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Alliance

RESULTS PRESENTATION

- Half Year Ended -

31 December 2025

Alliance Aviation Services Limited

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AGENDA

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1H26 KEY MESSAGES

Stewart Tully, Managing Director

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KEY MESSAGES

- Core contracted (FIFO) business remains resilient, underpinned by strong safety and operational performance coupled with a positive outlook for the resources sector
- Commercially unviable and cash flow negative arrangement with major wet-lease customer materially impacted Group financial performance; good faith negotiations ongoing
- \$164.8 million fleet impairment and inventory write-down announced in February 2026
- Turnaround underway, with focus on capital allocation, free cash flow generation including asset sales and expense management
- Aircraft trading activity ceased as at 31 December 2025
- NTA of \$2.22 per share as at 31 December 2025¹

1) NTA calculated as net assets, less intangibles



1H26 UNDERLYING RESULTS

UNDERLYING REVENUE¹

\$368.8m

1H25: \$338.9m

UNDERLYING EBITDA¹

\$87.4m

1H25: \$101.2m

UNDERLYING PBT¹

\$14.6m

1H25: \$41.3m

UNDERLYING NPAT¹

\$11.9m

1H25: \$28.8m

OPERATING CASH FLOW²

\$8.2m

1H25: \$27.2m

NET DEBT

\$433.4m

30 JUN 2025: \$378.0m

FLEET

81

36 FOKKER | 45 EMBRAER

FLIGHT HOURS

59,207

1H25: 58,362

1) Adjustments in underlying results detailed in Appendix on Slide 22. 2) Operating cash flow before aircraft purchases for inventory.

WET-LEASE UPDATE

Update on review of major wet-lease customer agreement, arrangement or understanding

- Commercially unviable and cash flow negative arrangement with major wet-lease customer materially impacting Group financial performance
- Under this arrangement, Alliance provides critical regional transport infrastructure supporting rural, resources and tourism industries, which is necessary to the customer's current network
- Alliance has initiated and is now engaged in a good faith commercial negotiation with the customer
- The Alliance Board is taking advice and is exploring a range of alternative options if a timely negotiated outcome cannot be achieved



ASSET IMPAIRMENT AND FLEET RENEWAL

Revised financial outlook has necessitated the need to impair the book value of the company's fleet and related assets.

Alliance has subsequently recognised:

- \$144.6m impairment on Fokker F70 and F100 aircraft and engines
- \$7.2m impairment on right of use (ROU) assets
- \$0.1m impairment of intangible assets
- \$12.9m write-down on Fokker spare parts and inventory
- All are non-cash accounting adjustments and do not impact Alliance's cash position, operations or debt covenants

Fokker aircraft to be progressively retired and replaced over 4-5 years, with long-term fleet renewal planning underway.



OPERATIONAL TURNAROUND UNDERWAY

Capital, cash and contract discipline to provide a platform for sustainable growth

IMPROVE CAPITAL ALLOCATION

Optimise fleet, improve utilisation and divest non-core or underperforming assets

- ✓ Revised fleet plan underway
- ✓ Aircraft and non-core asset sales identified and listed via agents
 - Surplus aircraft
 - Hangars
 - Engine cores
 - Surplus parts inventory

IMPROVE FREE CASH FLOW

Implement disciplined maintenance capital expenditure, cost control, staffing alignment and financial accountability

- ✓ Established planned engine procurement strategy with focus on cost efficiency
- ✓ Reviewed and continued reduction in maintenance expenditure
- ✓ Commenced organisation-wide staffing review
- ✓ Commenced review and implementation of controls for reducing operating costs

IMPROVE SALES & CUSTOMER MANAGEMENT

Improve contract quality and revenue discipline

- ✓ Reviewing customer contracts to identify arrangements that do not meet required return thresholds
- ✓ Addressing under-performing wet-lease activity
- ✓ Pursue targeted growth opportunities

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1H26 FINANCIAL PERFORMANCE

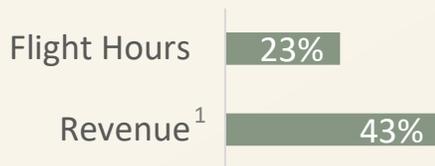
Simon Vertullo, Chief Financial Officer

REVENUE STREAMS

CONTRACTED FIFO

Flights operated on behalf of resource sector customers

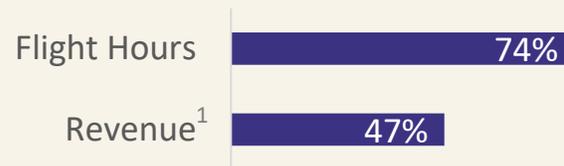
- Revenue performance remains resilient
- Diverse long-term contracted FIFO client base
- Predominately serviced by Fokker aircraft
- Significant regional presence provides a distinct advantage in gaining, and retaining, customers.



WET-LEASE

Providing flight services to major airlines

- Full aircraft deployment of 30 Embraer 190 and complement of Fokker aircraft
- Continued strength in on-time performance and safety
- Commercially unviable and cash flow negative arrangement with major customer materially impacting financial performance



AVIATION SERVICES & OTHER REVENUE

Provision of specialised aviation services and inventory trading

- Aircraft trading activity ceased as at 31 December 2025
- In future, Aviation Services will concentrate exclusively on supporting the Alliance fleet



1) Revenue as a percentage of revenue from continuing operations as per Financial Statements.

UNDERLYING INCOME STATEMENT¹

Revenue

- Full deployment of wet lease aircraft and 3% increase in flight hours
- Resilient contract revenue for FIFO
- Limited aircraft capacity for Charter flying
- Aviation Services revenue includes \$18.1m from Aviation trading from the sale of engine cores and airframes (this generated a net loss of \$2.3m for the period)
- Other Revenue includes \$7.3m in dry lease revenue

Operating Expenses

- Increased costs running ahead of CPI
- Impact of Enterprise Agreement for flight crew and engineer costs
- Increased repairs and maintenance costs particularly AVIAN related expenses with benefits yet to be achieved

Other Costs

- Depreciation has increased from higher cost replacement engines and increased heavy maintenance costs
- Increased finance cost resulting from debt funded fleet expansion

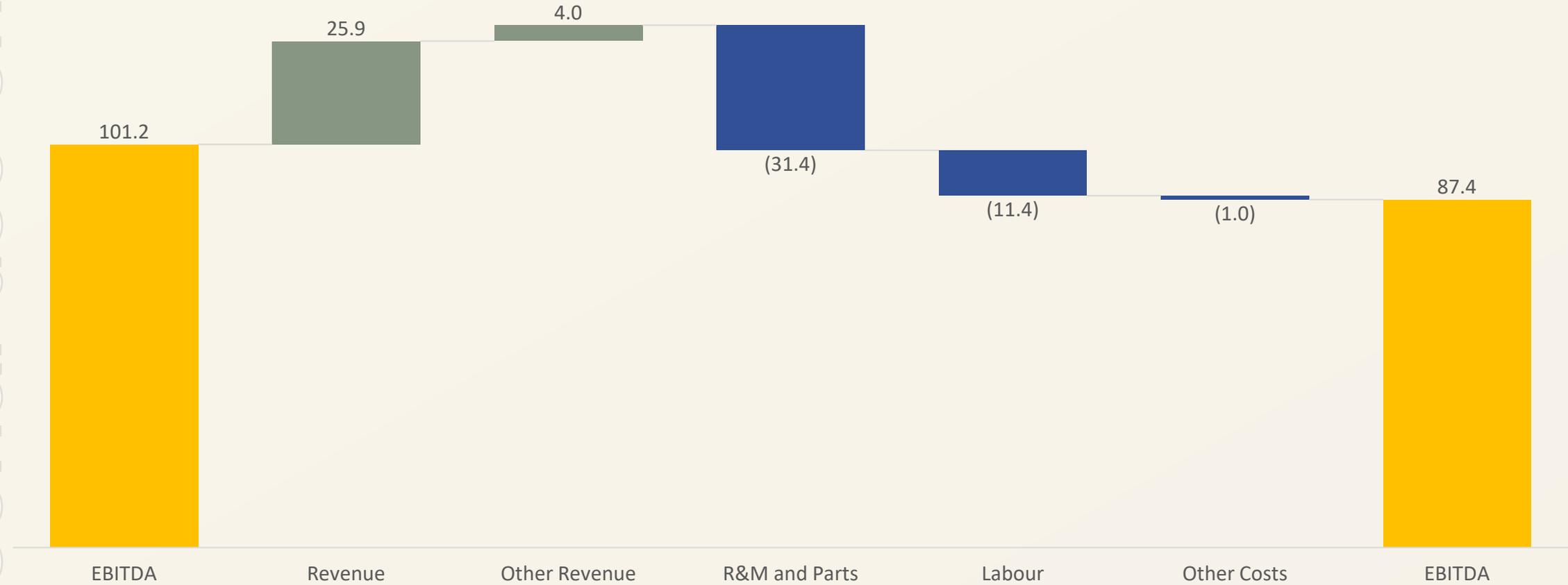
\$ millions	31 Dec 2025 Underlying	31 Dec 2024 Actual	PCP Change
Revenue			
Contract Revenue	152.6	153.6	(1%)
Charter Revenue	7.1	7.2	(1%)
Wet Lease Revenue	169.8	160.1	6%
RPT Revenue	5.8	5.9	(2%)
Aviation Services Revenue	18.7	4.9	282%
Other Revenue	14.8	7.2	106%
Total Revenue	368.8	338.9	9%
Operating Expenses	(281.4)	(237.7)	(18%)
EBITDA	87.4	101.2	(14%)
Depreciation and amortisation	(55.3)	(43.9)	(26%)
EBIT	32.1	57.3	(44%)
Finance costs	(17.5)	(16.0)	(9%)
PBT	14.6	41.3	(65%)
Income tax expense	(2.7)	(12.5)	78%
NPAT	11.9	28.8	(59%)
Basic EPS (cents)	7.4	18.0	(59%)

1) Adjustments in underlying results detailed in Appendix on Slide 23.

EBITDA BRIDGE (UNDERLYING)

Key movements in 1H26 include increased repairs & maintenance and labour

1H25 EBITDA to 1H26 EBITDA (\$m)



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STATEMENT OF FINANCIAL POSITION

Statutory Impairment

- An impairment charge of \$144.6 million against the carrying value of Fokker F70 and F100 aircraft and engines
- Other impairment and write-downs were Fokker inventory of \$12.9 million, ROU assets of \$7.2 million and intangibles of \$0.1 million
- Post-impairment Net Tangible Asset valuation of \$2.22 per share¹
- Independent aircraft valuation exceeded the written down value of the Embraer fleet by \$67 million

Inventory (pre-impairment)

- Costs associated with aircraft classified as inventory of \$8.3 million and the purchase of engines, rotables and spares of \$22.7 million

Debt

- Net Debt was \$433.5 million, including \$23.0 of newly drawn debt offset by mandatory payments of \$5.7 million
- Continue to be compliant with all covenants

Net Assets

- Net Asset position decreased to \$357.9m, principally driven by the impairment

1) NTA calculated as net assets, less intangibles

	31 Dec 2025	30 Jun 2025	
\$ millions	Actual	Actual	Change
Cash	58.4	96.5	
Receivables	86.9	85.7	
Inventory	104.7	86.5	
Total Current Assets	250.0	268.7	(7%)
PP&E	800.5	901.9	
Intangibles	-	0.1	
Right of Use Assets	25.6	34.4	
Total Non-Current Assets	826.1	936.4	(12%)
Trade & Other Payables	92.9	83.3	
Borrowings	11.5	11.5	
Current Tax Liabilities	-	-	
Lease liabilities	4.6	4.5	
Provisions /Other	25.3	25.5	
Total Current Liabilities	134.3	124.8	8%
Borrowings	480.4	463.1	
Provisions /Other	5.5	3.8	
Lease Liabilities	32.9	34.4	
Deferred Tax Liability	65.1	110.4	
Total Non-Current Liabilities	583.9	611.7	(5%)
Total Liabilities	718.2	736.5	(2%)
Net Assets	357.9	468.6	(24%)

CAPITAL EXPENDITURE

Existing fleet capital expenditure

- Engine care program (Rolls-Royce) expired December 2024
- Operating cost capitalisation driven by additional Rockhampton base maintenance with one line fully operational
- Increase demand of parts utilised in maintenance due to increased activity and aging fleet

Aircraft acquisitions

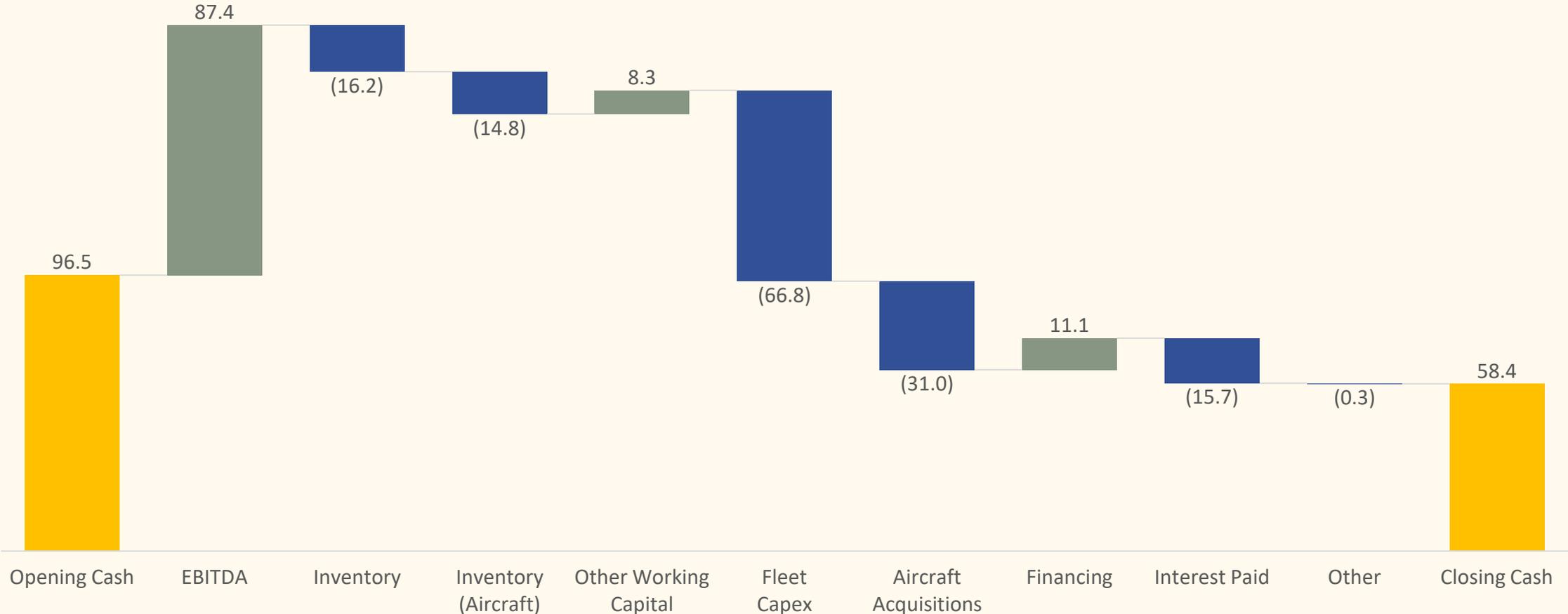
- Settling and EIS of AerCap aircraft entering the fleet
- Total aircraft acquisitions of \$31.0 million brings the fleet to 81 fully owned aircraft

\$ millions	31 Dec 2025 Actual	31 Dec 2024 Actual
Existing Fleet Capital Expenditure		
Cash outflows		
Base maintenance providers	19.7	19.5
Engine care program	-	12.0
Other miscellaneous	(1.7)	3.8
Operating costs capitalised	6.1	2.5
Total Cash Outflows	24.1	37.8
Inventory used for Capital Expenditure		
Parts from inventory used in maintenance	42.7	21.9
Total Existing Fleet Capital Expenditure	66.8	59.7
Aircraft Acquisitions		
Cash outflows		
Costs associated with aircraft acquisitions	25.4	48.5
Brisbane hangar costs	-	19.6
Operating costs capitalised	3.2	1.4
Total Cash Outflows	28.6	69.5
Inventory used for Capital Expenditure		
Parts from inventory used	2.4	16.5
Total Aircraft Acquisitions	31.0	86.0
Total Capital Expenditure	97.8	145.7

CASH FLOW BRIDGE

The cash position in the half has been impacted by outsized maintenance capex

1H26 Cashflow Bridge (\$m)



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STRATEGY AND OUTLOOK

James Jackson, Chairman

FY26 EARNINGS GUIDANCE

FY26 Underlying Guidance

PBT \$35-40 million

Updated guidance reflecting:

- Cessation of aircraft trading activities resulting in the removal of the forecast \$18m PBT contribution from these activities
- Offset by the reduction in depreciation expense following the fleet impairment (~\$9-10m)
- Net debt subject to uncertainty relating to timing and execution of surplus asset sales
- Guidance provided on an underlying basis excluding impairment expense

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Q & A





A P P E N D I X

CASH FLOW STATEMENT

- Operating cash flows includes \$14.8 million for the purchase and associated costs of two aircraft classified as inventory
- Interest paid has increased \$3.8 million due to the additional debt
- Payments for PP&E included:
 - Embraer fleet expansion capex - \$25.4 million
 - Fokker and Embraer fleet maintenance capex - \$19.6 million
- \$23.0 million of debt was drawn down in the year to fund the acquisition of aircraft
- Contracted loan repayments of \$5.7 million were made
- Payment of final dividend for FY25 of 3.0 cents per share totalling \$4.8 million
- Aircraft acquisition capex inclusive of Embraer fleet expansion was \$31.0 million (includes operating costs capitalised and parts used from inventory)

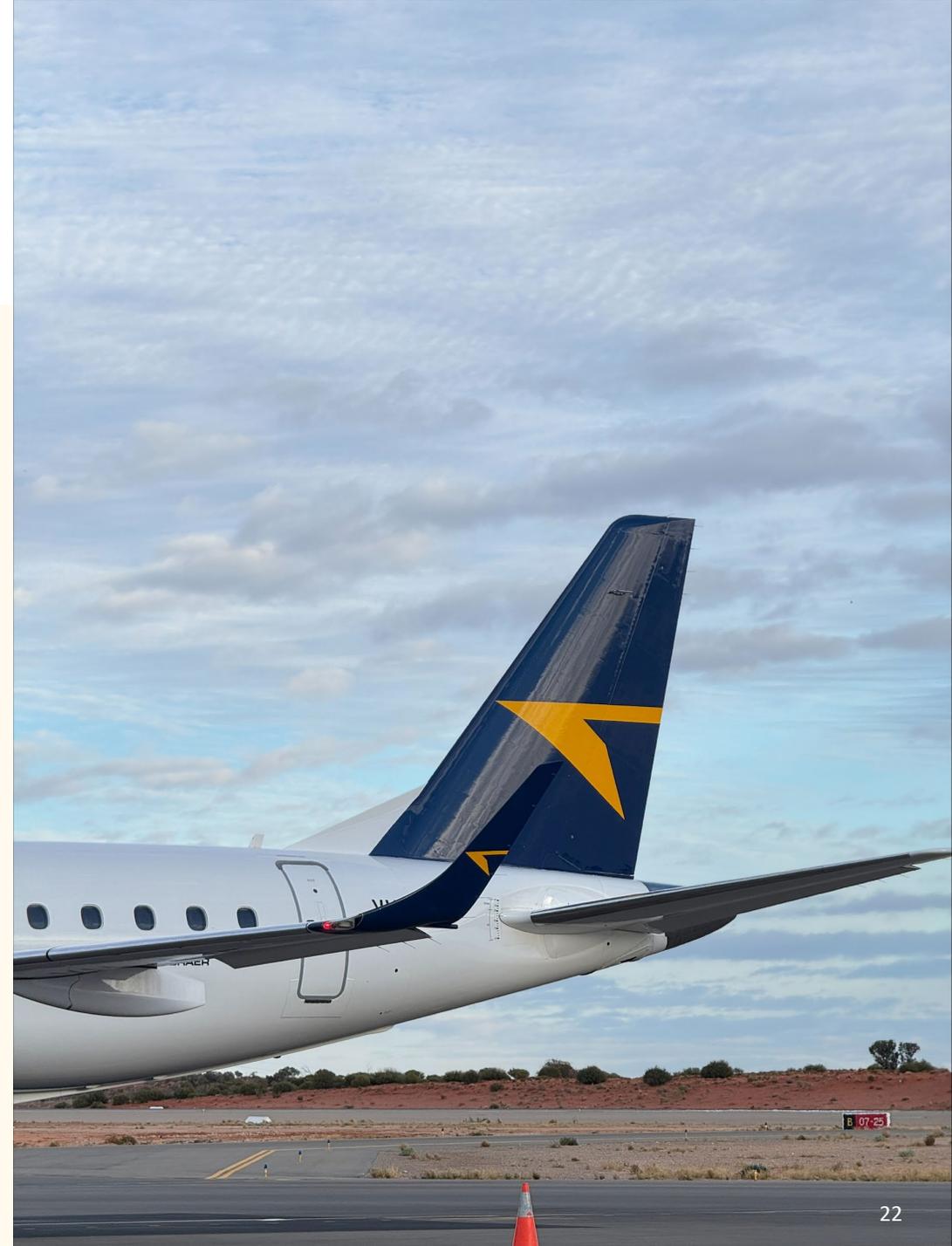
	31 Dec 2025	31 Dec 2024
\$ millions	Actual	Actual
Receipts from customers (Inclusive of GST)	396.9	393.8
Payments to suppliers (inclusive of GST)	(387.0)	(396.7)
Interest received	0.3	0.2
Interest paid	(16.0)	(12.2)
Income tax (paid)/refunded	-	(0.2)
Net Cash Inflow (outflow) from Operating Activities	(5.8)	(15.1)
Payments for property, plant and equipment	(43.4)	(103.4)
Free Cash flow	(49.2)	(118.5)
Proceeds from borrowings	23.0	111.7
Repayment of borrowings	(5.7)	(3.7)
Dividends paid	(4.8)	-
Principal elements of lease payments	(1.4)	(1.1)
Net Cash Inflow (outflow) from Financing Activities	11.1	106.9
Net Increase (Decrease) in Cash and Cash Equivalents	(38.1)	(11.6)
Cash and Cash Equivalents at beginning of the year	96.5	31.2
Cash and Cash Equivalents at end of year	58.4	19.6

RECONCILIATION OF RESULTS

1H26 Income statement

\$ millions	31 Dec 2025 Underlying	Underlying Adjustment ¹	31 Dec 2025 Statutory
Revenue			
Contract Revenue	152.6	-	152.6
Charter Revenue	7.1	-	7.1
Wet Lease Revenue	169.8	0.3	170.1
RPT Revenue	5.8	-	5.8
Aviation Services Revenue	18.7	-	18.7
Other Revenue	14.8	-	14.8
Total Revenue	368.8	0.3	369.1
Operating Expenses	(281.4)	(14.1)	(295.5)
Impairment Costs	-	(151.9)	(151.9)
EBITDA	87.4	(165.7)	(78.3)
Depreciation and amortisation	(55.3)	-	(55.3)
EBIT	32.1	(165.7)	(133.6)
Finance costs	(17.5)	-	(17.5)
PBT	14.6	(165.7)	(151.1)
Income tax expense	(2.7)	48.0	45.3
NPAT	11.9	(117.7)	(105.8)
Basic EPS (cents)	7.40		(65.7)

1) Underlying results excludes \$0.3m adjustment from prior year revenue, payroll tax adjustment of (\$1.2m), the impairment of Fokker aircraft (\$144.6m), impairment of Right of Use (ROU) assets (\$7.2m), impairment of intangibles of (\$0.1m), write-down of inventory (\$12.9m) and the associated tax impacts of the adjustments of \$48.0m



OPERATIONAL METRICS

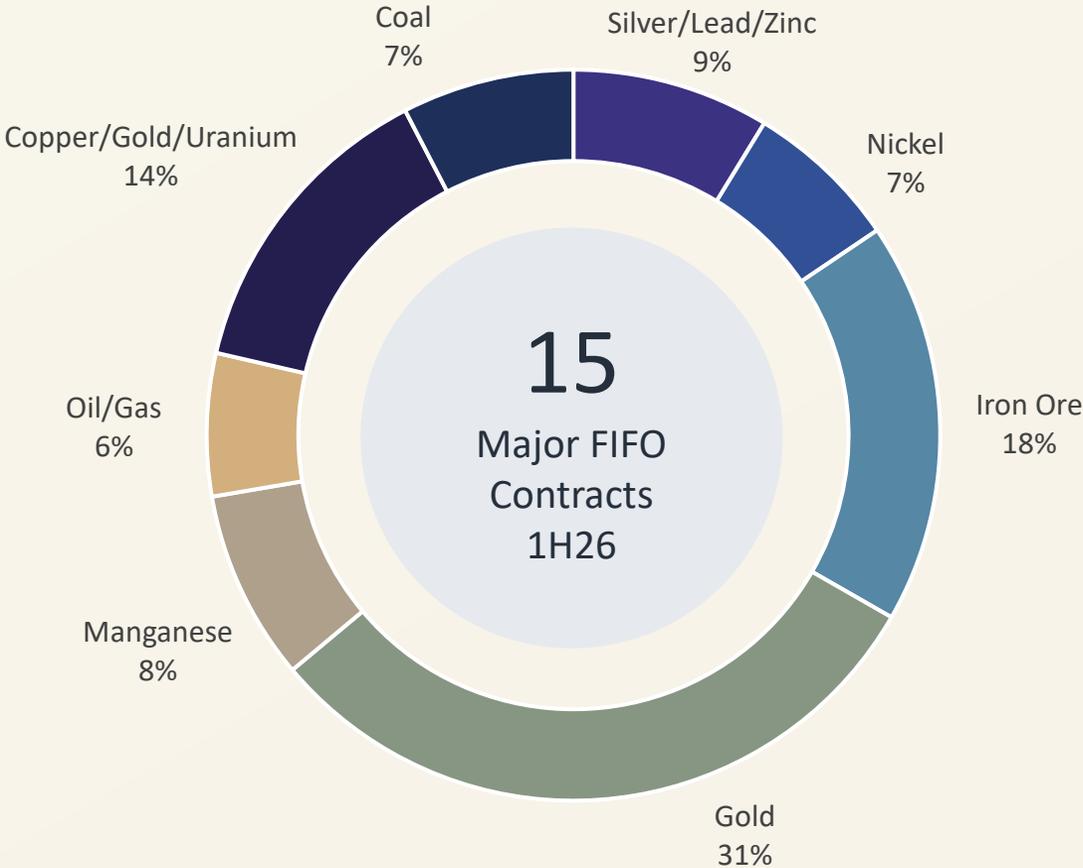
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	31 Dec 2025	31 Dec 2024
	Actual	Actual
Aircraft in Service - Fokker	36	38
Aircraft in Service - Embraer	45	41
Aircraft in Service - Total	81	79
Flight Hours - Contract	13,816	14,265
Flight Hours - Charter	505	595
Flight Hours - Wet Lease	43,940	42,682
Flight Hours - RPT	435	423
Flight Hours - (incl maintenance)	511	397
Flight Hours - Total	59,207	58,362
Staff numbers at end of the period (FTE)	1,429	1,430
Contract Revenue as % of Total Revenue	43%	46%
Wet Lease Revenue as % of Total Revenue	47%	48%

COMMODITY EXPOSURE

Major commodity exposure as a percentage of the top 15 contracted FIFO client's revenue for the year ended 31 December 2025.



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