

6 JUNE 2022

ASX RELEASE

REX'S REGIONAL PLANS

Rex has been made aware of correspondence circulated by the Australian Federation of Air Pilots (AFAP) to its members, which Rex considers to be malicious, misleading and deceptive.

This correspondence was circulated in the context of ongoing negotiations in relation to the SAAB Pilot Enterprise Bargaining Agreement between Rex and the AFAP and it is disappointing that the AFAP would manipulate information provided to them during the course of negotiations to seek to achieve its aims. It is particularly concerning that the AFAP, whose President is a pilot with a competitor, would take this approach given the significant efforts made by Rex to preserve the jobs of pilots during the pandemic when other airlines were terminating so many of their pilots.

Contrary to the AFAP's assertion, Rex has regularly updated the market regarding the detrimental impact of the well-publicised predatory conduct by its competitor on regional routes. As was announced on 30 May, this has resulted in Rex's withdrawal from 5 regional routes (in addition to the 2 other routes announced earlier in the month) because Rex could no longer afford to subsidise these marginal routes during these challenging times. That announcement also made clear that Rex's remaining regional network will be closely monitored and further adjustments could be announced in the coming months.

The Rex Board meeting held end of May 2022 has resolved that the resources from any terminated routes will be channelled to other regional routes that have strong passenger numbers and strong growth potential. Rex's current regional flying is about 90% of pre-COVID levels, with passenger numbers equally at about 90% of pre-COVID levels. Rex believes that it will be reaching over 100% of pre-COVID levels of regional flying activity at the start of the new Financial Year as a result of the Board's decision.

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 Saab 340 and 6 Boeing 737-800 NG aircraft to 62 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) and the two pilot academies, Australian Airline Pilot Academy in Wagga Wagga and Ballarat.

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