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ASX RELEASE

REX ANNOUNCES 1HFY23 FINANCIAL RESULTS

Regional Express Holdings Limited ('Rex') today announced an after-tax loss of A\$16.5 million (M) for the six months ended 31 December 2022 (1HFY23), an improvement of 55% over the prior corresponding period.

This loss includes a negative impact of A\$23M related to mark-to-market valuation of the Convertible Note and Warrant facility entered into with PAG in 2020. This loss is not cash in nature and was brought about by the increase in value of Rex shares. Operating loss after tax for the period was A\$1.9M but cash in bank almost doubled compared to the prior period.

Domestic jet services returned to monthly profitability in September 2022, a mere seven months after the full resumption of domestic services (February 2022). Domestic operations achieved consistent growth for four consecutive months to the end of the period.

Regional operations have been a drag on the Group's performance. Nevertheless, regional services have been positive at EBITDA level for the last four months of the period and are expected to return to monthly profitability in Q3FY23.

Revenue (excluding government grants) for the period improved by 282.2% against the same period last year. Government grants and subsidies declined by 93% to A\$1.9M.

The Group has also celebrated numerous milestones, including its 20th anniversary and the purchase of National Jet Express (NJE), formerly known as Cobham Aviation Services Australia - Regional Services. Rex has also just announced the lease of two more Boeing 737-800NG's to be introduced at the end of this FY and beginning of next FY.

Commenting on the results, Rex Executive Chairman Lim Kim Hai said "The results are pleasing considering that domestic jet services only really operated in a relatively COVID-free environment since late February 2022. To achieve profitability in such a short period under a normal environment is fairly unprecedented in the world."

The full potential of partnership agreements with major travel agency groups, higher revenue from expanded operations and higher cadet intake at the pilot academies are expected to further contribute to the Group's performance in the 2nd half of FY23.

Rex is optimistic that the Group will have positive operating profits for the full FY23 barring any further external shocks.

This announcement is authorised by Mr Lim Kim Hai, Executive Chairman, Regional Express Holdings Limited.

Rex is Australia's largest independent regional and domestic airline operating a fleet of 61 Saab 340 and 7 Boeing 737-800NG aircraft to 56 destinations throughout all states in Australia. In addition to the airline Rex, the Rex Group comprises wholly owned subsidiaries Pel-Air Aviation (air freight, aeromedical and charter operator), the Australian Airline Pilot Academy with campuses in Wagga Wagga and Ballarat, and propeller maintenance organisation, Australian Aerospace Propeller Maintenance. Rex is also a 50% shareholder of National Jet Express (NJE), a premier Fly-In-Fly-Out (FIFO), charter and freight operator.

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Members of the Rex Group

