

31st May 2021

## ASX RELEASE

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

## **Alliance refinances and increases its debt facilities for E190 expansion**

Alliance is pleased to announce that it has successfully completed the refinancing of its debt facilities which were due to expire in January 2022. The arrangements include a refinancing of its current debt and the introduction of new longer term fixed loans.

Alliance's total available debt facility will be \$176 million, which will be utilised for the settlement of the balance of the previously announced E190 transactions and funding the maintenance checks required to enter the aircraft into revenue service, including on the recently announced contract with Qantas.

The debt facilities consist of the following:

- \$71 million 3-year revolving bank loan facility
- \$5 million working capital loan facility
- \$25 million 4.5-year fixed rate institutional loan
- \$25 million 7-year fixed rate institutional loan
- \$50 million 10-year fixed rate institutional loan

The weighted average interest rate applicable to these loans is between 2.7% and 2.9%, with the facilities providing significant headroom for further expansionary opportunities.

The bank facility has been refinanced with one of Alliance's existing lenders, the Australia and New Zealand Banking Group (“ANZ”), and the new fixed rate institutional loans have been entered into with Pricoa Private Capital (“Pricoa”) who are part of the Prudential Financial Group, one of the world's largest providers of long-term debt.

The new mix in facility structure aligns with Alliance's view that the E190 are long term assets and need to be funded as such. These new fixed rate loans will allow Alliance to focus on E190 deployment whilst ensuring the Fokker fleet continues to be the backbone of its charter business.

Commenting on the refinancing, Managing Director, Scott McMillan said, “We are extremely satisfied with the outcome of this financing renewal. Alliance has always taken a longer-term view of the assets it acquires, and we have now sourced funding that aligns with this view.

Pricoa has provided Alliance with debt facilities that have more flexible terms at a lower cost to the group and with a tenure that will allow Alliance to focus on the deployment of these aircraft and a return of capital to its shareholders in a short a time as possible. We welcome Pricoa to the Alliance family and are very excited to see this relationship grow in the future.”

Mr McMillan continued “I must also thank the ANZ who have supported Alliance through its various growth stages since 2011 and have again shown confidence in Alliance by increasing its funding to support the E190 expansion.”

- Ends -

This announcement has been authorised for release by the Board of Alliance Aviation Services Limited.

### **About the Alliance Group**

*Alliance is Australasia's leading provider of contract, charter and allied aviation and maintenance services currently employing in excess of 700 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 five E190, 24 Fokker F100, 14 Fokker 70LR jet aircraft and five Fokker 50 turboprop aircraft.*

*In 2020 Alliance announced the acquisition of 30 E190 jet aircraft together with associated spare parts, spare engines, tooling and a Full Flight Simulator. To date 22 aircraft have been settled with five operating revenue services. The remaining fleet units will be entered into the Alliance operating fleet progressively through the remainder of 2021 and 2022 providing the company with substantial growth capacity.*

*In February 2021, Alliance signed a wet lease capacity agreement with QANTAS which would see up to 14 E190 aircraft operating services for QANTAS. Currently there are three aircraft operating wet lease services under this agreement with an additional option of five being exercised by QANTAS in May 2021.*

*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.*

*For more information contact:*

*Marc Devine  
Chief Financial Officer and Company Secretary  
Alliance Aviation Services Limited  
+61 (7) 3212 1201*