

31st March 2022

ASX Release

Alliance Aviation Services Limited (“Alliance”) (ASX:AQZ)

Alliance announces revised covenant agreement and increased facility levels

- Debt covenant waiver previously received for the December 2021 quarter.
- Alliance’s financiers have confirmed amended debt covenant terms.
- Increase in available facilities by \$25 million.

Alliance today announces it has agreed new banking covenant levels with its current financiers, Pricoa Private Capital (“Pricoa”) and Australia and New Zealand Banking Group Limited (“ANZ”) at no cost. These new levels better align with the growth trajectory that Alliance has been embarking on since June 2020. This follows the receipt of a covenant waiver for the December 2021 quarter which was required as a result of Alliance investing significant capital and operational expenditure on its E190 aircraft deployment project.

Alliance also took the opportunity to increase its available facilities by \$25m to provide additional liquidity during the continued growth phase.

Alliance’s Managing Director, Scott McMillan, commented, “A combination of the full impact of the AASB 16 accounting standard changes, the ongoing impacts of COVID-19 on our operations and half year financial results provided Alliance with an opportunity to work with Pricoa and ANZ to better align our banking covenants.”

The debt covenants now more accurately reflect the true risk of the debt provision and have been adjusted for the following:

- the full impact of AASB 16 (including recently renewed long term hangar leases);
- the imminent drawdown of project debt for the construction of a purpose-built maintenance facility in Rockhampton from NAIF; and
- the increased expenditure to service the Qantas wet lease arrangement.

Mr McMillan continued, “Alliance’s focus now turns to ensuring we are able to meet the increasing demand for contract, charter and wet lease services. There has been a sharp rise in capacity demand from mid-March.”

- Ends -

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

About Alliance

Alliance is Australasia's leading provider of contract, charter and allied aviation and maintenance services currently employing more than 900 full time staff.

The Company provides essential services to mining, energy, tourism and government sectors and holds IATA's IOSA certification and Flight Safety Foundation "BARS Gold" status, the first such carrier in Australia to be so recognised.

Alliance currently operates a fleet of 14 E190, 24 Fokker F100, 14 Fokker 70LR jet aircraft and five Fokker 50 turboprop aircraft. 16 additional E190 aircraft are scheduled to be added during 2022. Two E190 aircraft are leased out to a third party.

Alliance has world leading operational performance, a key attribute sought by its customers.

The Company has operational bases in Brisbane, Townsville, Cairns, Melbourne, Adelaide, Perth, Darwin and Rockhampton and a dedicated engineering base located at Brisbane Airport. Alliance is locally owned with the majority of the Company's shareholders located in Australia or New Zealand.

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