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ASX Release

Alliance Aviation Services Limited
("Alliance" or "the Company") (ASX: AQZ)

Alliance and Qantas finalise revised wet lease agreement; Alliance announces organisational changes and reaffirms FY26 guidance

Alliance Aviation Services Limited (ASX: AQZ) today announced it has negotiated materially revised terms for its wet lease agreement with Qantas Airways Limited ("Qantas") (ASX: QAN) and a plan to align the business with the reduced fleet and flying requirements of the revised agreement.

Revised Qantas wet lease agreement

Alliance has reached agreement with Qantas to materially revise the terms of its existing wet lease contract, positioning the business for sustainable long-term performance while reaffirming the strong partnership between the two companies.

Key improvements for Alliance under the revised agreement include:

- A meaningful increase in pricing commencing from 1 July 2026;
- A revised annual price escalation mechanism to better reflect future cost increases; and;
- A staged reduction from 30 aircraft to 23 aircraft over the course of FY27 reflecting a planned reduction in flying hours, reducing Alliance's committed capital and enabling alternative opportunities for these aircraft.

Alliance Managing Director Stewart Tully said the revised agreement is expected to deliver a material improvement in Alliance's profitability and represents an important step forward in Alliance's valued partnership with Qantas.

"This agreement improves the expected returns and cash flow for Alliance and demonstrates the strength of our partnership with Qantas," Mr Tully said.

"Alongside the broader actions announced today, the revised agreement represents an important early step in our transformation program, which is required to improve Alliance's operational and financial resilience and position the business for sustainable long-term performance."

Alliance to align workforce and operating model with revised flying requirements

Alliance also announces today that it will right size its business to better align its workforce and operating model with future operational requirements.

Alliance will commence a phased consultation process with its workforce over the coming months. The Company will continue to identify opportunities to simplify operations and improve efficiency while maintaining its unwavering commitment to safety, regulatory compliance and operational performance.

Alliance reaffirms underlying guidance

Alliance anticipates FY26 underlying profit before tax (PBT) to be at the mid-point of previous guidance of $35 million to $40 million. As the principal commercial changes to the Qantas wet lease agreement commence from FY27, Alliance will provide further information on the anticipated group-wide financial impact when it releases its FY26 results on 25 August 2026.

- 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 ACMI, contract, and charter airline services, with a fleet of over 70 operational aircraft. The Company provides essential services to mining, energy, and government sectors as well as wet lease services for other airlines, including Qantas and Virgin Australia. Alliance holds IATA's IOSA certification and Flight Safety Foundation "BARS Gold" status, the first such carrier in Australia to achieve gold status.

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