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ASX RELEASE

REX ANNOUNCES 1H FY2022 RESULTS

Regional Express (Rex) Group today announced an operating loss after tax of \$36.7 million (M) for the First Half Financial Year 2022 (1H FY 22).

Air travel was devastated by the arrival of the more infectious Delta variant of COVID-19 in the first few months of FY 22 and further decimated by the Omicron variant towards the end of the reporting period.

The domestic network was in temporary suspension for majority of the reporting period due to "stay at home" public health orders and some internal border closures.

Commenting on the Group's results, Rex Executive Chairman Lim Kim Hai said, "The Board has decided against paying out any interim dividends and is not able to provide any guidance on profitability for the full FY in the light of the extreme volatility we face especially given Russia's invasion of Ukraine in recent days.

On a more positive note, Rex's wholly owned subsidiary Pel-Air Aviation substantially increased its dominance in the fixed wing air ambulance service segment by being re-awarded a 12-year fixed wing air ambulance service contract by Ambulance Victoria in a competitive tender with an operational start date of 1 January 2024. Pel-Air have also entered the operational phase of the 10-year NSW Ambulance fixed wing air ambulance services contract on 1 January 2022 and will see a mix of Pilatus PC-24 jets and King Air 350 aircraft by end of 2023.

Australia's reopening of international borders to overseas students has seen the return of overseas student cadets to its pilot academy in Wagga Wagga. The academy also continues to train pilots to feed Rex's regional arm and welcomed recently the 26th cohort of students to the Rex Pilot Cadet Programme.

Rex would like to extend its gratitude to the NSW government for providing multimillion dollar grant under the A\$250m NSW Jobs Plus program which will create jobs and help fund key infrastructure projects including a Boeing flight simulator centre at its HQ and a new Code C sized aircraft hangar at Sydney airport as well as boost capacity of the Rex call centre in Orange.

Prospects for the second half of the FY are expected to improve over the first half. The Board is monitoring the situation closely and hopes to expand Rex's 737-800NG fleet at the earliest opportunity

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 60 Saab340 aircraft (pre-COVID) on 1,500 weekly flights to 59 destinations throughout all states in Australia. Rex will begin its domestic services with six 737-800NGs in March 2021. In addition to the airline Rex, the Rex Group comprises wholly owned subsidiaries Pel-Air Aviation (air freight, aeromedical and charter operator) and the two pilot academies, Australian Airline Pilot Academy in Wagga Wagga and Ballarat.

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