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ASX RELEASE

REX'S PROFIT GUIDANCE FOLLOWING STERLING START TO NEW FY

Rex today announced record high passenger numbers and revenue across both its domestic and regional networks in the first month of the Financial Year 2023 (FY2023).

On the domestic front, July's pre-audited base passenger revenue was at \$13.6m, almost double that of the monthly average of the prior three months at \$6.87m. Load Factor was at 86% across the entire domestic network.

On the regional routes, July's revenue and passenger numbers were almost identical to that of July 2019, the latest comparative month before the COVID pandemic, with about 4% less flying. The revenue per flight and the load factor have both improved by 8% and 7% respectively.

Commenting on these astonishing results, Rex's Executive Chairman, Lim Kim Hai said, "Our phenomenal performance can be attributed in large part to the tie-ups we signed in the prior few months with Travel Agency groups and corporate accounts, as announced in our media release of [24 June 2022](#). I have every expectation that our numbers will continue to grow sharply over the next few months since July has seen only 30% of the committed monthly passenger contributions from these tie-ups."

"With this in mind, we have decided to accelerate the introduction of further aircraft to our domestic fleet. Our 7th Boeing 737-800NG aircraft will enter service later this month and we are in advanced discussions to lease another two for later this year."

"Our great performance in the regional markets also validates our decision to stand our ground against Qantas, which flooded the market on marginal regional routes in an attempt to destabilise us. Not only did their plan not succeed, but we are now having record passengers and revenues on our regional network by concentrating on the larger regional routes in direct competition with them. Later this month we will commence servicing Melbourne-Devonport, breaking QantasLink's monopoly on the route for the last 17 years and we intend to fly to other regional cities that are currently monopolised by QantasLink."

"These outstanding achievements are a timely reward to the Rex family as it celebrates its 20th anniversary today, and I would like to congratulate and thank each and every team member for their contributions towards our collective success."

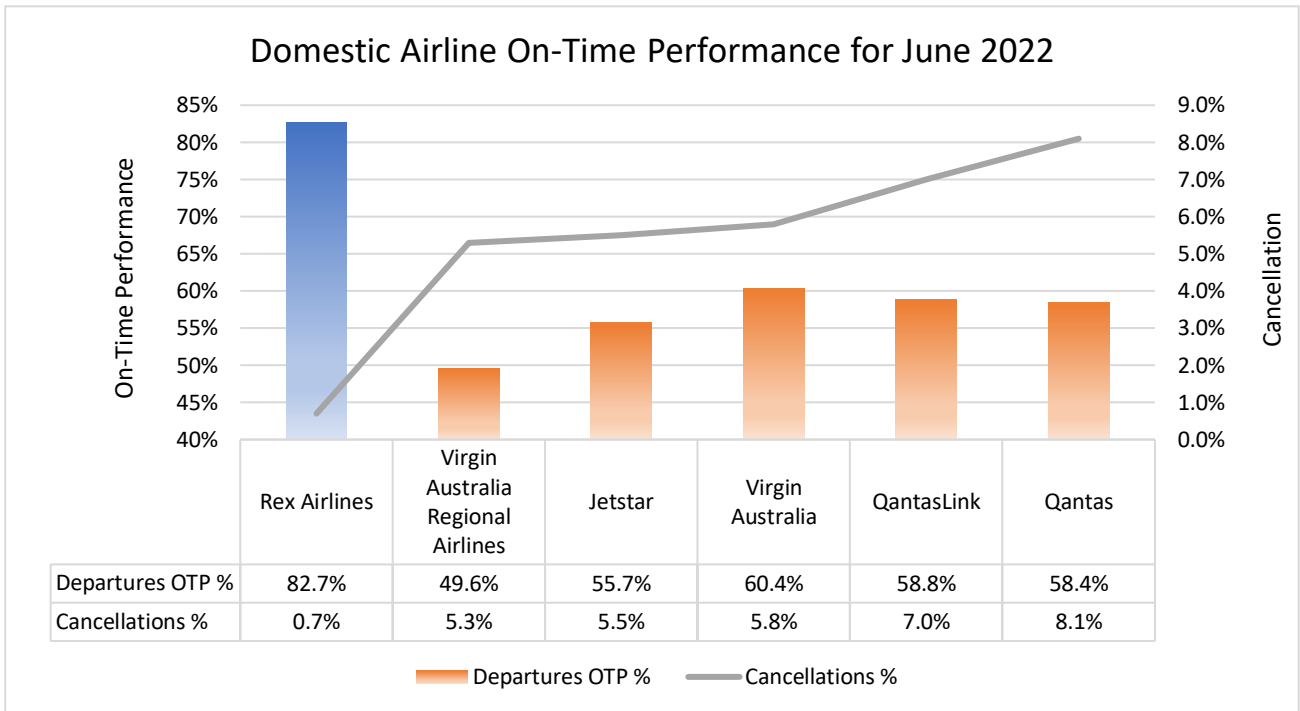
"The last two decades could not have been worse for aviation in Australia – droughts, fires, floods, an oil price shock, worldwide pilot and engineer shortages, the Global Financial Crisis, COVID, an even more severe oil price shock – and yet, here Rex is, still standing tall. By the grace of God, the timely assistance from the Federal and State Governments, our dedicated staff, and most importantly, the support of the Australian people, Rex has not only survived but has emerged even stronger and bigger."

"Rex has made a vow to repay the people of Australia for keeping it afloat with the government support we received throughout COVID. We hope that we have started to repay this faith in some small ways by providing a service the travelling public can count on. We are particularly proud of our On Time Performance and low cancellation rates, which are in stark contrast to the total chaos

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and dysfunctionality of the other carriers with horror stories of planeloads of luggage being lost and passengers sleeping overnight on the floor at airports:



Source: Bureau of Infrastructure and Transport Research Economics

“Our unparalleled reliability has resulted in many new passengers on top of the corporate and travel agency ones, and, barring further external shocks, has led us to believe that both our domestic and regional operations will be profitable this FY. This is quite a feat, considering that we only properly restarted domestic operations in February this year.”

“Our results should be further boosted by the launch of our Frequent Flyer programme in the coming months as well as enhanced passenger and freight contributions from our expanding network. We also can look forward to larger enrolments at our pilot academies from international cadets as airlines start to ramp up strongly again.”

“Rex is the only airline in Australia, and perhaps only one of five in the world that has not made an operational loss since 2003 up to COVID. Our best-of-class operations are without dispute. With such financial and operational prowess, we look confidently ahead in this FY as we turn the corner on these devastating COVID years.”

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 six Boeing 737-800NG aircraft to 58 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.

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