 $'000	30 June 2024 $'000
Cashflow from Operating Activities			
Receipts from customers (inclusive of GST)		**843,832**	703,786
Payments to suppliers (inclusive of GST)		**(707,886)**	(663,113)
Interest received		**415**	1,153
Interest paid		**(30,560)**	(17,086)
Income tax (paid)/refunded		**(157)**	–
Net Cash Inflow (Outflow) from Operating Activities		**105,644**	24,740
Cash Flows from Investing Activities			
Payments for property, plant and equipment		**(175,680)**	(115,146)
Proceeds from sale of property, plant and equipment		**14**	55
Net Cash Inflow (Outflow) from Investing Activities		**(175,666)**	(115,091)
Cash Flows from Financing Activities			
Proceeds from borrowings		**171,905**	109,250
Repayment of borrowings		**(34,452)**	(7,452)
Principal elements of lease payments		**(2,172)**	(2,537)
Net Cash Inflow (Outflow) from Financing Activities		**135,281**	99,261
Net Increase (Decrease) in Cash and Cash Equivalents		**65,259**	8,910
Cash and cash equivalents at beginning of the year		**31,230**	22,317
Effects of exchange rate on cash and cash equivalents		**–**	3
Cash and Cash Equivalents at end of year	B1	**96,489**	31,230

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

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

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.

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

	30 June 2025 $'000	30 June 2024 $'000
Contract Revenue	**298,265**	309,813
Charter Revenue	**17,318**	16,303
Wet Lease Revenue	**318,838**	265,685
RPT Revenue	**12,505**	12,709
Aviation Services Revenue	**110,023**	29,433
Other Revenue	**3,923**	3,247
Total Revenue from Continuing Operations	**760,872**	637,190

The following customers generate in excess of 10% of the Revenue.

	30 June 2025 % Revenue	30 June 2024 % Revenue
Customer A	**33.0%**	33.0%
Customer B	**<10%**	14.7%
Customer C	**<10%**	10.9%
Total % Revenue	**33.0%**	58.6%

Included within wet lease revenue is $31.5 million (FY24: $24.4 million) representing lease payments for aircraft accounted for as operating leases under AASB 16 — *Leases*. The remainder of wet lease revenue relates to the provision of services to the relevant customers accounted for under AASB 15 — *Revenue from Contracts with Customers*. The table below shows the minimum contracted lease receipts over the contract terms.

Future Minimum Contracted Lease Income	30 June 2025 $'000	30 June 2024 $'000
0-1 Year	**33,022**	28,619
1-2 Years	**33,022**	28,619
2-3 Years	**32,380**	28,619
3-4 Years	**25,272**	27,977
4-5 Years	**15,135**	20,639
Over 5 Years	**10,146**	14,677

ACCOUNTING POLICY

The Group derives revenue from the transfer of goods and the delivery of services at points in time as detailed below:

(i) Contract air charter services

The Group's primary charter business is the transportation by air of workers and contractors to and from remote project sites of major mining and energy companies. Contract air charter services are subject to contracts with companies. Revenue is derived and recognised in accordance with an agreed flight schedule, based on completed flights.

Revenue is generally calculated on a price paid on a 'per round trip' basis with the contracts including cost pass-through mechanisms for movements in foreign currency exchange rates, fuel prices and consumer price index changes. These cost pass-through mechanisms are invoiced on a monthly or quarterly basis.

(ii) Ad-hoc charter services

Alliance also utilises its fleet to provide ad-hoc charter services to a range of corporate, government, tourism, educational and sporting customers predominantly through surplus capacity. Revenue is derived in accordance with an agreed flight schedule based on completed flights.

(iii) Wet lease services

The Group also utilises its fleet for wet lease contracts. A wet lease of an aircraft is an arrangement whereby the Group provides an aircraft, crew, maintenance, and insurance to a third-party airline operator. Revenue from wet lease contracts consists of both operating lease revenues for aircraft accounted for under AASB 16 — *Leases* and revenues for services to the relevant customers accounted for under AASB 15 — *Revenue from Contracts with Customers* is derived in accordance with an agreed flight schedule based on completed block hours per flight.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

(iv) Regular Public Transport (RPT)

Alliance provides an RPT service to one port in Queensland and a number of blended RPT services (where the contract charter client allows seats to be sold to the general public) to resources sector sites across Australia. RPT refers to services where passengers pay for tickets on scheduled flights. Revenue is derived on a per passenger basis in accordance with an agreed flight schedule based on completed flights.

(v) Aviation Services

Alliance has a large inventory consisting of engines, major components and other aircraft parts. Revenue is generated by Alliance through the sale of these items to third parties. Alliance also provides limited engineering services to other aircraft operators. These services include the provision of labour and parts and are invoiced based on typical market conditions of cost-plus margin.

Alliance also manages a number of aerodromes, and provides airport and ground handling services to contract clients. These services are invoiced as a fee for service and are generally invoiced on a monthly or per turn basis.

The significant judgements made by management in accounting for Aviation Services Revenue are disclosed in Note K5.

Revenue is measured at the fair value of the consideration received or receivable.

A2 — Other income

	30 June 2025 $'000	30 June 2024 $'000
Interest Income	**420**	1,166
Other Income	**12,206**	8,937
	12,626	10,103

ACCOUNTING POLICY

Interest Income is recognised on a time proportioned basis using the effective interest method.

Other Income includes aircraft and engine lease revenue recognised on either a fixed monthly payment, per day lease rate or a per cycle lease rate. In some cases, all rates are applicable. Other Income also includes the gain or loss on the sale of property, plant and equipment.

A3 — Material profit or loss items

The Group has identified a number of items which are not disclosed elsewhere in the report that are material due to the significance of their value and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.

	30 June 2025 $'000	30 June 2024 $'000
Direct flight costs	**(128,484)**	(144,963)
Parts and inventory costs	**(139,096)**	(61,083)
Finance costs	**(33,193)**	(18,863)
Labour and staff-related costs		
Salaries and wages	**(213,788)**	(186,740)
Superannuation	**(22,343)**	(18,562)
Contractors	**(5,804)**	(3,843)
Travel and accommodation	**(12,542)**	(9,505)
Workcover and payroll tax	**(12,384)**	(11,962)
Other employee costs	**(10,691)**	(11,950)
Costs capitalised as part of heavy maintenance activities	**9,673**	6,121
Total labour and staff-related costs	**(267,879)**	(236,441)
Short-term or low-value lease payments where no right of use asset is recognised		
Minimum lease payments	**(424)**	(415)
Minimum sublease receipts	**–**	–

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B. CASH MANAGEMENT

B1 — Cash and cash equivalents

	30 June 2025 $'000	30 June 2024 $'000
Cash and cash equivalents	**96,489**	31,230
Total cash and cash equivalents	**96,489**	31,230

ACCOUNTING POLICY

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits, and 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.

B2 — Borrowings

FACILITIES

The type of borrowing facilities available and utilised as at 30 June 2025 are shown below:

Funding Mechanism	Financier Limit				
AUD Mechanisms	**ANZ $'000**	**Pricoa $'000**	**NAIF $'000**	**Available at 30 June $'000**	**Utilised $'000**
Term loan facility I	11,779	–	–	–	11,779
Term loan facility II	82,100	–	–	–	82,100
Term loan facility III	12,500	–	–	–	12,500
Term loan facility IV	49,000	–	–	1,095	47,905
Northern Australia Infrastructure Facility (NAIF)	–	–	21,000	–	21,000
Senior secured guaranteed notes		324,250	–	25,000	299,250
Sub-total AUD Borrowings	155,379	324,250	21,000	26,095	474,534
Working capital multi option (facility I)	14,000	–	–	13,961	39
Bank guarantee facility	1,000	–	–	141	859
Total AUD Mechanisms	170,379	324,250	21,000	40,197	475,432

These borrowings are all secured; refer to Note B2 for further details.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

In August 2024, the Group completed both a refinancing of its existing debt facilities of $64.8 million and increased debt facilities by $100 million with Australia and New Zealand (ANZ) Banking Group Limited. At the same time, the Group increased its debt facilities with Pricoa Private Capital by $50 million.

The refinancing of the ANZ debt facilities has provided the following before any regular repayments:

- Facility I — an amortising loan with quarterly repayments remained at $15 million with an extended expiry to July 2027. Any voluntary repayments may be redrawn to $15 million. (Since this date only mandatory payments have been made with no voluntary payments made in FY2025).
- Facility II — an amortising loan with quarterly repayments increased by $50 million to $87.3 million with an expiry in July 2027. Any voluntary repayments cannot be redrawn. (Since this date, only mandatory payments have been made with no voluntary payments made in FY2025).
- Facility III — a non-amortising loan remained at $12.5 million with an extended expiry to July 2027. Any voluntary repayment cannot be redrawn.
- Facility IV — a no redraw facility, was established for $50 million with an expiry date of January 2026 which has since been extended to February 2027. No voluntary payments have been made in FY2025.
- A reduction in the working capital multi option (Facility I) to $4 million. This facility is subject to annual review each December. The bank can withdraw the facility with 60 days written notice.

In February 2025 the working capital multi option (Facility I) was increased to $13.8 million. This facility will reset to $4.0 million effective July 2025.

The Pricoa facilities allow the Group to drawdown up to US$225 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. In FY2025, further drawdowns totalling A$73.0 million (inclusive of the A$50 million drawn down in August 2025) were made, and the parties have agreed repayments will be transacted in AUD. The total drawdowns net of repayments of $25.0 million have been recorded on the Consolidated Balance Sheet at A$299.3 million.

The senior secured guaranteed notes are due progressively over the next 8.2 years with 8% due in May 2028, 7% due in January 2029, 14% due in March 2030, 17% due in May 2031, 17% due in August 2031, 13% due in July 2032, 8% due in August 2032, 8% due in September 2032, 8% due in September 2033.

The Group secured a facility agreement with the Northern Australian Infrastructure Facility to assist in funding the construction of a three-bay maintenance hangar in Rockhampton. This is a non-amortising loan for the first ten years, and post year ten the facility will decrease with approximately 50% remaining at year 15 (April 2037). The Rockhampton hangar will provide support for the expanding fleet and ensure access to maintenance facilities into the future.

The term loans, working capital multi option facility and the senior secured guaranteed notes are subject to certain quarterly financial covenants and restrictions such as debt service cover ratios, leverage ratios and loan to value ratio.

With effect from 30 September 2025, the Loan to Value Ratio covenant target will reduce by five percentage points. Compliance with the covenant as at 30 September 2025 may require the pay down of a portion of group borrowings. Significant cash reserves exist to facilitate the reduction if required.

ACCOUNTING POLICY

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income Statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

B. Cash management (cont.)
B2 — Borrowings (cont.)

ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	30 June 2025 $'000	30 June 2024 $'000
Current		
Floating charge		
Cash and cash equivalents	**96,489**	31,230
Receivables	**85,660**	78,333
Inventories	**86,546**	143,570
Total current assets pledged as security	**268,695**	253,133
Non-current		
First mortgage	**842,131**	678,756
Aircraft	**842,131**	678,756
Floating charge		
Plant and equipment	**59,748**	40,691
Intangibles	**109**	163
Total non-current assets pledged as security	**901,988**	719,610
Total assets pledged as security	**1,170,683**	972,743

This section sets out an analysis of net cash (debt) and the movements in net cash (debt) for each of the periods presented.

	30 June 2025 $'000	30 June 2024 $'000
Cash and cash equivalents	**96,489**	31,230
Borrowings — repayable within one year	**(11,452)**	(7,452)
Borrowings — repayable after one year	**(463,082)**	(329,629)
Net cash / (debt)	**(378,045)**	(305,851)

	30 June 2025 $'000	30 June 2024 $'000
Cash and cash equivalents	**96,489**	31,230
Gross debt — variable interest rates	**(154,284)**	(64,831)
Gross debt — fixed interest rates	**(320,250)**	(272,250)
Net cash / (debt)	**(378,045)**	(305,851)

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

B3 — Net cash debt

30 June 2025	Opening Balance $'000	Drawdowns $'000	Repayments $'000	Closing Balance $'000
Term loan facilities	**64,831**	**98,905**	**(9,452)**	**154,284**
Senior secured guaranteed notes	**100,000**	**73,000**	**(25,000)**	**148,000**
USD Shelf facility	**151,250**	**–**	**–**	**151,250**
Northern Australia Infrastructure Facility (NAIF)	**21,000**	**–**	**–**	**21,000**
Total AUD value	**337,081**	**171,905**	**(34,452)**	**474,534**

30 June 2024	Opening Balance $'000	Drawdowns $'000	Repayments $'000	Closing Balance $'000
Term loan facilities	72,283	–	(7,452)	64,831
Senior secured guaranteed notes	100,000	–	–	100,000
USD Shelf facility	42,000	109,250	–	151,250
Northern Australia Infrastructure Facility (NAIF)	21,000	–	–	21,000
Total AUD value	235,283	109,250	(7,452)	337,081

B4 — Reconciliation of profit after income tax to net cash inflow from operating activities

	30 June 2025 $'000	30 June 2024 $'000
Profit for period (after tax)	**57,323**	60,452
Depreciation and amortisation	**92,047**	73,243
Non-cash costs incurred as part of heavy maintenance program	**9,673**	6,121
Net (gain)/loss on foreign exchange differences	**3,837**	528
Change in operating assets and liabilities		
(Increase)/decrease in trade debtors	**1,610**	(1,587)
(Increase)/decrease in inventory	**(51,797)**	(170,939)
(Increase)/decrease in prepayments and other assets	**(8,935)**	2,354
Increase/(decrease) in trade creditors	**(16,225)**	3,095
Increase/(decrease) in other operating liabilities	**(11,176)**	21,964
Increase/(decrease) in provision for income taxes payable	**–**	(191)
Increase/(decrease) in deferred tax	**24,758**	26,039
Increase/(decrease) in other provisions	**4,529**	3,660
Net cash inflow (outflow) from operating activities	**105,644**	24,739

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

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C. CAPITAL MANAGEMENT

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

C1 — Dividends

DIVIDENDS DECLARED BUT NOT RECORDED

In respect of the full year ended 30 June 2025, a fully franked final dividend of 3.0 cents has been declared by the Directors. This dividend will be paid out of retained earnings on 3 November 2025. The amount has not been recognised as a liability for the year ended 30 June 2025.

ACCOUNTING POLICY

Provision is made for any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

C2 — Franking credits

	30 June 2025 $'000	30 June 2024 $'000
Franking credits available for subsequent reporting based on tax rate of 30% (2024: 30%)	**5,966**	5,966
	5,966	5,966

ACCOUNTING POLICY

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

D. INVENTORY, PROPERTY, PLANT AND EQUIPMENT, INTANGIBLES AND LEASES

D1 — Inventory

	30 June 2025 $'000	30 June 2024 $'000
Aircraft, aircraft spares and spare engines		
Fokker	**26,136**	40,164
Embraer	**42,063**	78,451
Total aircraft, aircraft spares and spare engines	**68,199**	118,615
Consumables	**18,347**	24,955
Total Inventory	**86,546**	143,570

AMOUNTS RECOGNISED IN PROFIT OR LOSS

Inventory recognised as an expense during the year ended 30 June 2025 amounted to $87,560k (FY24: $5,682k) and is included in parts and inventory costs. Included in inventory costs is $46.6 million for the purchase of five additional aircraft to be used for parts in 30 June 2025.

ACCOUNTING POLICY

Inventory is measured at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventory to their present location and condition. Inventory consists of spare aircraft and engine parts, spare engines, components, and whole aircraft where the intent of acquisition was to hold as inventory for sale or breakdown for spare parts.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The Group's maintenance program relies on access to spare parts (rotables) which are interchangeable with parts currently utilised on an aircraft. These rotables are parts that are removed from aircraft and transferred from property, plant and equipment into inventory at the lower of cost or net realisable value (core value).

Rotables taken out of inventory and fitted to an aircraft are transferred to property, plant and equipment at the carrying value at the time of transfer.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

As a result of a decision made by the Group during the year ended 30 June 2025 to retain all Fokker-related engines and auxiliary power units for maintenance of the Fokker fleet, these assets will no longer be available for sale as part of the Aviation Services activities in the ordinary course of business. These assets with a carrying value of $32.1 million have been transferred from Inventory into Aircraft Assets within property, plant and equipment.

Note K5 discloses the critical estimates and judgements in relation to inventory value.

D2 — Property, plant and equipment

30 June 2025	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	**269,565**	**23,625**	**293,190**
Transfers — Inventory and other	**(54,009)**	**–**	**(54,009)**
Transfers — Fokker rotable items from inventory	**32,060**	**–**	**32,060**
Disposals at Cost	**–**	**(2,249)**	**(2,249)**
Disposals — accumulated depreciation	**–**	**2,154**	**2,154**
Depreciation charge	**(84,241)**	**(4,472)**	**(88,713)**
Closing net book value at the end of the period	**841,537**	**60,342**	**901,879**

* Included within aircraft assets are aircraft which are leased under operating lease arrangements to other airlines with a net book value of $303.4 million FY24:$243.6 million.

30 June 2024	Aircraft Assets* $'000	Property, Plant and Equipment $'000	Total $'000
Balance at beginning of the period			
Cost	916,848	34,672	951,520
Accumulated depreciation	(365,803)	(22,294)	(388,097)
Net book value at the beginning of the period	551,045	12,378	563,423
Opening net book value	551,045	12,378	563,423
Additions	208,453	32,144	240,597
Transfers — Other	(13,731)	–	(13,731)
Disposals at Cost	–	(841)	(841)
Disposals — accumulated depreciation	–	786	786
Depreciation charge	(67,605)	(3,183)	(70,788)
Closing net book value at the end of the period	678,162	41,284	719,446

* Included within aircraft assets are aircraft which are leased under operating lease arrangements to other airlines with a net book value of $243.6 million FY24:$159.5 million.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

ADDITIONS AND TRANSFERS

Additions to property, plant and equipment for year ended 30 June 2025 includes four E190 aircraft that were added to the Groups air operators' certificate, two E190's undergoing entry into service, and all aircraft heavy maintenance and the addition of any major and significant components. Transfers relate to the removal of rotable parts from the aircraft which are transferred to inventory.

As a result of a decision made by the Group during the year ended 30 June 2025 to retain all Fokker-related engines and auxiliary power units for maintenance of the Fokker fleet, these assets will no longer be available for sale as part of the Aviation Services activities in the ordinary course of business. These assets with a carrying value of $32.1 million have been transferred from Inventory into Aircraft Assets within property, plant and equipment.

ACCOUNTING POLICY

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

Depreciation is calculated using both straight line and unit of usage method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as shown in the table below:

Asset Category	Depreciation calculation method	Time-based terms
Aircraft assets		
5–18 years aircraft assets (subject to time-based depreciation)	Calendar-based	5–18 years
5–12 years aircraft assets (subject to usage-based depreciation)	Remaining flight cycles/hours	–
Property, plant and equipment		
Leasehold improvements	Calendar-based	4–30 years
Vehicles	Calendar-based	5–8 years
Furniture, fittings and equipment	Calendar-based	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The Group also reviews annually whether the triggers indicating a risk of impairment exist. Refer to Note K6 – Impairment of Assets for details of the impairment assessment carried out at 30 June 2025.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of all non-current assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal and is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income Statement of the Group in the reporting period of disposal.

D3 — Intangible assets

	30 June 2025 $'000	30 June 2024 $'000
Opening net book amount	**163**	218
Additions	**–**	–
Amortisation charge	**(54)**	(55)
Closing net book value	**109**	163

The Group amortises intangible assets over the following period:

Classification	Amortisation calculation method	Time-based terms
Certifications	Calendar-based	2 years
Internally generated software	Calendar-based	3–5 years

Intangible assets are recorded at cost less accumulated amortisation and impairment. They are classified as having a useful life that is finite and are amortised on a straight-line basis over the useful economic life.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

D4 — Leases

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

AMOUNTS RECOGNISED IN THE CONSOLIDATED BALANCE SHEET

The Consolidated Balance Sheet shows the following amounts relating to leases:

	30 June 2025 $'000	30 June 2024 $'000
Right of use assets		
Property, plant and equipment	**34,429**	26,053
Total right of use assets	**34,429**	26,053
Lease Liabilities		
Current	**4,540**	2,607
Non-Current	**34,397**	27,153
Total Lease Liabilities	**38,937**	29,760

Additions

Additions to the right of use assets during FY2025 were $10,919k which were for the additional hangars at Brisbane Airport.

AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The Consolidated Statement of Profit or Loss and Other Comprehensive Income includes the following amounts relating to leases:

	30 June 2025 $'000	30 June 2024 $'000
Depreciation charge for right of use assets		
Property, plant and equipment	**3,280**	2,402
Total right of use assets	**3,280**	2,402
Other costs relating to Leases		
Interest expense (included in finance costs)	**1,586**	873
Total Lease Liabilities	**1,586**	873

Total cash outflow for leases for the year ended 30 June 2025 was $2,172k.

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THE GROUP'S LEASING ACTIVITIES

The Group leases various offices, warehouses, and equipment. Rental contracts are typically made for fixed periods of six months to 20 years, but may have extension options as described 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.

ACCOUNTING POLICY

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Alliance Aviation Services Limited, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g., term, country, currency, and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate takes effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- any initial direct costs; and
- restoration costs.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

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 lease term of twelve months or less. Low-value assets comprise IT equipment, some ground service equipment and airport apron licences.

EXTENSION AND TERMINATION OPTIONS

Extension and termination options are included in a number of 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 extension and termination options held are exercisable only by the Group and not by the respective lessor.

E. INCOME TAX EXPENSE AND DEFERRED TAX

This note provides an analysis of the Group's income tax expense, shows what amounts are recognised directly in equity, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

E1 — Income tax expense

	30 June 2025 $'000	30 June 2024 $'000
A. Income tax expense		
Current tax		
Adjustment for current tax of prior periods	**–**	(181)
Total current tax expense	**–**	(181)
Deferred income tax		
Decrease/(increase) in deferred tax assets	**(2,768)**	(12,762)
(Decrease)/increase in deferred tax liabilities	**27,527**	38,683
Adjustments for deferred tax of prior periods	**–**	107
Total deferred tax expense/(benefit)	**24,758**	26,028
Income tax on profit from continuing operations	**24,758**	25,847
Effective tax rate	**30.2%**	30.0%
B. Numerical reconciliation of income tax (benefit)/expense to prima facie tax payable		
Profit/(loss) before income tax expense	**82,080**	86,299
Tax at Australian Corporate Tax rate of 30% (1H24: 30%)	**24,624**	25,890
Tax effect of amounts not deductible/(taxable) in calculating taxable income		
Sundry	**134**	(43)
Total income tax expense	**24,758**	25,847
C. Amounts recognised directly in equity		
Aggregate deferred tax arising in the period and directly credited to equity	**–**	(117)

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

E. Income tax expense and deferred tax (cont.)

E2 — Deferred tax assets and liabilities

	30 June 2025 $'000	30 June 2024 $'000
Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
Tax losses	**16,875**	15,734
Employee benefits	**8,804**	7,445
Property, plant and equipment	**3,185**	2,905
	28,864	26,084
Other		
Unrealised foreign exchange movements	**1,888**	1,288
Accruals	**115**	241
Other	**789**	1,275
	2,792	2,804
Total Deferred tax assets	**31,656**	28,888
Set-off to deferred tax liabilities pursuant to set-off provisions	**(31,656)**	(28,888)
Net Deferred Tax Assets	**–**	–

	30 June 2025 $'000	30 June 2024 $'000
Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Property, plant and equipment	**141,543**	114,016
Unrealised foreign exchange movements	**531**	531
Total Deferred tax liabilities	**142,074**	114,547
Set-off to deferred tax assets pursuant to set-off provisions	**(31,656)**	(28,888)
Net Deferred Tax Liabilities	**110,418**	85,659

ACCOUNTING POLICY

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Directors periodically evaluate the position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

E. Income tax expense and deferred tax (cont.)
E2 — Deferred tax assets and liabilities (cont.)

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the near future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Alliance Aviation Services Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set-off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

30 June 2025	Tax Losses $'000	Employee Benefits $'000	Property, Plant and Equipment $'000	Other $'000	Total $'000
DEFERRED TAX ASSET MOVEMENTS					
Balance at beginning of prior year	**5,089**	**6,347**	**959**	**3,731**	**16,126**
Charged/(credited) to Profit or Loss	10,645	1,098	1,946	(927)	12,762
Balance at the beginning of this period	**15,734**	**7,445**	**2,905**	**2,804**	**28,888**
Charged/(credited) to Profit or Loss	1,141	1,359	280	(12)	2,768
Balance at end of the period	**16,875**	**8,804**	**3,185**	**2,792**	**31,656**

30 June 2025	Property, Plant and Equipment $'000	Other $'000	Total $'000
DEFERRED TAX LIABILITY MOVEMENTS			
Balance at beginning of prior year	**75,488**	**376**	**75,864**
Charged/(credited) to Profit or Loss	38,528	155	38,683
Balance at the beginning of this period	**114,016**	**531**	**114,547**
Charged/(credited) to Profit or Loss	27,527	–	27,527
Balance at the end of the period	**141,543**	**531**	**142,074**

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F. FINANCIAL INSTRUMENTS

F1 — Financial risk management

The Group's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange rate risk and ageing analysis for credit risk. The use of financial instruments is governed by the Group's policies approved by the Board of Directors and are not entered into for speculative purposes. The Group holds the following financial instruments:

	30 June 2025 $'000	30 June 2024 $'000
Financial Assets		
Cash and Cash Equivalents	**96,489**	31,230
Trade and other receivables*	**70,993**	74,574
Total Financial Assets	**167,482**	105,804
Financial Liabilities		
Trade and other payables	**83,337**	110,738
Borrowings	**474,534**	337,081
Lease liabilities	**38,937**	29,760
Total Financial Liabilities	**596,808**	477,579
Net Financial Assets/(Liabilities)	**(429,326)**	(371,775)

* Excludes prepayments and other assets.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

F. Financial instruments (cont.)
F1 — Financial risk management (cont.)

FOREIGN EXCHANGE RISK

The Group has transactional currency risks arising from receivables and payables in currencies other than the Group's functional currency. The currencies giving rise to this risk are primarily the US dollar and the Euro. Where possible, the risk is managed by forecasting and structuring of receipt and payment timings, including invoicing clients in US dollars and the Euro where possible.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars and a sensitivity impact of a 5% rate movement is shown in the tables below.

	30 June 2025					30 June 2024				
Trade and other receivables	**USD $'000**	**EUR $'000**	**GBP $'000**	**NZD $'000**	**SGD $'000**	**USD $'000**	**EUR $'000**	**GBP $'000**	**NZD $'000**	**SGD $'000**
Total	14,281	–	–	–	–	13,606	1	–	–	–

Sensitivity: As at 30 June 2025, if the Australian dollar had strengthened or weakened against other currencies by 5% and all other variables held constant, post-tax profit for the year would have been higher/lower by $714k (FY24: +/- $680k).

	30 June 2025					30 June 2024				
Trade and other payables	**USD $'000**	**EUR $'000**	**GBP $'000**	**NZD $'000**	**SGD $'000**	**USD $'000**	**EUR $'000**	**GBP $'000**	**NZD $'000**	**SGD $'000**
Total	(10,124)	(3,132)	(769)	(6)	(3,864)	(13,793)	(2,882)	(2,021)	(74)	(1,832)

Sensitivity: As at 30 June 2025, if the Australian dollar had strengthened or weakened against other currencies by 5% and all other variables held constant, post-tax profit for the year would have been higher/lower by $895k (FY24: +/- $1,030k).

INTEREST RATE RISK

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

The Group's variable rate borrowings outstanding as at 30 June 2025 and a sensitivity analysis of movement of 25 basis points is shown in the tables below.

	30 June 2025		30 June 2024	
	Weighted Ave. Interest Rate %	**Balance $'000**	**Weighted Ave. Interest Rate %**	**Balance $'000**
Bank Loans	5.6	154,284	5.5	64,831
Net Exposure to cashflow interest rate risk	–	154,284	–	64,831
Sensitivity +/- impact of 0.25% change: $'000	–	386	–	162

CREDIT RISK

Credit risk arises from cash and cash equivalents, held to maturity investments, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables. All available cash is held in financial institutions with a credit rating of A- or higher.

Risk management

Credit risk is managed on a Group basis by assessing the credit quality of counterparties by considering their financial position, past experience, credit rating and other factors. Counterparty information sourced from credit rating agencies is also utilised to support the management of credit risk. The Group's major customers are principally focused on the resources industry, albeit over a range of commodities.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

Impairment of trade receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rate and loss allowance has been assessed as $355k as at 30 June 2025 (FY24: $864k).

On 21 November 2024, Copper Resources Australia Pty Ltd was placed into voluntary administration with Cor Cordis being appointed as voluntary administrators. At the time of the appointment, Copper Resources Australia Pty Ltd owed Alliance for its November activity which had been invoiced and was due on 22 December 2024. In addition, recharges of $28k had not been invoiced. The total net amount due from Copper Resources Australia Pty Ltd was $254k. As a result of the appointment of receivers and managers 100% of this debt has been provided for in the FY2025 results. Up to the date of receivership, Copper Resources Australia Pty Ltd had been paying on time, all the time, and there were no signs of distress visible to Alliance.

The probability of default by any other trading debtor of the Group is considered very unlikely. Accordingly, additional credit losses beyond the Copper Resources Australia Pty Ltd balance of $254k are considered minimal by the Group. This is because there is no history of default, revenue is generated primarily through major mining clients, domestic airlines, and other large corporations hence the recoverability of the remaining contracted receivables can be determined with a high degree of certainty on a forward-looking basis. In addition, the Group has recorded a credit loss risk adjustment of $101k for potentially unrecoverable training bonds.

Refer to Note J1 for more information on the trade receivables policy of the Group.

The Group records trade receivables and loans in the following classifications: The Group records trade receivables and loans in the following classifications:

- Neither past due nor impaired trade receivables and loans are those that are within their relevant contractual payment terms and thus have no expected credit loss due to the reasons above.
- Past due but not impaired trade receivables and loans are those that have fallen outside of their contractual settlement terms. However there remains an expectation of full recovery, with no change in credit risk based on the financial position of the client or counterparty and as such there is no expected credit loss. This is $355k as at 30 June 2025 (30 June 2024 $864k).

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the Group held no deposits at call (FY24: nil). Due to the dynamic nature of the underlying businesses, the Directors maintain flexibility in funding by maintaining availability under committed credit lines.

Risk management

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents (Note B1) on the basis of expected cash flows. In addition, the Group's liquidity management policy involves managing credit risk relating to financial assets, comparing the maturity profile of financial liabilities with the realisation profile of financial assets, monitoring balance sheet liquidity ratios against internal requirements and maintaining debt financing plans.

MATURITIES OF FINANCIAL LIABILITIES

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the tables are the contractual undiscounted cash flows since the fair values are not materially different to their carrying amounts and amortisations payments (fixed repayments of principal) are scheduled quarterly until the expiration of the facilities. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. The amounts below also include estimated interest payments where applicable.

The Group has long-term arrangements in place for the four hangars located at Brisbane Airport. Two of these leases have terms plus options expiring in the second quarter of FY2041, with the remaining leases expiring in the fourth quarter of FY2042.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

F. Financial instruments (cont.)
F1 — Financial risk management (cont.)

Liquidity risk

Carrying Contractual Maturities of Financial Liabilities	Less than 6 months $'000	6–12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 Years $'000	Total Contractual Cash Flows $'000	Carrying Amount (Assets) /Liabilities $'000
	30 June 2025						
Trade payables	**43,465**	**–**	**–**	**–**	**–**	**43,465**	**43,465**
Borrowings	**17,680**	**16,605**	**78,018**	**224,919**	**262,112**	**599,334**	**474,534**
Lease liabilities	**2,305**	**2,327**	**4,474**	**11,172**	**33,750**	**54,028**	**38,937**
Total non-derivatives	**63,450**	**18,932**	**82,492**	**236,091**	**295,862**	**696,827**	**556,936**

Carrying Contractual Maturities of Financial Liabilities	Less than 6 months $'000	6-12 months $'000	Between 1 & 2 years $'000	Between 2 & 5 years $'000	Over 5 Years $'000	Total Contractual Cash Flows $'000	Carrying Amount (Assets) /Liabilities $'000
	30 June 2024						
Trade payables	59,690	–	–	–	–	59,690	59,690
Borrowings	13,181	13,124	97,815	66,441	265,080	455,641	337,081
Lease liabilities	1,493	1,521	3,528	8,877	21,619	37,038	29,760
Total non-derivatives	74,364	14,645	101,343	75,318	286,699	552,369	426,531

PRICE RISK

The Group is not exposed to any specific material commodity price risk.

F2 — Fair value measurement of financial instruments

Judgements and estimates are made in determining the fair values of assets and liabilities that are recognised and measured at fair value in the financial statements.

DISCLOSED FAIR VALUES

Receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value. For the majority of non-current receivables, the fair values are not materially different to their carrying amounts since the interest on those receivables is close to current market rates.

Trade and other payables

Due to the short-term nature of the trade and other payables, their carrying amount is assumed to be the same as their fair value.

Borrowings

The Directors consider that for all borrowings, the fair values are the same as their carrying amounts, since the interest payable on these borrowings is either close to the market rates or the borrowings are of a short-term nature.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

G. EQUITY

G1 — Contributed equity

	30 June 2025		30 June 2024	
	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
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

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

ACCOUNTING POLICY

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

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G. Equity (cont.)

G2 — Reserves

The following table shows a breakdown of the balance sheet line item 'Reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	30 June 2025 $'000	30 June 2024 $'000
Reserves		
Reorganisation reserve	**(111,082)**	(111,082)
Share-based payment reserve	**871**	762
Foreign currency translation reserve	**(27)**	200
	(110,238)	(110,120)
Movements		
Reorganisation Reserve		
Balance at beginning of period	**(111,082)**	(111,082)
Balance at end of period	**(111,082)**	(111,082)
Share-based payment reserve		
Balance at beginning of period	**762**	433
Vested	**–**	–
Granted	**109**	329
Balance at end of period	**871**	762
Foreign currency translation reserve		
Balance at beginning of period	**200**	7
Current year movement	**(227)**	193
Balance at end of period	**(27)**	200

NATURE AND PURPOSE OF OTHER RESERVES

Reorganisation reserve

This reserve is used to record the difference between the recognised equity of the parent entity and the net assets of the acquired controlled entities.

Share-based payment reserve

The Company has established a share-based payment reserve which records the estimated amount of ordinary share capital to be issued as consideration for future transactions. The reserve records the grant date fair value of performance rights issued to employees under the Long-Term Incentive Plan and associated movements.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are accumulated in a separate reserve within equity.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

G. Equity (cont.)

G3 — Earnings per share

	30 June 2025 $'000	30 June 2024 $'000
Basic Earnings per Share		
Total basic earnings per share attributable to the ordinary equity holders of the company (cents)	**35.64**	37.61
Diluted Earnings per Share		
Total diluted earnings per share attributable to the ordinary equity holders of the company (cents)	**35.53**	37.56
Reconciliation of Earnings used in Calculating Earnings per Share		
Basic Earnings per Share		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share ($'000)	**57,323**	60,452
Diluted Earnings per Share		
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share ($'000)	**57,323**	60,452
Weighted Average Number of Shares used as the Denominator		
Weighted average number of ordinary shares used as the denominator in calculating the basic earnings per share	**160,858,866**	160,734,697
Weighted average number of ordinary shares used as the denominator in calculating the diluted earnings per share	**161,356,138**	160,952,249

INFORMATION CONCERNING THE CLASSIFICATION OF SECURITIES

Performance rights

Performance rights granted to employees under the Alliance Aviation Services Limited LTI Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The rights have not been included in the determination of basic earnings per share (refer Note H2).

ACCOUNTING POLICY

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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H. KEY MANAGEMENT PERSONNEL

H1 — Key Management Personnel disclosures

KEY MANAGEMENT PERSONNEL COMPENSATION

	30 June 2025 $'000	30 June 2024 $'000
Short-term employee benefits	**2,795,863**	2,080,544
Post-employment benefits	**164,121**	119,010
Long-term benefits	**(33,347)**	85,981
Share-based payments	**93,194**	121,452
Total	**3,019,831**	2,406,987

Detailed remuneration disclosures are provided in the Remuneration Report contained in the Directors' Report.

H2 — Share-based payments

PERFORMANCE INCENTIVE PLAN

Alliance is committed to a reward framework that is focussed on creating shareholder value, which is supported by an equity ownership culture. The Group's Performance Incentive Plan (PIP) supports this goal by assisting with the attraction, motivation, and retention of employees (including Executive Directors).

The PIP consists of two key remuneration elements, namely the payment of cash incentives and the granting of performance rights. Under the plan, participants are granted rights which only vest if certain performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The number of performance rights granted is calculated by dividing the dollar value of the participant's long-term incentive by the ASX volume weighted average price of the shares in the period prior to the date of offer of the performance rights. Unless otherwise determined by the Board in its discretion, performance rights are issued for nil consideration.

The amount of performance rights that will vest depends upon the achievement of certain performance standards being met over the course of the performance period (the financial year). These performance metrics include achieving financial, operational and safety targets. Once the rights have become performance qualified, the only remaining vesting condition that must be met is one of continuous employment.

In the event of cessation of employment unvested rights are forfeited unless otherwise determined by the Board, in which case any service condition will be deemed to have been fulfilled as at the testing date and subject to performance testing along with other participants. It is noted that the Board has discretion to allow "Good Leavers" to retain their participation in the PIP plan beyond the date of cessation of employment when deemed appropriate to the circumstances.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

H. Key Management Personnel (cont.)
H2 — Share-based payments (cont.)

Performance rights will automatically vest on a day nominated by the Board after they determine the vesting conditions have all been satisfied (Vesting Determination Date).

The performance rights will automatically exercise on the Vesting Determination Date unless that date occurs outside a trading window permitted under the Company's Policy for dealing in Securities, in which case the performance rights will exercise upon the first day of the next trading window. Upon exercise of the performance rights, the Company must issue or procure the transfer of one share for each performance right or alternatively may in its discretion elect to pay the cash equivalent value to the participant.

Rights are granted under the plan for no consideration and carry no dividend or voting rights. When exercised, each right is converted into one ordinary share.

Performance rights will lapse on the first to occur of:

- the expiry dates.
- the vesting conditions not being satisfied by the Vesting Determination Date.
- unless the Board otherwise determines, by the cessation of the employment of the employee to whom the offer of performance rights was made. The Board determination will depend upon the reason for employment ceasing (resignation, dismissal for cause, death, or illness).

The details of the performance rights granted are shown below:

Performance rights granted	30 June 2025 $'000	30 June 2024 $'000
Executive Directors^	**57,138**	46,047
Other Key Management Personnel	**76,103**	80,179
Senior Management	**269,946**	212,503
Total	**403,187**	338,729

^ The grant of the maximum amount of performance rights available to the Managing Director /Executive Director were approved by the shareholders at the Annual General Meeting held on 3 October 2024 AND ON 28 November 2023 for FY2024.

The movements of performance rights issued during the year are as follows:

Movement in rights	30 June 2025 $'000	30 June 2024 $'000
Rights at start of period	**300**	–
Granted during the year	**403**	339
Vested and exercised	**(17)**	–
Forfeited/cancelled	**(559)**	(39)
Rights at end of period	**127**	300

The performance rights granted as the equity portion of the employee incentive plan are assessed against a scorecard of key performance indicators set by the Board Nomination and Remuneration Committee. This assessment occurs once the financial statements for the performance period (FY2025) have been audited and signed off by the Board.

As at the date of signing this report, nil performance rights will become performance qualified as all three Key Performance Indicators upon which the targets are assessed were not met for 30 June 2025. Given the exceptional circumstances relating to cyclones, severe weather events and Protected Industrial Action (PIA) and the resultant impact on the PBT and OTP results, the Board has exercised its discretion to award a bonus to members of the PIP, details of which have not been finalised at reporting date.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

H. Key Management Personnel (cont.)
H2 — Share-based payments (cont.)

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

Expenses arising from share-based payment transactions	30 June 2025 $'000	30 June 2024 $'000
Performance rights — LTI Incentive	**181,997**	329,069
Rights at end of period	**181,997**	329,069

ACCOUNTING POLICY

Share-based compensation benefits may be provided to employees via the Alliance Aviation Services Limited Performance Incentive Plan (PIP).

The fair value of rights granted under the PIP are recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

I. RELATED PARTY TRANSACTIONS

I1 — Parent entities

The parent entity within the Group is Alliance Aviation Services Limited.

I2 — Key Management Personnel

Disclosures relating to the compensation of KMP are included in Note H and in the Remuneration Report included in the Directors' Report.

I3 — Subsidiaries

The ownership interests in subsidiaries are set out in Note J7. Transactions between entities within the Group during the reporting period consisted of loans advanced and repaid, operating expenses paid, inventory items purchased and sold, and maintenance labour costs.

I4 — Transactions with related parties

Where transactions are entered into with KMP, these are approved by the Board. Board members who have an interest in the matter either directly or via a related party do not participate in the Board approval process. No new arrangements have been entered into during FY2025.

A Director, Mr Steve Padgett, is a Director and Shareholder of Flight Options (Australia) Pty Ltd. The Group has a contract for the lease of office space in Sydney with Flight Options (Australia) Pty Ltd. This lease is based on normal commercial terms and conditions.

During the period, the Group provided storage maintenance, aircraft parking and other engineering maintenance services to VIF Aircraft Pty Ltd, of which Chairman, Mr Steve Padgett and the Managing Director, Mr Scott McMillan, are shareholders. These services were provided on an arm's length basis under normal commercial terms for the type of services provided.

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I. Related party transactions (cont.)
I4 — Transactions with related parties (cont.)

The following transactions occurred with related parties:

	30 June 2025 $'000	30 June 2024 $'000
Lease of Sydney Office	**(31)**	(47)
Fuel for VH-CCJ Citation Bravo flight — Hangar opening MCY to ROK 1/11/23	**–**	(2)
VH-KBX operating charges	**–**	635
Engineering & maintenance services — VH-VIF	**–**	130
Total Cash inflows / (outflows)	**(31)**	716

J. OTHER ITEMS

J1 – Trade and other receivables

	30 June 2025						
Carrying Contractual Maturities of Financial Assets	**Less than 6 months $'000**	**6–12 months $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 Years $'000**	**Total Contractual Cash Flows $'000**	**Carrying Amount (Assets) /Liabilities $'000**
Trade receivables	**72,003**		**–**	**–**	**–**	**72,003**	**72,003**
Total	**72,003**	**–**	**–**	**–**	**–**	**72,003**	**72,003**

	30 June 2024						
Carrying Contractual Maturities of Financial Assets	**Less than 6 months $'000**	**6–12 months $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 Years $'000**	**Total Contractual Cash Flows $'000**	**Carrying Amount (Assets) /Liabilities $'000**
Trade receivables	74,101	21	–	–	–	74,122	74,122
Total	74,101	21	–	–	–	74,122	74,122

PAST DUE BUT NOT IMPAIRED

As at 30 June 2025, trade receivables of $10,874k (FY24: $17,594k) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default and as a result no adjustment has been made relating to AASB 9.

PAST DUE AND IMPAIRED

As at 30 June 2025, trade receivables of $353k (FY24:$513k) were past due and impaired. An adjustment has been made relating to AASB 9.

In addition, an adjustment of $2k of current but impaired items has been recorded(FY24:$351k). Refer to Note F1 for further details.

OTHER RECEIVABLES

These are generally sundry debtors, deposits and accrued revenue held which arise during the normal course of business.

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J. Other items (cont.)
J1 — Trade and other receivables (cont.)

ACCOUNTING POLICY

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-45 days and therefore are all classified as current.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

On that basis, the Group has concluded that no loss allowance needs to be recognised for the year ended 30 June 2025.

J2 — Trade and other payables

	30 June 2025 $'000	30 June 2024 $'000
Trade and Other Payables		
Trade Payables	**43,465**	59,690
Other Payables	**39,872**	51,048
Total Trade and Other Payables	**83,337**	110,738

ACCOUNTING POLICY

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

In accordance with AASB 15 — *Revenue from Contracts with Customers* the Group records a contract liability for funds received from clients in advance of their travel date. The contract liability is valued based on the relevant contract or ticket terms. A review has confirmed that at balance date it is probable that all amounts held will be recognised as revenue in FY2026 and therefore no adjustment has been made for the time value of money.

Revenue is released from the contract liability account to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the month in which the travel takes place. The Contract Liability was $1.2 million in FY2025 (FY24: $1.9 million).

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

J. Other items (cont.)

J3 — Provisions

	30 June 2025 $'000	30 June 2024 $'000
Employee Provisions		
Employee benefits – Annual leave	**20,357**	17,162
Employee benefits – Long service leave	**5,178**	5,607
Total Current Provisions	**25,535**	22,769
Employee benefits – Long service leave	**3,810**	2,047
Total Non-current Provisions	**3,810**	2,047
Total Provisions	**29,345**	24,816

AMOUNTS NOT EXPECTED TO BE SETTLED WITHIN THE NEXT TWELVE MONTHS

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either short-term or long-term benefits.

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro rata payments in certain circumstances.

Long service leave that is not expected to be settled wholly within twelve months after the end of the period, is measured at the present value of expected future payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The entire amount of the annual leave provision is presented as current, since the Group does not have a right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next twelve months.

ACCOUNTING POLICY

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events
- it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the Directors' best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

J. Other items (cont.)

J4 — Contingencies and commitments

CONTINGENT LIABILITIES

The Group has on issue eight bank guarantees relating to existing leases totalling $0.86 million (FY24: $0.62 million).

CAPITAL COMMITMENTS

The Group entered into a sale and purchase agreement for 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. However, the final purchase price is estimated to be approximately US$235 million based on the current average of acquired aircraft. A total of ten aircraft have been settled in FY2025 with an additional 10 aircraft to be purchased one at a time with the last settlement falling in the latter half of FY2026.

The Group has entered into a Purchase Agreement with Beautech Power Systems, LLC for the acquisition of General Electric CF34-10E6 aircraft engines, totalling US$$14.4 million. The engines are scheduled for delivery between October 2025 and April 2026.

J5 – Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by PricewaterhouseCoopers (PwC) as the auditor of the parent entity, Alliance Aviation Services Limited, by PwC's related network firms and by non-related audit firms:

	30 June 2025 $	30 June 2024 $
PricewaterhouseCoopers		
Audit and other Assurance Services		
Audit and review of financial statements	**424,030**	387,179
Total remuneration for Audit and Other Assurance Services	**424,030**	387,179
Taxation and Non-Assurances Services		
Taxation Services	**53,000**	96,594
Other Non-Assurance services	**5,774**	40,134
Total Remuneration for Taxation and Non-Assurance Services	**58,774**	136,728
Total Auditor's Remuneration	**482,804**	523,907

The Board policy on "non-audit services provided by the independent external auditor" allows for further process and control relating to the engagement the external auditor for non-audit services and delegates appropriate levels of authority to the Chief Executive Officer and other Management. The Group employs PwC on assignments additional to their statutory audit duties where PwC's expertise and experience with the Group are important. PwC will not be used where it could affect their independence.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

J. Other items (cont.)

J6 — Parent entity financial information

The individual financial statements for the parent entity, Alliance Aviation Services Limited, show the following aggregate amounts for the reporting period ended 30 June 2025.

	30 June 2025 $'000	30 June 2024 $'000
Balance Sheet		
Current Assets	**20**	9
Non-Current Assets	**526,187**	476,448
Total Assets	**526,207**	476,457
Current Liabilities	**43**	34
Non-Current Liabilities	**415,861**	365,881
Total Liabilities	**415,904**	365,915
Net Assets	**110,303**	110,542
Equity		
Issued Capital	**287,024**	287,024
Reserves	**(111,256)**	(111,256)
Share-based payments	**–**	332
Retained Earnings	**(65,465)**	(65,558)
Total Equity	**110,303**	110,542
Profit/(Loss) for the Year	**239**	185

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE ENTITIES

Investments in subsidiaries are accounted for at cost in the financial statements of Alliance Aviation Services Limited.

TAX CONSOLIDATION LEGISLATION

Alliance Aviation Services Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Alliance Aviation Services Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Alliance Aviation Services Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Alliance Aviation Services Limited for any current tax payable assumed and are compensated by Alliance Aviation Services Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Alliance Aviation Services Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

The amounts receivable/payable under the tax funding agreement is due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

J7 — Subsidiaries

SIGNIFICANT INVESTMENTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities, and results of the following principal subsidiaries in accordance with the accounting policy described in Note K2. The proportion of ownership interest is equal to the proportion of voting power held.

Name of Entity	Country of Incorporation	Class of Shares	30 June 2025	30 June 2024
Alliance Airlines Pty Limited*	Australia	Ordinary	100%	100%
Aircraft Leasing No.1 Pty Limited*	Australia	Ordinary	100%	100%
Aircraft Leasing No.2 Pty Limited*	Australia	Ordinary	100%	100%
Aircraft Leasing No.3 Pty Limited*	Australia	Ordinary	100%	100%
Jet Engine Leasing Pty Limited*	Australia	Ordinary	100%	100%
Bravo Airlines Pty Limited*	Australia	Ordinary	100%	100%
Unity Aviation Maintenance Pty Ltd*	Australia	Ordinary	100%	100%
Alliance Aviation Slovakia s.r.o.	Slovakia	Ordinary	100%	100%
QQAS Pty Ltd*	Australia	Ordinary	N/A	100%
Rockhampton Aviation Maintenance Pty Limited*	Australia	Ordinary	100%	100%

* Parties to a Deed of Cross Guarantee (Amended and Restated), dated 2 June 2023 with Alliance Aviation Services Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding up of that company. These companies are relieved from the requirement to prepare financial statements. There are no material differences between the closed group and the consolidated group which includes Alliance Aviation Slovakia s.r.o. as this entity is not part of the Deed of Cross Guarantee.

J8 — Events occurring after the reporting period

The Group is not aware of any matters or circumstances that have arisen since the end of the financial year which have significantly or may significantly affect the operations and results of the Group.

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K. BASIS OF PREPARATION

K1 — Compliance

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Alliance Aviation Services Limited is a for-profit entity for the purpose of preparing the financial statements.

COMPLIANCE WITH IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical cost convention.

K2 — Principles of consolidation

SUBSIDIARIES

The Consolidated Financial Statements include the financial statements of the parent entity, Alliance Aviation Services Limited ("Company" or "Alliance") and its subsidiaries (together referred to as the "Group"). Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

K3 — Segment reporting

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Alliance Aviation Services Limited Board of Directors.

The Board of Directors have determined the operating segment based on the reports reviewed and considers the business has one segment, being the provision of aircraft charter services and aviation services Cash-Generating Unit (CGU) for the reporting period ended 30 June 2025.

All operations are integral to and blended with each other and the Directors do not assess the financial performance of any one part of the business but rather individual projects that the broader business undertakes.

The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

K. Basis of preparation (cont.)

K4 – Foreign currency translation

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Alliance Aviation Services Limited's functional and presentation currency.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a net basis within other income or other expenses.

K5 — Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition will seldom equal the actual results. The Directors also need to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of any changes to policy and changes to previous estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

CARRYING VALUE OF AIRCRAFT

Aircraft useful life and depreciation

The aircraft useful life is based on estimates and assumptions which are derived from a combination of manufacturer guidelines, aircraft remaining cycles and future maintenance requirements.

There are four principal groups of components of each aircraft which assist with the determination of the useful lives and depreciation rates:

(i) the airframe

(ii) major components including the engines, landing gears and other significant value items which by their nature also have a maintenance constraint which affects the useful life

(iii) other significant components are also tracked individually which may also have a maintenance constraint; and

(iv) other assets of each aircraft which are normally 'pooled' for which an effective life of five years is generally applied.

As aircraft represent a significant portion of the assets of the Group, their useful life assumptions and estimates will impact the depreciation expense and the written down value of the aircrafts.

The useful life assumptions are reviewed on an annual basis, given consideration to variables, including historical and forecast usage rates, technological advancements, and changes in legal and economic conditions.

The Group performs heavy maintenance checks on a number of existing fleet units each financial year. These checks result in an increase in the useful life of the asset.

The Directors assess the most appropriate depreciation method for each of the individual assets identified in component groups (i), (ii) and (iii). The balance of other assets in components group (iv) has been pooled. Refer to note D2 for details of current depreciation method and rates used. Refer to K6 for Impairment of assets.

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K. Basis of preparation (cont.)
K5 — Critical estimates, judgements and errors (cont.)

Capitalisation of overhead relating to heavy maintenance

The Group performs heavy maintenance checks on a number of existing fleet units each financial year.

The Group capitalises labour and part costs for these checks to the aircraft asset. This capitalisation is based on invoices and other information received from external suppliers and timesheets completed by the engineering staff.

In addition to the parts and labour costs incurred, the Group capitalises an amount of overhead (overhead burden) to the aircraft asset. The overhead burden rate per labour hour is calculated at the start of each financial year by reviewing the pool of overhead costs that can be directly attributed to maintenance checks. This pool of costs includes maintenance planners, technical records staff, freight costs and procurement time amongst others. Once this pool of costs has been calculated, it is then spread out over the number of labour hours incurred in that financial year. This calculated rate is then capitalised at the finalisation of the maintenance check to the aircraft asset.

Transfers of property, plant and equipment to/from inventory

There are a number of parts that are removed from an aircraft which can be re-used either in their removed condition or re-used post repair or refurbishment. These parts are typically referred to as rotables. In some cases, parts are removed in a serviceable condition for inspection only.

The rotables removed as unserviceable are transferred from property, plant and equipment into inventory at the lower of cost or net realisable value (core value). Core value is a pre-determined benchmark that is representative of a marketable value of the part in its unserviceable condition. The benchmark values have been set historically and are adjusted as and when market conditions dictate.

Management assessment of these market conditions includes:

- Manufacturers service bulletins.
- Remaining useful life/cycles.
- Estimated repair and replacement costs.
- Availability of similar rotables in stock; and
- Availability of similar rotables on the open market.

Rotables that are removed for inspection purposes are only transferred at their carrying value until such time as the inspection is completed when any adjustments (if required) are made to the carrying value.

Note D1 discloses the accounting policy in relation to the Group's accounting treatment of inventory.

Aviation Services revenue

As announced on the ASX on 24 June 2025 the Group entered into a binding sale agreement with Beautech Power Systems for the sale of twelve engines totalling US$40.2 million. In the period ending 30 June 2025, ten of the twelve engines were delivered and the revenue for those ten engines has been included within Aviation Services revenue and the cost of the engines sold is included in parts and inventory cost. On the same date the Group entered into a binding Purchase Agreement to purchase engines to be delivered in the period October 2025 through to April 2026. Refer to Note J4 — Capital commitments.

As announced on 27 June 2025 the Group entered into a binding agreement for the sale of the majority of its Embraer E190-E1 inventory to Avian Inventory Management. Revenue of US$32.5 million has been included within Aviation Services revenue with the cost of the inventory sold included in parts and inventory cost. On the same date the Group entered into a Service Level Agreement with Avian to ensure reliable access to Embraer parts for a four-year period. Finally, on the same date the group entered into an agreement with Avian to lease warehouse space. As these agreements were negotiated and executed concurrently, they have been assessed in combination.

The critical judgements made in recognising revenue included assessing the standalone prices of the multiple components in the arrangements, that the performance obligations of the Group were satisfied before the year end and concluding that neither contract contained a significant financing component.

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K. Basis of preparation (cont.)

K6 — Impairment of assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units — CGU). The Directors have determined that the group has one CGU, being the aircraft charter and aviation services CGU.

Non-financial assets that incurred impairment in the past are reviewed for possible reversal of the impairment at the end of each reporting period.

FY2025 was marked by significant disruption across Australia's aviation sector, driven by industrial action, wage disputes, and extreme weather. These events led to increased operating costs, flight cancellations, and maintenance delays. Fleet capacity was impacted by structural damage to two aircraft, while Cyclone Alfred and widespread flooding further strained infrastructure and service delivery.

The Directors have reviewed and assessed whether any impairment indicators are present at the reporting date and based on the analysis undertaken, concluded that there are indicators present. One of the indicators is that market capitalisation fell below the Net Assets of the Group.

Accordingly, impairment testing has been performed for the aircraft charter services and aviation services CGU. The recoverable amount was based on value-in-use calculations using a discounted cash flow model consistent with AASB 136 — *Impairment of Assets*. The projections cover a five-year detailed forecast period, followed by a terminal growth rate for perpetuity. Capex assumptions are based on maintaining existing capital at the present operating capacity.

Based on these projections and assumptions, the impairment testing indicates the recoverable amount exceeds the relevant carrying amount for the aircraft charter services and aviation services CGU. Management concluded that no impairment or write down was required.

A sensitivity analysis was performed on the discount rate and growth rate as these assumptions have the greatest impact on the recoverable amount.

It is reasonably possible that a material adjustment to the recoverable amount of the identified CGU could be required if the actual conditions in FY2026 differ from the current assumptions.

The key assumptions on which management have based their cash flow projections include flight hours, contract renewals, aircraft capacity including the new E190 fleet, long-term inflation rate of 3.0% and a pre-tax discount rate of 12.8%.

K7 — Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

K8 — Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

L. CHANGES IN ACCOUNTING POLICIES

L1 — New accounting standards and interpretations adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new accounting standards and interpretations is that they are likely to be immaterial to the Group in future reporting periods and on near future transactions.

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Consolidated Entity Disclosure Statement

Name of Entity	Type of Entity	Trustee, Partner, Participant in JV	% Share Capital	Place of Incorporation	Australian Resident or foreign resident	Foreign Jurisdiction(s) of Foreign Residents
Alliance Aviation Services Limited	Body Corp	–	100%	Australia	Australian	N/A
Alliance Airlines Pty Limited	Body Corp	–	100%	Australia	Australian	N/A
Aircraft Leasing No.1 Pty Limited	Body Corp	–	100%	Australia	Australian	N/A
Aircraft Leasing No.2 Pty Limited	Body Corp	–	100%	Australia	Australian	N/A
Aircraft Leasing No.3 Pty Limited	Body Corp	–	100%	Australia	Australian	N/A
Jet Engine Leasing Pty Limited	Body Corp	–	100%	Australia	Australian	N/A
Bravo Airlines Pty Limited	Body Corp	–	100%	Australia	Australian	N/A
Unity Aviation Maintenance Pty Ltd	Body Corp	–	100%	Australia	Australian	N/A
Alliance Aviation Slovakia s.r.o.	Body Corp	–	100%	Slovakia	Foreign	Slovakia
Rockhampton Aviation Maintenance Pty Limited	Body Corp	–	100%	Australia	Australian	N/A

BASIS OF PREPARATION

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 — *Consolidated Financial Statements*.

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Directors' Declaration

In the Directors' opinion:

(a) The financial statements and notes set out on pages 40 to 78 are in accordance with the *Corporations Act 2001*, including:

  i complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  ii giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable,

(c) that the Consolidated Entity Disclosure Statement on page 79 is true and correct, and

(d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note J7 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note J7.

Note K1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



James Jackson
Chairman

Date: 20 August 2025

Sydney

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Independent auditor's report

To the members of Alliance Aviation Services Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Alliance Aviation Services Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated balance sheet as at 30 June 2025
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

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Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events .

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Carrying Value of Property, Plant and equipment – Aircraft Assets (Refer to note D2 and K6) During the year ended 30 June 2025 impairment indicators have been identified by the group for the aircraft charter services and aviation services Cash Generating Unit (CGU), which includes Property, Plant and equipment – Aircraft Assets. The recoverable amount of the CGU has been estimated using value in use (VIU) methodology utilising a discounted cash flow model. The key assumptions on which management have based their cash flow projections include flight hours, contract renewals, aircraft capacity including the new E190 fleet, long term inflation rate and a pre tax discount rate. This was a key audit matter due to the significance of Property, Plant and equipment – aircraft assets on the consolidated balance sheet and the judgements and assumptions outlined above in determining whether there is an impairment charge.	We have performed the following procedures amongst others: • Developed an understanding of the relevant controls associated with the identification of impairment indicators and the preparation of the discounted cash flow models used to assess the recoverable amount of the Group's cash generating unit (the impairment models) • Evaluated the Group's assessment of whether there were any indicators of asset impairment, by reference to the financial performance of the group for the year and market capitalisation as at 30 June 2025 • Tested the mathematical accuracy of key data included in the impairment model calculations • Assessed whether the CGU included assets, liabilities and cash flows directly attributable to the CGU • Evaluated the Group's methodologies and their documented basis for significant assumptions utilised in the impairment models which are described in Note K6 • Compared the significant assumptions used in the impairment model to historical results • Compared the forecast cash flows used in the impairment model to the most up-to-date budgets and business plans formally approved by the Board • Evaluated the Group's historical ability to forecast future cash flows by comparing budgets with reported actual results for the past year

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Key audit matter	*How our audit addressed the key audit matter*

	• With the assistance of PwC valuation experts:
	  • Assessed whether the VIU model used to estimate the recoverable amount of the CGU is consistent with the requirements of Australian Accounting Standards
	  • Assessed whether the discount rates appropriately reflect the risks of the CGU by comparing the discount rates assumptions to market data, comparable companies and industry research
	• Evaluated the reasonableness of the disclosures made in note K6, including those regarding key assumptions, against the requirements of Australian Accounting Standards

Revenue recognition in relation to Aviation services (Refer to note A1 and K5) During the year ended 30 June 2025 the group entered into two significant transactions involving the sale of inventory (engines and parts). The critical judgements made in recognising revenue included assessing the standalone prices of the multiple components in the arrangements, that the performance obligations of the Group were satisfied before the year end and concluding that neither contract contained a significant financing component. We determined that the accounting for these inventory transactions was a key audit matter due to their financial significance as well as the level of judgement involved.	We have performed the following procedures amongst others: • Developed an understanding of the key controls associated with Aviation services revenue • Evaluated the application of the Group's accounting policy against the requirements of Australian Accounting Standards, the transaction agreements, our understanding of the Group's inventory, and managements evaluation of the transactions • Assessed the amount of revenue recognised in the year by inspecting the transaction documents and bank statements • Obtained evidence to confirm that the risk and rewards of control have been transferred to the counterparties at the balance sheet date • Assessed critical judgements made by management with reference to the terms of the transaction and supporting information. • Evaluated disclosures in Note A1 and K5 in light of the requirements of Australian Accounting Standards

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Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

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individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

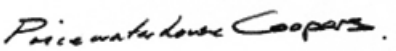
Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of Alliance Aviation Services Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



PricewaterhouseCoopers



Tim Allman
Partner

Brisbane
20 August 2025

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Shareholder Information

AS AT 30 JUNE 2025 UNLESS STATED OTHERWISE

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Distribution of equity securities

Analysis of the number of equity security holders by size of holding and the total percentage of securities in that class held by the holders in each category:

	Shares on Issue		Rights on Issue	
Ordinary Shares: Holding by Size	**No. of holders**	**% of shares**	**No. of holders**	**% of rights**
1–1,000	1,643	0.4	–	–
1,001–5,000	1,047	1.7	2	–
5,001–10,000	361	1.7	5	8
10,001–100,000	418	7.2	6	92
100,000 and over	45	89.0	–	–
Total	**3,514**	**100.0**	**13**	**100**

There were 399 holders of less than a marketable parcel of ordinary shares.

Equity security holders

The names of the 20 largest holders of quoted equity securities are listed below:

Ordinary Shares: Equity Holder	**Number held**	**% issued shares**
Qantas	31,705,969	19.70
HSBC Custody Nominees (Australia) Limited	31,464,109	19.55
JP Morgan Nominees Australia Pty Limited	15,155,316	9.42
Bond Street Custodians Limited <CAJ-D64993 A/C>	14,900,000	9.26
Kiowa Two Thousand Corporate Trustee Company Limited	11,596,562	7.21
Citicorp Nominees Pty Ltd	8,490,483	5.28
Mr Hugh Jones & Mrs Pixie Jones & Mr Raymond Clarke <2000 A/C>	6,262,997	3.89
Airline Investments Australia Pty Limited <Finehold & Pastoral Unit>	5,803,269	3.61
Bond Street Custodian Limited <CAJ-V02075 A/C>	3,583,842	2.23
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	2,409,447	1.50
Bond Street Custodians Limited <CAJ-D09461 A/C>	1,850,000	1.15
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	1,206,370	0.75
Bond Street Custodians Limited <CAJ-D68501 A/C>	1,000,010	0.62
UBS Nominees Pty Ltd	667,519	0.41
Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>	613,024	0.38
Telunapa Pty Ltd <Telunapa Captial A/C>	500,000	0.31
CPG Investment Group Pty Limited	494,110	0.31
Pacific Custodians Pty Ltd	491,070	0.31
Mrs Wanda Susan Drennan & Mr Geoffrey John Drennan <G J Supa Combos S/F A/C>	458,000	0.28
Bond Street Custodians Limited <CJ9 - D87543 A/C>	340,000	0.21
Sub total	**138,992,097**	**86.38**
Balance of register	21,958,902	13.62
Total	**160,950,999**	**100.00**

Shareholder Information (cont.)

AS AT 30 JUNE 2025 UNLESS STATED OTHERWISE

Substantial holders

Substantial holders (including associate holdings) in the Company, based on the most recent substantial holder notices lodged with the Company and ASX, are set out below:

Ordinary Shares: Substantial Equity Holder	Number held	% issued shares
Qantas Airways Limited	24,812,011	15.44
KIOWA Two Thousand Corporate Trustee Company Limited	15,992,892	9.95
Remco Properties Pty Ltd	18,653,499	11.61
Viburnum Funds Pty Ltd	16,593,875	10.31
Perennial Value Management Limited	8,872,601	5.52
First Sentier Investors Holdings Pty Limited	8,542,680	6.31
Total	**93,467,558**	**59.14**

Voting rights

FULLY PAID ORDINARY SHARES

The voting rights attached to each ordinary share are on a show of hands and every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

PERFORMANCE RIGHTS

The performance rights do not have any voting rights. The fully paid ordinary shares to be allotted on the exercise of the performance rights will have the voting rights noted above for fully paid ordinary shares.

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Company Directory

Principal registered office in Australia

Street	81 Pandanus Avenue Brisbane Airport QLD 4009
Website	www.allianceairlines.com.au
Phone	07 3212 1212
Fax	07 3212 1522
Email	executive@allianceairlines.com.au
ACN	153 361 525
IATA Code	QQ

Directors

J Jackson	Independent Non-Executive Chairman (Chairman) *Appointed 12 February 2025*
S McMillan	Managing Director
M Stanton	Independent Non-Executive Director
B Campbell	Independent Non-Executive Director *Appointed 12 February 2025*

Secretaries

N Clark and A Evans

Senior management

Chief Executive Officer
S Tully

Chief Financial Officer
M Devine
Resigned effective 6 September 2024

A Evans
Appointed effective 1 September 2024

Chief Operating Officer
P Doherty

Share register

MUFG Corporate Markets IR Pty Ltd
Liberty Place,
Level 41, 161 Castlereagh Street, Sydney NSW 2000

Auditor

PricewaterhouseCoopers
480 Queen Street, Brisbane QLD 4000

Solicitors

Norton White
66 Hunter Street, Sydney NSW 2000

Herbert Smith Freehills Kramer
80 Collins Street, Melbourne VIC 3000

Financiers

Australia and New Zealand Banking Group Limited
111 Eagle Street, Brisbane QLD 4000

Pricoa Private Capital
126 Phillip Street, Sydney NSW 2000

Northern Australia Infrastructure Facility
Level 2, 111 Grafton Street, Cairns QLD 4870

Fiduciary Services
Australia and New Zealand Banking Group Limited

Stock exchange

Australian Securities Exchange
Exchange Centre, 20 Bridge Street, Sydney NSW 2000

ASX Code: AQZ

An electronic copy of this Annual Report is available at https://www.allianceairlines.com.au/investor-centre

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