WHITE & CASE

Explanatory Statement

Regional Express Holdings Limited
(Subject to Deed of Company Arrangement) (ACN 099 547 270)
(**REX** or the **Company**)

24 November 2025

Explanatory Statement to shareholders and Independent Expert's Report

This Explanatory Statement has been prepared to provide information to the shareholders of Regional Express Holdings Limited (Subject to Deed of Company Arrangement) (ACN 099 547 270) (**REX**) (**Shareholders**) regarding the deed of company arrangement (**DOCA**) entered into by Rex Group and the Subsidiaries, Air T, Inc. and the Deed Administrators on 14 November 2025.

Completion and effectuation of the DOCA are conditional upon the Deed Administrators obtaining an order of the Court under section 444GA(1)(b) of the *Corporations Act 2001* (Cth) (**Corporations Act**) granting them leave to transfer all Shares to Air T Rex Acquisition, Inc. (**Air T Purchaser**) for nil consideration. The Deed Administrators have applied to the Federal Court of Australia for this order (**Section 444GA Application**).

On 24 November 2025, Justice Stewart of the Federal Court of Australia made procedural orders in connection with the Section 444GA Application. These orders included timetabling directions for the filing of notices of appearance by interested parties and confirmation of the date for the final hearing (**Procedural Orders**).

The Section 444GA Application has been listed for a final hearing on 11 December 2025 at 11am (AEDT) in the Federal Court of Australia.

Any person wishing to appear at the Court hearing and/or to oppose the Section 444GA Application must file a notice of appearance in the prescribed Court form with the Federal Court of Australia, and serve a copy on the Deed Administrators and ASIC, setting out the grounds of their opposition, no later than 4pm (AEDT) on 1 December 2025.

Shareholders should review the Independent Expert's Report in its entirety before deciding whether to take any action in relation to the Section 444GA Application. If you are uncertain about what action to take, you should seek independent financial, legal or other professional advice.

A copy of this Explanatory Statement (together with the Independent Expert's Report) has been lodged with ASIC at the same time as its release to Shareholders. ASIC and its officers take no responsibility for the contents of this Explanatory Statement.

Key information for Shareholders

Unless the context otherwise requires, capitalised terms used in this Explanatory Statement have the meanings given in the Glossary in Schedule 1 or, where applicable, as defined elsewhere in this Explanatory Statement.

1. Purpose of the Explanatory Statement

This Explanatory Statement has been issued by the Administrators in connection with the DOCA. If the Court grants the Section 444GA Order and the DOCA is implemented, all of your Shares in REX will be transferred to the Air T Purchaser for nil consideration, and you will no longer hold any Shares in REX.

Further information regarding the DOCA is set out in Section 4 of this Explanatory Statement. This Explanatory Statement provides information on:

(a) the Section 444GA Application to the Court seeking approval to transfer all Shares to the Air T Purchaser as part of the DOCA;

(b) the steps to be taken if you wish to appear at the Court hearing in relation to the Section 444GA Application, which is listed for hearing on 11 December 2025 at 11am (AEDT); and

(c) the effect of the DOCA on you as a Shareholder, to assist you in determining whether to take any action in relation to the Section 444GA Application.

The Independent Expert's Report prepared by the Expert, which includes an objective valuation of the Shares, is annexed to this Explanatory Statement as **Attachment 2**.

2. Administration of the Regional Express Group of Companies

On 30 July 2024, Samuel Freeman, Justin Walsh and Adam Nikitins were appointed as joint and several administrators (**Administrators**) of the Rex Group and RAL.

The Administrators were appointed to the Subsidiaries on 20 October 2025.

A copy of the group structure for the Regional Express Group of Companies is set out at **Attachment 1**.

In the Administrators' Section 75-225 Report (set out at **Attachment 4**), the Administrators identified 20 July 2024 as the earliest date on which the Rex Group and RAL became insolvent. The Administrators attributed the insolvency of the Regional Express Group of Companies to (a) pilot shortages and supply chain issues, particularly engine maintenance components, which led to suboptimal fleet utilisation; and (b) entering the competitive domestic market to service the metro flight routes between major cities with an inability to secure frequency, in addition to:

(a) in the case of RAL, the failed negotiations to sell or transfer the loss-making domestic business (operated by RAL);

(b) in the case of the Rex Group, a cross default under the financing facility in existence at the time, as a result of the loss-making domestic business (operated by RAL); and

(c) in the case of the Subsidiaries, to the fact that there is no DOCA proposal for RAL, which will result in a liquidation of RAL, thereby enlivening the DXG.

As you would be aware, the Shares have been suspended from trading on the ASX since 30 July 2024. On 11 September 2025, the Shares were removed from official quotation on the ASX.

Prior to entering voluntary administration, the Regional Express Group of Companies recorded a net loss after tax of $46M in FY22; a net loss after tax in HY23 of $14M, a net profit after tax of $14M in FY23, and a net loss after tax of $7k in HY24. Management accounts for the individual Regional Express Group of Companies reflect the impact on the overall profitability of the Regional Express Group of Companies from the poor trading performance of the commercial airline business (operated by RAL) which operated metro-to-metro routes with Boeing 737 fleet which incurred net losses after tax of $52M in FY22, $23M in FY23 and $46M in FY24. See section 4 and Appendix F of the Administrators' Section 75-225 Report for a detailed summary of the Regional Express Group of Companies' historical financial position.

3. Sale process and DOCA

Immediately after their appointment, the Administrators commenced a competitive and comprehensive global sale process (**First Sale Process**). Despite not finding a buyer for the business of REX (**Regional Business**), the Administrators achieved the following sales of (a) the aeromedical business carried on by Pel-Air Aviation Pty Ltd (which includes the business and assets of NAA Pty Ltd and VAA Pty Ltd); (b) the shares held by Air Partners Pty Ltd in National Jet Express Pty Ltd; (c) the land situated at 37 Robey Street, Mascot NSW 2020; and (d) the land situated at 72-76 Robey Street, Mascot NSW 2020, together with the sale of a Boeing 737 flight simulator located at those premises.

Based on consistent feedback from bidders in the First Sale Process, the Administrators identified a number of key challenges to be resolved for the Regional Business, which the Administrators considered would need to be addressed in order to finalise and complete a sale of the Regional Business. As a result of this feedback from bidders, the Administrators extended the convening period for the administration (first, to 25 November 2024 and subsequently to 30 June 2025 and then to 5 December 2025) in order to, amongst other things, conduct a further sale process for the sale and/or recapitalisation of the Regional Business (**Second Sale Process**).

On 19 February 2025, the Administrators announced that they had commenced the Second Sale Process for the sale and/or recapitalisation of the Regional Business. The Second Sale Process occurred over a four-month period and in four phases:

(a) **Phase One:** In Phase One, the Administrators provided the potential purchasers (which were identified by the Administrators and REX) with an investment flyer and a non-disclosure agreement, and invited expressions of interest for the sale and/or recapitalisation of REX;

(b) **Phase Two:** In Phase Two, the parties who had entered into non-disclosure agreements with the Administrators were given access to a virtual data room containing a preview information memorandum and a sale process letter. Following satisfaction of pre-qualification requirements, bidders were then given further access to documents about the business and financial position of REX. The Administrators subsequently received seven non-binding indicative offers (**NBIO**) and, based on those offers, formed a shortlist of four preferred parties (**Shortlisted Bidders**);

(c) **Phase Three**: In Phase Three, the Administrators conducted management presentations with Shortlisted Bidders and the Shortlisted Bidders were invited to make best and final offers by 2 June 2025 pursuant to which the Administrators received two final NBIOs. Following the Administrators' consideration and assessment of the two competing proposals, they selected one bidder on 9 July 2025, being Air T, to proceed to 'Phase

Four' of the Second Sale Process. As part of reviewing each proposal, the Administrators assessed and considered the following:

(i) potential return to creditors, including priority employee claims, secured lenders' claims and unsecured creditor claims;

(ii) the time to complete each proposed transaction and the operational funding available as part of the offers;

(iii) the conditions attached to the offers and the ability to satisfy the conditions;

(iv) the ability of each party to complete the proposed transactions; and

(v) other commercial considerations relevant for the ongoing viability of the business**.**

(d) **Phase Four:** In Phase Four, the Administrators and Air T negotiated the terms of and entered into a binding agreement with Air T for the transfer of all of the Shares pursuant to a deed of company arrangement and Creditors' Trust (subject to various conditions, including an order from the Court under section 444GA of the Corporations Act).

An overview of the First Sale Process and Second Sale Process are provided in section 5.2 of the Administrators' Section 75-225 Report. In the Administrators' Section 75-225 Report, the Administrators recommended that creditors vote in favour of the DOCA proposed by Air T.

4. Key information in relation to the DOCA

4.1 Overview

At the Second Meeting of creditors convened under section 439A of the Corporations Act, the creditors of the Rex Group and the Subsidiaries resolved that each company enter into the DOCA and that the Administrators be appointed as joint and several deed administrators (**Deed Administrators**).

The DOCA was executed by all relevant parties on 14 November 2025. It provides for the compromise of certain creditor claims against the Rex Group that arose prior to 30 July 2024, and in the case of the Subsidiaries, claims arising prior to 20 October 2025.

The DOCA contemplates that the Deed Administrators will transfer all the Shares to the Air T Purchaser on the condition that the orders sought by the Deed Administrators pursuant to the Section 444GA Application are made by the Court.

4.2 Conditions

Completion of the DOCA is conditional upon the satisfaction of certain Conditions, including:

(a) the Deed Administrators, the Trustees, the Rex Group and the Subsidiaries executing the Creditors' Trust Deed;

(b) consent of the Secured Lender;

(c) the Deed Administrators obtaining a Section 444GA Order; and

(d) the Deed Administrators obtaining ASIC Relief.

4.3 Key Terms

The key terms of the DOCA include:

(a) acquisition of 100% of the Shares in REX by the Air T Purchaser;

(b) the establishment of a Creditors' Trust, whereby upon Completion under the DOCA, all eligible creditors' claims against the Rex Group and the Subsidiaries will transfer to, and become claims against, the Creditors' Trust;

(c) various contributions are made to the Creditors' Trust on Completion and are distributed by the Trustees from the following pools:

(i) Employee Pool, which is to be utilised to discharge the entitlements of employees in full;

(ii) Agreed Assets Pool, which is to be used to discharge in full expenses of the Rex Group and the Subsidiaries that were incurred pre-Completion, but which fall due for payment post-Completion (to the extent any of these expenses are paid by a DOCA Company, an amount is to be paid from this pool to the relevant DOCA Company by way of reimbursement); and

(iii) General Pool, which is to be used to discharge the remuneration and costs of the voluntary administrators, deed administrators and trustees of the Creditors' Trust; and

(d) on and from Completion, Air T would assume control of and continue to trade the business of the Rex Group and the Subsidiaries as a going concern. The Administrators understand that the claims of the Secured Lender will be restructured with effect from Completion.

5. Independent Expert's Report

As outlined above, the Deed Administrators have commenced the Section 444GA Application in the Federal Court of Australia, seeking leave under section 444GA(1)(b) of the Corporations Act to transfer the Shares to the Air T Purchaser.

Pursuant to subsection 444GA(3) of the Corporations Act, the Court may only grant such leave if it is satisfied that the proposed transfer will not unfairly prejudice the interests of Shareholders. The Deed Administrators intend to rely on the Independent Expert's Report in addressing this question before the Court.

The Expert was engaged to prepare an assessment of the value of the residual equity in REX for the purpose of assisting the Court in determining whether the proposed transfer of shares in REX would unfairly prejudice the Shareholders. The valuation was conducted as at 31 August 2025 (**Valuation Date**). In preparing that opinion and consistent with ASIC Regulatory Guide 111.77, the Expert assessed the value of the Shares based on the higher of:

(a) the value of the business under administration as a whole (**Distressed Business Sale**); and

(b) the sum of liquidation value of the underlying assets of the business sold on a liquidation basis (**Distressed Asset Sale**).

The Independent Expert's Report will be relied upon by the Deed Administrators both for the purposes of the Section 444GA Application and in connection with an application for ASIC Relief. A full copy of the Independent Expert's Report is included as **Attachment 2**. Shareholders, their advisers, and other interested parties should review the report carefully and in full. A summary of the Expert's key findings, as set out in the Independent Expert's Report, is provided below:

(a) there is a shortfall in the assets available to satisfy the claims against REX on a Distressed Business Sale and a Distressed Asset Sale basis; and

(b) accordingly, the residual equity value of REX (i.e., the Shares) was assessed to have no value as at the Valuation Date.

6. Section 444GA Application

6.1 Overview

The Section 444GA Application has been filed in the Federal Court of Australia. A copy of the Interlocutory Process lodged by the Deed Administrators on 19 November 2025 is included as **Attachment 5** to this Explanatory Statement.

On 24 November 2025, the Court made procedural orders which:

(a) set a timetable for the preparation of the matter for final hearing, including the deadline by which any interested party (such as a Shareholder wishing to oppose the Section 444GA Application) must file with the Court and serve on the Deed Administrators and ASIC a notice of appearance in the prescribed form, specifying the grounds of opposition no later than 4pm (AEDT) on 1 December 2025; and

(b) fixed the date and time for the final hearing at 11am (AEDT) on 11 December 2025.

A copy of the Procedural Orders is included as **Attachment 6** to this Explanatory Statement.

Any person wishing to appear at, or oppose, the Section 444GA Application at the final hearing must file a notice of appearance in the prescribed Court form with the Federal Court of Australia and serve copies on the Deed Administrators and ASIC, setting out the grounds of opposition.

In accordance with order 3 of the Procedural Orders, any notice of appearance and accompanying grounds of opposition must be filed and served by no later than 4pm (AEDT) on 1 December 2025. The Deed Administrators will accept service of any notice of appearance at White & Case, Level 50, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000 (Attention: Timothy Sackar / Jillian McAleese) or timothy.sackar@whitecase.com / jillian.mcaleese@whitecase.com.

6.2 Important Dates

We draw your attention to the following key dates in relation to the Section 444GA Application:

Event	Date
Notice of appearance and grounds of opposition to be served by any Shareholder (or other interested person) seeking to appear at the hearing of the Section 444GA Application	No later than 4pm (AEDT) on 1 December 2025
Any evidence in support of grounds of opposition to be served by any Shareholder (or other interested person) seeking to appear at the hearing of the Section 444GA Application	No later than 4pm (AEDT) on 5 December 2025
Hearing date for the Section 444GA Application	11am (AEDT) on 11 December 2025
Proposed date for the Share Transfer	12 December 2025

The dates, including the proposed hearing date, will be subject to any further directions made by the Court.

6.3 What will happen if the Section 444GA Order is not made?

As the Section 444GA Order is a condition to completion of the DOCA (see section 4.2(c)above), the DOCA will not be effectuated if that order is not made. In those circumstances, if the Deed Administrators decide not to appeal the Court's decision, or if any such appeal is unsuccessful, they will convene a meeting of REX's creditors to determine the company's future. Should this occur, the Deed Administrators would require additional funding to continue operating REX's business. In the absence of further funding or an alternative transaction capable of completion, the Rex Group and the Subsidiaries would be placed into liquidation.

6.4 Effect of the Section 444GA Order on Shareholders

If the Court grants the Section 444GA Order and the DOCA is effectuated, all of your Shares in REX will be transferred by the Deed Administrators to the Air T Purchaser. You will not receive any cash or other form of consideration for the transfer.

6.5 Australian income tax consequences

This section of the Explanatory Statement is provided as general information for Shareholders who are Australian resident taxpayers holding their Shares on capital account, not as trading stock, and who are not subject to the Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) for the purposes of calculating any gains or losses arising from financial arrangements. It does not take account of the circumstances of any individual Shareholder. Each Shareholder should seek its own tax advice on the consequences for it of the DOCA being effectuated.

Upon the effectuation of the DOCA, the Share Transfer will give rise to a capital gains event (**CGT Event**) for Shareholders and may crystallise a capital loss. Depending upon each individual taxpayer's financial position and tax profile, this capital loss may be available to offset against the taxpayer's capital gains thereby potentially reducing the amount of tax otherwise payable by the taxpayer.

The Australian resident Shareholders who hold their Shares on capital account will incur a capital loss to the extent the reduced cost base of the Shares transferred exceeds the market value of the Shares.

The reduced cost base in the Shares includes:

(a) the acquisition cost of the Shares;

(b) incidental acquisition costs incurred to acquire and hold the Shares;

(c) expenditure incurred to increase or preserve the value of the Shares; and

(d) capital expenditure incurred to establish, preserve or defend their title to the Shares.

Given the transfer will occur by way of Court order, the time of the CGT Event for Shareholders will be when the Share Transfer takes effect in accordance with the DOCA.

7. ASIC Relief

Section 606(1) of the Corporations Act states that (subject to certain exemptions) a person must not acquire a relevant interest in issued voting shares in a company if:

(a) the company is:

(i) a listed company; or

(ii) an unlisted company with more than 50 members; and

(b) the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of that person; and

(c) because of the transaction, that person's or someone else's voting power in the company increases:

(i) from 20% or below to more than 20%; or

(ii) from a starting point that is above 20% and below 90%.

The DOCA provides that, if the Section 444GA Application is approved, the Air T Purchaser will acquire 100% of the Shares. Accordingly, the Share Transfer pursuant to the Section 444GA Application and the terms of the DOCA would increase the Air T Purchaser's voting power in REX from less than 20% to more than 20%. As REX is an unlisted public company with more than 50 members, ASIC Relief (referred to at 4.2(d) above) will be required to enable completion of the Share Transfer. In the absence of ASIC Relief, the transfer would be prohibited under section 606(1) of the Corporations Act. For this reason, it is necessary to apply to ASIC for such exemptions or modifications from the requirements of Chapter 6 of the Corporations Act as are necessary to enable the Share Transfer to proceed.

On this basis, the Deed Administrators have applied to ASIC, pursuant to section 655A(1)(a) of the Corporations Act, seeking the granting of an exemption from the application of section 606 of the Corporations Act to permit the transfer of all of the Shares to the Air T Purchaser.

The Deed Administrators have engaged with ASIC by providing a copy of this Explanatory Statement along with additional information relevant to the relief being sought.

8. What do you need to do now?

Shareholders, their advisers, and any other interested parties should read this Explanatory Statement, including all documents referred to within it, in full before deciding whether to take any action in relation to the Section 444GA Application.

Pursuant to section 444GA(2)(a) of the Corporations Act, a member of REX is entitled to oppose an application for leave under section 444GA(1). As noted in section 5 above, section 444GA(3) provides that a Court may only grant the leave sought by the Deed Administrators in the Section 444GA Application if it is satisfied that the transfer of Shares will not unfairly prejudice the interests of members of REX.

This Explanatory Statement does not constitute financial product advice and has been prepared without taking into account the investment objectives, financial position, tax circumstances or specific needs of any Shareholder.

The decision whether to take any action in respect of the DOCA or the Section 444GA Application is a matter for each individual Shareholder. That decision will depend on, among other things, the Shareholder's own financial and personal circumstances. As the financial, legal and taxation consequences may vary for each Shareholder, it is recommended that all Shareholders obtain independent professional advice before making a decision.

9. What information is available to assist you?

To assist you in deciding whether to take any action in relation to the Section 444GA Application, this Explanatory Statement attaches copies of the following documents:

(a) Regional Express Group of Companies structure as Attachment 1;

(b) Independent Expert's Report as Attachment 2;

(c) DOCA and Creditors' Trust Deed as Attachment 3;

(d) Administrators' Section 75-225 Report as Attachment 4;

(e) Interlocutory Process filed by the Deed Administrators in relation to the Section 444GA Application as Attachment 5; and

(f) Procedural Orders as Attachment 6.

If you have any questions regarding this Explanatory Statement, the Independent Expert's Report, the Section 444GA Application or the Procedural Orders, please contact the Deed Administrators by email at rex.creditors@au.ey.com.

Schedule 1 – Glossary of Terms

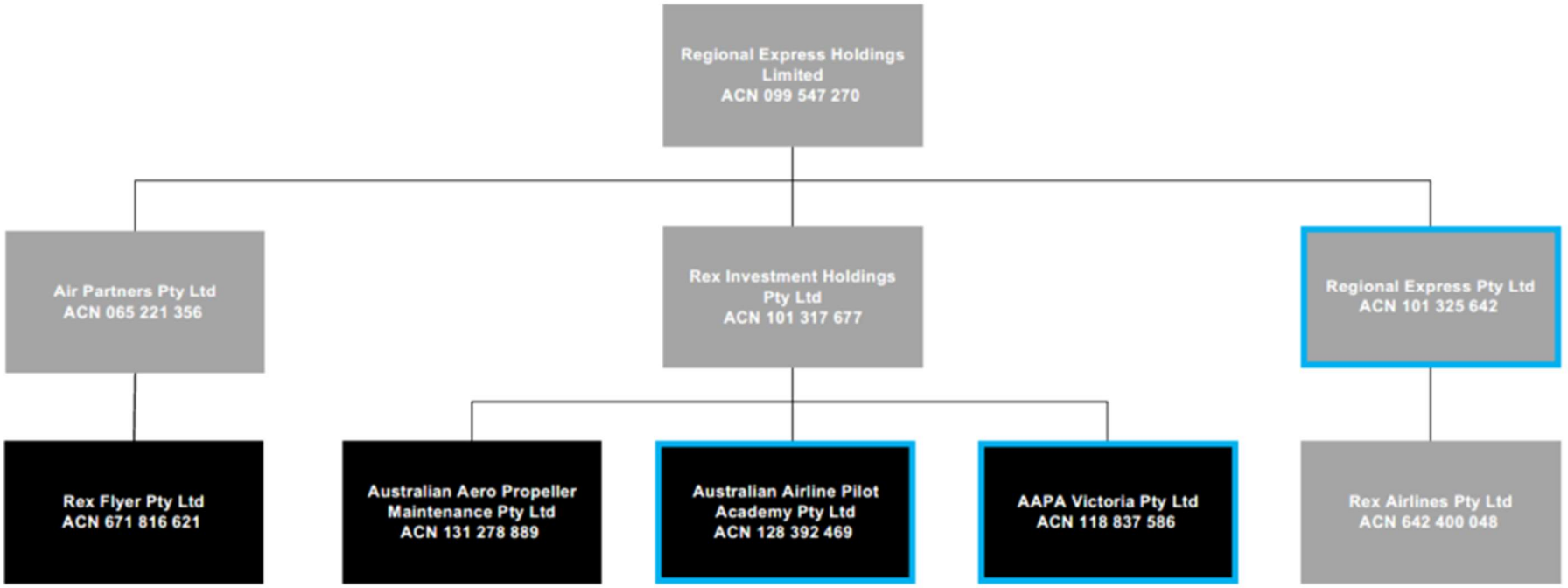
In this Explanatory Statement, capitalised terms have the meanings set out in the following table:

Definition	Description
AAPA	Australian Airline Pilot Academy Pty Ltd (Subject to Deed of Company Arrangement) (ACN 128 392 469)
AAPM	Australian Aero Propeller Maintenance Pty Ltd (Subject to Deed of Company Arrangement) (ACN 131 278 889)
AAPAV	AAPA Victoria Pty Ltd (Subject to Deed of Company Arrangement) (ACN 118 837 586)
Administrators	Samuel Freeman, Justin Walsh and Adam Nikitins of Ernst & Young
Air T	Air T, Inc.
Air T Purchaser	Air T Rex Acquisition, Inc.
AP	Air Partners Pty Ltd (Subject to Deed of Company Arrangement) (ACN 065 221 356)
ASIC	Australian Securities and Investments Commission
ASIC Relief	ASIC granting an exemption pursuant to section 655A(1)(a) of the Corporations Act from the application of section 606 of the Corporations Act to permit the transfer of all of the Shares to Air T
ASX	Australian Securities Exchange
Completion	Has the meaning as defined in the DOCA
Conditions	The conditions set out in clause 3.1 of the DOCA
Corporations Act	*Corporations Act 2001* (Cth)
Court	Federal Court of Australia
Creditors' Trust	Has the meaning as defined in the DOCA
Creditors' Trust Deed	The document entitled 'Creditors' Trust Deed' between the Deed Administrators, REX and Air T that is annexed to the DOCA
Deed Administrators	Samuel Freeman, Justin Walsh and Adam Nikitins of Ernst & Young
DOCA	The deed of company arrangement entered into between the Rex Group, the Subsidiaries, Air T and the Deed Administrators on 14

Definition	Description
	November 2025 annexed to this Explanatory Statement as Attachment 3
DXG	Deed of Cross Guarantee between the Regional Express Group of Companies
Expert	KPMG Financial Advisory Services (Australia) Pty Ltd
Explanatory Statement	This document as described in section 1
First Sale Process	The competitive and comprehensive global sale process of the Regional Business undertaken by the Administrators from August to November 2024
Independent Expert's Report	The report by the Expert as described in section 5 and as annexed to this Explanatory Statement as Attachment 2
NBIO	Non-binding indicative offer
RAL	Rex Airlines Pty Ltd (In Liquidation) (ACN 642 400 048)
Regional Express Group of Companies	Rex Group, RAL and the Subsidiaries
REPL	Regional Express Pty Ltd (Subject to Deed of Company Arrangement) (ACN 101 325 642)
Rex Flyer	Rex Flyer Pty Ltd (Subject to Deed of Company Arrangement) (ACN 671 816 621)
Rex Group	REX, RIH, REPL and AP
RIH	Rex Investment Holdings Pty Ltd (Subject to Deed of Company Arrangement) (ACN 101 317 677)
Second Sale Process	The competitive and comprehensive global sale process of the Regional Business undertaken by the Administrators from February to June 2025
Second Meeting	The second meetings of creditors of the Regional Express Group of Companies held concurrently on 11 November 2025 in accordance with section 439A of the Corporations Act
Section 75-225 Report	The report prepared by the Administrators in accordance with section 75-225 of the *Insolvency Practice Rules (Corporations) 2016* dated 3 November 2025 as annexed to this Explanatory Statement as Attachment 4

Definition	Description
Section 444GA Application	The application by the Deed Administrators pursuant to section 444GA of the Corporations Act as described in section 6
Section 444GA Order	The orders sought by the Deed Administrators pursuant to the Section 444GA Application
Secured Lender	Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts
Shares	All the issued share capital of REX
Shareholders	Means the shareholders of REX as at the date of the Explanatory Statement
Share Transfer	The transfer of shares in REX to Air T pursuant to the DOCA
Shortlisted Bidders	The parties selected by the Administrators to participate in Phase 2 of the Second Sale Process
Subsidiaries	AAPA, AAPAV, AAPM and Rex Flyer

Attachment 1 – Regional Express Group of Companies Structure



Key

- Administrators appointed to entity on 30 July 2024.
- Entity holds an Air Operator's Certificate.
- Administrators appointed to entity on 20 October 2025.

Attachment 2 – Independent Expert's Report

KPMG Corporate Finance
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Private and confidential
The Solicitors for the Administrators
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5 November 2025

Dear Solicitors for the Administrators

Independent Expert Report and Financial Services Guide

Part One – Independent Expert Report

1 Introduction

1. White & Case (**Solicitors for the Administrators**) are solicitors acting for Samuel Freeman, Justin Walsh and Adam Nikitins of Ernst & Young Australia in their capacities as joint and several administrators (the **Administrators**) of Regional Express Holdings Limited (Administrators Appointed) (**REX**) and its subsidiaries set out below.
2. On 4 September 2025, the Solicitors for the Administrators issued KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (**KPMG Corporate Finance**) with a letter of instruction (**Letter of Instruction**) for preparation of an Independent Expert Report (**IER** or **Report**) to form an independent opinion on the residual equity value (if any) for the shareholders of REX. The IER is required for:
   - the prospective application to the Court by the Administrators pursuant to Section 444GA (**s444GA**) of the Corporations Act 2001 (the **Act**) (**s444GA** Application) seeking leave to transfer the shares in REX as contemplated under the proposed Deed of Company Arrangement (the **DOCA** or **DOCA** Proposal)
   - an application to the Australian Securities and Investments Commission (**ASIC**) for relief from the takeover provisions, pursuant to Section 606 of the Act (**s606**)
   - inclusion in the explanatory statement prepared by the Administrators and sent to shareholders of REX (**Explanatory Statement**), prior to the Court hearing of the s444GA Application.
3. On 30 July 2024, the Administrators were appointed as joint and several administrators to REX, Rex Investment Holdings Pty Ltd (Administrators Appointed) (**RIH**), Regional Express Pty Ltd (Administrators Appointed) (**REPL**), Air Partners Pty Ltd (Administrators Appointed)

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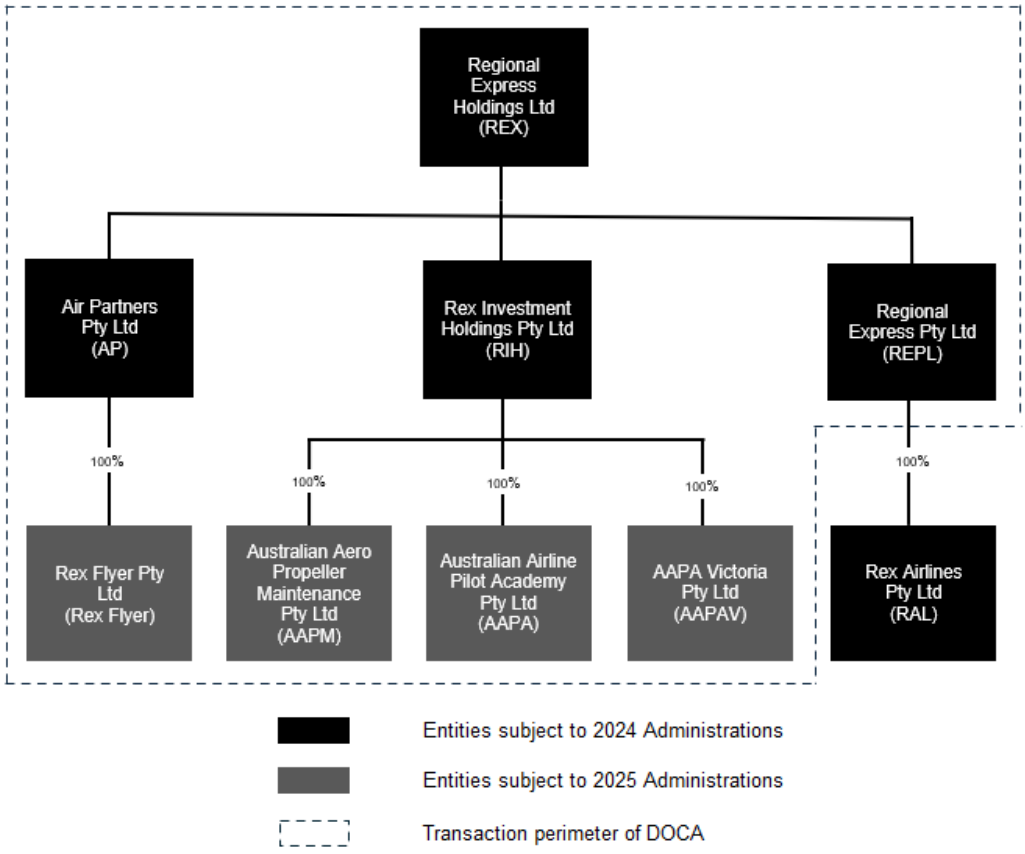
(**AP**) (together, the **Rex Group**), and Rex Airlines Pty Ltd (Administrators Appointed) (**RAL**).

4. On 20 October 2025, the Administrators were appointed to additional subsidiaries of REX comprising Rex Flyer Pty Ltd (Administrators Appointed) (**Rex Flyer**), Australian Aero Propeller Maintenance Pty Ltd (Administrators Appointed) (**AAPM**), Australian Airline Pilot Academy Pty (Administrators Appointed) (**AAPA**), and AAPA Victoria Pty Ltd (Administrators Appointed) (**AAPAV**) (together, the **Subsidiaries**).
5. The Administrators have undertaken two sale processes for the sale and/or recapitalisation of the Rex Group and its Subsidiaries. Both sale processes were advised by Houlihan Lokey (Australia) Pty Ltd (as **Sale Adviser**). The first sale process commenced in August 2024. While this process did not result in the sale or recapitalisation of the entire business of the Rex Group and Subsidiaries, it did result in the sale of certain assets and subsidiaries of REX. A second sale process which commenced in February 2025 occurred in four phases and involved the Administrators assessing competing proposals from various bidders prior to selecting Air T, Inc (**Air T**) as the bidder to proceed to the final phase of the second sale process.
6. On 21 October 2025, the Administrators executed a sale and implementation agreement (**SIA**) relating to the transfer of REX Group and Subsidiaries (together, the **DOCA Entities**) to Air T through a DOCA.
7. The structure outlining the transaction perimeter (**Transaction Perimeter**) and the DOCA Entities is presented in the following chart.

Figure 1: Structure chart outlining the Transaction Perimeter



Source: Administrators

2 Purpose of this report

8. The Solicitors for the Administrators have requested that KPMG Corporate Finance prepare an IER assessing the residual equity value (if any) for the shareholders of REX, as detailed in the Letter of Instruction and attached in Appendix 8 of this report.

9. The purpose of this report is:

   - to assist the Court in determining whether the proposed transfer of the shares in REX to Air T will unfairly prejudice the interests of REX's shareholders, and
   - to accompany an application to ASIC for technical relief from the takeover provisions of s606 of the Act.

10. This report should be considered in conjunction with and not independent of the information set out in the Explanatory Statement prior to the final court hearing in connection with the s444GA Application.

11. Further information regarding KPMG Corporate Finance as it pertains to the preparation of this report is set out in Appendix 1.

2.1 Technical requirements

12. In undertaking our work, we have referred to guidance provided by ASIC in its Regulatory Guides (**RG**), in particular Regulatory Guide 111 'Content of expert reports' (**RG 111**). RG111 outlines the principles and matters which it expects an expert to consider when providing an opinion on residual equity value for the purposes of s444GA and an application to ASIC for relief under s606 of the Act. We have also had regard to Regulatory Guide 112 'Independence of experts' (**RG 112**).

2.2 Basis of assessment

13. RG111 requires an expert to provide an independent opinion of the value of the shareholders' residual equity in a company under administration on a liquidation basis.

14. KPMG Corporate Finance has assessed the residual equity value of REX on a liquidation basis, reflecting the assumption that the vendor is under financial distress and in administration. We have considered the residual equity value and assessed the higher of:

    - the value of the business under administration as a whole (**Distressed Business Sale**)
    - the sum of liquidation value of the underlying assets of the business sold on a liquidation basis (**Distressed Asset Sale**).

15. The Distressed Business Sale considers the relevant circumstances, funding requirements and risks of REX, assuming the DOCA Proposal is not implemented. In this regard, we have adopted the model provided by the Administrators (the **Cash Flow Model**) as a starting point and reflected the above considerations including that the company is in administration.

16. The Distressed Asset Sale considers the piecemeal sale of the underlying assets of the business, in liquidation, on an asset-by-asset basis.

17. Further details of the basis of assessment are set out in Section 6.4 of our Report.

3 The DOCA Proposal

18. The proposed DOCA includes the transfer of all shares in REX to Air T. RAL does not form part of the DOCA proposal and will be subject to winding up if no DOCA proposal is received for this entity. Air T submitted a binding offer letter in relation to the DOCA on 2 June 2025, and the SIA between the Administrators and Air T was executed on 21 October 2025.

19. Air T, founded in 1980, is a United States based aviation company listed on NASDAQ. It provides overnight air cargo, ground equipment sale, and commercial jet engines and parts in the United States and internationally.

20. The proposed DOCA and the winding-up of RAL will be considered by creditors at the Second Meeting of creditors to be held on 11 November 2025.

21. Further information regarding the DOCA proposal is outlined in Section 5 of our report.

4 Summary of opinion

22. KPMG Corporate Finance has considered the value of the residual equity in REX on a distressed basis, taking into account that REX is in administration and under financial distress. In this regard, we have adopted the following approaches:
    - Distressed Business Sale
    - Distressed Asset Sale.
23. **Under each approach, in our opinion the residual equity in REX has nil value.**
24. The Distressed Business Sale assumes that the business will be sold as a whole in administration.
25. The Distressed Asset Sale is based on the piecemeal sale of the underlying assets of the business on a liquidation basis.

4.1 Distressed Business Sale

26. We have assessed the value of the residual equity in REX in a Distressed Business Sale to have nil value.
27. The value of REX's residual equity has been determined as follows:
    - assessing the value of 100% of REX's operating business in administration using a discounted cashflow (**DCF**) method (which represents control value)
    - adding surplus operating assets/liabilities (net)
    - deducting secured creditors (including the costs of the administration), priority creditors, and unsecured creditors as at 22 October 2025.
28. When assessing the value of 100% of REX's operating business, we have considered those synergies and benefits that would generally be available to a pool of potential purchasers. We have not included any 'special value', or the value of synergies specific to a particular acquirer.
29. The implied enterprise value of REX's operating business to EBITDA (**EV/EBITDA**) multiples of the DCF value has been cross-checked to those of transactions involving other commercial airlines, as well as comparable listed companies within the industry, noting the limitations of the cross-check as REX is in administration. Our assessment of implied multiples is set out in Section 9.5.5 of this report.
30. We have assessed the enterprise value of REX on a Distressed Business Sale basis to be in the range of $99.8m to $139.8m. After deducting the full amount of creditor claims ($355.4m) (including the costs of the administration), the implied equity value is negative, resulting in nil residual equity value as set out in the following table.

Table 1: REX summary of value – Distressed Business Sale basis

$m	Section reference	Valuation range Low	High
Value of 100% of REX's operating business	**9.2**	**97.6**	**133.4**
Non operating assets/(liabilities) (net)	9.5.3	2.1	6.4
Enterprise value		**99.8**	**139.8**
Secured creditors	8.7.2	(218.7)	(218.7)
Priority creditors	8.7.2	(23.2)	(23.2)
Unsecured creditors	8.7.2	(113.5)	(113.5)
Total Creditors		**(355.4)**	**(355.4)**
Implied value of 100% of the equity of REX		**(255.6)**	**(215.6)**
Assessed value of 100% of the equity of REX		**nil**	**nil**

Source: KPMG Corporate Finance analysis
Notes:
1. Numbers may not add due to rounding
2. Non-operating assets include RAL as set out in Section 9.5.3
3. No surplus cash adjustments have been made as all existing cash form part of circulating asset recoveries which will be applied to satisfy any outstanding costs and liabilities of the administration

31. In determining the implied value of 100% of the equity in REX, we had adopted a discount rate range of 20.0% to 25.0%. Based on our analysis in the table above, REX's operating business would require a mid-point discount rate of approximately 10.1%, in order for equity to have a positive value after taking into account the full amount of the creditors. As discussed in Appendix 5, a discount rate of 10.1% is not reasonable for a business in administration, like REX.

4.2 Distressed Asset Sale

32. We have assessed the residual equity value of REX under the Distressed Asset Sale scenario to be nil.

33. The methodology employed in this scenario involves an estimation of the realisable value for each of the REX Group, RAL and the Subsidiaries (together, the **Companies**) assets on a liquidation basis, aggregating these values and deducting the total value of creditors' claims to arrive at the residual equity value of REX.

34. In assessing the liquidation value of the Companies' assets, we have employed the estimated realisable value (**ERV**) method. This methodology assumes that the Companies' business operations cease and its assets are sold individually on a liquidation basis.

35. We have estimated the realisable value for each asset in a liquidation taking into account the liquidation environment and the costs of realisation. For the realisable value of aircraft, aircraft engines and aircraft parts, we have adopted the valuations prepared by a suitably qualified expert, Cirium Ascend Consultancy (**Cirium** or **Technical Expert**), as set out in the Specialist Report attached in Appendix 9. Our estimates of realisable value for all other assets are based on the experience of KPMG's Turnaround and Restructuring Team in completing external administrations (including voluntary administrations and liquidations).

36. This analysis indicates that there will be insufficient realisations from the Companies' assets in a liquidation scenario to repay creditors in full. As a result, in our opinion, there is

no residual value attributable to shareholders of REX on a liquidation basis as set out in the following table:

Table 2: REX Summary of Value - Distressed Asset Sale

$m	Section reference	Valuation range Low	High
Total Assets	9.6.3	137.7	238.0
Creditor claims and other adjustments	9.6.3	(386.6)	(391.1)
Estimated Surplus/(Deficiency to Equity) (subject to the costs of liquidation)	9.6.3	(248.9)	(153.0)
Assessed value of 100% of the equity of REX		**nil**	**nil**

Source: KPMG Corporate Finance analysis

4.3 Other matters

37. Our report has been prepared in accordance with the relevant provisions of the Act and other applicable Australian regulatory requirements. This report has been prepared solely for the purpose of:
    - assisting the Court regarding the application under s444GA(1) of the Act; and
    - applying to ASIC for technical relief from the takeover provisions of the Act.
38. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.
39. We are aware that the Administrators will tender this report to the Court as part of the evidence in support of their s444GA Application. With regards to the above:
    - we confirm that we have been provided a copy of the Expert Evidence Practice Note (GPN-EXPT) (**Practice Note**) which contains a copy of the Harmonised Expert Witness Code of Conduct at Annexure A (the **Code**), which is the applicable Code for proceedings in the Federal Court of Australia
    - we have read, understood, and complied with the Practice Note in preparing this report and agree to be bound by it
    - the opinion set out in this report are our own and are based wholly on our knowledge arising from our training, research, study or experience
    - we have made all inquiries which we believe are desirable and appropriate (save for any matters identified explicitly in this report) and no matters of significance which we regard as relevant have, to our knowledge, been withheld from the Court.
40. Our qualifications are set out in Appendix 1.
41. All currency amounts in this report are denominated in Australian dollars unless otherwise stated. References to an Australian financial year (i.e. the 12 months to 30 June) have been abbreviated to FY.

42. Neither the whole nor any part of this report or its attachments or any reference thereto may be included in or attached to any document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears, other than the Explanatory Statement to be sent to REX shareholders in relation to the DOCA proposed by Air T, and documents prepared for the purpose of assisting the Court and ASIC in their determinations regarding the DOCA. KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it appears in the Explanatory Statement. We have sought and received consent from Cirium for the reliance, inclusion, and reference to their independent technical report in relation to the valuation of aircraft, engines and aviation related spare parts (the **Specialist Report**) as part of this report.
43. Our opinion is based solely on information available as at the date of this report as set out in Appendix 2. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion. We refer readers to the limitations and reliance on information section as set out in Section 6.5 of our report.
44. The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully,

Joanne Lupton
Authorised Representative

Peter Gothard
Authorised Representative

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5 The DOCA Proposal

5.1 Background to the proposed DOCA

45. On 30 July 2024, the Administrators were appointed as joint and several administrators of Rex Group and RAL. On 20 October 2025, the Administrators were appointed as joint and several administrators of the Subsidiaries.

46. The group structure for the Companies is set out in Section 8.

47. Amongst the Companies:

    - RAL held and managed the commercial airline business which operated domestic trunk routes with a Boeing 737 fleet (**Rex Domestic**)
    - REX held and managed the commercial airline business servicing regional areas of Australia (**Rex Regional**).

48. Following their appointment to the Rex Group and RAL, and based on their assessment of the cashflows, the Administrators grounded the Rex Domestic services and continued to trade the Rex Regional services to attempt to achieve a going-concern solution for the REX Regional business.

49. In and around August 2024, the Administrators conducted an initial sale process for the sale and/or the recapitalisation of the Rex Group (**First Sale Process**). While the First Sale Process did not result in the sale or recapitalisation of the entire business of the Rex Group, the following sales were achieved:

    - the aeromedical business carried on by Pel-Air Aviation Pty Ltd (**Pel-Air**), which includes the business and assets of NAA Pty Ltd (**NAA**) and VAA Pty Ltd (**VAA**)
    - the shares held by Air Partners in National Jet Express Pty Ltd (**NJE**). NJE provides fly-in-fly-out (**FIFO**) charters supporting mining, oil and gas projects and private charter services to business, tourism and leisure clients. In addition, NJE offers overnight freight to support Australia's national freight operations on the east coast and aircraft handling
    - the land situated at 37 Robey Street, Mascot NSW 2020
    - the land situated at 72-76 Robey Street, Mascot NSW 2020, together with the sale of a Boeing 737 flight simulator located at those premises
    - the B350 aircraft excluded from the Pel-Air sale, which was owned by RIH
    - various Boeing 737 aircraft spare parts and rotables owned by RAL, both by the Administrators and through the Administrators' agent
    - other PP&E items that are no longer required for operations, such as excess galley carts and drawers.

50. The sale process for shares in the flight school business operated by AAPA and AAPAV, and the land situated at the Wagga Wagga facility resulted in only modest interest and did not progress beyond the negotiations stage.

51. Based on feedback from bidders in the First Sale Process, the Administrators identified several key challenges that needed to be addressed in relation to the Rex Regional business, before conducting a further sale process for the sale and/or recapitalisation of the business (**Second Sale Process**).

52. The Second Sale Process commenced in February 2025 and occurred in four phases:

- ***Phase One***: During this phase, potential purchasers were provided with an investment flyer and a non-disclosure agreement
- ***Phase Two***: During this phase, the parties who had entered into non-disclosure agreements were given access to a virtual data room containing a preview information memorandum and a sale process letter. Following satisfaction of pre-qualification requirements, bidders were then given further access to documents about the business and financial position of REX. The Administrators subsequently received several non-binding indicative offers (**NBIO**) and, based on those offers, formed a shortlist of four preferred parties (**Shortlisted Bidders**)
- ***Phase Three***: During this phase, the Administrators conducted management presentations with Shortlisted Bidders and two of the four Shortlisted Bidders submitted final NBIOs. Based on the consideration and assessment of the two competing proposals by the Administrators and their Sales Advisors, the Administrators selected one bidder, being Air T, to proceed to the next phase of the Second Sale Process. The assessment criteria were based on various considerations such as potential return to creditors, time required to complete the transaction, operational funding available as part of the offers, the conditions attached to the offers, and other commercial considerations
- ***Phase Four***: During this phase, following negotiations on the terms, the Administrators and Air T entered into the SIA on 21 October 2025 which, amongst other things, includes a DOCA term sheet relating to the DOCA Entities, which is discussed in more detail in the following subsection.

5.2 The proposed DOCA

53. The proposed DOCA will be considered by creditors at the Second Meeting of creditors which is to be convened on 11 November 2025. For the proposed DOCA to proceed, the creditors of the Rex Group and the Subsidiaries must resolve that each DOCA company enter into the proposed DOCA. The DOCA proposes that the Administrators be appointed as joint and several deed administrators (**Deed Administrators**).

54. The DOCA provides for the following:

- acquisition of 100% of the shares in REX by Air T or its nominee
- ongoing employment for the continuing employees of the Rex Group and the Subsidiaries
- ongoing trading with suppliers
- the assumption of the claims of the secured lender on restructured terms and payment in full of employee entitlements to non-continuing employees

- the establishment of a creditors' trust (**Creditors' Trust**), whereby upon completion under the DOCA (**Completion**), all eligible creditors' claims against the DOCA Companies will transfer to, and become claims against, the Creditors' Trust
- various contributions are made to the Creditors' Trust on Completion and are distributed by the Deed Administrators, as trustees (**Trustees**) of the Creditors' Trust from the following pools:
  - Employee Pool, which is to be utilised to discharge the entitlements of non-continuing employees in full
  - Agreed Assets Pool, which is to be used to discharge in full certain agreed expenses of the DOCA Entities that were incurred pre-Completion
  - General Pool, which is to be used to discharge the remuneration and costs of the administrators, Deed Administrators and Trustees of the Creditors' Trust
- continuation of the Rex Regional business enabling it to continue to serve its regional customers.

55. The DOCA does not include RAL which operated the Rex Domestic business, which has ceased operations.

56. The DOCA is conditional on the satisfaction of the following conditions:

- execution of the DOCA by all relevant parties
- the Deed Administrators, Trustees, and the DOCA Entities executing the Creditors' Trust Deed
- consent of the Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts as secured lender (**Secured Lender**)
- the Administrators, on behalf of REX, obtaining a s444GA Order
- the Administrators, on behalf of REX, obtaining ASIC Relief
- execution of all documents in respect of and satisfaction of all conditions to financial close under the Air T Facility, which is described in the DOCA Proposal as a syndicated loan note subscription agreement of $50.0m to be made available by an entity related to Air T to the DOCA Entities
- the SIA not being terminated.

6 Purpose and scope of the report

6.1 Purpose of the report

57. The Solicitors for the Administrators have requested KPMG Corporate Finance to prepare an IER in relation to the residual equity value (if any) for the shareholders of REX, as detailed in the Letter of Instruction and attached in Appendix 8 of this report. We understand that this report will be used:

- for the purpose of assisting the Court in determining whether the proposed transfer of shares to Air T or a nominee will unfairly prejudice the shareholders of REX, and
- for the purpose of applying to ASIC for technical relief from the takeover provisions of s606 of the Act.

58. Furthermore, this report will be included in the Explanatory Statement to be sent to the shareholders of REX prior to the Court hearing of the s444GA Application.

6.2 Our approach

59. KPMG Corporate Finance has assessed the residual equity value of REX on a liquidation basis, reflecting the assumption that the vendor is under pressure due to financial distress and is in administration. We have considered the higher of the equity values assessed under the Distressed Business Sale, and Distressed Asset Sale scenarios for the Rex Group and Subsidiaries.

60. For the purposes of our valuation on a liquidation basis, we have applied the liquidation value as defined by the International Valuation Standards being "*the amount that would be realised when an asset or group of assets are sold on a piecemeal basis. Liquidation value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation value can be determined under two different premises of value":*

- *an orderly transaction with a typical marketing period; or*
- *a forced transaction with a shortened marketing period.*

61. Our liquidation values exclude the cost of the liquidation process.

6.3 Valuation Date

62. Our opinion has been based on financial information as at 31 August 2025 (**Valuation Date**). We have been advised that this represents the latest available financial information prepared by the management of REX and/or the Administrators for each company comprising the Companies. However, we have included, where practical, any information that was made available and considered important up to 22 October 2025, such as the amount owed to the creditors and costs associated with the administration and the DOCA, the valuation of the aviation assets by the Technical Expert, and market based data.

6.4 Basis of assessment

63. RG 111 "Content of expert reports", issued by the ASIC provides guidance on the content of an expert report including in relation to the transfer of shares under s444GA of the Act and applications to ASIC for relief from s606 of the Act.

64. RG 111 provides that:

- in order to assist it in determining whether to grant relief, ASIC generally requires an expert's report to be prepared for s444GA transactions

- ASIC will generally grant relief from s606 of the Act, where the expert's report concludes that shareholders' equity has no residual value
- where a company under administration holds assets that form a business, the expert should generally base the assessment on the higher of:
  - the value of the business as a whole
  - the sum of the liquidation value of the underlying business assets
- the value of shareholders' residual equity should be assessed on the basis that the company is in administration
- a business is likely to be subject to various constraints associated with the company being under administration, which may affect the expected performance of the business directly and/or perceptions of business risk to potential acquirers. These should be considered by the expert in deriving the expected sale value of the business and should be disclosed in the report
- an expert should generally value shareholders' residual equity in a company under administration on a "winding up" or "liquidation" basis, where that is likely or necessary consequence of the transfer of shares not being approved.

6.5 Limitations and reliance on information

65. In preparing this report and arriving at our opinion, we have considered the information detailed in Appendix 2 of this report. In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying it. Nothing in this report should be taken to imply that KPMG Corporate Finance has in any way carried out an audit of the books of account or other records of REX for the purposes of this report.

66. We note the 31 August 2025 management accounts relied on by us have not been prepared according to the Act and have not been subject to an audit or independent review, however, we are advised that these represent the latest available financial information prepared by management of REX and/or the Administrators for each company comprising the Companies. As discussed in Section 6.3, where available, the most recent financial information has been adopted.

67. Further, we held discussions with the Administrators in relation to the nature of the Companies' business operations, its specific risks and opportunities, its historical results and its prospects for the foreseeable future. This type of information has been evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

68. The Administrators are responsible for ensuring that information provided by them or their representatives is, to the best of their knowledge and belief, not false, misleading or incomplete. Complete information is deemed to be information which at the time of completing this report should have been made available to KPMG Corporate Finance and

would have reasonably been expected to have been made available to KPMG Corporate Finance to enable us to form our opinion.

69. We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters which an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

70. The information provided to KPMG Corporate Finance included the forecasts/projections and other statements and assumptions about future matters (forward-looking financial information) prepared by or on behalf of the Companies. KPMG Corporate Finance has relied upon this forward-looking financial information in preparing this report and the Administrators remain responsible for all aspects of this forward-looking financial information. The forecasts and projections as supplied to us are based upon assumptions about events and circumstances which have not yet transpired. We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information or tested the mathematical integrity of the models. KPMG Corporate Finance has undertaken various enquiries in relation to the Cash Flow Model, including holding discussions with the Administrators regarding the commercial assumptions underlying the Cash Flow Model. We have reviewed the key commercial assumptions in the context of current economic, financial and other conditions (e.g. industry, regulatory, contractual). KPMG Corporate Finance is of the view that the forward-looking information has been prepared on a reasonable basis and, therefore, is suitable as a basis for our valuation.

71. Notwithstanding the above, KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results that will actually be achieved during the forecast period. Any variations in the forward-looking financial information may affect our valuation and opinion.

72. The opinion of KPMG Corporate Finance is based on prevailing market, economic and other conditions at the date of this report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

6.6 Reliance on Technical Expert

73. ASIC Regulatory Guides envisage the use by an independent expert of specialists when valuing specific assets involving technical matters beyond the independent expert's expertise. To assist KPMG Corporate Finance in the valuation of REX's aeronautical assets, Cirium was engaged by the Administrators, and instructed by us, to prepare a Specialist Report in relation to the valuation of aircraft, aircraft engines and aviation related spare parts. A copy of the Specialist Report, dated 4 November 2025, is attached to this report at Appendix 9.

74. The Specialist Report was prepared in accordance with the requirements of the International Society of Transport Aircraft Trading (**ISTAT**).

75. ASIC Regulatory Guides recommend the fees payable to the technical experts be paid in the first instance by the independent expert and claimed back from the party commissioning the independent expert. KPMG Corporate Finance's preferred basis for appointment of independent technical experts is that the client commissions, and pays the fees directly to, the technical expert, whilst KPMG Corporate Finance defines the scope of work for the technical expert. We do not consider that the independence of the technical expert is impaired by this arrangement.

6.7 Disclosure of information

76. In preparing this report, KPMG Corporate Finance has had access to all financial information considered necessary in order to provide the required opinion. The Administrators have requested KPMG Corporate Finance limit the disclosure of some commercially sensitive information relating to the Companies. This request has been made on the basis of the commercially sensitive and confidential nature of the operational and financial information. As such the information in this report has been limited to the type of information that is regularly placed into the public domain by the Companies.

7 Industry overview

77. The Companies' principal area of operation is the aviation industry. To provide context on the industry in which REX operates, we have included an overview of the global and Australian aviation sector, along with regional aviation trends and key market players in Appendix 3 of this report. This section also discusses financial performance, government support, and challenges faced by the regional airlines.

8 Profile of REX

8.1 Background

78. REX is the consolidated group entity and the parent company of Rex Group, RAL, and the Subsidiaries.

79. REX was publicly listed on the ASX in 2005. On 31 July 2024, REX's securities were suspended from quotation, due to the administration process. On 11 September 2025, REX issued an announcement on the ASX which stated REX was to be delisted in September 2025.

80. Prior to COVID-19, Rex Group and the Subsidiaries were profitable businesses. In 2020, following Virgin Australia Holding Limited's (**Virgin Australia**) restructuring and reduced operations of its business in regional Australia (which included downsizing its Boeing 737 fleet and grounding its Tiger Air fleet), REX established Rex Domestic and entered the market by leasing a fleet of nine Boeing 737's to service domestic trunk routes. In January 2021, REX entered into an agreement with PAGAC Regulus Holdings Pty Ltd (**PAG**) to issue up to $150m first-ranking senior secured convertible notes to support the launch of Rex Domestic.

81. Due to various factors such as the COVID-19 lockdowns, and lack of scale, the REX Domestic segment struggled to attract sufficient demand to make it a profitable segment.
82. During this time, while some of the other entities in the Rex Group, excluding REX Regional, remained profitable, the underperformance of Rex Domestic negatively impacted the overall profitability of the Rex Group.
83. With Rex Domestic no longer viable, the Administrators were appointed to Rex Group and RAL.
84. Prior to commencement of administration, the REX business mainly comprised five key segments: Rex Regional operated by REX, Rex Domestic operated by RAL, aeromedical business operated by Pel-Air, pilot training schools operated by AAPA and AAPAV, charter business operated by NJE in which AP held a 50% equity interest.
85. An overview of key events in REX's history is summarised in the following table:

Table 3: Overview of REX's history

Year	Event
2002	• REX was formed through the merger of two regional carriers in Australia: Hazelton Airlines, and Kendell Airlines
2005	• REX was listed and commenced trading on the ASX with an initial public offering (**IPO**) of 35,000,000 shares at $1.0 per share • REX acquired 50% of the shares in Pel-Air, the aeromedical business • REX announced the acquisition of 100% equity interest in Air Link, a regional airline based in Dubbo, NSW
2007	• REX acquired the remaining 50% of shares in Pel-Air, which became a wholly-owned subsidiary of REX • REX commenced a joint venture pilot training academy named Civil Aviation Training Academy (**CATA**) with Mangalore Airport Pty Ltd (**MAPL**)
2008	• REX acquired 100% of the CATA joint venture and renamed it Australian Airline Pilot Academy
2008	• Pel-Air was awarded a 10-year contract to provide fixed-wing air ambulance services for Ambulance Victoria, commencing 2011
2011	• Pel-Air commenced the Air Ambulance Victoria contract for the provision of fixed wing patient transportation services • Pel-Air awarded a three-year contract to provide jet aircraft services to support Australian Defence Force training
2015	• REX expanded into Western Australia with REX selected as regular public transport (**RPT**) operator on selected services in the state
2018	• REX announced the divestment of its 100% ownership in Air Link

2019	• Pel-Air announced the extension of its existing Ambulance Victoria contract by two years, which would end in 2023 • REX announced the acquisition of a 100% interest in Aviation Training Academy Australia Pty Ltd (**ATAA**) which owns ST Aerospace Academy (Australia) Pty Ltd (**STAA(A)**)
2020	• Pel-Air was awarded a 10-year contract with NSW ambulance to provide fixed-wing patient transport services, commencing 2022
2021	• REX expanded Rex Domestic which was operated by RAL through the lease of Boeing 737s and commencing metro-metro routes
2022	• REX completed the acquisition of Propeller and Propulsion Services from Airbus New Zealand and changed the acquired entity's name to Australian Aero Propeller Maintenance Pty Ltd • Pel-Air re-awarded a 12-year Ambulance Victoria fixed-wing air ambulance contract, commencing 2024 • Completed the acquisition of a 50% interest in NJE, the regional services arm of Cobham Aviation Services Australia
2023	• Rex Flyer, a frequent flyer program was launched
2024	• Administrators appointed to the Rex Group and RAL on 30 July 2024 • Rex Domestic ceased operations • Pel-Air and 50% interest in NJE were sold as part of the First Sale Process
2025	• Administrators appointed to the Subsidiaries on 20 October 2025 • REX delisted from the ASX on 11 September 2025

Source: Annual Report, Company Website, Primary and Secondary Research

86. Subsequent to Rex Group and RAL entering administration on 30 July 2024, the Administrators grounded the domestic fleet of Boeing 737 aircraft with flights relating to the metro to metro routes being cancelled. The Administrators have continued to operate flights conducted by the Regional business.

87. In and around August 2024, the Administrators conducted the First Sale Process and subsequently, the Second Sale Process discussed in Section 5.

88. On 23 August 2024, the Court granted orders extending the convening period so that the second meeting must be held no later than 5 business days after 25 November 2024.

89. On 20 November 2024, the Court granted orders extending the convening period so that the second meeting must be held no later than 5 business days after 30 June 2025 (**Second Extension**).

90. On 24 June 2025, the Court granted orders extending the convening period so that the Second Meeting must be held no later than 5 business days after 5 December 2025.

91. The Administrators have advised that they may convene and hold the Second Meetings earlier than this date (**Third Extension**) and that the Second Extension and subsequently

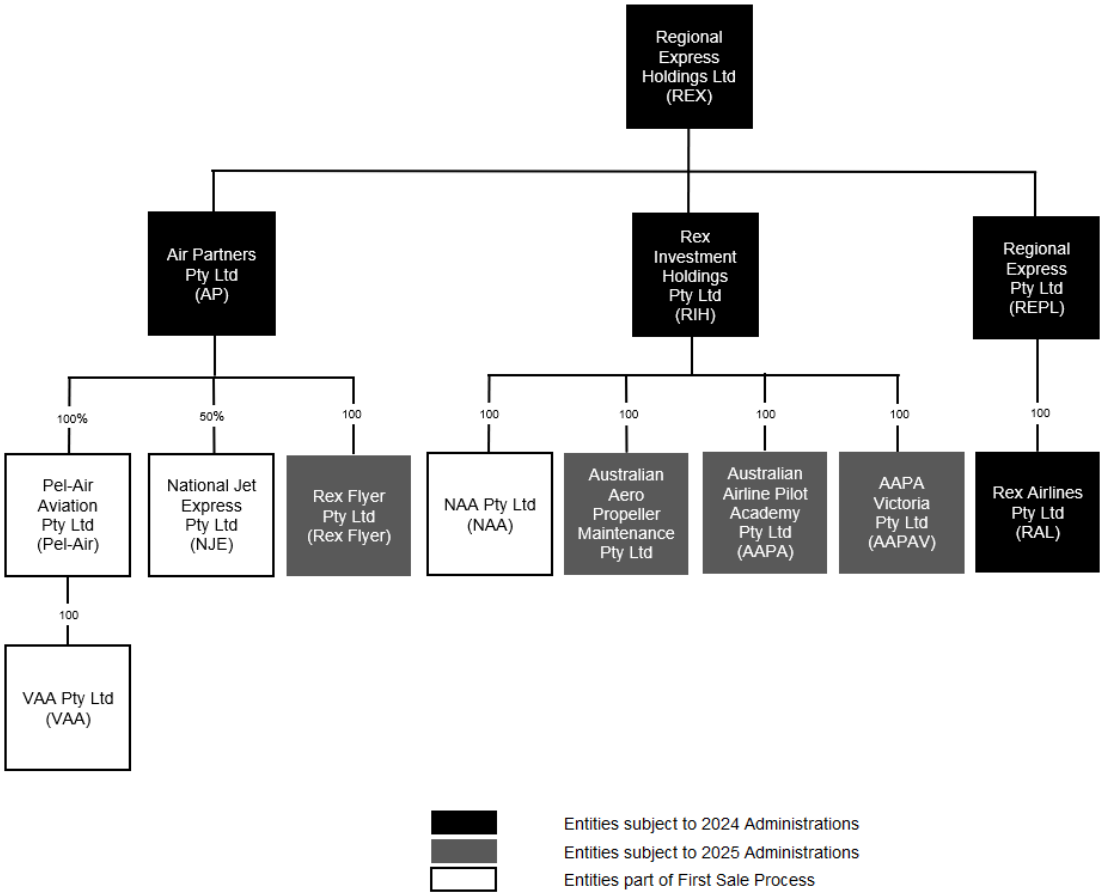
the Third Extension was sought to provide sufficient time to conduct the sale process. This was supported by an $80.0m financing facility, which was subsequently amended to extend a further $30.0m in funding provided by the Commonwealth to facilitate the operation of the Rex Regional routes throughout the administration process. This additional financing is in addition to an assignment by the Commonwealth of the previous secured lender's financing arrangements in the amount of $50.0m.

92. The Administrators' second sale process resulted in the execution of the SIA with Air T on 20 October 2025.

8.1.1 Corporate structure

93. The corporate structure of REX and its subsidiaries is presented as follows:

Figure 2: REX corporate structure



Source: Administrators

94. With regard to the table above, we note:

- the entities shaded black and grey are subject to the administration
- REX is the consolidated group entity and operates all regional aircraft, notably the Saab fleet
- REPL and AP are non-operating entities, with REPL holding an Air Operator Certificate
- RIH is an investment company
- NAA and VAA are special purpose vehicles that own and operate the air ambulance fleet in NSW and Victoria, respectively. Pel-Air holds the two ambulance contracts.
- Rex Flyer Pty Ltd holds the frequent flyer program for REX and RAL, which held more than 100,000 members prior to the administration
- AAPA and AAPAV are pilot training entities and each hold Air Operator Certificates
- NJE of which a 50% interest was acquired by AP in July 2022 provides FIFO charter, private charter, and overnight freight services discussed under Section 5.1. AP sold its shares in NJE to entities controlled by the other existing shareholders of NJE on 2 December 2024.

8.2 Operations

95. REX oversees eight wholly owned subsidiaries, seven of which are included within the Transaction Perimeter as the DOCA Entities as detailed in the corporate structure chart contained in Section 1 of this report.

96. The First Sale Process resulted in the successful sale of Pel-Air (which included NAA and VAA) and NJE and the exit of Rex Domestic. The remaining operational business activities of REX are described in more detail below.

8.2.1 Rex Regional

97. Rex Regional is characterised as Australia's largest independent regional airline, generating approximately $237.6m in revenue in FY25 and serving more than one million passengers. The airline operates 32 Saab 340 aircraft which are suited for operations at regional airports. The fleet is currently at mid-life, with an average of approximately 43,000 flight hours. Further, Rex Regional holds slots at major congested airports including Sydney, Melbourne, Adelaide, Brisbane and Perth. The airline operates a comprehensive and strategically important network, connecting 53 airports across 44 distinct routes, segmented as follows:

Sole operated routes

98. Sole operated or non-contested routes represents routes flown where Rex Regional is currently the sole operator and routes which are not subject to government regulation. REX Regional operates 12 non-contested routes which are protected from new entrants due to limited passenger volumes (**PAX**), servicing 140,057 passengers in FY25. REX's sole operated routes have an average load factor of 63.5%, contributing to 16.8% of FY25 passenger revenue.

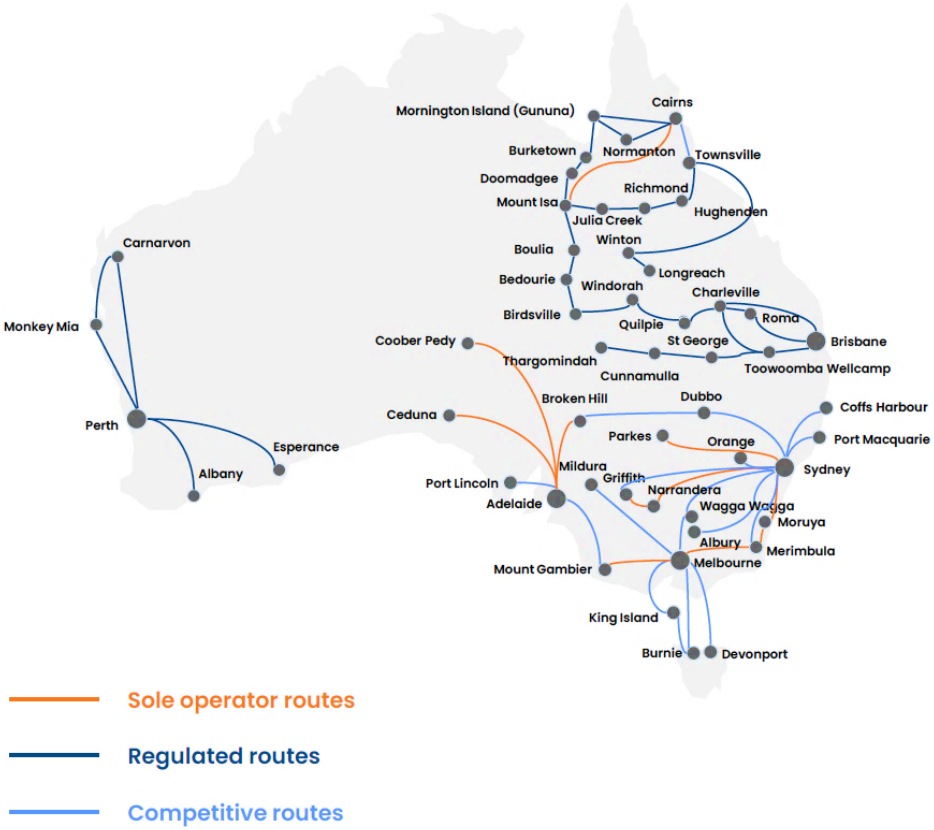
Competitive routes

99. Competitive routes are those which have at least one other competing airline. The competitive segment comprises of 23 routes, servicing 525,414 passengers in FY25. These routes are the largest revenue generator, contributing to 52.1% of FY25 passenger revenue with an average load factor of 60.5%.

Government regulated routes

100. Regulated routes are less commercially viable and state governments in Queensland and Western Australia provide subsidies to facilitate air travel in these regional areas. REX operates 9 regulated routes under government contracts, servicing 267,063 passengers in FY25. REX continues to maintain a close relationship with governments to provide regulated routes, having won every tender since 2010. The regulated segment contributed to 31.1% of FY25 passenger revenue, with a load factor of 69.6%.

Figure 3: Sole operated, competitive and regulated routes flown by REX



Source: Administrators, EY Port Jackson Partners Commercial Due Diligence Report and KPMG Corporate Finance analysis

101. In conjunction, REX operates four ancillary businesses which compliment Rex Regional:

8.2.2 Australian Aero Propeller Maintenance (AAPM)

102. Based in Victoria, AAPM is the only facility in the southern hemisphere qualified to service the Saab fleet operated by Rex Regional. The business holds both European Aviation Safety Agency and CASA approvals, enabling it to provide comprehensive propeller maintenance repair, and overhauls for the group's fleet and third-party operators across Australia, New Zealand and the Pacific Islands.

8.2.3 Australian Airline Pilot Academy/Victoria (AAPA/AAPAV)

103. AAPA operates a flight school located in Wagga Wagga in NSW and AAPAV operates a flight school in Ballarat in VIC. Due to operational uncertainties related to the administration of REX, AAPA paused the intake of new students in September 2024. All current students attend the Ballarat campus, which remains fully operational, while the Wagga Wagga campus has been placed in care and maintenance as of February 2025.

104. Combined, the facilities have an operational capacity of approximately 300 cadets per year. Each campus is equipped with a fleet of aircraft, with a combined total of 42 aircraft comprised of Piper Warrior III, Piper Seminole, Cessna 172S NAV III, Cessna 152 Aerobat and Beechcraft C90GTi, as well as advanced flight simulators. AAPA operates as a Registered Training Organisation (**RTO**) and is the Commonwealth Register of Institutions and Courses for Overseas Students (**CRICOS**) approved enabling the training of both domestic and international cadets. The business is further accredited by international aviation regulators in China, Singapore, Vietnam and is recognised for its intensive program designed to train pilots to commercial airline standards. Student cadets graduate with commercial pilot licenses, instrument rating and multi-crew cooperation certificates.

8.2.4 Rex Flyer

105. Rex Flyer which represents REX's frequent flyer loyalty program was established in October 2023 to drive customer retention and engagement across the network. The program is designed to incentivise frequent travel by awarding points for flight bookings and ancillary purchases, with members able to earn up to seven points per dollar spent. The program currently has 123,995 active members, reflecting a cumulative 703m total points earned.

106. Members are able to accrue status points, unlocking tiered benefits including priority check-in, baggage, boarding, and seating. While the redemption of reward points has been temporarily suspended during the administration period, the program remains active for earning points and maintaining customer engagement.

8.2.5 Rex charter

107. REX's charter division provides specialist aviation services including FIFO operations and air charter tours. Historically managed by Pel-Air, the charter operations were retained by Rex Regional following the divestment of the aeromedical businesses. The FIFO segment is supported by long standing contractual arrangements, complimented by ad-hoc services for other customers. The charter operations are underpinned by a network of fleet bases strategically located in Sydney, Adelaide, Brisbane, Cairns, Melbourne, Perth, Townsville

and Wagga Wagga. Air charter tours provide exclusive sightseeing experiences across Australia. Both operations leverage the REX's Saab 340 aircraft.

8.3 Financial performance

108. REX's historical financial performance for FY23, FY24, FY25 and Financial Year to Date 2026 (**FYTD26**) is summarised in the table below. The financial information presented is reflective of the aggregated income statement by entity which make up the Transaction Perimeter. The data presented is based on management accounts which have not been audited.

Table 4: REX's historical Transaction Perimeter consolidated financial performance

For the $m	12 months 30-Jun-23	12 months 30-Jun-24	12 months 30-Jun-25	YTD 31-Aug-25
Passenger revenue	258.7	246.4	237.6	44.4
Freight revenue	1.8	1.8	1.8	0.3
Charter revenue	10.1	12.4	7.9	1.0
Other passenger services and amenities	4.5	3.8	4.6	0.8
Government grants and subsidies	14.5	13.4	11.9	2.0
Other income	25.5	20.6	4.9	2.9
Revenue	**315.0**	**298.4**	**268.7**	**51.3**
Manpower and related costs	(136.1)	(145.4)	(171.0)	(28.0)
Flight costs	(62.7)	(51.8)	(45.8)	(7.3)
Engineering costs	(42.3)	(53.1)	(33.9)	(12.4)
Port costs	(31.9)	(31.4)	(34.1)	(6.4)
Departmental expenses	(13.1)	(14.0)	(12.6)	(2.1)
Selling costs	(7.1)	(6.6)	(5.8)	(1.2)
Other operating costs	(1.0)	(1.3)	(1.6)	(0.2)
Reported EBITDA	**20.8**	**(5.3)**	**(36.1)**	**(6.2)**
Interest & lease	(7.4)	(3.9)	(9.2)	(2.0)
Depreciation	(25.7)	(24.6)	(22.3)	(3.9)
Foreign exchange	(22.8)	20.8	(28.1)	0.4
PBT	**(35.1)**	**(13.0)**	**(95.7)**	**(11.6)**
Income tax	4.6	4.4	10.3	3.5
NPAT	**(30.5)**	**(8.6)**	**(85.4)**	**(8.1)**
Statistics				
Passenger revenue growth	*N/A*	*-5%*	*-4%*	*N/A*
Freight revenue growth	*N/A*	*1%*	*-1%*	*N/A*
Charter revenue growth	*N/A*	*23%*	*-36%*	*N/A*
Revenue growth	*N/A*	*-5%*	*-10%*	*N/A*
Expense growth	*N/A*	*3%*	*0%*	*N/A*
EBITDA growth	*N/A*	*-126%*	*-579%*	*N/A*
PBT growth	*N/A*	*-63%*	*-638%*	*N/A*
NPAT growth	*N/A*	*-72%*	*-894%*	*N/A*
EBITDA margin	*7%*	*-2%*	*-13%*	*-12%*

Source: Unaudited management accounts of the transaction perimeter business for FY23, FY24, FY25 and FYTD26 and KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding
2. The figures presented may not match the audited financial statements as the results of Pel-Air (Group) have been excluded for this presentation.

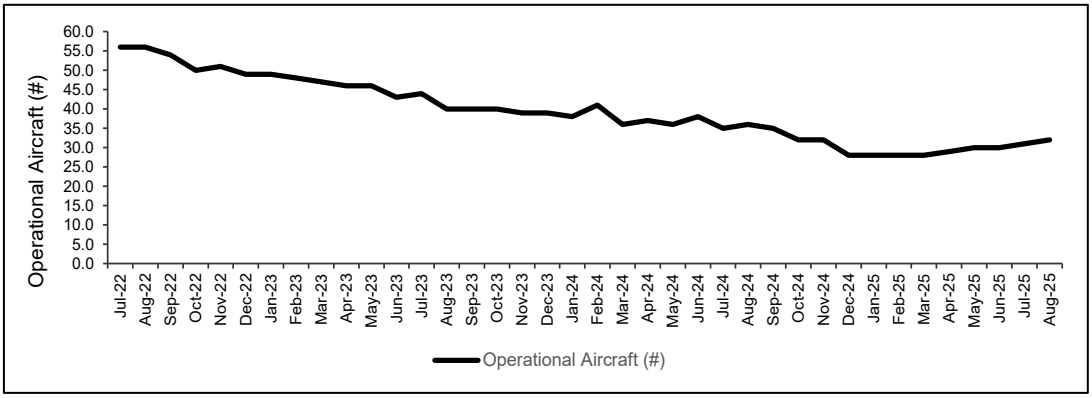
8.3.1 Revenue

Passenger revenue

109. Between FY23 and FY25, passenger revenue has decreased on average by 4.2% p.a. driven by operational challenges and availability of both, aircraft and pilots. Notably,

passenger revenue is REX's largest income generator, accounting for 84.4% of total revenue on average between FY23 and FY25.

Figure 4: Total operational aircraft



Source: Administrators and KPMG Corporate Finance analysis

110. As illustrated in Figure 4 the volume of operational aircraft declined over the historical period by 46.4% between July 2022 and August 2025. This was predominantly driven by delays in engine maintenance, in part due to supplier constraints. As such, the number of operational aircraft decreased from 56 in FY22 to 32 in FY25 as aircrafts were taken offline for maintenance, impacting profitability. This was partially offset by an increase in kilometres flown by operational planes, with an increase in the average Available Seat Kilometres (**ASK**) per plane from 15.9m in FY23 to 20.8m in FY25.

111. Further contributing to a decline in revenue were discontinued routes. Relative to FY23, there were 6 additional discontinued routes in FY25. ASK on continued routes decreased from 18.8m FY23 to 17.9m in FY25 as presented in Table 5, exacerbated by new competition on flight routes where REX was previously the sole operator.

Table 5: PAX revenue performance by route

For the $m	12 months 30-Jun-23	12 months 30-Jun-24	12 months 30-Jun-25	YTD 31-Aug-25
Sole operated	38.0	36.6	35.9	n.d
Competitive	137.7	118.0	111.0	n.d
Govt. regulated	55.8	64.3	66.3	n.d
Pax revenue ($m)	**231.5**	**219.0**	**213.2**	**n.d**
Sole operated	142.7	117.7	116.9	n.d
Competitive	456.0	347.0	320.4	n.d
Govt. regulated	191.2	203.7	207.1	n.d
ASK (m)	**789.9**	**668.3**	**644.5**	**n.d**
Sole operated	65.2%	67.5%	63.5%	n.d
Competitive	64.0%	64.0%	60.5%	n.d
Govt. regulated	72.9%	70.5%	69.6%	n.d
Load factor (%)	**66.4%**	**66.6%**	**64.0%**	**n.d**
Sole operated	93.0	79.4	74.3	n.d
Competitive	292.0	222.1	193.7	n.d
Govt. regulated	139.3	143.6	144.2	n.d
Revenue passenger kilometers (RPK) (m)	**524.2**	**445.1**	**412.2**	**n.d**
Sole operated	40.9	46.1	48.3	n.d
Competitive	47.2	53.2	57.3	n.d
Govt. regulated	40.1	44.8	46.0	n.d
Total yield (cents per RPK)	**44.2**	**49.2**	**51.7**	**n.d**
Average operational planes during the period	49.6	39.0	30.9	n.d
ASK per operational plane	**15.9**	**17.1**	**20.8**	**n.d**
Routes flown during the period	42.0	37.0	36.0	n.d
ASK per operational route	**18.8**	**18.1**	**17.9**	**n.d**

Source: Unaudited management accounts of the transaction perimeter business for FY23, FY24, FY25 and FYTD26 and KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding
2. The figures presented may not match the audited financial statements as the results of Pel-Air (Group) have been excluded for this presentation.
3. Load factor is equal to RPK / ASK * 100
4. Yield (cents) is equal to Pax revenue / RPK * 100

112. In relation to Table 5, we note:

- passenger revenue sole operated routes decreased by $2.1m (CAGR of -2.8%) between FY23 and FY25 driven by a 25.7m reduction in ASK, partially offset by pricing increases driving a 7.4c increase in yield per km
- competitive route passenger revenue decreased by $26.7m (CAGR of -10.2%) between FY23 and FY25 driven by a 135.6m decrease in ASK as routes were flown less due to plane availability and competitors increasing their frequency
- passenger revenue for government regulated routes increased by $10.5m (CAGR of 9.0%) (excl. government subsidies) between FY23 and FY25 driven by a 15.9m increase in ASK and a 5.9c increase in yield per km following an increased focus on government regulated routes, particularly in WA.

Government grants and subsidies

113. Grants and subsidies relate primarily to the financial support received from the Queensland Government to subsidise regulated routes, and government employment subsidies to aid

training of flight attendants and engineering apprentices. Government grants and subsidies have declined over the period by 17.6% following the decline in PAX.

Other income

114. Freight revenue primarily comprises contracted services provided to Qantas Airways Limited (**Qantas Group**) and Australia Post for airmail and freight operations and has remained constant over the historical period. In FY25, charter revenue previously arising from Pel-Air reduced following its divestment in December 2024, with remaining charter operations reflected under Rex Regional. Other income sources include sundry income (large one-off increase recorded in FY23), proceeds from the sale of fixed assets, and training revenue generated through AAPA.

8.3.2 Operating expenses

Manpower related costs

115. Manpower and related costs increased by 6.8% and 17.6% in FY24 and FY25, respectively. A breakdown of REX's manpower and related costs is summarised below.

Table 6: Manpower and related costs breakdown

For the $m	12 months 30-Jun-23	12 months 30-Jun-24	12 months 30-Jun-25	YTD 31-Aug-25
Salaries	80.6	89.4	78.5	12.8
Other	44.0	41.4	42.1	8.2
Manpower costs	**124.5**	**130.8**	**120.6**	**21.0**
Consultancy charges	0.4	1.3	39.6	4.8
Other	11.1	13.2	10.8	2.2
Manpower related costs	**11.5**	**14.5**	**50.4**	**6.9**
Total manpower and related costs	**136.1**	**145.4**	**171.0**	**28.0**

Source: Unaudited management accounts of the transaction perimeter business for FY23, FY24, FY25 and FYTD26 and KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding
2. The figures presented may not match the audited financial statements as the results of Pel-Air (Group) have been excluded for this presentation.

116. Manpower and related costs are REX's largest expense, attributable to 50.1% of total expenses on average over the historical period. These expenses are grouped into manpower and manpower related costs. We note the following in relation to these costs:

- manpower costs consist largely of salaries, which account for 55.5% of total manpower and related costs on average over the period. Other costs relate to superannuation expenses, overtime expenses, payroll tax expenses and other employee salary related expenses, and account for 14.1% of total expenses on average over the period. Manpower costs accounted for 41.7% of total expenses on average over the period. These costs decreased at a CAGR of 1.6% in part due to declining pilot and cabin crew costs due to a reduction in ASK
- manpower related costs are largely made up of consultancy charges and other costs such as operating crew accommodation, meals and uniforms. Consultancy charges predominantly relate to legal and administrative expenses which have increased from

$1.3m in FY24 to $39.6m in FY25. This increase reflects REX's entering into administration in July 2024. Due to these additional expenses, manpower related costs have increased at a CAGR of 109.0%, rising from 3.9% of total costs in FY23 to 16.5% in FY25. Other manpower related costs represent 3.9% of total expenses on average for the period and have decreased at a CAGR of 1.4%.

Flight costs

117. Flight costs are REX's second largest expense, comprising 17.8% of total expenses on average. This is largely comprised of fuel costs (93.5% of total flight costs in FY25).

Table 7: Flight cost breakdown

For the $m	12 months 30-Jun-23	12 months 30-Jun-24	12 months 30-Jun-25	YTD 31-Aug-25
Fuel	58.9	47.7	42.8	6.9
Other costs	3.9	4.1	3.0	0.4
Flight Costs	**62.7**	**51.8**	**45.8**	**7.3**

Source: Unaudited management accounts of the transaction perimeter business for FY23, FY24 FY25 and FYTD26 and KPMG Corporate Finance analysis

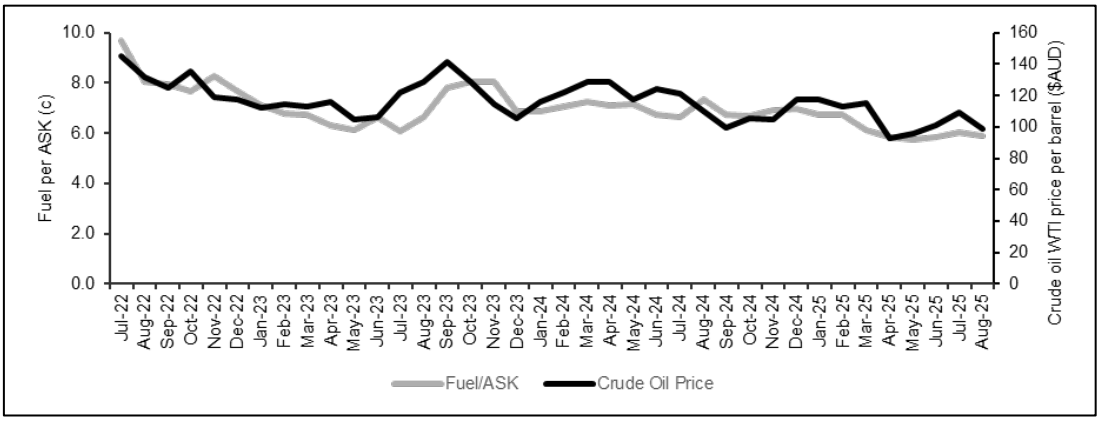
Notes:

1. Numbers may not add due to rounding
2. The figures presented may not match the audited financial statements as the results of Pel-Air (Group) have been excluded for this presentation.

118. Total fuel costs have decreased at a CAGR of 14.7% over the historical period, driven by both a reduction in ASK and fuel costs per ASK by 145.4m and 3.6 cents, respectively. The reduction in ASK is attributable to decreased operational aircraft as discussed previously. Concurrently, the reduction in fuel cost per ASK is driven by decreased oil prices which hold a direct relationship to fuel prices (Figure 5). This is particularly evident for REX as it does not hedge fuel costs, rather purchasing at market rates.

119. Other flight costs comprise passenger and crew meals and mishandled baggage.

Figure 5: Fuel per ASK vs WTI crude oil price per barrel



Source: KPMG Corporate Finance analysis

Engineering costs

120. Engineering costs increased by 25.5% in FY24 before subsequently decreasing by 36.3% in FY25. A breakdown of REX's engineering costs is summarised below.

Table 8: Engineering costs breakdown

For the $m	12 months 30-Jun-23	12 months 30-Jun-24	12 months 30-Jun-25	YTD 31-Aug-25
Engine scheduled Saab	2.3	10.8	0.0	0.0
Airframe scheduled Saab	13.0	14.7	11.3	3.6
Avionics scheduled Saab	8.1	7.4	4.7	1.7
Engine care maintenance plan (ECMP) accrual	9.6	10.7	16.8	5.6
Other	9.3	9.5	20.1	1.5
Engineering Costs	**42.3**	**53.1**	**52.9**	**12.4**

Source: Unaudited management accounts of the transaction perimeter business for FY23, FY24, FY25 and FYTD26 and KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding
2. The figures presented may not match the audited financial statements as the results of Pel-Air (Group) have been excluded for this presentation.

121. Engineering costs are attributable to 14.3% of total expenses on average over the historical period. We note the following in relation to REX's engineering costs:

- global supply constraints persisted during H1FY25, which restricted REX's ability to service engines. While supply conditions improved in H2FY25 and parts were procured, the delay in servicing engines has negatively impacted revenue as the number of operational aircraft has reduced
- engine scheduled Saab expenses relate to the engine maintenance across the Saab fleet. These expenses have declined from $10.8m in FY24 to nil in FY25 due to accounting reclassifications into ECMP accrual which has increased from $9.6m in FY23 to $16.8m in FY25
- airframe scheduled Saab reflects the costs associated with ad-hoc maintenance on aircraft hulls. Airframe scheduled Saab costs have decreased at a CAGR of 6.7% over the historical period, driven by a reduction in operational aircraft. These costs typically vary period on period depending on the work and parts required
- avionics scheduled Saab relate to ad hoc repair, installation and maintenance cost of flight control, navigation and communication systems required for the Saab fleet. These costs have decreased at a CAGR of 24.2% over the period, driven by less operational aircraft thereby reducing the maintenance available to be conducted
- other engineering costs include maintenance for brakes and propellers, stock adjustments, engine freight costs. Period on period fluctuations in other engineering costs are common and driven by timing of stock adjustments and non-routine maintenance.

Port costs

122. Port costs decreased by 1.7% in FY24 before subsequently increasing by 8.6% in FY25. A breakdown of REX's port costs is summarised below.

Table 9: Port costs breakdown

For the $m	12 months 30-Jun-23	12 months 30-Jun-24	12 months 30-Jun-25	YTD 31-Aug-25
Outports	13.1	12.8	14.0	2.6
Landing fees including runway charges	3.5	3.6	3.4	0.6
Passenger & baggage security charges	3.0	3.0	3.4	0.7
Terminal navigation charge	3.2	2.6	2.3	0.4
Other	9.2	9.4	11.0	2.1
Total port costs	**31.9**	**31.4**	**34.1**	**6.4**

Source: Unaudited management accounts of the transaction perimeter business for FY23, FY24, FY25 and FYTD26 and KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding
2. The figures presented may not match the audited financial statements as the results of Pel-Air (Group) have been excluded for this presentation

123. Port costs are REX's fourth largest expense, attributable to 10.8% of total expenses on average over the period. We note the following in relation to REX's port costs:

- outports costs relate to ground handling and vary depending on the relevant airport and are charged based on the number of aircraft being turned around. These costs account for 4.4% of total expenses on average over the period and increased at a CAGR of 3.3%
- landing fees, including runway charges, are levied by airports based on either the number of aircraft landings or passenger counts. Despite a decline in ASK, landing fees have remained broadly consistent over the period as a result of price increases at the airports. REX's landing fees per ASK have grown from 0.44 cents in FY23 to 0.53 cents per ASK in FY25. These costs account for 1.2% of total expenses on average over the period and have decreased at a CAGR of 1.0%
- passenger baggage and security charges relate to baggage handling and security checkout services and are determined based on the number of passengers flown by the airliner. Despite a decline in PAX and ASK, price increases have resulted in these expenses remaining consistent over the period. REX's passenger and baggage fees per ASK have increased from 0.38 cents in FY23 to 0.53 cents per ASK in FY25. These costs comprised 1.0% of total expenses on average over the period and have increased at a CAGR of 6.4%
- terminal navigation charges relate to navigation and air traffic control provided at an airport during the taxi, landing and departure of an aircraft. These expenses have decreased at a CAGR of 15.1% and account for 0.9% of total expenses on average over the period. This reduction is the result of a decrease in ASK and a decrease in the fees per ASK, which have declined from 0.40 cents per ASK in FY23 to 0.36 cents per ASK in FY25
- other fees include passenger transit services, outports delays, rescue and firefighting services as well as other ancillary airport costs such as meteorological and aircraft washing services. These costs account for 3.3% of total expenses over the period and have grown at a CAGR of 9.6%.

Other costs

124. Other costs increased by 3.7% in FY24 before subsequently decreasing by 9.0% in FY25. A breakdown of REX's other costs is summarised below.

Table 10: Other costs breakdown

For the $m	12 months 30-Jun-23	12 months 30-Jun-24	12 months 30-Jun-25	YTD 31-Aug-25
Insurance expenses	4.6	3.9	3.0	0.5
Software and telecommunication	2.7	2.8	3.2	0.6
Professional fees	0.9	1.2	1.0	0.1
Other	4.8	6.2	5.5	0.9
Departmental expenses	**13.1**	**14.0**	**12.6**	**2.1**
Global distribution systems	8.0	7.1	6.9	1.2
Merchant fees	3.5	3.9	4.4	0.8
Booking services and fees	(5.0)	(4.8)	(5.7)	(1.1)
Other	0.5	0.5	0.3	0.2
Selling costs	**7.1**	**6.6**	**5.8**	**1.2**
Marketing and advertising costs	0.3	0.1	0.6	0.1
Directors expense	0.6	0.6	0.2	0.0
Student expenses	0.1	0.4	0.4	0.0
Training costs	0.1	0.3	0.3	0.0
Other operating costs	**1.0**	**1.3**	**1.6**	**0.2**
Total other costs	**21.2**	**22.0**	**20.0**	**2.3**

Source: Unaudited management accounts of the transaction perimeter business for FY23, FY24, FY25 and FYTD26 and KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding
2. The figures presented may not match the audited financial statements as the results of Pel-Air (Group) have been excluded for this presentation.

125. Other costs are reflecting 7.0% of total expenses on average over the period and include departmental expenses, selling costs and other operating costs. We note the following in relation to REX's other costs:

- departmental expenses relate to a mixture of insurance, software and telecommunications, rent, and professional fees. These expenses account for 4.4% of total expenses on average over the period. These expenses decreased at a CAGR of 1.8% over the period, driven predominantly by decreasing insurance expenses, specifically aviation liability insurance
- selling costs relate to Global Distribution Systems (**GDS**), merchant fees, booking services and fees and other related expenses. These expenses account for 2.2% of total expenses on average over the period. These costs decreased at a CAGR of 9.7% for the period, driven predominantly by declining GDS expenses, specifically relating to the Galileo GDS (**GAL**) and Sabre GDS systems
- other operating costs related to marketing and advertising costs, director's expenses, student expenses and training costs. These expenses account for 0.4% of total expenses on average over the period. These costs increased at a CAGR of 26.4% for the period, driven predominantly by higher student and training expenses.

8.3.3 EBITDA and NPAT

126. EBITDA and NPAT decreased by $56.9m and $54.8m, respectively, over the period. A breakdown of REX's EBITDA and NPAT performance is summarised below.

Table 11: EBITDA and NPAT breakdown

For the $m	12 months 30-Jun-23	12 months 30-Jun-24	12 months 30-Jun-25	YTD 31-Aug-25
Revenue	315.0	298.4	268.7	51.3
Expenses	294.2	303.7	304.8	57.6
Reported EBITDA	**20.8**	**(5.3)**	**(36.1)**	**(6.2)**
Reported EBITDA margin (%)	*7%*	*-2%*	*-13%*	*-12%*
Interest & lease	(7.4)	(3.9)	(9.2)	(2.0)
Depreciation	(25.7)	(24.6)	(22.3)	(3.9)
Foreign exchange[3]	(22.8)	20.8	(28.1)	0.4
PBT	**(35.1)**	**(13.0)**	**(95.7)**	**(11.6)**
Income tax	4.6	4.4	10.3	3.5
Reported NPAT	**(30.5)**	**(8.6)**	**(85.4)**	**(8.1)**
Adjustment to EBITDA:				
Add back: Consultancy charges	0.4	1.3	39.6	4.8
Adjusted EBITDA	**21.2**	**(4.0)**	**3.5**	**(1.4)**
EBITDA margin (%)	7%	-1%	1%	-3%
Adjusted NPAT	**(30.1)**	**(7.3)**	**(45.8)**	**(3.4)**

Source: Unaudited management accounts of the transaction perimeter business for FY23, FY24 FY25 and FYTD26 and KPMG Corporate Finance analysis

Notes:
1. Numbers may not add due to rounding
2. The figures presented may not match the audited financial statements as the results of Pel-Air (Group) have been excluded for this presentation.
3. Foreign exchange includes impacts of revaluation of convertible notes.

127. We note the following with relation to the EBITDA and NPAT performance of REX over the historical period:

- EBITDA decreased by $26.1m in FY24, driven predominantly by declining revenues due to lower flight volumes and ASK, as well as higher expenses relating to employee salaries
- in FY25 EBITDA decreased by a further $36.1 million, driven predominantly by a significant increase in consultancy charges from $1.3 million to $39.6 million
- in FY24 NPAT increased by $21.9m, driven predominantly by a $43.7 million revaluation of convertible notes, offset by declining revenues and rising expenses
- in FY25 NPAT decreased by $76.8m, driven mainly by a $48.9 million revaluation of convertible notes and the increase in consultancy charges
- the reported EBITDA for the period includes non-recurring consultancy costs related to the administration of REX. Adjusting these items provides a more accurate reflection of REX's underlying operating performance and results in higher adjusted EBITDA margins.

8.4 Financial position

128. REX's historical consolidated financial position as at 30 June 2023, 30 June 2024, 30 June 2025 and 31 August 2025 is summarised in the table below. The financial information

presented reflects the aggregated balance sheet by entity which makes up the Transaction Perimeter. The data presented is based on management accounts which have not been audited.

Table 12: REX's historical Transaction Perimeter consolidated financial position

As at				
$m	30-Jun-23	30-Jun-24	30-Jun-25	31-Aug-25
ASSETS				
Current assets				
Cash and bank balances	4.7	4.9	25.4	25.2
Trade and other receivables	7.0	7.9	29.6	21.7
Prepayments	2.3	1.9	1.2	1.5
Tax accrual	0.0	9.8	9.7	15.5
Inventories	20.7	20.4	37.2	35.4
Current assets	**34.7**	**44.9**	**103.1**	**99.3**
Non-current assets				
Intercompany receivables	115.8	114.7	87.3	97.3
Other non-current receivables	9.2	4.1	5.4	5.4
Deferred tax asset	36.0	39.3	(8.8)	(18.4)
Investment in subsidiary	100.4	98.3	0.7	0.7
Property, plant and equipment	153.3	141.8	120.6	121.8
Right of use asset	12.9	12.9	11.0	11.4
Intangibles	0.4	1.1	0.9	0.8
Non-current assets	**428.0**	**412.1**	**217.0**	**218.9**
Assets	**462.7**	**457.0**	**320.2**	**318.2**
LIABILITIES				
Current liabilities				
Trade and other payables	30.7	48.6	63.3	48.5
Unearned revenue	34.1	30.2	30.8	32.2
Interest bearing liabilities	8.2	4.4	4.4	4.4
Lease liabilities	1.2	1.5	1.4	1.5
Provisions	12.2	14.7	14.6	15.5
Other financial liabilities	(3.7)	(3.3)	0.0	0.0
Current liabilities	**82.7**	**96.1**	**114.5**	**102.2**
Non-current liabilities [3]				
Interest bearing liabilities	87.8	92.6	86.0	103.0
Intercompany payables	18.0	0.0	0.0	0.0
Deferred tax liability	2.2	0.8	0.0	0.0
Lease liabilities	13.0	13.1	11.4	11.7
Provisions	2.9	3.0	2.8	2.6
Other financial liabilities	(11.7)	(9.6)	0.0	0.0
Non-current liabilities	**112.1**	**99.9**	**100.2**	**117.3**
Liabilities	**194.8**	**195.9**	**214.7**	**219.5**
Net assets	**267.9**	**261.1**	**105.5**	**98.7**
EQUITY				
Issued capital	75.6	77.0	77.4	77.4
Retained earnings	175.3	171.8	28.3	21.5
Share based payments reserve	2.2	(0.4)	(0.4)	(0.4)
Other reserves	14.8	12.6	0.2	0.2
Equity	**267.9**	**261.1**	**105.5**	**98.7**
Total Liabilities and Equity	**462.7**	**457.0**	**320.2**	**318.2**
Statistics				
Shares on issue at period end	*112.5*	*114.1*	*114.1*	*114.1*
Net assets per share	*$2.38*	*$2.29*	*$0.92*	*$0.87*
NTA per share	*$2.38*	*$2.28*	*$0.92*	*$0.86*
Net debt/EBITDA	*4.4*	*(17.3)*	*(1.8)*	*(13.2)*
Gearing (net borrowings/(net assets plus net borrowings)	*25.4%*	*26.1%*	*38.1%*	*45.4%*
Gearing (net borrowings/(net tangible assets plus net borrowings)	*25.4%*	*26.2%*	*38.3%*	*45.6%*

Source: Unaudited management accounts of the transaction perimeter business for FY23, FY24, FY25 and FYTD26, S&P Capital IQ and KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding
2. The figures presented may not match the audited financial statements as the results of Pel-Air and Rex Airlines Pty Ltd have been excluded from this presentation.
3. As at 31 August 2025, all non-current liabilities are classified as current liabilities due to REX's administration process, which renders these obligations immediately payable.

8.4.1 Working capital

129. REX's working capital profile exhibited a consistent negative position, which reduced from 30 June 2024 to 31 August 2025, primarily driven by timing of receivables from merchants, trader creditors and unearned revenue due to the lag between prepaid airfares and flights yet to be flown.

130. In the period leading up to its administration, REX's working capital deteriorated, largely driven by increased delays in payments to creditors. As at 30 June 2024, the negative balance had decreased due to a substantial rise in trade and other payables of approximately $17.9m, partially offset by a modest increase in trade receivables of c.$0.9m. More recently from 30 June 2024 to 31 August 2025 REX's negative working capital position has slightly reduced. As at 31 August 2025, unearned passenger revenue totalled $32.2m.

8.4.1 Other non-current receivables

131. Other non-current receivables include deposits, imputed facility fee and other receivables. Notably, the balance declined from $9.2m as at 30 June 2023 to $4.1m million as at 30 June 2024, primarily driven by a $4.7m reduction in the imputed facility fee.

8.4.2 Property, plant & equipment

132. REX's property, plant & equipment (**PP&E**) predominantly comprises aircraft, land and buildings, aeronautic related assets (including engines and spare parts) and other plant and equipment.

133. The PP&E balance decreased steadily from 30 June 2023 to 30 June 2025. As at 30 June 2024, the decrease was mainly attributable to a $7.8m reduction in aircraft, alongside decreases in integrated aircraft systems and cyclic rotable assets of approximately $4.2m and $2.1m, respectively, which were partially offset by $5.5m building additions compared to 30 June 2023.

134. As at 30 June 2025, PP&E declined further, primarily driven by a $14.2m decrease in other plant and equipment (mainly flight simulators and generators) following the disposal of the B737 flight simulator and other assets no longer required for operations. A further $7.1 million decrease in aircraft was recorded, reflective of the sale of the B350 aircraft in March 2025. Building disposals also contributed to the decline, following the sale of 37 Robey Street, associated property at 72-76 Robey Street as part of the B737 flight simulator sale and the sale-and-leaseback of Baxter Road (REX's Head Office) in the first half of FY25.

8.4.3 Current and non-current interest-bearing liabilities

135. Current interest-bearing liabilities relate to loans provided to NJE as part of the investment in the entity. The balance decreased by $3.7m as at 30 June 2024 as a result of a repayment. As at 31 August 2025, the remaining $4.4m loans are subject to the ongoing administration process.

136. Interest-bearing liabilities increased as at 30 June 2024, primarily driven by a further $16.3m drawdown on the PAG convertible notes. PAG was repaid in full during March 2025

from the sale of Pel-Air, NJE, and other non-core asset sales, together with a refinancing by the Australian Government of $50.0m which occurred in January 2025. As a result, the balance contracted as at 30 June 2025. Non-current interest-bearing liabilities as at 30 June 2025 and 31 August 2025, reflect the loan from the Commonwealth of Australia. As at 31 August 2025, all non-current liabilities are classified as current liabilities due to REX's administration process, which renders these obligations immediately payable.

137. The original loan facility with the Australian Government comprised $80.0m, consisting of $20.0m under 'Facility A' and $60.0m under 'Facility B', as agreed by the Administrators following the start of the administration. In June 2025, the Court approved that the Administrators enter into an amended funding agreement with the Australian Government to increase the existing facility by $30.0m. As at 31 August 2025, the non-current interest-bearing liabilities balance is $103.0m upon the refinance and further drawdown under the amended Australian Government loan facility.

138. The most recent balance of both current and non-current interest-bearing liabilities are discussed in detail in Section 8.7.2. As discussed in Section 6.3, we have included, where practical, any information that was made available and considered important up to 22 October 2025.

8.4.4 Current and non-current other financial liabilities

139. Current and non-current other financial liabilities represent hedges related to Pel-Air Pty Ltd which were historically recorded in Rex Regional for reporting purposes.

140. As at 30 June 2023, REX recognised a negative liability from total hedges of $15.5m, comprising $3.7m as current other financial liabilities and $11.7m as non-current other financial liabilities. As at 30 June 2024, REX recognised a negative liability from total hedges of $12.9m, with $3.3m as current other financial liabilities and $9.6m as non-current other financial liabilities.

141. No current and non-current other financial liabilities were reported as at 30 June 2025 and 31 August 2025 upon REX's full divestment of Pel-Air Pty Ltd in December 2024, during the administration.

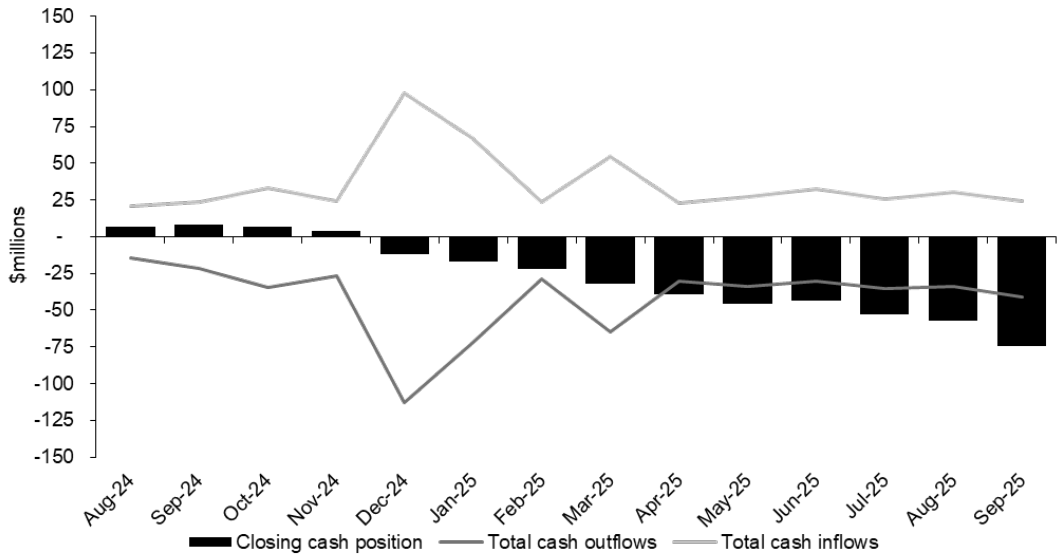
8.4.5 Provisions

142. Provisions relate to employee leave entitlements, retention bonus, bond liability provision and other employee benefits. The level of total provisions (current and non-current) increased from $15.1m as at 30 June 2023 to $17.7m as at 30 June 2024, largely attributable to an increase in the long service leave provision. Total provisions remained broadly flat between 30 June 2024 and 31 August 2025.

8.5 Cash Flow

143. REX's monthly cash flows from August 2024 to September 2025 are presented below. The cash flow summary is based on data provided by the Administrators and excluding the working capital drawdowns provided by PAG and the Commonwealth of Australia to better visualise the actual operating cash flow of REX.

Figure 6: REX's monthly cash flow summary (excl. working capital drawdowns)



Source: Administrators cash flow analysis for the Transaction Perimeter for August 2024 to September 2025 and KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding
2. The figures presented may not match the audited financial statements as the results of Pel-Air (Group) have been excluded for this presentation.

144. REX's monthly total cash inflows were below its outflows between August 2024 and September 2025. Over the observed period, REX recorded a negative average net cash movement of approximately $5.3m per month.

145. Elevated cash outflows were observed in October 2024, December 2024 and several months in early 2025. These movements were primarily driven by timing differences in operational receipts and payments, administration costs, partially offset by proceeds from the sale of Pel-Air Pty Ltd and several PP&E assets. These shortfalls were partially offset by improved cash flows in other months.

146. December 2024 marked the most significant cash flow activity, driven by substantial inflows from the full divestment of Pel-Air Pty Ltd, the sale of B737 spare parts and other assets, and a sale-and-leaseback of REX's Head Office, which were all applied to the partial repayment of the PAG loan.

147. Further notable cash flow movements occurred in March 2025, following receipt of proceeds from the sale of Beechcraft Super King Air B350, disposal of B737 flight simulator and associated property at 72-76 Robey Street. These funds were utilised to cover ongoing administration costs, payoff of the remaining PAG loan, and a partial repayment of the Commonwealth of Australia loan.

148. We note that the cash flows are heavily impacted by the administration and the associated fees and costs and that without the working capital drawdowns provided by PAG until November 2024 and the Commonwealth of Australia from December 2024 (in total $90m) there would have been a material shortfall of cash flows over the observed period.

8.6 RAL financial performance and position

149. We note that RAL does not form part of the DOCA Entities, however, is a part of the broader REX Group. For reference, the financial performance and position of RAL is presented below. We note the large movement in values between FY23 to FY25 is driven by the liquidation of assets as part of the sale process during the period of administration and the ceasing of its operations.

Table 13: Financial performance

For the $m	12 months 30-Jun-23	12 months 30-Jun-24	12 months 30-Jun-25	YTD 31-Aug-25
Passenger revenue	215.9	267.1	38.1	12.0
Freight revenue	0.0	0.0	0.0	0.0
Charter revenue	0.0	0.0	0.4	0.0
Other passenger services and amenities	1.0	2.2	0.2	0.0
Government grants and subsidies	0.1	0.0	0.0	0.0
Other income	3.4	4.9	(1.1)	0.1
Revenue	**220.5**	**274.2**	**37.7**	**12.0**
Manpower and related costs	(50.2)	(68.7)	(6.9)	(0.1)
Flight costs	(71.9)	(87.8)	(8.2)	0.0
Engineering costs	(35.7)	(52.1)	(6.3)	(0.0)
Port costs	(39.0)	(55.0)	(5.2)	0.0
Departmental expenses	(7.0)	(7.7)	2.1	(0.0)
Selling costs	(18.9)	(25.7)	(2.2)	0.0
Other operating costs	(2.1)	(1.5)	(0.2)	0.0
Reported EBITDA	**(4.2)**	**(24.3)**	**10.9**	**11.9**
Interest & lease	(5.7)	(9.9)	(0.9)	0.0
Depreciation	(15.2)	(24.4)	(3.8)	(0.1)
Foreign exchange	(3.2)	(0.2)	2.7	(0.5)
PBT	**(28.3)**	**(58.9)**	**8.8**	**11.3**
Income tax	8.5	17.7	(1.4)	(3.4)
NPAT	**(19.8)**	**(41.2)**	**7.4**	**7.9**

Source: Unaudited management accounts of RAL for FY23, FY24, FY25 and FYTD26 and KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding

Table 14: RAL financial position

As at $m	30-Jun-23	30-Jun-24	30-Jun-25	31-Aug-25
ASSETS				
Current assets				
Cash and bank balances	2.7	1.7	4.0	5.2
Trade and other receivables	8.1	11.9	8.0	7.1
Prepayments	4.2	0.5	0.0	0.0
Tax accrual	0.0	0.0	0.0	(3.4)
Inventories	3.6	3.3	3.5	3.6
Current assets	**18.7**	**17.5**	**15.5**	**12.5**
Non-current assets				
Intercompany receivables - non-current	(62.9)	(102.8)	(90.6)	(91.9)
Other non-current receivables	5.1	6.4	0.0	0.0
Deferred tax asset	11.3	21.1	21.4	21.4
Investment in subsidiary	0.0	0.0	0.0	0.0
Property, plant and equipment	12.0	28.8	4.7	4.4
Right of use asset	61.4	123.1	0.1	0.1
Intangibles	0.5	0.4	0.2	0.2
Non-current assets	**17.1**	**57.6**	**(84.7)**	**(86.2)**
Assets	**35.8**	**75.2**	**(69.2)**	**(73.7)**
LIABILITIES				
Current liabilities				
Trade and other payables	29.5	47.2	51.6	50.5
Unearned revenue	26.1	28.5	11.3	0.0
Interest bearing liabilities (curr)	0.0	0.0	0.0	0.0
Lease liabilities - current	15.1	20.4	0.0	0.0
Provisions - current	1.9	3.2	3.2	3.2
Other financial liabilities - current	0.0	0.0	0.0	0.0
Current liabilities	**72.7**	**99.3**	**66.1**	**53.7**
Non-current liabilities				
Interest bearing liabilities	0.0	0.0	0.0	0.0
Intercompany payables - non-current	0.0	0.0	0.0	0.0
Deferred tax liability	10.3	19.4	20.4	20.4
Lease liabilities - non-current	61.1	117.5	0.1	0.1
Provisions - non-current	0.1	0.3	0.3	0.3
Other financial liabilities - non-current	0.0	0.0	0.0	0.0
Non-current liabilities	**61.3**	**117.8**	**0.4**	**0.4**
Liabilities	**134.0**	**217.1**	**66.5**	**54.1**
Net assets	**(98.2)**	**(141.9)**	**(135.7)**	**(127.8)**
EQUITY				
Issued capital	0.0	0.0	0.0	0.0
Retained earnings	(98.5)	(141.9)	(135.7)	(127.8)
Share based payments reserve	0.3	0.0	0.0	0.0
Other reserves	0.0	0.0	0.0	0.0
Equity	**(98.2)**	**(141.9)**	**(135.7)**	**(127.8)**
Total Liabilities and Equity	**35.8**	**75.2**	**(69.2)**	**(73.7)**

Source: Unaudited management accounts of RAL for FY23, FY24, FY25 and FYTD26 and KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding
2. As at 31 August 2025, all non-current liabilities are classified as current liabilities due to REX's administration process, which renders these obligations immediately payable.

8.7 Capital structure

8.7.1 Share capital and ownership

150. As at 30 September 2025, REX had 114,241,152 ordinary shares on issue. The following table illustrates the ten largest substantial shareholders in REX.

Table 15: REX's substantial shareholders as at 30 September 2025

Substantial shareholder	Interest in Rex shares	Voting rights in Rex
MR JEREMIAH KIM HAI LIM	18,998,346	16.6%
BNP PARIBAS NOMS	16,671,857	14.6%
HSBC CUSTODY NOMINEES	10,330,315	9.0%
THIAN SOO LEE	7,722,181	6.8%
JOO CHYE CHUA	7,454,362	6.5%
CITICORP NOMINEES PTY LIMITED	5,853,974	5.1%
MS HUI LING TJOA	5,755,513	5.0%
REX INVESTMENT HOLDINGS PTY	4,265,282	3.7%
LAY KHIM NG	3,727,181	3.3%
MING YEW SEE TOH	3,254,362	2.8%
Total	**84,033,373**	**73.6%**
Other Shareholders	*30,207,779*	*26.4%*

Source: Administrators, KPMG Corporate Finance analysis

8.7.2 Creditor listing

151. The following table illustrates creditor's list as at 22 October 2025.

Table 16: REX's creditor obligations

As at dates specified $m	
As at	**22-Oct-25**
Secured, unsecured, priority and contingent creditors	
Secured creditors	(218.7)
Priority creditors	(23.2)
Unsecured creditors	(113.5)
Total creditors	**(355.4)**

Source: Administrators, KPMG Corporate Finance analysis

152. Regarding the table above, we note:

- secured creditor claims consist of amounts due to the Commonwealth of Australia and to creditors holding specific security over assets. The Administrators have advised that these claims total $218.7m noting that this amount includes an estimate of the expected balance of the Commonwealth's facility as at the date of the second meeting of creditors.
- priority creditors comprise of employee entitlements which have a priority of repayment over unsecured, and certain elements of secured creditor claims. The Administrators have advised that these claims total $23.2m. The Administrators have also advised that this amount excludes redundancy entitlements, which would be payable to continuing

employees if REX were to go into liquidation in the absence of a DOCA. The Administrators estimate that these additional priority claims could exceed $30.0m.

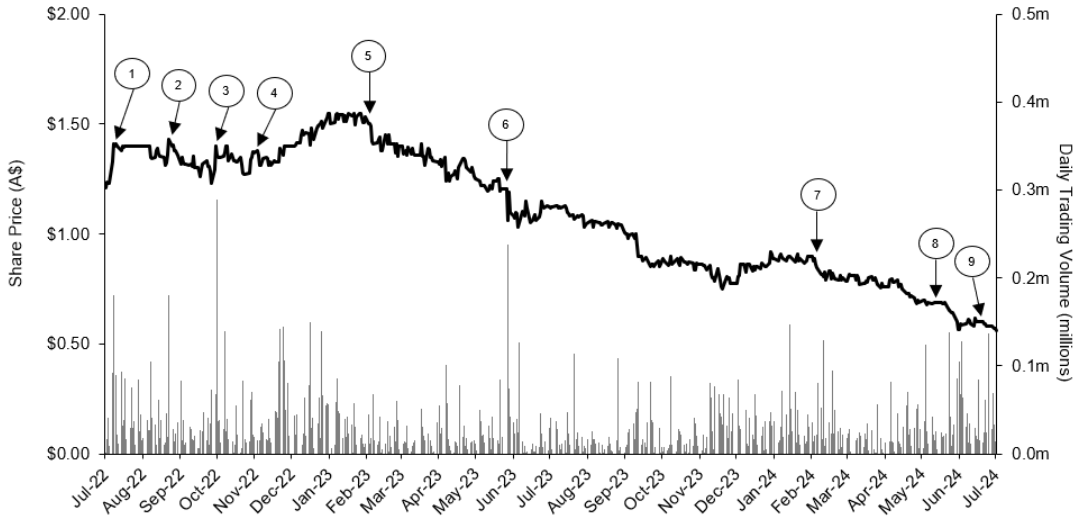
- unsecured creditors claims consist of amounts due to trade and other unsecured creditors. The Administrators have advised that based on proofs of debt received these claims total $113.5m.

8.8 Share price performance

8.8.1 Trading events in ordinary shares

153. The following chart depicts REX's daily closing price and trading volume on the ASX over the 24-month period to 26 July 2024, being the last trading day prior to REX entering a trading halt and subsequently administration.

Figure 7: REX's daily close price and volume traded on the ASX



Source: S&P Capital IQ, IRESS & KPMG Corporate Finance analysis

154. REX announcements identified as being price sensitive over the 24-month period to 26 July 2024 include, however are not limited to:

1) 2 August 2022: REX announces profit guidance following strong results in the first month FY23
2) 19 September 2022: the Foreign Review Investment Board issued a No Objection Notification with regards to REX's intention to acquire 100% of National Jet Express
3) 24 October 2022: REX announced profitable domestic operations for the month of September, the first time since resuming operations in February 2022
4) 25 November 2022: REX announces further increased profitability on REX's domestic jet operations

5) 28 February 2023: REX announces financial results of first six months of financial year ending 30 June 2023 (1HFY23), reporting an after-tax loss of $16.5m for the six months ended 31 December 2022
6) 20 June 2023: REX announced it is revising its interim profit guidance provided on 28 February 2023 following a trading halt the prior day
7) 29 February 2024: REX announces financial results of first six months of financial year ending 30 June 2023 (1HFY24), reporting an after-tax loss of $3.2m for the first six months ended 31 December 2023
8) 5 June 2024: REX announces board and management changes, including Mr Neveille Howell as Chief Executive Officer
9) REX advises it has received notices that the directors of the Company call and arrange to hold a general meeting of members of the Company to consider resolutions concerning any person appointed as a director of the Company on and from 5 July 2024 until the end of the general meeting (other than Lim Kang Song or Mukul Soul) be removed as director.

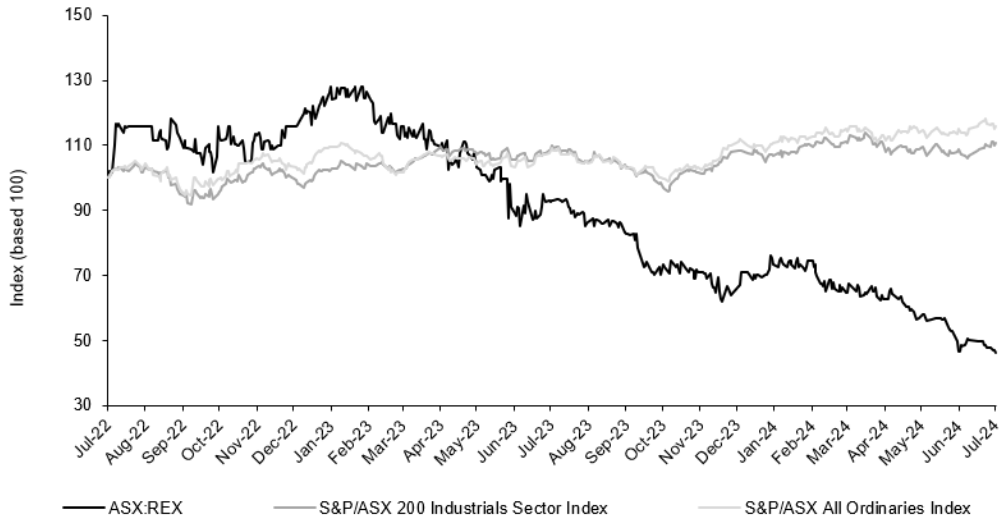
155. Subsequent to 26 July 2024 (the last full trading day of REX), REX entered into a trading halt at market open on 29 July 2024 pending an announcement. On 30 July 2024, REX and a number of subsidiaries entered into administration.

156. Further details in relation to all announcements made by REX to the ASX can be obtained from either REX's website at www.rex.com.au or the ASX's website at www.asx.com.au.

8.8.2 Relative share price performance

157. The following figure illustrates REX's performance relative to the S&P/ASX 200 Industrial Sector Index and the S&P/ASX All Ordinaries Index. REX's share price is observed to initially outperform both benchmarks, peaking on 15 February 2025 following the early profitability of Rex Domestic. However, following the release of 1HFY23 results on 28 February 2023 which revealed profitability restrictions, performance relative to the indexes declined steadily reflecting the compounding impact of unprofitable routes, fleet renewal constraints, and heightened competition in the domestic market, ultimately culminating in the administration of REX.

Figure 8: REX's performance relative to the S&P/ASX All Ordinaries Index and S&P/ASX 200 Industrials Sector Index



Source: S&P Capital IQ, IRESS & KPMG Corporate Finance analysis

8.8.3 *Trading liquidity on the ASX*

158. An analysis of the trading volume across various periodicities in the 12 months to 26 July 2024, being the final trading day of REX's share price, is presented in the following table.

Table 17: REX trading liquidity prior to trading suspension

Period up to and including 26 Jul 24	Price (low) A$	Price (high) A$	Price VWAP A$	Cumulative value A$m	Cumulative volume m	% of issued capital
1 day	0.56	0.57	0.56	0.0	0.0	0.0%
1 week	0.56	0.58	0.57	0.1	0.2	0.2%
1 month	0.56	0.62	0.58	0.5	0.9	0.8%
3 months	0.55	0.81	0.65	1.6	2.4	2.1%
6 months	0.55	0.91	0.73	3.1	4.2	3.7%
12 months	0.55	1.13	0.80	5.9	7.3	6.5%

Source: S&P Capital IQ, IRESS & KPMG Corporate Finance analysis

159. REX's shares exhibited low liquidity over the 12 months to 26 July 2024, reflecting an average daily volume of only 0.029m shares traded per day and an average daily value of approximately $0.023m. Over this period REX's shares traded on 252 of 262 available trading days on the ASX. The remaining 10 days include public holidays, trading halts and days with nil liquidity.

8.9 *FY26 outlook*

160. In the absence of a successful transaction or recapitalisation of the business, REX is expected to enter liquidation and cease trading.

161. Whilst ancillary business and assets have been divested alongside restructuring efforts to focus on core regional operations, such measures are not sufficient to materially alter the group's financial trajectory and have been largely exhausted. Furthermore, the majority of the Saab fleet operated by Rex Regional require significant capex with respect to overdue engine maintenance. Current operations are unable to fund the required maintenance, and while global supply constraints for engine parts are easing, they remain a risk to REX, particularly given US Defence Priorities and Allocations System (**DPAS**) priorities for engine components meaning commercial orders can be delayed or deprioritized in favour of US defence needs. The significant debt burden arising from the unsuccessful Rex Domestic expansion remains unsustainable, with the core regional business unable to service the liability. Furthermore, given REX operates the largest Saab fleet globally and holds the largest store of spare parts any sale in a liquidation scenario would prove difficult. Consequently, any outlook for REX and sources of earnings improvement is contingent on a successful transaction or recapitalisation of the business.

9 Valuation of REX

9.1 Valuation summary

162. We have estimated the residual equity value of REX to be nil. Our assessment is based on the higher of the residual equity value estimated under the Distressed Business Sale and Distressed Asset Sales scenarios for REX.

163. As noted in RG111.78, in assessing the residual equity value, the expert should consider the various constraints associated with the company being under administration and their effects on the expected performance of the business and/or the perceptions of business risk to potential acquirers. Further as noted in RG111.76, where a company under administration holds assets that form a business, the assessment of residual equity value is generally based on the higher of:

- the value of the business as a whole (i.e., Distressed Business Sale)
- the sum of liquidation value of the underlying business assets (i.e., Distressed Asset Sale).

164. Further, RG111 notes that the value of shareholders' residual equity should be derived by assessing the value of the company's assets and/or business operations, less borrowings, other liabilities and creditors' claims (RG111.71) on the basis that the company is in administration (RG111.72) with such assessment being conducted on a "winding up" or "liquidation" basis (RG111.73).

165. The following subsections discuss our valuation of the residual equity value under the Distressed Business Sale and Distressed Asset Sale scenarios for REX:

9.2 Valuation summary under the Distressed Business Sale scenario

166. We have assessed the residual equity value of REX under the Distressed Business Sale scenario to be nil.

167. This scenario is based on the assumption that the business will be sold as a whole in administration. Such an approach is often favoured by liquidators to preserve the intangible assets relevant to the business, maximising the potential return to creditors. Under this scenario, we have also taken into account the situation faced by REX reflecting the assumption that the vendor is under financial distress and in administration.

168. With consideration to the above, under this scenario, the residual equity value of REX has been determined as follows:

    - assessing the value of 100% of REX's operating business in administration using a DCF method (which represents control value)
    - adding surplus operating assets/liabilities (net)
    - deducting secured creditors (including the costs of the administration), priority creditors, and secured creditors as at 22 October 2025.

169. When assessing the value of 100% of REX's operating business, we have considered those synergies and benefits that would generally be available to a pool of potential purchasers. We have not included any 'special value', or the value of synergies specific to a particular acquirer.

170. Under the DCF scenario, we have not adjusted the underlying cash flow forecasts, however, have factored in the additional risks associated with financial distress in the discount rate applied. The discount rate adopted is a weighted average cost of capital (**WACC**) which reflects the expected return required to execute on the business plan and the risks of financial distress.

171. The implied EV/EBITDA multiples of the DCF value has been cross-checked to those of transactions involving other commercial airlines, as well as comparable listed companies within the industry. Our assessment of the implied multiples is set out in Section 9.5.5 of this report.

172. We have assessed the enterprise value of REX on a Distressed Business Sale basis to be in the range of $99.8m to $139.8m. After deducting the full amount of creditor claims ($355.4m) (including the costs of the administration), the resulting implied equity value range is negative as set out in the following table.

Table 18: Residual equity value of REX under Distressed Business Sale

$m	Section reference	Valuation range Low	High
Value of 100% of REX's operating business	**9.2**	**97.6**	**133.4**
Non operating assets/(liabilities) (net)	9.5.3	2.1	6.4
Enterprise value		**99.8**	**139.8**
Secured creditors	8.7.2	(218.7)	(218.7)
Priority creditors	8.7.2	(23.2)	(23.2)
Unsecured creditors	8.7.2	(113.5)	(113.5)
Total Creditors		**(355.4)**	**(355.4)**
Implied value of 100% of the equity of REX		**(255.6)**	**(215.6)**
Assessed value of 100% of the equity of REX		**nil**	**nil**

Source: KPMG Corporate Finance analysis

Notes:

1. Numbers may not add due to rounding
2. Non-operating assets include RAL as set out in Section 9.5.3
3. No surplus cash adjustments have been made as all existing cash form part of circulating asset recoveries which will be applied to satisfy any outstanding costs and liabilities of the Administration

173. Based on our analysis in the table above, REX's operating business would require a mid-point discount rate of approximately 10.1% in order for equity to have a positive value after taking into account the full amount of the creditors. Given the financial distress of REX, we consider this discount rate not reasonable or attainable.

174. Based on the above, we have assessed the residual equity value of REX under the Distressed Business Sale scenario to be nil.

9.3 Valuation summary under the Distressed Asset Sale scenario

175. We have assessed the residual equity value of REX under the Distressed Asset Sale scenario to be nil.

176. This scenario is based on considering the piecemeal sale of the underlying assets of the business, in liquidation, on an asset by asset basis. The piecemeal sale of assets scenario assumes that a sale of the business in a distressed environment is not possible or that such a sale would produce a value less than the sum of the assets sole individually in a liquidation. The residual equity value under this scenario has also been assessed on a liquidation basis considering the definition of liquidation value discussed under Section 6.2.

177. The methodology employed in this scenario is an ERV method which involves an estimation of the realisable value for each asset in a liquidation taking into account the liquidation environment and the costs of realisation. Such an estimation is expressed as a percentage of book value.

178. Determining the estimated realisable value of the Companies' aircraft, aircraft engines and aircraft parts requires technical expertise beyond that held by KPMG Corporate Finance. A suitably qualified expert, Cirium, has been engaged by the Administrators, and instructed by us, to provide an assessment of the value of these particular assets in a liquidation scenario. We have adopted Cirium's valuations in respect of the aircraft, aircraft engines and aircraft parts. In doing so we have adopted Cirium's Market Value – Adjusted figures as our high ERV values and Cirium's Distressed Market Value – Adjusted figures as our ERV

Low amounts. Details of the basis of Cirium's valuation basis and methodology is set out in their Specialist Report which is included in Appendix 9.

179. Our estimates of realisable value for all other assets are based on the experience of KPMG's Turnaround and Restructuring Team in completing external administrations (including voluntary administrations and liquidations).

180. We have assessed the residual equity value of REX under the Distressed Asset Sale scenario to be nil as set out in the following table.

Table 19: REX Summary of Value - Distressed Asset Sale

$m	Section reference	Valuation range Low	High
Total Assets	9.6.3	137.7	238.0
Creditor claims and other adjustments	9.6.3	(386.6)	(391.1)
Estimated Surplus/(Deficiency to Equity) (subject to the costs of liquidation)	9.6.3	(248.9)	(153.0)
Assessed value of 100% of the equity of REX		**nil**	**nil**

Source: KPMG Corporate Finance analysis

9.4 Selection of valuation methodology

181. We have considered the following factors in determining the most appropriate valuation methodologies to apply in determining the residual value of shareholder equity:

- the requirements and guidance set out in RG111
- the circumstances impacting the business and assets in administration including the likely assessment of risks and required returns of prospective purchasers for the assets
- the availability of information in relation to the Companies' assets and business including future cashflow forecasts and independent aircraft valuations
- the recent experience of the Administrators in conducting their sale process for the business and/or assets in administration.

9.5 Distressed Business Sale

9.5.1 Valuation methodology

DCF

182. A DCF approach was adopted as our primary methodology under this scenario which enables for an analysis of key assumptions (e.g. revenue yield, ASK, load factors). The DCF analysis was based on the Cash Flow Model provided by the Administrators.

183. We have undertaken various enquiries in relation to the Cash Flow Model, including having discussions with the Administrators with regards to the commercial assumptions underlying the Cash Flow Model. We have examined the underlying forecasts in relation to the Cash Flow Model, reviewed key commercial and operational assumptions in the context of REX's current economic, financial and other conditions (e.g. bidder concerns). We are of the view

that the FY25 to FY30 forecast has been prepared on a reasonable basis (albeit considering a turnaround of the business) and therefore is suitable for our valuation. Notwithstanding, in making this assessment we note the following:

- the Cash Flow Model has been prepared on a going concern basis without considering the business in administration or reflecting the current outstanding creditor claims. Instead, a complete deleveraging of the company was assumed as a starting point
- the forecast reflects a successful turnaround of the business subsequent to a sale and/or recapitalisation
- the Cash Flow Model provided was prepared for the Second Sale Process, which commenced in February 2025
- the Cash Flow Model has been updated throughout the Second Sale Process to incorporate updated assumptions and transaction perimeters
- the Cash Flow Model is reflective of the Transaction Perimeter under the DOCA, noting the exclusion of RAL
- the FY25 to FY30 forecasts were based on actuals to 31 December 2024
- the forecasts were prepared on an entity-by-entity basis and at a consolidated level, on a monthly basis
- the forecasts reflect the latest expectations regarding the ongoing serviceability of REX's existing network, including substantial engineering expenditure required to restore the Saab fleet to full operational capacity.

184. Notwithstanding the above, we have utilised the cash flows forecast per the Cash Flow Model provided. We have made an allowance for the risk profile of these cashflows and the administration process (and related financial distress) in the discount rate applied. We cannot provide any assurance that the forward-looking financial information will be representative of the results that will actually be achieved during the forecast period. We have not undertaken any audit procedures or attempted to substantiate the mathematical integrity of the Cash Flow Model.

Capitalised earnings

185. A Capitalised Earnings method was adopted as a cross-check. This method is appropriate for businesses with a long operating history and a consistent earnings trend that is sufficiently stable to be indicative of ongoing earnings potential. Although there is sufficient market evidence available from which to calculate multiples, the meaningfulness of the results is limited given REX's current position in administration and the related absence of a substantiative ongoing earnings potential based on the current situation.

186. A Capitalised Earnings method can be applied to a number of different earnings or cash flow measures, including, but not limited to, EBITDA, EBIT and net profit after tax. The choice between parameters is usually not critical and should give a similar result. EBITDA is commonly used where differences in depreciation or amortisation policies adopted by market participants (particularly for airlines which own airplanes vs. airlines which lease

airplanes) can make comparisons between companies difficult. Having considered the administration process and forecast losses incurred at an EBIT level, we have considered NTM EBITDA multiples as a cross-check of the enterprise value (**EV**) of REX's consolidated business operations.

9.5.2 Primary approach - DCF

187. The DCF analysis is based on the Cash Flow Model described in Section 9.5.1. The DCF analysis projects nominal, after tax cash flows from 1 September 2025 to 31 December 2029. A corporate tax rate of 30% has been utilised. The DCF analysis does not take into account any existing carried forward tax losses, however, tax losses generated over the forecast period are assumed to be utilised. A terminal value has been calculated by:
    - capitalising the annual after-tax cash flows between 1 January 2029 to 31 December 2029 based on a perpetual growth assumption
    - utilising the Gordon Growth Method and a terminal value growth rate of 2.5%.
188. Ungeared, after-tax cash flows are discounted by a WACC of 20.0% to 25.0%, reflecting that REX's operating business is in administration and financial distress (refer to Appendix 5).
189. The key assumptions underlying the Cash Flow Model include:
    - total revenue increasing by 14.7% in FY26 and 18.1% in FY27, before increasing by 5.7% and 5.3% in FY28 and FY29, respectively
    - total expenses increasing by 11.1% and 14.0% in FY26 and FY27, respectively, before increasing at a reduced rate of 3.8% in FY28 and 2.9% in FY29
    - REX's EBITDA margin increasing from 5.0% in FY26 to 13.1% in FY29 which is aligned with REX's historical margin observed between FY15 to FY19 (refer Figure 24)
    - accounts receivable days outstanding transitioning from currently 85.5 days to a target of 118.4 days over a 24-month period
    - accounts payable days outstanding transitioning from currently 44.0 days to a target of 35.0 days over a 24-month period
    - inventory days on hand are transitioning from currently 168.8 days to a target of 88.0 days over a 24-month period
    - any benefit related to existing carried forward tax losses was not considered.
190. A summary of the key assumptions underlying the Cash Flow Model is discussed further as set out in Appendix 6. We note that we have not made any adjustments to the underlying cash flow assumptions.

9.5.3 Other assets and liabilities (net)

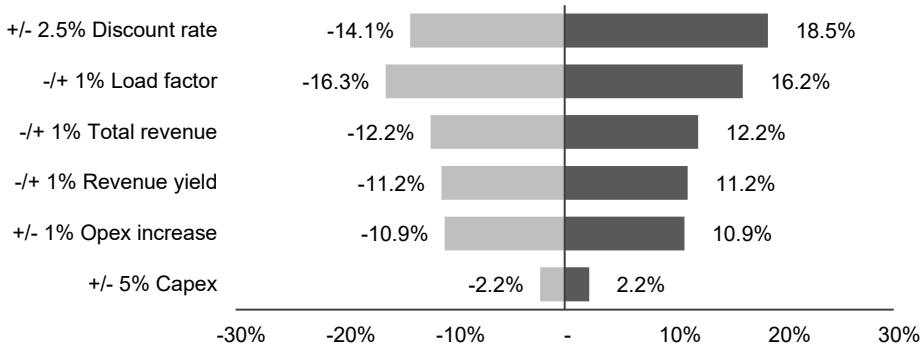
191. The Administrators have advised that RAL is considered surplus in nature to the DOCA Entities. We note that RAL's operations have ceased, and RAL's remaining assets mainly comprises of PPE and aviation spare parts and recoveries from cash, trade receivables and

inventories will be applied to satisfy any outstanding costs and liabilities of the administration before becoming available to creditors. In assessing the value of the non-operating assets arising from RAL, we have applied the recoverability ranges discussed in Section 9.6.3. Based on the above, we have assessed the value of the non-operating assets of RAL to be in range of $2.1m to $6.4m.

9.5.4 DCF Sensitivity

192. The DCF analysis produces a value range for REX's operating business of $97.6m to $133.4m. We have analysed the sensitivity of the EV outcomes to changes in the following variables. The output of the sensitivity analysis is summarised below:

Figure 9: REX operating business DCF sensitivity analysis



Source: KPMG Corporate Finance analysis

193. The chart above highlights the sensitivity of EV outcomes for REX's operating business to selected movements in a range of commercial assumptions. The analysis indicates that:

- NPV is highly sensitive to movements in the discount rate. However, we note a decrease in the discount rate by 2.5% continues to result in a negative equity value
- NPV is highly sensitive to changes in revenue yield, total revenue and load factor given the direct correlation with profitability. An isolated 1.0% increase in all three sensitivities continues to result in a negative equity value
- EV is sensitive to increases in total operating costs, reflecting the low initial profitability margins. A decrease in total operating costs by 1.0% continues to result in a negative equity value
- EV is not materially impacted by changes in total capex. Accordingly, the risk of significant overspend on engine maintenance required to restore the Saab fleet to full operational capacity, although relevant, is not considered to result in a major decrease in EV. A 5.0% decrease in capex continues to result in a negative equity value.

194. We have additionally conducted a scenario analysis simultaneously incorporating all of the above favourable outcomes. Nevertheless, in the event of a simultaneous upside to each

sensitivity, the residual equity value of REX continues to be negative, resulting in nil residual equity value.

*Terminal value growth rate (**TVGR**) and WACC sensitivity*

195. Set out below is a sensitivity analysis on the implied equity value to changes in the TVGR and WACC. Further discussion on the WACC is set out in Appendix 5.

Table 20: REX equity value sensitivity to WACC and TVGR

	$m	TVGR			
		1.5%	2.0%	2.5%	3.0%
WACC	7.5%	121.0	160.0	206.8	263.9
	12.5%	(111.1)	(101.5)	(91.0)	(79.4)
	17.5%	(196.3)	(192.4)	(188.3)	(183.9)
	22.5%	(239.8)	(237.9)	(235.9)	(233.7)
	27.5%	(265.9)	(264.8)	(263.7)	(262.5)
	32.5%	(283.2)	(282.5)	(281.8)	(281.1)
	37.5%	(295.3)	(294.8)	(294.4)	(293.9)

Source: KPMG Corporate Finance analysis

Notes:

1. The above sensitivity table has been prepared for illustrative purposes to demonstrate the impact of the change in TVGR and WACC assumptions on the equity value. The sensitivity table has been prepared on the basis of the adjustments applied to derive the higher end of our equity value range

9.5.5 Cross-check

196. The EV/EBITDA multiples implied by our selected enterprise value range for REX's operating business have been cross-checked to those of trading multiples for comparable listed entities and transactions involving regional and commercial airlines. The EV attributed to REX's operating business of $97.6m to $133.4m implies the following multiples of EV/EBITDA: These multiples are summarised in Table 21.

Table 21: REX implied multiples

$m	Low	High
Value of 100% of REX's operating business	**97.6**	**133.4**
Implied EBITDA multiples in:		
FY26	5.9x	8.0x
FY27	2.7x	3.7x

Source: KPMG Corporate Finance analysis

Transaction evidence

197. The following table set out the EV/EBITDA multiples implied by recent transactions involving regional and commercial airlines. More information on the transactions are provided in Appendix 7.

Table 22: Transaction evidence

Date	Target	Acquirer	Acquired %	Implied Enterprise Value ($ millions)[1]	EBITDA Multiple[2] Historical	Forecast
Jun-25	Virgin Australia Holdings Limited	Initial Public Offering	30.2%	3,621	4.4x	3.4x
Jun-25	Norwegian Air Shuttle ASA	n/a	6.3%	19,328	4.5x	2.5x
May-25	Air Premia Inc.	Tirebank Co., Ltd.	22.0%	1,084	12.0x	n/a[4]
Apr-24	Air Premia Inc.	AP Holdings Co.,Ltd.	13.3%	820	13.7x	n/a[4]
Apr-22	Air Partner plc (nka:Air Partner Limited)	Wheels Up Experience Inc.	100.0%	75	7.3x	6.6x
Jan-22	Air India Limited	Tata Sons Private Limited	100.0%	3,276	10.3x	n/a[4]

Source: S&P Capital IQ, Company Announcements, Company financial statements, KPMG Corporate Finance analysis.

Notes:

1. Implied enterprise value represent considerations plus net borrowing assumed and displayed in A$ millions.
2. Represents the implied enterprise value divided by EBITDA, where EBITDA is earnings before net interest, tax, depreciation, amortisation, other income and significant and non-recurring items.
3. Represents the implied enterprise value divided by EBIT, where EBIT is EBITDA as discussed in note 2 less depreciation and amortisation.
4. n/a represents not available.

198. In relation to the above table, we note the following:

- it is likely that some of the comparable transaction multiples identified would have included a control premium, and a value in respect of synergistic and/or strategic benefits, some of which may have been unique to the acquirer. The extent of any synergistic benefits would vary between transactions
- there are limited comparable transactions involving commercial airlines reflecting the industry's challenges, capital intensive and highly cyclical nature
- Virgin Australia's initial public offering (**IPO**) and Norwegian Air Shuttle ASA's (**Norwegian Air**) acquisition in June 2025 at an implied EV/EBITDA multiple of 4.4 times and 4.5 times, respectively, reflects a conventional commercial transaction, which is aligned with typical airline earnings multiples. In particular, Virgin Australia's IPO multiple is representative of fundamental value in a stable domestic market, having already undergone post a COVID-19 restructure under the ownership of Bain (following Virgin entering administration in 2020)
- investor-led acquisitions of South Korea's Air Premia Inc. (**Air Premia**) in April 2024 and May 2025 reflect expansion ambitions in a recovering travel market. The higher multiples observed reflect long-term strategic value and post-pandemic growth potential rather than near term earnings
- Wheels Up Experience Inc.'s (**Wheels Up**) April 2022 acquisition of Air Partner plc (**Air Partner**) reflects significant strategic benefits, providing a global platform to accelerate growth and market expansion. The transaction enabled for immediate opportunities of value enhancement, operational flexibility, and international reach justifying a higher EV/EBITDA multiple
- Tata Sons Private Limited's (**Tata** or **Tata Group**) January 2022 acquisition of Air India Limited (**Air India**) was driven by strategic national interests, enabling the reclamation of India's flag carrier and integration of international routes with its existing airlines. The multiple of 10.3 times reflects both reduced earnings due to impacts of the COVID-19

pandemic, and confidence in the turnaround as well as synergistic benefits justifying a higher EV/EBITDA multiple.

Sharemarket evidence

199. The following table sets out the EV/EBITDA trading multiples of listed regional carriers and commercial airlines with regional operations both within Australia and internationally. More information on the sharemarket evidence is provided in Appendix 7.

Table 23: Sharemarket evidence

Company	Market Capitalisation ($ million)	Enterprise Value ($ million)[1]	EBITDA multiple[2] LTM	NTM	FY+2
Regional airlines					
Alliance Aviation Services Limited	372.0	789.0	3.7x	3.7x	3.6x
SkyWest, Inc.	7,494.1	10,269.0	7.0x	6.3x	6.1x
Chorus Aviation Inc.	618.3	947.0	3.7x	4.8x	5.3x
Mean			**4.8x**	**4.9x**	**5.0x**
Median			**3.7x**	**4.8x**	**5.3x**
Commercial airlines w. regional operations					
Qantas Airways Limited	17,418.4	23,116.4	5.2x	4.4x	4.0x
Air New Zealand Limited	1,757.4	2,807.7	3.4x	3.2x	2.6x
Virgin Australia Holdings Limited	2,577.2	3,691.4	4.5x	3.0x	2.8x
Japan Airlines Co., Ltd.	14,681.7	15,957.9	4.9x	4.2x	3.9x
ANA Holdings Inc.	14,626.1	16,006.2	4.3x	4.3x	4.1x
Alaska Air Group, Inc.	11,067.3	17,563.1	6.3x	5.5x	4.8x
American Airlines Group Inc.	13,486.9	56,845.0	6.3x	6.4x	5.7x
Delta Air Lines, Inc.	61,262.0	89,596.5	8.2x	6.1x	5.8x
Mean			**5.4x**	**4.6x**	**4.2x**
Median			**5.0x**	**4.4x**	**4.1x**

Source: S&P Capital IQ; Company announcements; Company financial statements; KPMG Corporate Finance analysis. LTM = last annual results filing, NTM = forecast results for next financial year (based on broker and S&P Capital IQ estimates), FY+2 = forecast results for financial year after NTM (based on broker and S&P Capital IQ estimates).

Notes:

1. Enterprise values have been calculated as market capitalisation plus net debt plus outside equity interests less equity accounted investments at the latest annual report date.
2. EBITDA is earnings before net interest, tax, depreciation and amortisation, non-operating income (including dividends) and significant and non-recurring items.

200. In relation to the table above, we note the following:

- the comparable listed company multiples reflect the trading of portfolio interest and therefore exclude a premium for control
- the most comparable companies are Alliance Aviation Services Limited (**Alliance Aviation**), SkyWest, Inc. (**SkyWest**) and Chorus Aviation Inc. (**Chorus** or **Chorus**

Aviation), each of which operates a regional airline. Alliance Aviation and Chorus are both trading at multiples of 3.7 times last twelve month (**LTM**) EV/EBITDA and 3.7 times and 4.8 times next twelve month (**NTM**) EV/EBITDA, respectively. SkyWest's 7.0 times and 6.3 times LTM and NTM EV/EBITDA multiples, respectively, are considerably higher reflecting its larger scale, broader network reach, and more diversified operations

- commercial carriers with regional airline operations have LTM EV/EBITDA multiples ranging from 3.4 times to 8.2 times, and NTM EV/EBITDA multiples ranging from 3.0 times to 6.4 times. We consider these companies less comparable to REX given the substantially larger size and diversified operations, however a useful benchmark in the broader context for valuation multiples.

Implied multiples

201. In summary:

- multiples are calculated are based on EBITDA in the Cash Flow Model
- recent transactions including Virgin Australia's IPO and Norwegian Air occurred at historical multiples of 4.4 times and 4.5 times, respectively. This is higher than REX's implied FY27 multiples which is reasonable given the distressed situation of REX and the fact the turnaround in performance is yet to be realised
- we consider Virgin Australia's IPO as the most comparable in terms of geographic region
- Alliance Aviation and Chorus Aviation are the most comparable companies in terms of size, product, and service offering, trading at NTM multiples of 3.7 times and 4.8 times, respectively. REX's FY26 mid-point EBITDA multiple of 7.0 times is higher while FY27 multiples are lower reflecting the expected turnaround of the business
- NTM EBITDA multiples of commercial carriers with regional airlines have a mean and median of 4.6 times and 4.4 times, respectively. This is below REX's FY26 multiple range, however above the FY27 multiple range
- in comparison to the transaction and sharemarket evidence, the EV/EBITDA multiples implied by KPMG Corporate Finance's valuation of REX for FY26 are high, however the FY27 EV/EBITDA multiples are relatively low. We consider this reasonable noting the following:
  - the FY26 multiples reflect the initial high earnings growth expected following the recovery and turnaround of the business
  - the lower implied FY27 multiples reflect the risks that are inherent in the Cash Flow Model, including a successful turnaround with a recovery of key performance indicators (e.g. EBITDA margins to pre-COVID 19 levels as discussed in Appendix 6), accessing the required financing to support the business plan and the availability of planes and spare parts to renew the Saab fleet
- noting the above, we consider the implied multiples are reasonable given REX's situation and support the concluded EV as determined by the DCF analysis.

9.5.6 Comparison to REX's market capitalisation

202. The value of equity implied by the selected value range for REX's operating business is below its market capitalisation on the last trading day prior to the announcement that the Administrators had been appointed ($63.9m[1]). We consider this discount is reasonable, since it is likely that the price at which REX was trading on the ASX reflected some option value, based on either the possibility of a recapitalisation, acquisition or turnaround of the business, the particulars of which were not certain at that point in time. Therefore, we consider the valuation determined under the DCF methodology to be reasonable given the distressed situation of REX.

9.6 Distressed Asset Sale

9.6.1 Valuation methodology

203. We have considered the value of the residual equity in REX on a Distressed Asset Sale basis as a comparator and alternative to the Distressed Business Sale scenario.

204. In assessing the value on a Distressed Asset Sale basis, we have employed the ERV methodology. This methodology assumes that the company's business operations have ceased and its assets are sold on a piecemeal basis in liquidation with the proceeds applied to the repayment of creditor and other stakeholder claims.

205. In employing this methodology, we have drawn on:

- the experience of KPMG's Turnaround and Restructuring team in undertaking formal external administration's including voluntary administration and liquidations to assess the ERV of each type of asset; and
- the independent assessment of the value of specific aviation related assets completed by our Technical Expert, Cirium
- a listing of creditor claims provided to us by the Administrators.

9.6.2 Technical Expert

206. The completion of the valuation of REX's business and assets requires a proper assessment of the value of aircraft and aviation related assets. Such an assessment requires technical expertise beyond that held by KPMG Corporate Finance.

207. In accordance with RG111.136, to assist KPMG Corporate Finance in the valuation of REX's aviation related assets, a Technical Expert (Cirium) was engaged by the Administrators, and instructed by us, to prepare a Specialist Report in relation to the valuation of aircraft, aircraft engines and aviation related spare parts. A copy of the Specialist Report, dated 4 November 2025, is attached to this report at Appendix 9.

208. We have concluded that Cirium has sufficient skill, knowledge and expertise to perform this role.

[1] Based on a closing price of $0.560 on 26 July 2025 and 63,889,924 REX shares outstanding

9.6.3 ERV

209. We have been provided with information on the book value of assets of the Companies as at 31 August 2025 and the creditor information as at 22 October 2025.

210. We have estimated the realisable value for each asset taking into account the liquidation environment and the costs of realisation. As discussed above, a suitably qualified expert, Cirium, has been engaged by the Administrators and instructed by us to provide an assessment of the value of aircraft, aircraft engines and aviation related spare parts in a liquidation scenario. A copy of Cirium's report is attached as Appendix 9.

211. We have adopted Cirium's *"Market Value (adjusted for condition)"* values as our high case ERV and Cirium's *"Distressed Market Value (adjusted for condition)"* values as our low case ERV. We have adopted these valuation cases as the most relevant to the situation applying in a liquidation of the Companies. In doing so we have considered the following factors:

- the "Adjusted for condition" values most closely reflect the current maintenance and condition of the assets and hence their current value (compared to half-life, full-life or base condition).
- Cirium adopts the ISTAT definition of "Market Value" being:

  "…the Appraiser's opinion of the most likely trading price that may be generated for an aircraft (or other aviation-related asset) under the market circumstances perceived to exist at the time in question.

  Market Value assumes that the value is for an unencumbered single-unit transaction valued for the asset's highest and best use (as defined by the Appraiser), that the parties to the potential sale would be willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.
- Cirium notes that ISTAT does not explicitly define what an "adequate amount of time" is, but that Cirium define this to typically be a period of up to 12 months prior to the value as at date.
- Cirium adopts the ISTAT definition of "Distressed Transaction Value" being:

  "… the Appraiser's opinion of the price at which an aircraft (or other aviation-related asset) could be sold when the seller is under duress to sell (e.g., an artificially limited marketing time period), a liquidation, commercial restrictions, legal complications, or other such factors that materially reduce the bargaining leverage of the seller and give prospective buyers a significant advantage that can translate into an actual trading price materially below Market Value. Apart from the preceding, Distressed Transaction Value assumes that the value is for a single-unit transaction valued for the asset's highest and best use (as defined by the Appraiser), that the parties to the potential sale would be able, prudent and knowledgeable, and negotiating (or bidding, in the case of auction) at

arm's-length, for cash or equivalent consideration, under the market conditions that are perceived to exist at the time."

- Cirium have based their Distressed Transaction Value opinions on a 6 month period to market the aircraft and engines and close a sale in current market conditions.
- in our opinion, a 6 to 12 month period to market and sell aircraft assets is a reasonable timeframe in a liquidation process for assets of this type.

212. Our estimates of realisable value for all other assets are based on the experience of KPMG's Turnaround and Restructuring team in completing external administrations (including voluntary administrations and liquidations).

213. We have deducted the creditor claims as at 22 October 2025 from the sum of these ERVs to determine whether there is likely to be sufficient assets to repay creditor claims in a liquidation and to provide any residual equity value for the shareholders of REX as at the Valuation Date.

214. This analysis indicates that there will be insufficient realisations from the Companies' assets in a liquidation scenario to repay creditors in full. As a result, in our opinion, there is no residual value attributable to shareholders of REX on a liquidation basis.

215. Our analysis of the estimated realisable value of the Companies' assets and the residual value of equity of REX on a liquidation basis is set out as follows.

Table 24: Assessed value of residual shareholder equity – Liquidation basis

As at dates specified						
$m	**Reference**					
As at		**31-Aug-25**			**Refer Note 1**	**Refer Note 1**
		Book value			**ERV Low**	**ERV High**
Assets		**DOCA Entities**	**RAL**	**Total**		
Cash and bank balances	1	25.2	5.2	30.4	20.3	20.3
Trade and other receivables	2	21.7	7.1	28.8	10.3	14.5
Prepayments	3	1.5	0.0	1.5	0.6	0.8
Tax accrual	4	15.4	(3.4)	12.1	0.0	0.0
Inventories	5	1.1	0.0	1.1	0.0	0.0
Intercompany receivables - non-current	6	97.3	(91.9)	5.4	0.0	0.0
Other non-current receivables	7	5.4	0.0	5.4	0.0	0.0
Deferred tax asset	8	(18.4)	1.0	(17.4)	0.0	0.0
Investment in subsidiary	9	0.7	0.0	0.7	0.0	0.0
Property, plant and equipment	10	156.0	8.1	164.0	104.9	200.0
Right of use asset	11	11.4	0.1	11.5	0.0	0.0
Intangibles	12	0.8	0.2	1.0	0.0	0.0
Potential liquidators recoveries from antecedent transactions	13				1.6	2.4
Total assets		**318.1**	**(73.7)**	**244.5**	**137.7**	**238.0**
As at				**22-Oct-25**	**22-Oct-25**	
Other adjustments						
Application of circulating asset recoveries in partial satisfaction of Administration liabilities	14				(31.2)	(35.7)
Creditor claims						
Secured creditors	15			(218.7)	(218.7)	(218.7)
Priority creditors	16			(23.2)	(23.2)	(23.2)
Unsecured creditors	17			(113.5)	(113.5)	(113.5)
Total creditor claims				(355.4)	(355.4)	(355.4)
Total creditor claims and other adjustments				**(355.4)**	**(386.6)**	**(391.1)**
Estimated Surplus/(Deficiency) to Equity (subject to the costs of liquidation)				**(111.0)**	**(248.9)**	**(153.0)**

Source: Administrators, KPMG Corporate Finance analysis, Cirium

Notes:

1. ERV is estimated based on adjusted book values based on balance sheet dated 31 August 2025, while incorporating the valuation of aviation assets which have been assessed as at various dates between July 2025 and October 2025
2. Numbers may not add due to rounding
3. PP&E comprise certain aviation assets (e.g. aircrafts, engines) which have been valued by Cirium in US dollars. The ERV has been estimated based on converting the US dollar values estimated by Cirium to Australian dollars at an exchange rate as at the Valuation Date of 0.6541 as sourced from Capital IQ. Cirium has valued certain aviation related spare parts in Australian dollars and converted them to US dollars in their report at an exchange rate of 0.6492. The AUD figures above reflect the original AUD valuation prepared by Cirium for these aviation related spare parts.

216. In relation to the table above we note with reference:

1) Cash

- $10.1m of the cash held by the Companies is held in term deposit accounts as security for certain obligations. On liquidation, it is expected that this cash would be applied by

the relevant creditors against their liabilities and consequently this amount would not be available to creditors generally. The remaining $20.3m of cash is assumed to be fully realisable in the event of a liquidation of the Companies' business.

2) Trade and other receivables

- Trade and other receivables consist of amounts owed by trade debtors, accrued income, deposits, cadet loans and intercompany receivables. After considering the estimated realisable value of these components we have applied an ERV of between 47% and 67% of book value in the event of a liquidation sale.

3) Prepayments

- Approximately 50% of these prepayments relate to prepaid insurance premiums which would no longer be required in circumstances where the business had ceased to operate. We have estimated the recoverability of such assets to be 70% to 100%. The remaining 50% of this amount consists of numerous small trade prepayments which we would not expect to yield any recovery for creditors in a liquidation. After considering these elements we have assigned an estimated realisable value for prepayments of between 38% and 54%.

4) Tax Accrual

- The Companies record an accrual for tax benefits arising out of trading losses on a monthly basis. Such an asset would only have value if the Companies returned to profitability. In a liquidation scenario this asset would produce no return to creditors.

5) Inventories

- The Companies' balance sheets record the value of aviation related spare parts in two places - Inventories (Book Value $37.9m) and Plant and Equipment (book value $35.9m). These spare parts were valued by Cirium for the purposes of this report. The Cirium valuation did not provide separate values for the parts included in Inventories and Plant and Equipment in the Companies' balance sheets. For the purposes of matching to the Cirium report, we have shown the total amount of aviation related spare parts included inventories in the Companies' balance sheets (book value $73.8m) in plant and equipment.
- The non-aviation specific inventories consist of uniforms, passenger documentation catering and other items. We have estimated a realisable value of nil in a liquidation sale.

6) Intercompany receivables

- The balance sheets records an amount of $8.4m as owing to REX by Pel-Air. The Administrators have advised that this amount was settled as part of the sale of Pel-Air and is no longer due to REX. The remaining $88.9m represents amounts due and payable between the Group companies subject to the administration and will produce no additional recovery to external creditors or shareholders in a liquidation.

7) Other non-current receivables

- Other non-current receivables consist of Cadet Loans which are not expected to be recoverable for the benefit of creditors in a liquidation.

8) Deferred tax asset

- The balance sheets list a negative deferred tax asset (i.e. a tax liability). This item is not therefore expected to produce any realisation for creditors in a liquidation.

9) Investment in subsidiaries

- This amount relates to an investment in AAPM (a REX subsidiary which is part of the Companies) which is not expected to produce additional return to creditors and shareholders in a liquidation.

10) Property plant and equipment

- The estimated realisable value for the Companies' property plant and equipment is assessed at between $105.0m (67% of BV) and $200.1m (128% of BV). The estimated realisable values of the various components of property, plant and equipment are discussed below.
- Aircraft – Book value $42.9m. Cirium have assessed these assets as having an estimated realisable value in a liquidation of between $58.0m (135% of BV) and $97.6m (227% of BV).
- Aircraft Engines – Book value $4.4m. Cirium have assessed these assets as having an estimated realisable value in a liquidation of between $12.3m (280% of BV) and $20.7m (473% of BV).
- Aircraft spare parts - Book value $73.8m. Cirium have assessed these assets as having an estimated realisable value in a liquidation of between $19.0m (26% of BV) and $63.4m (86% of BV). As per note 5 above, spare parts included in the Companies' balance sheets as inventories have been included here in plant and equipment for the purposes of matching assets to the Cirium valuation reports.
- Plant and Equipment – Book value $2.8m. We have assigned an estimated realisable value of between 30% and 50% of book value for these assets.
- Furniture and Fittings – Book value $0.6m. We have assigned an estimated realisable value of between 15% and 30% of book value for these assets.
- Computer equipment – Book value $0.5m. We have assigned an estimated realisable value of between 15% and 30% of book value for these assets.
- Motor vehicles – Book value $0.5m. We have assigned an estimated realisable value of between 50% and 75% of book value for these assets.
- Land and Buildings – Book value $38.4m. Consists of freehold assets in Forrest Hill and Mitchell Park, plus leasehold improvements. We have been provided with independent valuation reports for the freehold assets from August and September 2024 ($18.05m), and details of the leasehold improvements. We have considered the

potential for sector market movement since the date of valuation and determined there to be no material risk to misstatement in this regard. As a result of the limited depth of market due to the unique characteristics of the freehold assets and after having due consideration for a distressed/accelerated sale campaign, we consider that a discount of 10% - 20% from the August/September 2024 valuations is reasonable. As such, we have estimated the realisable value of the freehold assets in this scenario to be between $14.5m and $16.25m. Building assets upon leasehold land are considered to have an ERV of nil.

11) Leases/Right of use asset

- This item reflects the accounting treatment of the right of the Companies to use or occupy leased assets or premises. In liquidation the Companies would no longer be in a position to enjoy the use of such an asset. The ERV of the right of use assets to creditors has been assessed at nil.

12) Intangibles

- Intangibles consist of undepreciated balance of investments in computer software. On the basis that the business would be no longer trading and using such software while in liquidation, the value of intangible assets to creditors has been assessed at nil.

13) Potential liquidators recoveries from antecedent transactions

- The Administrators report identifies potential recoveries from antecedent transactions in the amount of $2.7m. These amounts, if recovered, represent additional potential to creditors and shareholders in the event that the Companies proceeded into liquidation.
- The Administrators have also identified a potential refund amount of $0.4m which may also be available for creditors.
- Taking account of the costs to recover such amounts and the uncertainty of recovery we have assigned an estimated realisable value of between $1.6m (50% of claim) and $2.4m (75% of claim) for these amounts.

14) Application of circulating asset recoveries in partial satisfaction of Administration costs and liabilities

- Circulating asset recoveries (recoveries from cash, trade receivables and inventories) will be applied to satisfy any outstanding costs and liabilities of the Administration before becoming available to creditors. The Administrators have advised that the total amount of outstanding Administration costs and liabilities exceeds the book value of circulating assets shown in the balance sheet. We have therefore applied the total ERV of circulating assets towards satisfying these claims. As set out in note 15 below, the Administrators have included the payment of the balance of their administration costs and liabilities in their estimate of the amount due under the Commonwealth's facility as of the second creditors meeting.

15) Secured Creditors

- Secured creditor claims consist of amounts due to the Commonwealth of Australia and to creditors holding specific security over assets. The Administrators have advised that these claims total $218.7m noting that this amount includes an estimate of the balance of the Commonwealth's facility as at the date of the second meeting of creditors.

16) Priority Creditors

- Employee entitlements receive a priority of repayment over unsecured, and certain elements of secured, creditor claims. The Administrators have advised that these claims total $23.2m. The Administrators have also advised that this amount excludes redundancy entitlements, which would be payable to continuing employees if REX were to go into liquidation in the absence of a DOCA. The Administrators estimate that these additional priority claims could exceed $30.0m.

17) Unsecured Creditors

- Unsecured creditor claims consist of amounts due to trade and other unsecured creditors. The Administrators have advised that based on proofs of debt received these claims total $113.5m.

217. Cirium notes on pages 11 and 12 of their report that the Saab 340B aircraft have been valued as of July 2025 and that a recent market review has indicated that as of October 2025, half-life values have increased by 13% based on recent transactions. Furthermore, Cirium notes that Saab 340B airframe and engine maintenance costs have reduced by approximately 8% over the same period. Cirium notes that a precise assessment of the impact of these two developments on "adjusted" values would require an updated appraisal.

218. We have considered the impact such developments may have on the value of residual equity in REX. In the absence of an updated appraisal from Cirium, we have considered a scenario whereby by October 2025, the value of the Companies' 57 Saab 340B aircraft increased by between 13% and 20% above Cirium's July 2025 valuation. This would result in an incremental asset value of $4.8m in an ERV Low case and $14.5m in an ERV High case.

219. Such an increase is not sufficient to overcome the estimated deficiency in assets over liabilities in Distressed Asset Sale case or to alter our conclusion that there is nil value in the residual equity of REX.

Part Two – KPMG FAS Corporate Finance Financial Services Guide

Date: 5 November 2025

What is a Financial Services Guide (**FSG**)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by KPMG Financial Advisory Services (Australia) Pty Ltd (**KPMG FAS**) ABN 43 007 363 215, Australian Financial Services Licence Number 246901 (of which KPMG Corporate Finance is a division) (**KPMG Corporate Finance**).

Joanne Lupton is an authorised representative of KPMG FAS, authorised representative number 449593 and Peter Gothard is an authorised representative of KPMG FAS, authorised representative number 1313939 (**Authorised Representative**).

This FSG includes information about:

- KPMG FAS and its Authorised Representative/s and how they can be contacted;
- The services KPMG FAS and its Authorised Representative/s are authorised to provide;
- How KPMG FAS and its Authorised Representative/s are paid;
- Any relevant associations or relationships of KPMG FAS and its Authorised Representative/s;
- How complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- The compensation arrangements that KPMG FAS has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG FAS. This FSG forms part of an Independent Expert Report (**Report**) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (**PDS**). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits, and costs of acquiring the particular financial product.

Financial services that KPMG FAS and the Authorised Representative are authorised to provide

KPMG FAS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- debentures, stocks or bonds issued or proposed to be issued by government;
- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients.

KPMG FAS provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG FAS to provide financial product advice on KPMG FAS' behalf.

KPMG FAS and the Authorised Representative's responsibility to you

KPMG FAS has been issued a letter of instruction dated 4 September 2025 by White & Case as the solicitors acting for Samuel Freeman, Justin Walsh and Adam Nikitins of Ernst & Young Australia in their capacity as joint and several administrators (**Administrators**) of Regional Express Holdings Limited (Administrators Appointed) (**REX**) and certain related entities (**Client**) to provide general financial product advice in the form of a Report to be included in the Explanatory Statement (**Document**) prepared by the Client in relation to the proposed DOCA (**Transaction**). You have not engaged KPMG FAS or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG FAS nor the Authorised Representative are acting for any person other than the Client.

KPMG FAS and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice Warning

As KPMG FAS has been engaged by the Client, the Report only contains general advice as it has been prepared without taking your personal objectives, financial situation or needs into account. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG FAS may receive, and remuneration or other benefits received by our representatives

KPMG FAS charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client after they have received payment from the Administrators and/or REX. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG FAS $375,000 for preparing the Report. KPMG FAS and its officers, representatives, related entities and associates will

not receive any other fee or benefit in connection with the provision of the Report.

KPMG FAS officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the **KPMG Partnership**). KPMG FAS' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG FAS nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures, KPMG FAS operates as part of the KPMG Australian firm. KPMG FAS' directors and Authorised Representatives may be partners in the KPMG Partnership. The financial product advice in the Report is provided by KPMG FAS and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG FAS, the KPMG Partnership and related entities (**KPMG entities**) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have not provided any services to the Administrators or REX for which professional fees are received. Over the past two years no professional fees have been received from the Administrator or REX. None of those services have related to the Transaction or alternatives to the Transaction.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client, Administrators and/or REX or has other material financial interests in the Transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG FAS or the Authorised Representative know. Complaints can be sent in writing to:

The Complaints Officer

KPMG

GPO Box 2291U

Melbourne, VIC 3000

or via email (AU-FM-AFSL-COMPLAINT@kpmg.com.au).

If you have difficulty in putting your complaint in writing, please call (03) 9288 5555 where you will be directed to the Complaints Officer who will assist you in documenting your complaint.

We will acknowledge receipt of your complaint, in writing, within 1 business day or as soon as practicable and will investigate your compliant fairly and in a timely manner.

Following an investigation of your complaint, you will receive a written response within 30 calendar days. If KPMG FAS is unable to resolve your complaint within 30 calendar days, we will let you know the reasons for the delay and advise you of your right to refer the matter to the Australian Financial Complaints Authority (**AFCA**).

External complaints resolution process

If KPMG FAS cannot resolve your complaint to your satisfaction within 30 days, you can refer the matter to AFCA. AFCA is an independent body that has been established to provide free and impartial assistance to consumers to help in resolving complaints relating to the financial services industry. KPMG FAS is a member of AFCA (member no 11690).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Address: Australian Financial Complaints Authority Limited,
GPO Box 3, Melbourne Victoria 3001
Telephone: 1800 931 678
Email: info@afca.org.au.
The Australian Securities and Investments Commission also has a free call Customer Contact Centre info-line on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG FAS has compensation arrangements for loss or damage in accordance with section 912B of the Corporations Act 2001 (Cth). KPMG FAS holds professional indemnity insurance which, subject to its terms, provides cover for work performed by KPMG FAS including current and former representatives of KPMG FAS.

Contact Details

You may contact KPMG FAS using the below contact details:

KPMG Corporate Finance (a division of KPMG Financial Advisory Services (Australia) Pty Ltd)
Level 38, International Towers Three
300 Barangaroo Avenue
Sydney NSW 2000

PO Box H67, Australia Square, NSW 1213
Telephone: (02) 9335 7621
Facsimile: (02) 9335 7001

Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

220. The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Joanne Lupton and Peter Gothard.

221. Joanne Lupton is an Authorised Representative of KPMG Financial Advisory Services (Australia) Pty Ltd and a Partner in the KPMG Partnership. Joanne is a member of the Institute of Chartered Accountants in Australia and New Zealand, Fellow of the Financial Securities institute of Australasia and holds a Bachelor of Commerce degree. Joanne has a significant number of years of experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of IERs.

222. Peter Gothard is an Authorised Representative of KPMG Financial Advisory Services (Australia) Pty Ltd and a Partner in the KPMG Partnership. Peter is an Associate of the Institute of Chartered Accountants Australia and New Zealand, a Fellow of INSOL International, and Fellow of the Australian Restructuring, Insolvency and Turnaround Association and holds a Bachelor of Business and Master of Business Administration from the University of Technology Sydney. Peter has a significant number of years' experience in the provision of corporate financial advice, including specific advice on insolvency and restructuring as well as the preparation of expert reports.

Disclaimers

223. It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to the value of the residual equity in REX for the purpose of assisting the Court and ASIC in their determinations regarding the DOCA proposed by Air T and providing REX shareholders with the necessary information to determine whether to object. KPMG Corporate Finance expressly disclaims any liability to any REX shareholder who relies or purports to rely on the report for any other purpose and to any other party (other than the Court and ASIC) who relies or purports to rely on the report for any purpose whatsoever.

224. Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Explanatory Statement or any other document prepared in respect of the s444GA application and the ASIC relief request under s606. Accordingly, we take no responsibility for the content of the Explanatory Statement as a whole or other documents prepared in respect of the Court application or ASIC request

225. We note that the forward-looking financial information prepared by REX does not include estimates as to the potential impact of any future changes in taxation legislation. Future taxation changes are unable to be reliably determined at this time.

Independence

226. In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG

Corporate Finance provided draft copies of this report to you and the Administrators for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinion of KPMG Corporate Finance as stated in this report.

227. KPMG Corporate Finance commenced analysis for the purposes of this report on 26 September 2025, prior to the announcement of the proposed DOCA. This work did not involve KPMG Corporate Finance participating in setting the terms of, or any negotiations leading to, the terms of the proposed DOCA.

Consent

228. KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Explanatory Statement to be issued to the shareholders of REX. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

APES 225

229. Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (**APESB**). KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently.

Appendix 2 – Sources of information

230. In preparing this report we have been provided with and considered the following sources of information:

231. Publicly available information

- various press and media press articles on REX
- financial information from S&P Capital IQ, Bloomberg, Refinitiv, and MergerMarket
- non-financial information from the Bureau of Infrastructure and Transport Research Economics (**BITRE**)
- sharemarket data and related information regarding listed companies engaged in aviation and on acquisitions of companies and businesses in this industry; and
- various publications and industry reports including from the Australian Competition and Consumer Commission, IBISWorld Pty Ltd, the Bureau of Infrastructure and Transport Research Economics, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, the Australian Trade and Investment Commission, and the International Air Transport Association.

232. Non-public information

- board papers, presentations, working papers and other confidential documents of REX
- other confidential information provided in the secured work space administered by the Solicitors for the Administrators
- monthly management accounts for the financial years ending 30 June 2023 to 31 August 2025
- transaction documentation (including non-binding indicative offer)
- REX Report to Creditors pursuant to Section 439A of the Corporations Act 2001, 22 October 2025 (draft)
- the Sale and Implementation Deed
- the Explanatory Statement (draft)
- information provided to potential bidders of REX including confidential information memorandum, long-term financial model, and legal and financial due diligence
- other confidential information provided in the bidder data room for the Second Sale Process.

In addition, we have held discussions with the Administrators and their advisers.

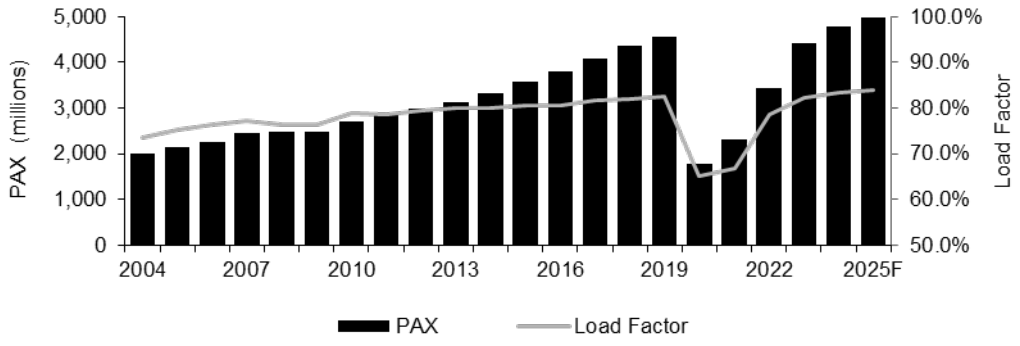
Appendix 3 - Industry overview

Global aviation market

Overview

233. The global airline industry has largely recovered from the COVID-19 pandemic, with passenger volumes and revenues now exceeding pre-2020 levels. In 2025, total industry revenue is estimated at US$979 billion[2], with forecasts indicating steady growth over the coming years. PAX have rebounded strongly, with total segment passengers (total passengers per individual flight) expected to reach 4.99 billion in 2025, up from 1.78 billion in 2020. Load factors (the percentage of seats filled by paying passengers) have also improved, with a global average of 84.0% in 2025, compared with 65.2% in 2020[3].

Figure 10: Global PAX and load factors

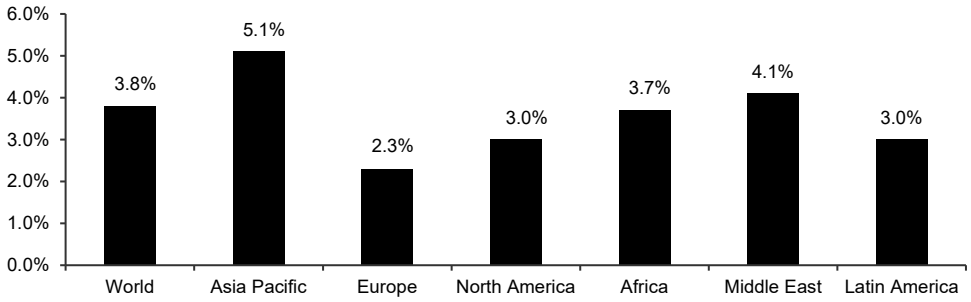


Source: IATA Sustainability and Economics, KPMG Corporate Finance analysis

234. Growth continues to vary by geographical region. Global passenger traffic is forecast to expand by 3.8% per annum to 2043[4], led by the Asia Pacific (**APAC**) region, where growth is projected at 5.1% per annum over the same period. Rising incomes, urbanisation, and the expansion of middle-class populations across China, India, and Southeast Asia are expected to underpin APAC's position as the fastest-growing aviation market globally. Rising affluence in the Middle East and Northeast Asia is also set to drive demand, with these regions projected to account for roughly 30% of global travellers by 2030.[5]

[2] IATA Sustainability and Economics, 2025a
[3] IATA Sustainability and Economics, 2025a
[4] IATA Sustainability and Economics, 2024
[5] IBISWorld, 2025a

Figure 11: Global passenger traffic – 2023-2043 CAGR



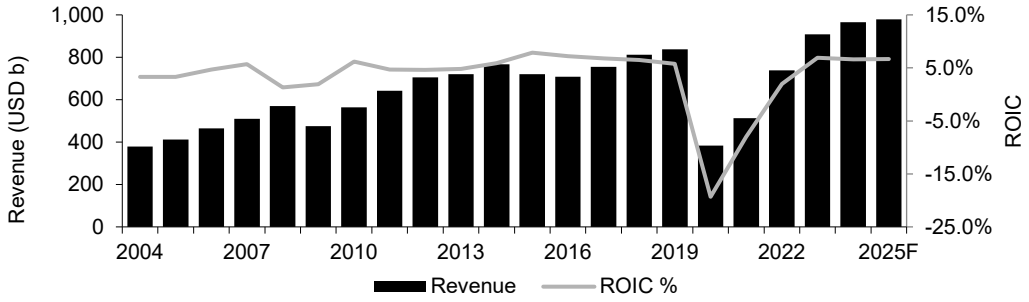
Source: IATA Sustainability and Economics, KPMG Corporate Finance analysis

Financial performance

235. After record losses in 2020-21, the industry has returned to profitability. Net profit is forecast at US$36.0 billion in 2025, representing a net margin of 3.7%[6]. EBIT margins have recovered to 6.7%, up from -8.0% in 2021[7], while return on invested capital (**ROIC**) is projected to reach 6.7% in 2025, reflecting a stable recovery in capital efficiency from pre-pandemic levels of 5.8% in 2019[8]. Ancillary revenues, including baggage fees and seat selection, continue to grow, contributing an estimated US$144 billion in 2025, up from US$130 billion in 2019 as airlines increasingly adopt unbundled pricing models to offset competitive fare pressures[9].

236. Fuel remains the largest cost component, accounting for around 25.8% of total airline expenditure in 2025, down from its 31.8% peak in 2023 as global fuel prices eased[10].

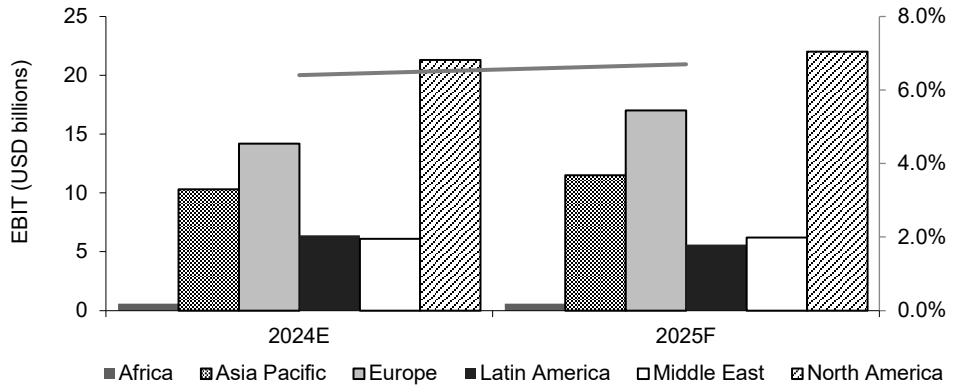
Figure 12: Global aviation financial performance



Source: IATA Sustainability and Economics, KPMG Corporate Finance Analysis

[6] IATA Sustainability and Economics, 2025a
[7] IATA Sustainability and Economics, 2025a
[8] IATA Sustainability and Economics, 2025a
[9] IATA Sustainability and Economics, 2025a
[10] IATA Sustainability and Economics, 2025a

Figure 13: Global aviation EBIT by segment



Source: IATA Sustainability and Economics, KPMG Corporate Finance analysis

237. Despite this relief, airlines continue to face rising non-fuel costs, including wages, maintenance, and leasing, driven by supply chain constraints and ageing fleets. To manage these pressures and support long-term profitability, carriers are investing in fleet renewal, sustainable aviation fuel (**SAF**), and digital infrastructure. The shift to New Distribution Capability (**NDC**) platforms is also helping airlines reduce booking cost and unlock new revenue streams through dynamic pricing and personalised offers.

Outlook

238. By 2025, passenger and freight volumes are expected to have returned to or exceeded 2019 levels across most regions. PAX growth is forecast at 5.8% in 2025, moderating from the year-on-year growth of 10.6% in 2024[11]. This slowdown reflects a transition from the sharp rebound of recent years to more sustainable, long-term growth.

239. Broader demand continues to be supported by economic growth, rising populations, trade, and tourism. However, the sector faces ongoing challenges from fuel price volatility, geopolitical uncertainty, regulatory change, and decarbonisation cost. The International Air Transport Association's (**IATA**) 2025 Annual Review points to steady growth in both passenger and freight markets, though margins remain under pressure and the need for continued capital investment persists.

Australian aviation market overview

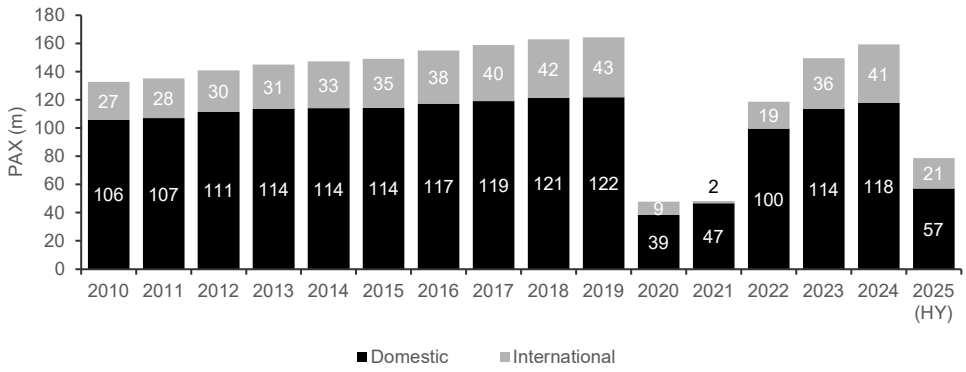
Role of aviation in the Australian economy

240. Australia's aviation market is heavily influenced by global trends, particularly those emerging from the APAC region. As international PAX rebound and intra-Asia travel accelerates, Australian carriers are positioned to benefit from increased connectivity, trade,

[11] IATA Sustainability and Economics, 2025a

and tourism. However, the domestic market faces distinct challenges, including geographic dispersion, regulatory complexity, and market concentration, which shape its trajectory differently from global peers.

Figure 14: Australian PAX - domestic and international per year



Source: BITRE, KPMG Corporate Finance analysis

241. In 2023, the Australian aviation sector contributed to approximately 0.8% of national GDP (approximately USD 13.1 billion in 2023)[12] supporting over direct 160,000 jobs[13], with many more in related industries such as tourism, trade, and education. For regional and remote communities, aviation provides essential connectivity to healthcare, employment, and other services, acting as a critical economic enabler. The sector's importance for the Australian economy was underscored during the COVID-19 pandemic, when disruptions to air services had widespread impacts on business, supply chains, and regional economies.

Market size, structure, and key players

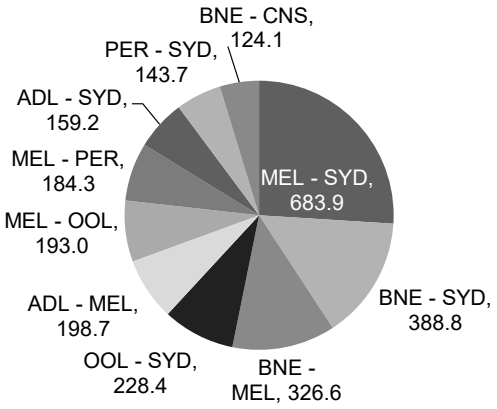
242. The Australian aviation market is highly concentrated, with Qantas Group and its related entities, including QantasLink and Jetstar Airways Pty Limited (**Jetstar**), and Virgin Australia together accounting for over 98% of domestic passenger traffic as at June 2025. REX and Bonza Aviation Pty Ltd (**Bonza**) expanded regional and low-cost competition in recent years, however, Bonza entered voluntary administration in 2024 due to low passenger volumes driven by Australia's narrow and competitive route network dominated by established carriers. The Australian aviation market consists of a number of full-service carriers (**FSCs**), low-cost carriers (**LCCs**), and a network of regional airlines servicing smaller communities.

243. A significant share of domestic travel is concentrated on trunk routes (flights connecting high-demand urban centres), with the Sydney-Melbourne corridor alone carrying nearly 684 thousand passengers in July 2025, making it Australia's busiest route. Other key routes include Melbourne-Sydney, Brisbane-Sydney, and Brisbane-Melbourne, with the Sydney,

[12] IATA, 2023
[13] IATA, 2023

Melbourne, and Brisbane airports handling the largest passenger volumes. Regional airports and airstrips also play a vital role in supporting tourism, emergency services, and economic development across non-metropolitan areas.

Figure 15: Domestic PAX (thousands) by route – July 2025



Source: BITRE, KPMG Corporate Finance analysis

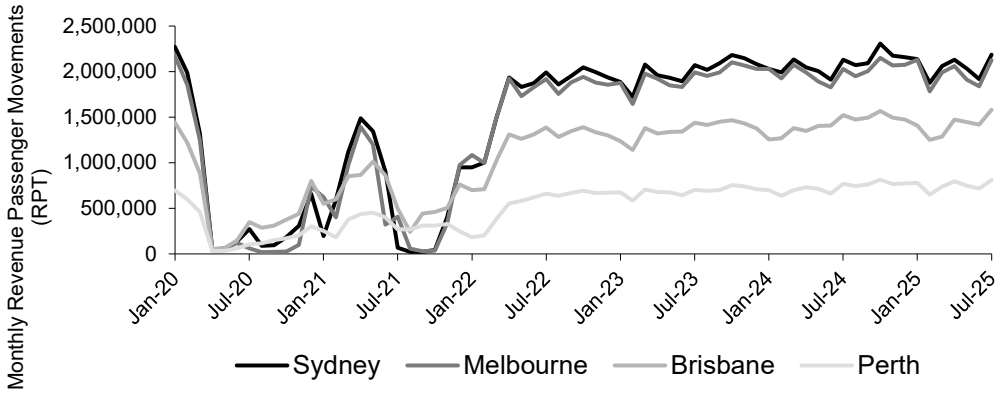
244. Regional airline activity is concentrated around mining and tourism hubs, with Western Australia, the Northern Territory, and Queensland hosting a disproportionately high number of regional services relative to their population. Airports such as Cairns, Hobart, Townsville, Darwin, and Broome rank among the busiest regional terminals. Routes connecting centres like Port Hedland, Kalgoorlie, and Alice Springs support both scheduled and charter operations linked to the mining industry and tourism.

Market trends

245. Domestic aviation activity in Australia has returned to pre-COVID-19 levels, with Revenue Passenger Movements (**RPM**) (paying passengers) for 2025 expected to match or exceed 2019 volumes. In July 2025, approximately 5.4 million passengers travelled on RPT services, an increase of approximately 4.0% compared to July 2024, surpassing July 2019 volumes by 1.1%[14]. Major airports including Sydney, Melbourne, Brisbane and Perth remain dominant, with Sydney Airport leading in passenger movements marginally ahead of Melbourne.

[14] BITRE, 2025a

Figure 16: Domestic and regional airline RPT RPM



Source: BITRE, KPMG Corporate Finance analysis

246. Infrastructure investment continues to underpin aviation's long-term growth trajectory. Major projects include the $5.0 billion redevelopment of Perth Airport, the proposed third runway at Melbourne Airport, and the completion of Western Sydney Airport in 2026, all designed to accommodate forecast PAX growth to support regional and international connectivity.

247. Regional airports have rebounded strongly post COVID-19, handling around 2.4m domestic passenger movements in July 2025, a 3.5% annual increase[15]. However, regional routes continue to face structural challenges, including higher fares, limited service frequency, and reduced competition.

Financial performance

248. The financial performance of Australian airlines has continued to strengthen post-COVID-19, with Qantas reporting a record $1,518m in EBIT from domestic operations for FY25[16]. Virgin Australia returned to profitability for the first time in 11 years in FY23 and posted an underlying EBIT of $664m in FY25 (up 28% on FY24)[17] after a successful return to the ASX in June 2025. Industry-wide revenue reached approximately $17.0b, up 25% from $13.6b in 2019,[18] reflecting pressure from rising fuel, labour, and maintenance costs, as well as supply-chain delays and ongoing fleet investment[19].

249. In FY25, direct operating costs (including fuel, navigation charges, landing fees, and in-flight services) represented an average 36.7% of total industry revenue, making them the

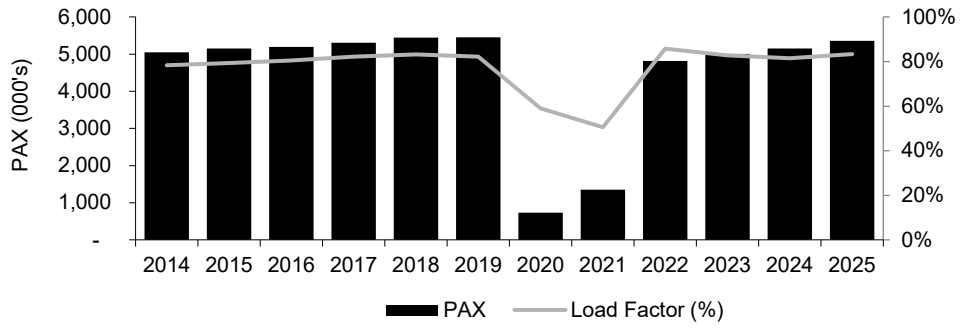
[15] BITRE, 2025a
[16] Qantas Airways Limited 2025 Annual Report
[17] Virgin Australia Group 2025 Annual Report
[18] IBISWorld, 2019
[19] IBISWorld, 2025b

largest cost category for domestic airlines[20]. Wages followed at 20.3%, reflecting ongoing staffing constraints[21]. Jet fuel, which typically accounts for 15% to 25% of an airline's operating costs, declined 12% from June 2024. Average revenue per passenger (average airfare) increased 0.8% year-on-year despite the reduced jet fuel prices, supported by seasonal demand and constrained capacity[22].

250. Frequent flyer programs remain a material earnings driver. Qantas Group's frequent flyer program generated $556m EBIT for FY25[23], while Virgin Australia's Velocity program delivered $127m, underpinned by strong partner and membership growth[24].In FY24, frequent flyer programs accounted for close to 25% of both of Virgin Australia's and Qantas Group's total underlying EBIT[25].

251. As of June 2025, industry load factors (percentage of seats filled by passengers) on domestic routes averaged 78.7%[26] slightly above the ten-year average of 75.6%[27]. Jetstar significantly outperformed the average, achieving 88.5%, while Virgin reached 81.2%, Qantas fell short at 72.3%[28].

Figure 17: Australian PAX and load factor (year-end July)



Source: BITRE, KPMG Corporate Finance analysis

252. Despite this, competition on major routes between Qantas Group and Virgin Australia continues to constrain pricing power, with the Australian Competition and Consumer Commission's (**ACCC**) average revenue per passenger index now 17.1% higher and above pre-COVID-19 levels, though still 5% lower in real terms[29].

[20] IBISWorld, 2025b
[21] IBISWorld, 2025b
[22] ACCC, 2025
[23] Qantas Airways Limited 2025 Annual Report
[24] Virgin Australia Group 2025 Annual Report
[25] ACCC, 2024
[26] ACCC, 2025
[27] IATA, 2025b, KPMG Corporate Finance analysis
[28] ACCC, 2025
[29] ACCC, 2025

Policy, regulation, and competitive dynamics

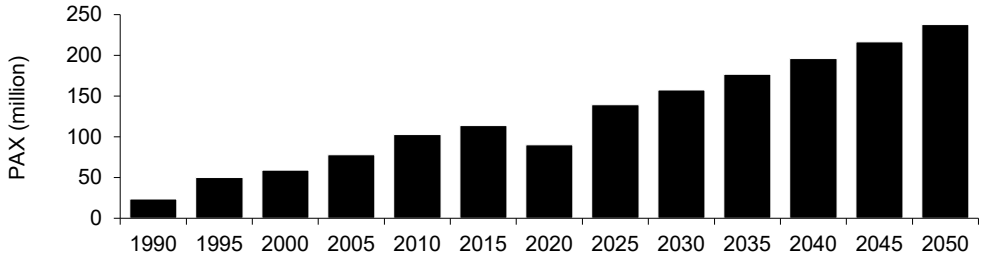
253. Australia's aviation sector operates within a mature regulatory framework designed to uphold safety, competition, and consumer protection. The Federal Government has recently introduced reforms to improve transparency in airline performance, strengthen passenger rights, and review airport slot management (take-off and landing scheduling) at Sydney Airport, which remains a critical gateway for both domestic and international travel.

254. Regional connectivity continues to be supported through government subsidies, infrastructure funding, and targeted policy programs. However, high capital cost, limited airport slots, and strict safety standards remain barriers for new entrants. The market overall remains highly concentrated, with emerging carriers facing challenges in differentiating services within an industry dominated by established players.

Challenges and outlook

255. The Australian aviation market is forecast to grow steadily, with domestic PAX projected to reach 237m by 2050 and international PAX expected to nearly double over the same period.[30] Growth will be driven by population expansion, trade, and deeper integration with the APAC region.

Figure 18: Actual and forecast domestic PAX, 1990–2050



Source: BITRE, KPMG Corporate Finance analysis

256. Key strategic priorities for the sector include fleet and infrastructure renewal, advancing SAF initiatives, strengthening regional connectivity, and developing a skilled workforce. The targeted Government transition to net-zero emissions by 2050 will require substantial investment in new aircraft technologies and continued policy support. Collaboration between industry, government, and regional communities will remain essential to ensuring the sector's long-term resilience, competitiveness, and sustainability.

[30] BITRE, 2025b

Key players and competition

Major regional and domestic airlines

257. The Australian regional and domestic airline markets are highly concentrated, with a small number of carriers dominating both trunk and regional routes. The two largest competitors are Qantas Group and Virgin Australia. Qantas Group operates a dual-brand model, combining full-service and low-cost offerings through QantasLink and Jetstar respectively, while Virgin Australia has repositioned itself as a mid-market carrier following its post-COVID-19 restructure as a result of a temporary administration process.

258. REX has historically been Australia's leading independent regional airline, operating a network of routes connecting regional centres with major cities across New South Wales, Victoria, South Australia, and Queensland. Alliance Airlines (**Alliance**) is another key participant, primarily focused on contract and charter operations, including FIFO services for the mining and resources sector. Alliance also operates some scheduled passenger routes, often in partnership with QantasLink or Virgin Australia. Other smaller regional airlines such as Capiteq (trading as Air North), Sharp Aviation (trading as Sharp Airlines), and SmartLynx Australia (formerly Skytrans) provide essential connectivity for remote communities, though collectively account for only a small share of total PAX movements in Australia.

259. The competitive landscape in Australia continues to evolve as new entrants test the domestic market. Bonza, a low-cost carrier which launched in early 2023, targeted underserved regional routes and briefly captured around 2% of domestic market share before entering administration in early 2024[31]. Limited access to airport slots, high operating costs, and the dominance of established carriers on major routes were key factors behind its exit. Bonza's collapse underscores the structural barriers to entry and the significant hurdles new airlines face in achieving scale and long-term viability.

260. REX briefly operated metro routes before discontinuing these services in late July 2024. This decision was part of the company's overall growth plan, but limited scale and market share affected its ability to compete with the established carriers. During Virgin Australia's restructuring and reduced operations, REX attempted, but ultimately failed to attract a significant portion of Virgin Australia's business due to poor slot access, limited brand recognition, and an inability to attract high-yield corporate travellers.

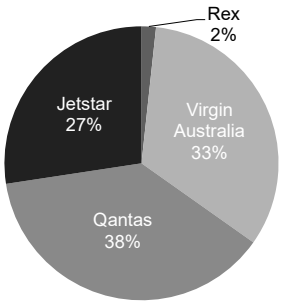
Market share and positioning

261. As at June 2025, Qantas Group had a market share of approximately 65% in the domestic market, Virgin Australia had approximately 33%, and REX accounted for around 2%. Following Bonza's exit, market concentration has deepened, with Qantas Group and Virgin

[31] ACCC, 2024

Australia together therefore operating approximately 98% of all domestic passenger services in Australia.[32]

Figure 19: Passenger market share as at June 2025



Source: ACCC

262. In 2024, only 20% of the top 200 domestic routes by PAX were operated by a single airline, down from 40% in 2010, reflecting increased competition on major corridors.[33] However, the average regional route still carries approximately 5% of the passengers of a typical metropolitan route, and many remain effective monopoly markets.[34]

263. As of August 2025, major participants in Australia's regional airline market include QantasLink, Virgin Australia, and REX. QantasLink continues to dominate both passenger share and regional route coverage, while Virgin Australia has expanded its footprint, particularly following REX's withdrawal from several capital-city markets. Emerging regional carriers such as Sharp Airlines, Nexus Airlines, and Hinterland Aviation are positioning to fill any gaps caused by REX's administration process, signalling additional competition in the regional airline landscape. Alliance, while not a major player in scheduled passenger services, remains a key provider of FIFO and charter operations, particularly across Western Australia and Queensland.

264. REX has historically positioned itself as the leading independent regional carrier, serving routes that are typically not commercially viable for larger airlines. Its unsuccessful expansion into capital-city markets in 2021 was a strategic step, however, its subsequent withdrawal from those routes reaffirmed the dominance of the two major groups and the strong competition on the metropolitan routes.

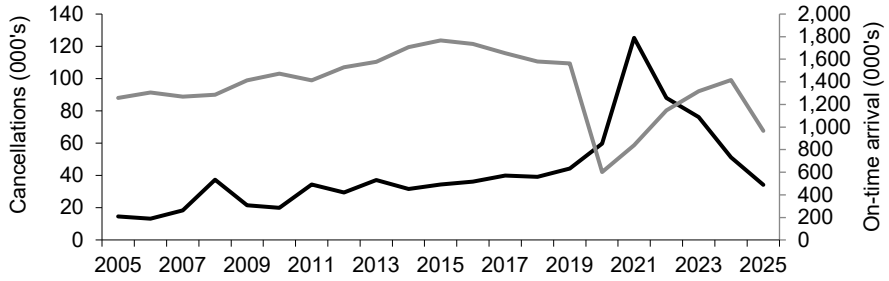
265. In the year-to July 2025, Australia's domestic aviation industry recorded three-year high average on-time arrival rate of 82.4%, exceeding the long-term industry average of 80.7%.[35] In June 2025, Qantas recorded the highest on-time arrival rate at 80.4%, followed

[32] ACCC, 2025
[33] Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2024
[34] Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2024
[35] ACCC, 2025

by Jetstar at 79.6% and Virgin Australia at 78.0%. REX reported the lowest performance, with an on-time rate of 70.9%.[36]

266. Industry cancellation rates improved in the quarter to June 2025, dropping below the long-term average of 2.2% in April (2.0%) and May (2.1%), before rising slightly to 2.4% in June. Virgin Australia and Jetstar led the improvement, each reducing cancellations to 0.7%, while Qantas reported a significantly higher rate of 3.5%.[37]

Figure 20: Australian on-time performance (all ports)



Source: BITRE, KPMG Corporate Finance analysis

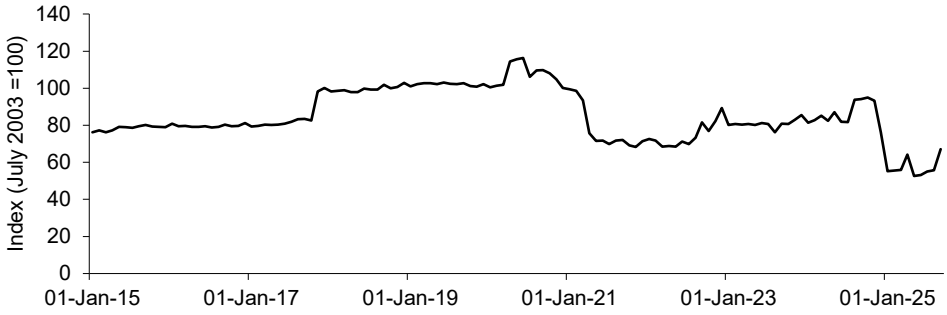
Contested routes and sole-operated markets

267. The Australian aviation market is segmented by geography, route type (contested or sole-operated), and customer base. Contested routes are those serviced by multiple airline groups. As of June 2025, around 90% of domestic passengers travelled on routes serviced by two airline groups, while the remaining 10% flew on routes operated exclusively by a single carrier.[38] Since REX withdrew from major city routes, no domestic route has been operated by more than two major airlines.

268. Major trunk routes such as Sydney-Melbourne, Brisbane-Sydney, and Melbourne-Brisbane are primarily contested by Qantas, Virgin Australia, and Jetstar, which operate high-frequency services using larger aircraft. The trend in real restricted economy air fares has shown a sharp decline over the past year. The Bureau of Infrastructure and Transport Research Economics' (**BITRE**) index for real restricted economy fares fell by 35.0% from June 2024 to June 2025. This drop is attributed to fare structure changes implemented by Virgin Australia, in which the carrier expanded pricing options across its economy fare brands, allowing more affordable fares to be available further in advance of departure. By contrast, regional routes are typically served by single operators using smaller aircraft and lower frequencies, resulting in higher average fares per kilometre.

[36] ACCC, 2025
[37] ACCC, 2025
[38] ACCC, 2025

Figure 21: Domestic air fares (restricted economy) index



Source: BITRE, KPMG Corporate Finance analysis

269. Although regional airport PAX saw a 3.5%[39] year-on-year improvement, the number of active regional routes has continued to decline from 458 in 1989 to 291 in 2019 while the number of airlines servicing regional aerodromes has fallen from 53 in 1984 to 21 in 2024.[40] This consolidation has increased reliance on single carriers, leaving many communities vulnerable to service reductions or withdrawals.

270. The market is also shaped by charter and FIFO operators, which provide essential connectivity for the resources sector and remote communities. Alliance, for example, is typically operating under contract to mining companies or in partnership with QantasLink or Virgin Australia. REX remains a key regional operator, servicing 39 regional and remote routes and acting as the sole operator on twelve routes, with nine of these regulated by government bodies and awarded as contracted routes.

Demand drivers for regional air travel

271. Regional air travel in Australia is driven by a mix of demand factors that reflect the nation's geography, economic structure, and community needs. Population trends remain a primary influence. Australia's population is projected to grow steadily to 2050, with most of this growth concentrated in metropolitan areas, while regional populations are expected to remain stable or increase only modestly.[41] Despite this, regional centres continue to play a vital role in the national economy, particularly across mining, agriculture, and tourism. In 2022, regional airports generated $27 billion in value added, enabled $105 billion in economic activity, and supported 170,000 jobs across the economy.[42]

272. Economic development in regional Australia remains closely linked to the resources sector. Mining, particularly in Western Australia and Queensland, continues to drive strong demand for FIFO services to transport workers to remote sites. FIFO operations account for a significant share of regional air traffic, supported by charter and scheduled services

[39] BITRE, 2025a
[40] BITRE, 2025d
[41] BITRE, 2025b
[42] BITRE, 2025d

connecting mining towns with major cities. This demand has proven resilient during the COVID-19 period, when charter passenger numbers remained stable to support ongoing mining production.

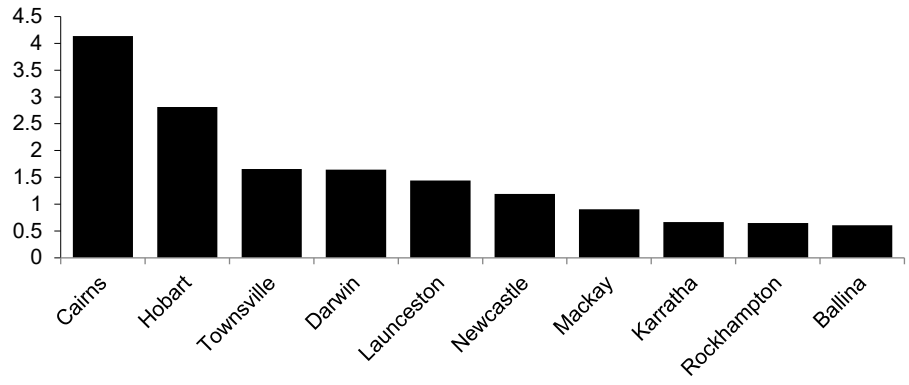
273. Tourism is another key driver. Destinations such as Cairns, Broome, Alice Springs, and the Whitsunday Islands attract both domestic and international visitors, with air travel often the only practical option. The visitor economy is essential for regional communities, providing jobs and supporting local businesses. In 2023, tourism contributed $166 billion to GDP, with regional destinations capturing a meaningful share of this.[43]

274. Government services and community need also underpin regional air travel. Aviation provides critical access to healthcare (e.g., through the Royal Flying Doctor Service), education, and emergency response, particularly in remote regions. In many communities, air transport remains the only reliable, year-round means of accessing essential goods and services during adverse weather or natural disasters. More than 6,000[44] emergency evacuations are facilitated each year by regional airports, underscoring aviation's importance for health access and disaster response.

275. PAX through regional airports grew in July 2025, with strong growth recorded at Devonport Airport (+19.8%) and Hervey Bay Airport (+31.5%).[45] The longer-term outlook remains positive, with total domestic air passenger travel forecast to grow at 2.6% per annum to 2050, driven by population growth, income gains, and investment in regional infrastructure.[46] Seasonal peaks continue to influence demand, with April 2025 recording the highest monthly PAX since 2019, supported by school holidays, Easter, and ANZAC Day travel.[47]

[43] Australian Trade and Investment Commission, 2023
[44] BITRE, 2025d
[45] BITRE, 2025a
[46] BITRE, 2025b
[47] BITRE, 2025a

Figure 22: Top 10 regional airport by passenger movements (year-end July 2025, millions)



Source: BITRE, KPMG Corporate Finance analysis

Unique characteristics of regional aviation

276. Regional aviation in Australia is defined by characteristics that clearly distinguish it from metropolitan and trunk-route operations. The airport network is extensive, comprising around 350 airports across inner regional, outer regional, remote, and very remote areas, along with more than 2,000 smaller airstrips nationwide.[48] Most regional airports are owned and operated by local councils, many of which face financial constraints in maintaining and upgrading essential infrastructure.

277. The route structure in regional aviation is highly varied. While some centres are linked to multiple destinations with frequent services, many routes are sole-operated, offering limited schedules and higher fares. As a result, a growing share of communities are reliant on a single operator, increasing exposure to service reductions or withdrawals as regional routes typically operate less frequently than metropolitan services, with some communities reliant on only a few flights per week. This limited connectivity constrains access to employment, education, and health services, and can also affect the viability of local tourism and business activity. In 2023, regional airfares were, on average, 52% higher for return flights from non-capital cities compared capital-to-capital routes[49], reflecting higher operating costs and lower PAX.

278. For many Australians living outside major cities, air travel remains a vital link that enables participation in the broader economy and society. The sector's resilience during the COVID-19, when air services played a critical role in maintaining essential supply chains, which in

[48] BITRE, 2025d
[49] ACCC, 2025

2023 enabled the movement of over 1 million[50] tons of air cargo, underscoring its ongoing economic and social importance.

Government policy and support

Key policies

279. The Australian Government has long recognised the strategic importance of regional aviation, both for economic development and for maintaining equitable access to essential services nationwide. As a result, a suite of policies and support programs has been established to sustain regional air connectivity, particularly in markets where commercial viability is challenged by low population density, long distances, and high operating costs.

280. Two key initiatives introduced during the COVID-19 pandemic were the Regional Airline Network Support (**RANS**) and Domestic Aviation Network Support (**DANS**) programs. These measures were designed to ensure the continuation of critical air services during periods of severe demand disruption, with government underwriting the cost of operating routes deemed essential for regional communities and the national economy.

281. RANS specifically targets regional routes, providing direct financial assistance to airlines to maintain scheduled services to and from regional and remote centres. The program covers routes that are not commercially viable without government support, helping to sustain community access to major cities for health, education, and economic participation. DANS focuses on the broader domestic network, supporting trunk routes vital for national connectivity but at risk of suspension during the COVID-19 pandemic.

282. In addition to RANS and DANS, the Australian government continues to fund a range of ongoing programs that support regional aviation. The Remote Air Services Subsidy Scheme (**RASS**) subsidises regular passenger and freight services to remote and isolated communities, while the Remote Airstrip Upgrade Program (**RAU**) provides funding for safety and accessibility improvements at regional airstrips. The Regional Airports Program (**RAP**) supports infrastructure upgrades at regional airports, targeting both safety enhancements and progress toward net-zero emissions.

283. In 2025, the Australian Government reaffirmed its commitment to RASS by issuing new tenders for service contracts, ensuring continued support for essential air services to remote communities. The RAU was also extended, with an additional $50m allocated over three years and a new funding round launched in late 2024. These updates reflect ongoing government investment and policy stability in regional aviation support.

284. These programs are complemented by broader aviation policy measures, including the regulation of airport charges, targeted initiatives for workforce development, and slot management (airport scheduling rights for take-off and landing times) at major airports. Slot management remains a critical factor shaping competition and access within the sector. Limited slot availability at major airports, particularly Sydney, continues to constrain new

[50] IATA, 2023

entrants and reinforce market concentration. The Australian Government has introduced reforms to improve transparency and efficiency in slot allocation, aiming to reduce barriers for emerging carriers and enhance consumer choice.

Impact of policy on regional airlines

285. Government policy and support programs play a crucial role in shaping the viability and competitive dynamics of Australia's regional airlines. For carriers such as REX, which primarily operate on regional routes, initiatives like RANS and RASS are vital for maintaining service continuity and financial sustainability. Without these interventions, many regional routes would be at risk of suspension or withdrawal, with significant consequences for the communities they serve.

286. During COVID-19, RANS and DANS were instrumental in stabilising the market. By underwriting the cost of essential routes, the Australian Government enabled airlines to maintain minimum service levels, preserve employment, and support regional economies. The continuation of these programs, even at a reduced scale, remains an important factor in REX's ability to sustain its network.

287. Broader market conditions have also been influenced by these policies. By ensuring the continuation of services on key routes, government support has helped maintain competitive pressure and prevent market exits by smaller carriers. However, the highly concentrated nature of Australia's aviation market means that the benefits of these programs are not evenly distributed. Larger carriers such as Qantas Group and Virgin Australia have also received substantial support, enabling them to maintain network coverage and invest in fleet renewal and service improvements.

288. At the same time, debate continues around the design and targeting of government assistance. Stakeholders have called for greater transparency and accountability in subsidy allocation, alongside more targeted support for communities with the greatest need. The Australian Government has indicated that future program guidelines will require clearer reporting on how activities contribute to broader policy goals, including Closing the Gap and the transition to net zero.

289. For REX and other carriers with regional operations, the policy environment remains both an enabler and a source of uncertainty. Continued access to government support is essential for sustaining marginal routes, but changes to program design, funding levels, or eligibility criteria could materially affect network planning and financial performance. The broader market will also be shaped by the government's approach to competition, infrastructure investment, and regulatory reform.

Recent trends and industry outlook

Key trends in regional/domestic aviation

290. The Australian regional and domestic aviation sector has undergone significant structural change in recent years, shaped by the aftermath of COVID-19, evolving travel patterns, digital transformation, and sustained cost pressures.

291. Following the collapse in PAX during COVID-19, when domestic air travel fell to less than 5% of pre-2020 levels, the sector has rebounded strongly[51]. By July 2025, domestic PAX had not only recovered but surpassed pre-COVID-19 levels, with 5.77m PAX carried that month, up 3.9% year-on-year and 1.1% above July 2019[52]. Regional airports have mirrored this recovery, handling 2.36m PAX in July 2025[53].

292. Travel patterns have also evolved across both business and leisure segments. The rise of remote work has led to a structural reduction in corporate travel, estimated to be 10 to 25% below pre-COVID-19 levels[54]. At the same time, demand has shifted toward leisure travel, with regional destinations benefiting from pent-up demand and renewed domestic tourism. The visitor economy, which remains vital for regional communities, continues to recover alongside broader economic trends.

293. Digitalisation continues to reshape airline and airport operations. The adoption of digital booking platforms, contactless check-in, and automated baggage handling has accelerated, improving both efficiency and the passenger experience. Airlines are increasingly leveraging data analytics and artificial intelligence to optimise pricing, manage capacity, and personalise services. The rollout of New Distribution Capability (**NDC**) standards is enabling more flexible fare offerings, while digital self-service tools are reducing manual processes and operating costs.

294. Cost pressures remain a persistent challenge, with ongoing volatility in fuel prices and rising labour cost driven by pilot and engineer shortages. The need to attract and retain skilled workers in a competitive labour market, alongside higher maintenance costs, airport charges, and regulatory compliance, has further constrained margins, particularly for regional airlines operating on thinner routes with limited pricing power.

Outlook for regional airlines

295. The outlook for regional airlines is shaped by a mix of opportunities and risks, with technology, fleet renewal, and policy settings expected to play pivotal roles.

296. Technology and fleet modernisation are expected to drive gradual but meaningful change across the regional aviation sector. Airlines are investing in more fuel-efficient, lower-emission aircraft, with an emphasis on right-sizing fleets to align capacity with demand. The adoption of next-generation turboprops and regional jets promises improved operating efficiency, reduced emissions, and enhanced passenger comfort. Electric and hydrogen-powered aircraft are also emerging, with trials underway for small, low-weight models suited to short-haul operations. While commercial deployment is not expected before the 2030s, these technologies offer potential long-term cost and environmental benefits.

[51] BITRE, 2025b
[52] BITRE, 2025a
[53] BITRE, 2025a
[54] IATA, 2024

297. Digital transformation will continue to reshape airline operations and customer service. The increasing use of analytics and digital platforms will help regional carriers manage capacity, optimise pricing, and tailor services to community needs. Automation across airport processes-from check-in to baggage handling-is expected to improve productivity and reduce costs.

298. Policy and regulation will remain central to the sector's viability. Continued access to government programs such as RANS, DANS, and RASS will be essential for maintaining marginal routes. The Australian Government's focus on regional connectivity, infrastructure investment, and the transition to net zero will define the operating environment over the next decade. The Productivity Commission's review of regional airfares, along with refinements to subsidy design and targeting, may also reshape future policy outcomes.

299. Risks and uncertainties persist for regional airlines. Cost pressures, skills shortages, and the potential for further market consolidation remain the key challenges. The sector's long-term sustainability will depend on its ability to adapt to new technologies, manage costs, and respond flexibly to demand shifts. The sector's resilience during the COVID-19 pandemic underscored its importance to regional Australia, while also highlighting the continued need for innovation, policy attention, and investment to ensure stability.

Appendix 4 – Overview of valuation methodologies

Discounted cash flow

300. Under a DCF approach, forecast cash flows are discounted back to the valuation date, generating a net present value for the cash flow stream of the business. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the valuation date to give an overall value for the business.

301. In a DCF analysis, the forecast period should be of such a length to enable the business to achieve a stabilised level of earnings, or to be reflective of an entire operation cycle for more cyclical industries. Typically, a forecast period of at least five years is required, although this can vary by industry and within a given industry.

302. The rate at which the future cash flows are discounted (the **Discount Rate**) should reflect not only the time value of money, but also the risk associated with the business' future operations. This means that in order for a DCF to produce a sensible valuation figure, the importance of the quality of the underlying cash flow forecasts is fundamental.

303. The Discount Rate most generally employed is the WACC, reflecting an optimal (as opposed to actual) financing structure, which is applied to unleveraged cash flows and results in an Enterprise Value for the business. Alternatively, for some industries it is more appropriate to apply an equity approach instead, applying a cost of equity to leveraged cash flows to determine equity value.

304. In calculating the terminal value, regard must be had to the business' potential for further growth beyond the explicit forecast period. This can be calculated using either a capitalisation of earnings methodology or the 'constant growth model', which applies an expected constant level of growth to the cash flow forecast in the last year of the forecast period and assumes such growth is achieved in perpetuity.

Capitalisation of earnings

305. An earnings-based approach estimates a sustainable level of future earnings for a business (maintainable earnings) and applies an appropriate multiple to those earnings, capitalising them into a value for the business. The earnings bases to which a multiple is commonly applied include Revenue, EBITDA, EBIT and NPAT.

306. In considering the maintainable earnings of the business being valued, factors to be taken into account include whether the historical performance of the business reflects the expected level of future operating performance, particularly in cases of development, or when significant change occur in the operating environment, or the underlying business is cyclical.

307. With regard to the multiples applied in an earnings-based valuation, they are generally based on data from listed companies and recent transactions in a comparable industry, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples derived for comparable quoted companies are generally based on security prices reflective of the trades of small parcels of

securities. As such, multiples are generally reflective of the prices at which portfolio interests change hands. That is there is no premium for control incorporated within such pricing. They may also be impacted by illiquidity in trading of the particular stock. Accordingly, when valuing a business en bloc (100%) we would also reference the multiples achieved in recent mergers and acquisitions, where a control premium and breadth of purchaser interest are reflected.

Net asset or cost based

308. Under a net assets or cost-based approach, total value is based on the sum of the net asset value or the costs incurred in developing a business to date, plus, if appropriate, a premium to reflect the value of intangible assets not recorded on the balance sheet.

309. Net asset value is determined by marking every asset and liability on (and off) the entity's balance sheet to current market values.

310. A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, market position and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the 'book' net asset value, to give a price to net assets, which can then be compared to that of similar transactions or quoted companies.

311. A net asset or cost-based approach is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies). A net asset approach is also useful as a cross-check to assess the relative riskiness of the business (e.g. through measures such as levels of tangible asset backing).

312. Asset based valuations are generally undertaken under one of three assumptions:

- going concern
- orderly realisation of assets
- liquidation (fire sale) of assets

313. Typically, the lowest asset values result from a "fire sale" scenario, while the highest values are derived under a going concern assumption. The choice of assumption is critical as it influences key estimates within the asset-based approach, including:

- the value attributed to the company's assets
- the liabilities payable by the company
- the costs associated with any realisation or sale process

Enterprise or equity value

314. Depending on the valuation approach selected and the treatment of the business' existing debt position, the valuation range calculated will result in either an enterprise value or an equity value being determined.

315. An enterprise value reflects the value of the whole of the business (i.e. the total assets of the business including fixed assets, working capital and goodwill/intangibles) that accrues to the providers of both debt and equity. An enterprise value will be calculated if a multiple is applied to unleveraged earnings (i.e. revenue, EBITDA, EBITA or EBIT) or unleveraged free cash flow.

316. An equity value reflects the value that accrues to the equity holders. To compare an enterprise value to an equity value, the level of net debt must be deducted from the enterprise value. An equity value will be calculated if a multiple is applied to leveraged earnings (i.e. NPAT) or free cash flow, post debt servicing.

Appendix 5 – Discount rate

317. Where cash flow forecasts consist of free cash flows to all providers of funding, the WACC is commonly employed as the basis for determining an appropriate discount rate. For the purposes of our DCF analysis, we have adopted a discount rate range of 20% to 25% (22.5% mid-point) for valuing the forecast cash flows of REX as reflected in the Cash Flow Model.

318. We consider that this discount rate range appropriately reflects the expected return for a hypothetical prudent purchaser, based upon the perceived risks associated with REX's operations, the significant turnaround required, the urgency to complete the sale quickly given the distressed state of the business and the regional aviation industry's outlook in which it operates.

319. The selection of the appropriate discount rate to apply to the forecast cash flows of any asset or business operation is fundamentally a matter of judgement rather than a precise calculated outcome. Whilst there is a commonly adopted theory that provides a framework for the derivation of an appropriate discount rate, it is important to recognise that given the level of subjectivity involved, the calculated discount rate should be treated as guidance rather than objective truth. Furthermore, discount rate assessments need to consider both current market conditions and future expectations, to the extent that there are any changes in conditions and expectations over time, an adjustment to the discount rate at a future point in time may be warranted.

320. In selecting an appropriate discount rate to apply to REX's operations, we have determined a nominal WACC to align with the forecast nominal ungeared cash flows being used to derive the resultant DCF value. A WACC represents an estimate of the weighted average required return from both debt holders and equity investors. The WACC is derived using the following formula:

$$\mathrm{WACC} = \mathrm{Wd} * \mathrm{Kd} * (1 - \mathrm{t}) + \mathrm{We} * \mathrm{Ke}$$

Table 25: WACC parameters

Parameter	Description
Kd	Pre-tax Cost of debt
Wd	Percentage of debt in capital structure
Ke	Post-tax Cost of equity
We	Percentage of equity in capital structure
t	Company tax rate

Source: KPMG Corporate Finance analysis.

321. The WACC calculation is typically based on assumptions that may not hold in practice, including constant optimal capital structure.

Cost of equity

322. The cost of equity component can be derived using a modified Capital Asset Pricing Model (**CAPM**). The CAPM provides a theoretical basis for determining a discount rate that

reflects the risk of a particular investment or business operation. In simple terms, the CAPM represents the return expected by an equity investor, when taking into account the risk of the underlying equity investment. The CAPM formula to determine the cost of equity is expressed as:

$$Ke = Rf + ß * (Rm - Rf) + α$$

Table 26: Cost of equity parameters

Parameter	Description
Rf	Risk free rate, representing the return on risk-free assets
Rm	Market rate of return, representing the expected average return on a market portfolio
(Rm - Rf)	Market risk premium, representing the excess return that a market portfolio is expected to generate over the risk free rate
β	Beta factor, being a measure of the systematic risk of a particular asset relative to the risk of a market portfolio
α	Specific risk factor, which may be included to compensate for risks which are not adequately captured in either the other discount rate parameters or the cash flows being discounted

Source: KPMG Corporate Finance analysis.

WACC – REX's operations

323. KPMG Corporate Finance's rationale for the selection of each of the variables in developing a WACC for REX's operations is discussed below.

Risk free rate

324. The risk free rate of return is the return on a risk free security, typically for a long-term period. In practice, long dated Government bonds are accepted as a benchmark for a risk free security. In Australia, the 10 year Commonwealth Government bond yield is commonly referenced, of which the current spot yield was 4.3% as at 31 August 2025.

325. The sustained downward trend in government bond yields reached a low point in 2020 and 2021 as the global economy was impacted by the effects of the COVID-19 pandemic. Subsequently, inflationary pressures, combined with heightened geopolitical tensions, fuelled an upward trend in government bond yields, which started to stabilise towards the end of 2024. However, recent trade policies pursued by the US Government have resulted in an increase in market uncertainty as the risk of inflationary pressure returns and the potential for global trade destabilisation emerges. With market evidence indicating that bond yields and the market risk premium are inversely correlated, it is important that any assessment of the risk free rate should be made with respect to the position adopted in deriving the market risk premium. On balance, given the current trend in bond yields, we continue to apply an adjusted risk-free rate in conjunction with a long-term market risk premium.

326. We therefore use the current yield of the 10-year Australian Government bonds, as well as the longer term expected yield, to calculate a long-term blended risk-free rate consistent with the approach adopted in deriving the market risk premium (discussed below). In this

regard, long term estimates of the yield on 10-year Australian Government bonds approximated 3.4%. Adopting the spot yield of 4.3% for a period of 10 years, followed by 3.4% from year 11 onwards, results in a blended risk-free rate estimate of 3.7%.

Market risk premium

327. Consistent with our approach to the risk free rate, we have applied a long-term view in setting the market risk premium. A market risk premium of 6.0% is regarded as appropriate by KPMG Corporate Finance for the current long-term investment climate in Australia as at the Valuation Date. Further, it is widely adopted by valuation practitioners in Australia, as observed in a recent survey undertaken by KPMG Corporate Finance in 2025.

Gearing

328. In selecting an appropriate gearing ratio for REX's operations, we have considered the gearing of comparable companies set out in the table below. Alliance Aviation has a two-year average debt-to-value ratio of 40% (as at 31 August 2025). The gearing observed for Alliance Aviation, and the other regional airlines reflect the inherently capital-intensive nature of the industry, balanced against the cyclical and competitive characteristics of air transport operations. Chorus Aviation and SkyWest, however, record materially higher gearing specifically over the five-year period. For Chorus Aviation, the elevated gearing primarily reflects its historical aircraft leasing operations, which carried significant secured aircraft financing obligations prior to divestment. SkyWest's higher gearing similarly reflects the use of debt funding to support fleet expansion and renewal programs.

329. These structural differences explain their classification as outliers and are not considered representative of typical regional carrier gearing levels. Gearing (two-year debt to value) for commercial airlines with regional operations is somewhat higher (mean and median gearing of 31%). However, these companies are less comparable to REX given their broader network structures, diversified route exposures and mixed fleet profiles. Nonetheless, given the limited number of publicly listed airlines operating solely within the regional segment, these airlines remain relevant for comparative purposes.

330. Based on these considerations, KPMG Corporate Finance has selected a gearing range of 30% to 35% (debt-to-value), which equates to a debt-to-equity range of 42.9% to 53.8%.

Beta

331. In selecting an appropriate beta to apply, KPMG Corporate Finance has considered the unlevered betas for selected regional airline companies. We have also considered the betas of commercial airline companies with regional operations.

Table 27: Betas and gearing for selected regional and commercial airlines

Company name	Market Cap (AUDm)	2-year weekly beta Levered	2-year weekly beta Unlevered	2-year average debt-to- Equity[1]	2-year average debt-to- Value[2]	5-year monthly beta Levered	5-year monthly beta Unlevered	5-year average debt-to- Equity[1]	5-year average debt-to- Value[2]
Regional airlines									
Alliance Aviation Services Limited	372	0.74	0.50	66%	40%	0.62	0.49	38%	27%
SkyWest, Inc.	7,494	1.01	0.63	82%	45%	1.62	0.89	110%	52%
Chorus Aviation Inc.	618	0.94	0.45	152%	60%	1.57	0.55	251%	71%
Mean (excl. outliers)		**0.90**	**0.53**	**74%**	**43%**	**1.27**	**0.64**	**38%**	**27%**
Median (excl. outliers)		**0.94**	**0.50**	**74%**	**43%**	**1.57**	**0.55**	**38%**	**27%**
Commercial airlines w. regional operations									
Qantas Airways Limited	17,413	1.12	0.96	23%	19%	1.12	0.91	33%	25%
Air New Zealand Limited	1,757	0.65	0.46	62%	38%	0.91	0.61	72%	42%
Japan Airlines Co., Ltd.	14,249	0.75	0.70	10%	9%	1.01	0.90	16%	14%
ANA Holdings Inc.	14,524	0.64	0.45	62%	38%	0.94	0.62	76%	43%
Alaska Air Group, Inc.	11,067	0.86	0.66	43%	30%	1.30	1.03	35%	26%
Virgin Australia Holdings Limited	2,577	n/a[4]	n/a[4]	n/a[4]	n/a[4]	n/a[4]	n/a[4]	n/a[4]	n/a[4]
American Airlines Group Inc.	13,487	1.07	0.29	364%	78%	1.27	0.34	370%	79%
Delta Air Lines, Inc.	61,262	1.17	0.88	45%	31%	1.34	0.95	56%	36%
Mean		**0.89**	**0.63**	**47%**	**31%**	**1.13**	**0.77**	**54%**	**34%**
Median		**0.86**	**0.66**	**45%**	**31%**	**1.12**	**0.90**	**56%**	**36%**
Total									
Total Mean (excl. outliers)		**0.90**	**0.60**	**55%**	**34%**	**1.17**	**0.73**	**52%**	**33%**
Total Median (excl. outliers)		**0.90**	**0.57**	**62%**	**38%**	**1.20**	**0.76**	**47%**	**32%**

Source: S&P Capital IQ; KPMG Corporate Finance analysis

Notes:

1. Debt-to-equity is net debt divided by market capitalisation.
2. Debt-to-value is net debt divided by the sum of net debt and market capitalisation.
3. Shaded cells represent outliers which have a low level of statistical confidence.
4. Virgin Australia re-listed in June 2025; as a result, historical gearing ratio data is not available due to the limited trading history since re-listing.

332. In assessing an appropriate unlevered beta for REX's business, we have considered the following:

- historical asset betas of listed regional airlines and commercial airlines with regional operations in the aviation industry
- we have excluded comparable companies with insufficient observation points and companies that exhibited statistically low coefficients of determination
- whilst a useful reference point, we have placed less emphasis on the ranges observed for commercial airlines (0.29 to 0.96 for the two-year unlevered and 0.34 to 1.03 for the 5-year unlevered) as it is reasonable to expect larger commercial airlines to exhibit higher betas due to their broader exposure to macroeconomic factors, international operations, and greater sensitivity to global market conditions

- the two-year unlevered beta for companies that operate as regional airlines range between 0.45 to 0.63, while the five-year beta ranges between 0.49 to 0.89. While these companies provide a better reference point than the commercial airlines given the operational similarities, differences in geographical footprint and economies of scale for SkyWest and Chorus Aviation reduce comparability. Alliance Aviation focuses primarily on FIFO charter services rather than scheduled passenger operations and has capacity purchase agreements with other airlines, which reduces the risk of underutilisation for its fleet. As such, we have considered these regional airlines to offer a relevant basis for the selected comparable companies due to the limited number of listed regional airline companies, while also factoring in the operational differences, and REX's entry into administration
- our overall experience in valuing companies of this nature.

333. Taking into account the factors detailed above, KPMG Corporate Finance has selected an unlevered asset beta range of 0.60 to 0.70 for REX. Based on KPMG Corporate Finance's selected gearing range of 42.9% to 53.8% (debt-to-equity), this results in a levered beta in the range of 0.83 to 0.91.

Tax rate

334. We have adopted a corporate tax rate of 30%, based on the current Australian statutory corporate tax rate.

Company specific risk premium

335. The rationale for adopting a company or entity specific risk premium (alpha or α) in the cost of equity is to account for risks in the REX business which are not captured in either the cash flows or the overall discount rate applied (excluding alpha). Consequently, it is important to first understand whether the cash flows are reasonable when considering whether to adopt an alpha. If cash flow adjustments should be made, the valuer can decide otherwise to make an adjustment to the discount rate via an alpha factor to reach a value outcome that would have been achieved if the cash flows were adjusted instead of the discount rate.

336. In our application and estimation of an alpha, we have considered the following:

- given REX is currently under administration and requires a substantial operational turnaround, its risk profile is considered highly comparable to that of an early-stage business due to the uncertainties related to the future development of the company. In such circumstances, investors typically apply materially higher required returns, and as such, discount rates than those implied under a standard build-up CAPM framework to capture risks that are not fully reflected by market beta or conventional risk premia. Industry precedents indicate that investors in an early-stage business often target median pre-tax required returns in the 30% to 35% range[55], while venture capital hurdle rates in expansion phases are frequently cited between 30% to 50%.[56] These

[55] Buy-out transactions with an EBITDA of between US$nil to US$4.99m as set out in the Pepperdine private cost of capital survey, dated 4 May 2023
[56] AICPA Equity Securities Task Force, 2024

benchmarks suggest that a pure early-stage risk profile would warrant a base discount rate in the vicinity of 30% or higher when applying a build-up approach.

However, we have applied a lower alpha for REX, to represent the already existing business, rather than a greenfield operation. REX retains an established national brand and customer base, existing regulatory approvals and routes, a functioning fleet and maintenance capability, and well-developed supplier and airport relationships. The business also benefits from established systems, processes, and operating data. These factors reduce uncertainty, shorten time-to-stabilisation, and provide tangible levers for performance recovery relative to a business commencing fresh. While the current administration introduces elevated execution, funding, and stakeholder risks warranting a meaningful alpha, the presence of the existing operations moderates overall early-stage risk.

- REX faces significant risks arising from the composition and condition of its fleet, which is primarily comprised of ageing Saab 340 turboprops. The Saab 340s, which underpin REX's network, have become increasingly difficult and costly to maintain due to their age and the limited global availability of replacement parts. Sourcing critical components has become a challenge, often requiring REX to cannibalise parts from grounded aircraft or rely on expensive and time-consuming international procurement. This not only increases direct maintenance expenditure but also heightens the risk of operational disruptions and schedule unreliability.

  The effect of these fleet dynamics exposes REX to elevated risks around regulatory compliance, unplanned maintenance downtime, and the capacity to sustain reliable service levels across its network. These factors materially increase uncertainty around future cash flows and operational performance and therefore support an alpha adjustment.

- REX's entry into administration materially elevated its risk profile. The administration process reflects acute financial distress, unresolved creditor claims, and fundamental uncertainty surrounding REX's future viability and capital structure. Operational restructuring, possible changes to strategic direction as well as limited access to financing under the administration introduce substantial execution risk and uncertainty around future cash flows and the need to affect a sale in a compressed timeframe.

  Accordingly, a meaningful risk premium is required to capture not only the probability of unsuccessful recovery but also the broader volatility associated with investing in a business under administration. Therefore, an appropriate alpha adjustment must ensure the discount rate appropriately reflects the full spectrum of operational, financial, and governance risks unique to REX's circumstances, beyond those implied by market or sector benchmarks.

- the Cash Flow Model assumes average year-on-year revenue growth of 11.0% and a total CAGR of 9.5% between FY26 and FY29, supported by anticipated increases in passenger volumes and yield escalation. By comparison, IBISWorld projects domestic airline revenue in Australia to grow at a real average rate of 2.9% over the same period. This divergence highlights the turnaround expectations of management and / or the Administrator's forecast, where recovery from a low operating base underpins higher growth expectations. There is a material execution risk associated with the business turnaround.

- REX's historical EBITDA margins between FY15 and FY19 ranged from 8.3% to 14.0%. In contrast, recent performance shows a significant deterioration, with adjusted EBITDA margins of 7% in FY23, -1% in FY24, and 1% in FY25, and year-to-date at 3%. The forecast FY29 EBITDA margin anticipates a recovery to 13.1%, which is within the historical range but represents a dramatic turnaround of roughly 12 percentage points from FY25 levels. Achieving this improvement within four years will require substantial operational execution and cost discipline. While even the forecast peak margin of 13.1% in FY29 remains below most of the selected comparable companies (refer Appendix 6), this does not diminish the execution risk inherent in achieving the forecast recovery.

337. In light of the above considerations, and with regard to the 2.5% terminal value growth rate adopted, we considered the application of a 14.0% to 19.0% alpha range to be reasonable as at the Valuation Date. This results in a (post-tax) cost of equity range of 22.7% to 28.2%.

Pre-tax cost of debt

338. The debt margin represents the additional return over a relevant risk-free asset that an informed and rational investor would require for taking on the additional risk associated with debt assets. We have analysed the cost of debt of 5-year 'CCC' rated corporate bonds for Australia (sourced from Capital IQ) due to the comparability of this rating class with the current administration situation of REX, which indicates a margin of 21.2% above Australian Government bonds of the equivalent tenor. The selection of a CCC-rated benchmark is appropriate in this context, as REX is facing significant financial distress. CCC-rated bonds are generally issued by entities facing significant credit difficulties or approaching default, necessitating a material risk premium for financiers considering lending to similarly situated companies. This approach ensures that the estimated cost of debt realistically captures the heightened risk profile of REX at the Valuation Date.

339. In approximating a long-term cost of debt, we have applied this margin of 21.2% over the risk free rate, resulting in a rate of 24.9%. We have also adjusted for an additional 0.5% margin at the high end to reflect debt refinancing costs and credit sustainability risk in the long-term.

WACC conclusion

340. The selected parameters result in a WACC for REX in the range of 20.8% to 25.0%, as set out below. KPMG Corporate Finance has selected a WACC in the range of 20.0% to 25.0%.

Table 28: Selected WACC parameters for REX

	Parameter	Low	High
Cost of Equity			
Risk free rate	Rf	3.7%	3.7%
Equity market risk premium	EMRP	6.0%	6.0%
Unlevered beta		0.60	0.70
Tax rate		30.0%	30.0%
Gearing (debt/equity)		53.8%	42.9%
Levered beta	ß	0.83	0.91
Company specific risk premium (alpha)	α	14.0%	19.0%
Cost of equity (post-tax)	**Ke**	**22.7%**	**28.2%**
Cost of Debt			
Base rate		3.7%	3.7%
Corporate debt margin	DM	21.2%	21.7%
All in rate (pre-tax)		24.9%	25.4%
Tax rate	T	30.0%	30.0%
Cost of debt (post-tax)	**Kd**	**17.4%**	**17.8%**
Capital Structure			
Estimated market value of equity as % of value	We	65%	70%
Estimated market value of debt as % of value	Wd	35%	30%
Post-tax WACC			
Calculated range		**20.8%**	**25.0%**
Selected range		**20.0%**	**25.0%**
Mid-point		**22.5%**	

Source: S&P Capital IQ; KPMG Corporate Finance analysis.

341. The selected WACC for REX is consistent with:

- REX's credit risk profile and cost of debt analysis. CCC-rated corporate bonds in Australia, which are comparable given REX's entry into administration, indicate a margin of approximately 21.2% at the Valuation Date above the risk free rate. CCC-rated instruments are typically associated with entities facing severe financial distress or approaching default, requiring a substantial risk premium for lenders. This benchmark is consistent with the elevated risk environment in which REX operates and supports the application of a materially higher discount rate than would be expected under normal operating conditions
- REX's operational risk profile, which shares characteristics with early-stage businesses due to the significant turnaround required and uncertainty surrounding future performance. Industry precedents show investors in early-stage ventures often target pre-tax required returns in the 30% to 35% range, with venture capital hurdle rates frequently cited between 30% and 50%. While these benchmarks suggest a pure start-up risk profile would warrant a discount rate of 30% or higher, REX's established brand, regulatory approvals, fleet, and infrastructure moderate this risk. These factors reduce uncertainty and provide tangible levers for recovery, making the selected WACC range

of 20% to 25% consistent with both the heightened execution risk and the ability to stabilise and turnaround the existing operations

- the inherent risk profile of REX under its current circumstances. To demonstrate this, we have performed a sensitivity analysis of the discount rate required to generate an equity value of zero. Given REX's current administration, its significant debt obligations, and the scale of the operational turnaround required over the next years, our analysis indicates that a WACC for REX's operations of approximately 10.1% would be required to result in any positive equity value under reasonable cash flow assumptions

  While a 10.1% WACC is within the range of broker estimates for comparable companies operating on a going concern basis and not in administration. Noting August 2025 broker reports reference a WACC of 11.0%[57] for Virgin Australia and 9.1%[58] to 10.8%[59] for the Qantas Group. Given REX is in administration and experiencing financial distress, applying a WACC consistent with going concern peers is not appropriate and does not accurately reflect the risk of the business.

[57] CITIC CLSA, 2025
[58] JPMorgan Chase & Co, 2025
[59] RBC Capital Markets, 2025

Appendix 6 – Cash flow assumptions

342. Key revenue and cost assumptions underpinning the Base Case (Scenario 7 – AAPA 90 Cadets (1a)) in the Model are discussed in the following section, being mindful of the underlying confidentiality requirements. The Cash Flow Model was prepared on 27 August 2025 with an explicit forecast period covering 1 January 2025 to 31 December 2029 (**Cash Flow Model Forecast Period**). We note that the assumptions underpinning the Cash Flow Model have been made by management of REX and/or the Administrators for the purpose of the Second Sale Process which commenced in February 2025 and are on the basis of a going concern assumption, including an assumed exit from the external administration, a full discharge of all claims against Rex Group and the Subsidiaries and a material turnaround of REX's business subsequent to a sale and/or recapitalisation. The risks underlying the cash flow forecast for valuation purposes in relation to this IER, noting that Rex Group and the Subsidiaries are currently in voluntary administration, have been considered separately and are reflected in the adopted discount rate as discussed in Appendix 5.

Revenue assumptions

343. There are four primary revenue drivers underpinning the Cash Flow Model. These revenue drivers include: (1) yield escalation (representing the revenue earned per kilometre paying passengers fly), (2) passenger growth, (3) ASK (representing the carrying capacity of the respective routes flown) and (4) load factor (representing the percentage of available seating on a flight that is filled).

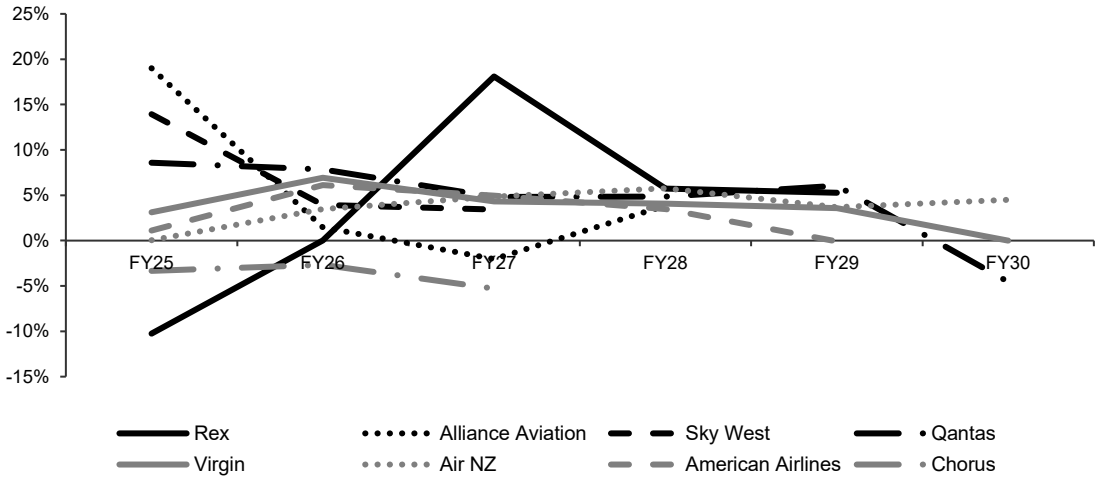
344. Passenger revenue is projected to increase at 12.1% p.a. between FY26 to FY29. This impact is twofold, driven by both an increase in passenger volumes (on average by 9.5% p.a) and yield escalation. Yield escalation is forecast to range between 2.0% to 2.3% per annum across FY26 to FY30, albeit excluding regulated Queensland routes which assume yield increases between 2.4% to 2.5% per annum. We note the escalation assumptions sit within the Reserve Bank of Australia (**RBA**) target inflation target band of 2.0% to 3.0%, which we consider reasonable.

345. ASK is forecast to grow by 6.4% per annum across FY26 to FY29, exceeding to historical levels observed in FY23 prior to the voluntary administration by FY27. Load factors are also expected to increase from a low of 65.0% in FY25 to 71.2% by FY29, largely aligned with historical averages observed across FY23 to FY24 (excluding Rex Domestic) prior to the voluntary administration.

346. The combination of the aforementioned revenue drivers translates into a total revenue CAGR of 9.5% across FY26 to FY29. In particular, we highlight an average year-on-year revenue growth rate of 11.0% across FY26 to FY29. For comparative purposes and to illustrate the extent of the turnaround assumptions particularly evident in the short-term, IBIS World forecast domestic airline revenue in Australia to grow at an average real rate of 2.9% across the same period.

347. We have further compared the year-on-year revenue growth assumptions of comparable companies based on consensus estimates as sourced from S&P Capital IQ for each financial year. However, certain data points are unavailable, due to the absence of broker estimates. Whilst the revenue growth rates for REX significantly deviate from the broker consensus observed over the short-term, long-term assumptions for FY28 and FY29 are largely aligned with the comparable companies. We therefore consider assumptions adopted by management of REX and/or the Administrators to be reasonable under a turnaround scenario. The graph below presents a summary of our findings.

Figure 23: Revenue growth projection comparison between selected peer airlines for REX



Source: S&P Capital IQ, KPMG Corporate Finance analysis

Cost assumptions

348. The following cost categories increase based on FY24 balances, with constant year-on-year escalation factors of 2.7%, with an assumed 3.4% escalation for manpower and manpower related costs:

- Departmental expenses
- Directors' expenses
- Engineering costs
- Marketing Advertising and Lounge costs
- Port costs
- Selling costs
- Manpower and Manpower related costs

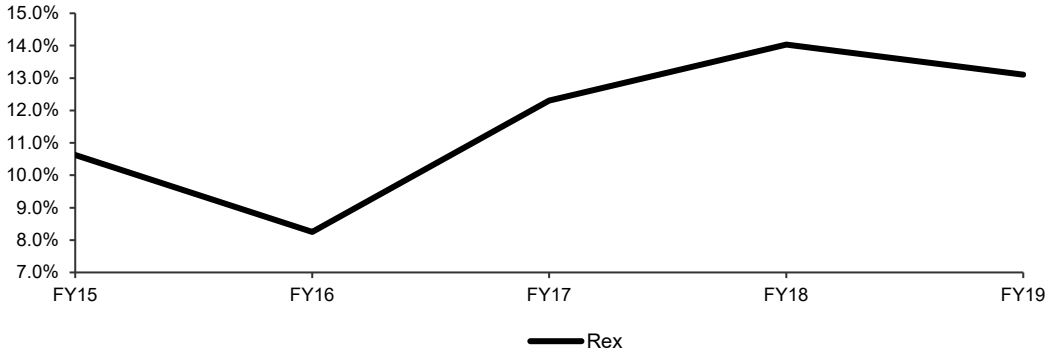
349. We note that jet fuel costs are forecast to increase at a constant 2.6% per annum based on an FY25 base value. The combination of the abovementioned cost increases translates into a total opex CAGR of 6.8% between FY26 to FY29 or an average year-on-year growth rate of 8.0%. The outperformance in revenue compared to opex over the Forecast Period results in an improved EBITDA margin as discussed below.

EBITDA margin

350. In contrast to the comparable companies, REX's EBITDA margins are expected to be lower, albeit gradually increasing over the Forecast Period. The initial lower EBITDA margins are predominantly driven by significant engineering costs required to restore the Saab fleet to full operational capacity. We highlight as per figure 24, REX's historical EBITDA margin between FY15 to FY19 ranged from 8.3% to 14.0%. The forecast FY29 EBITDA margin is projected to be 13.1% which falls within the historical range achieved by REX prior to the voluntary administration and COVID-19, which we considered reasonable.

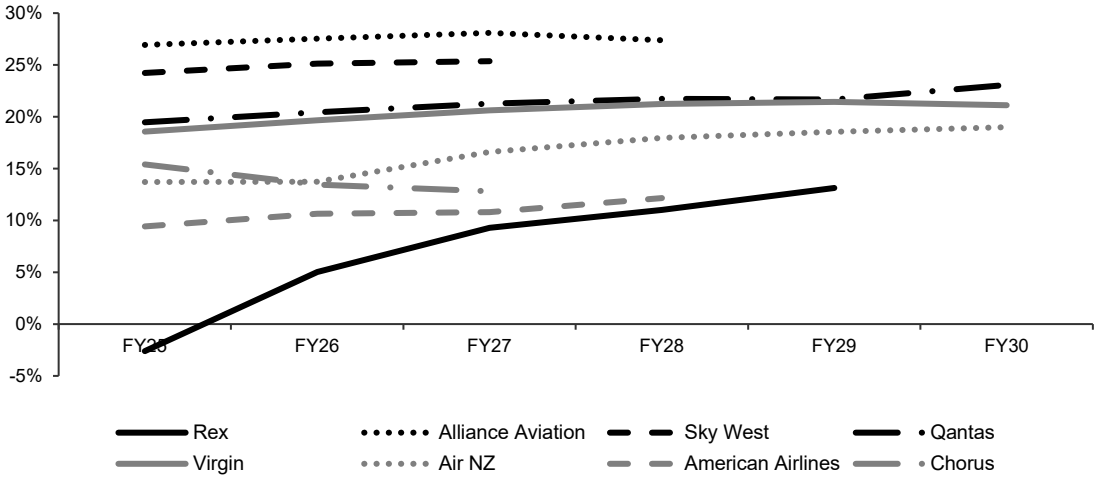
351. The projected EBITDA margins of the comparable companies across FY25 to FY30 are based on estimated consensus broker reports as sourced from S&P Capital IQ for each financial year. However, certain data points are unavailable, due to the absence of broker estimates. The graph below presents a summary of our findings.

Figure 24: REX's historical EBITDA margin pre-COVID-19



Source: S&P Capital IQ, KPMG Corporate Finance analysis

Figure 25: EBITDA margin projection comparison between selected peer airlines for REX



Source: S&P Capital IQ, KPMG Corporate Finance analysis

Appendix 7 – Market evidence

Sharemarket evidence

352. The following table sets out the market metrics for the comparable companies, as at 31 August 2025.

Table 29: Sharemarket evidence

Company	Market Capitalisation ($ million)	Enterprise Value ($ million)[1]	EBITDA multiple[2] LTM	EBITDA multiple[2] NTM	EBITDA multiple[2] FY+2	EBIT multiple[3] LTM	EBIT multiple[3] NTM	EBIT multiple[3] FY+2
Regional airlines								
Alliance Aviation Services Limited	372.0	789.0	3.7x	3.7x	3.6x	6.6x	7.0x	7.0x
SkyWest, Inc.	7,494.1	10,269.0	7.0x	6.3x	6.1x	11.4x	10.1x	9.7x
Chorus Aviation Inc.	618.3	947.0	3.7x	4.8x	5.3x	6.9x	11.5x	15.2x
Mean			**4.8x**	**4.9x**	**5.0x**	**8.3x**	**9.5x**	**10.6x**
Median			**3.7x**	**4.8x**	**5.3x**	**6.9x**	**10.1x**	**9.7x**
Commercial airlines w. regional operations								
Qantas Airways Limited	17,418.4	23,116.4	5.2x	4.4x	4.0x	9.4x	7.8x	7.3x
Air New Zealand Limited	1,757.4	2,807.7	3.4x	3.2x	2.6x	14.2x	24.5x	10.1x
Virgin Australia Holdings Limited	2,577.2	3,691.4	4.5x	3.0x	2.8x	8.3x	5.0x	4.6x
Japan Airlines Co., Ltd.	14,681.7	15,957.9	4.9x	4.2x	3.9x	9.7x	7.5x	7.0x
ANA Holdings Inc.	14,626.1	16,006.2	4.3x	4.3x	4.1x	7.4x	7.7x	7.3x
Alaska Air Group, Inc.	11,067.3	17,563.1	6.3x	5.5x	4.8x	10.1x	10.3x	8.1x
American Airlines Group Inc.	13,486.9	56,845.0	6.3x	6.4x	5.7x	10.1x	13.1x	10.9x
Delta Air Lines, Inc.	61,262.0	89,596.5	8.2x	6.1x	5.8x	11.8x	8.9x	8.1x
Mean			**5.4x**	**4.6x**	**4.2x**	**10.1x**	**10.6x**	**7.9x**
Median			**5.0x**	**4.4x**	**4.1x**	**9.9x**	**8.3x**	**7.7x**

Source: S&P Capital IQ; Company announcements; Company financial statements; KPMG Corporate Finance analysis.
LTM = last annual results filing, NTM = forecast results for next financial year (based on broker and S&P Capital IQ estimates), FY+2 = forecast results for financial year after NTM (based on broker and S&P Capital IQ estimates).
Notes:
1. Enterprise values have been calculated as market capitalisation plus net debt plus outside equity interests less equity accounted investments at the latest annual report date.
2. EBITDA is earnings before net interest, tax, depreciation and amortisation, non-operating income (including dividends) and significant and non-recurring items.
3. EBIT is earnings before net interest, tax, non-operating income (including dividends) and significant and non-recurring items.

353. Qantas Group, Virgin Australia, Alliance, and Air New Zealand Limited (Air New Zealand) have a 30 June year-end. SkyWest, Chorus Aviation, Alaska Air Group, Inc. (Alaska Air), American Airlines Group Inc. (American Airlines) and Delta Airlines Group Inc. (Delta Airlines) airlines have a 31 December year-end. The remaining listed companies have a 31 March year-end.

354. The NTM EBITDA and EBIT multiples for listed airline comps are mostly below LTM levels, reflecting expectations of earnings increases over time. In Australia, reduced competition following Bonza's exit, REX's voluntary administration as well as growing demand is supporting higher revenues and earnings margins. Globally, strong travel demand, ancillary revenue growth, and fleet optimisation through leasing are further driving profitability improvements.

355. Multiples for commercial airlines are generally higher than regional airlines with the exception of SkyWest. This reflects the structural advantages of larger airlines, including stronger economies of scale, exposure to international and high-demand routes, and lower unit cost structures. Larger airlines also tend to have greater bargaining power with suppliers, higher aircraft utilisation, and more flexible labour arrangements.

Alliance Aviation Services Limited

356. Alliance Aviation provides contract, charter, and aviation support services in Australia and select international markets. Headquartered in Brisbane, Queensland, the company's operations include aircraft wet and dry leasing, charter and FIFO transport, aircraft trading, parts sales, and engineering and maintenance services. Alliance primarily serves the resources, energy, government, and tourism sectors, operating a fleet of more than 70 aircraft comprising Embraer E190 and Fokker models. Alliance also conducts regional flying operations on behalf of the Qantas Group under long-term charter and capacity agreements. Virgin Australia also utilises Alliance's fleet, particularly Fokker aircraft, to support its domestic and charter services.

SkyWest, Inc.

357. SkyWest operates as a regional airline holding company based in St. George, Utah, United States. It provides scheduled passenger services through capacity purchase and codeshare agreements with major US airlines including United Airlines, Delta Air Lines, American Airlines, and Alaska Air Group. The company operates a fleet of almost 500 aircraft, primarily Embraer and Bombardier models, serving destinations across North America. SkyWest's operations represent one of the largest regional flying networks in the US measured by fleet size, number of passengers carried, and destinations served. Although a regional carrier, SkyWest trades at notably higher EV/EBITDA and EV/EBIT multiples than the selected regional peers. Skywest trades at a 7.0 times LTM EBITDA compared to 3.7 times LTM EBITDA for both Alliance Aviation and Chorus Aviation, and 11.4 times LTM EBIT versus 6.6 times and 6.9 times LTM EBIT for Alliance Aviation and Chorus Aviation, respectively. This premium likely reflects its significantly larger scale, providing greater operating leverage, as well as its U.S. market exposure and long-term capacity agreements with major carriers, which underpin earnings stability and have supported recent upward earnings revisions.

Chorus Aviation Inc.

358. Chorus Aviation is a Canadian-based provider of regional aviation and aircraft leasing services, headquartered in Halifax, Nova Scotia. The company operates through subsidiaries including Jazz Aviation LP and Voyageur Aviation Corp., offering scheduled regional passenger services, aircraft leasing and asset management, flight training, and maintenance and engineering support. Chorus Aviation manages a fleet of more than 100 owned and leased aircraft, serving regional airlines and lessors globally. Its subsidiary Jazz Aviation LP is the sole operator of regional flights under the Air Canada Express brand, following a capacity purchase agreement with Air Canada. The higher NTM and FY+2 EV/EBIT multiples (11.5 times and 15.2 times, respectively) of Chorus Aviation compared

to LTM EV/EBIT (6.9 times) reflects broker forecasts of declining earnings driven by reduced aircraft leasing revenue under its Air Canada capacity agreement. With depreciation expected to remain broadly flat, the sharper contraction in EBIT relative to EV results in the pronounced step-up in forward trading EV/EBIT multiples.

Qantas Airways Limited

359. The Qantas Group is Australia's largest airline group, headquartered in Mascot, New South Wales. Founded in 1920, the group operates through distinct entities, including Qantas Airways (mainline operations), Jetstar (part of the Jetstar Group), and Qantas Loyalty Pty Limited. Through these entities, the Qantas Group provides domestic, regional, and international passenger and freight services across Australia, Asia, the Americas, Europe, and the Pacific. The group operates a fleet exceeding 360 aircraft and also provides engineering, ground handling, and loyalty program services. Regional operations under the QantasLink brand are delivered by subsidiaries such as Eastern Australia Airlines Pty Limited, Network Aviation Pty Ltd, and Sunstate Airlines (Qld) Pty Limited, which collectively provide regional air services across Australia.

Air New Zealand Limited

360. Air New Zealand provides scheduled passenger and cargo transportation across New Zealand, Australia, the Pacific Islands, Asia, North America, and Europe. Headquartered in Auckland, New Zealand, the company operates a fleet of more than 100 aircraft and offers ancillary services including maintenance, repair, and overhaul, travel packages, and cargo logistics. Air New Zealand Limited is majority-owned by the New Zealand Government and serves as the country's national carrier. Its regional services were previously operated by subsidiaries such as Air Nelson Limited and Mount Cook Airline Limited under the Air New Zealand Link brand, but these operations have since been fully integrated into the mainline airline. Air New Zealand trades at materially higher EV/EBIT multiples than the selected peers. (14.2 times LTM, 24.5 times NTM compared to commercial airline's mean of 10.1 times and 10.6 times respectively). The higher NTM EV/EBIT multiple reflects broker forecasts of revenue growth but a sharp step-down in EBIT, as depreciation and amortisation are projected to rise faster than earnings due to higher required aircraft maintenance and engine overhaul costs following an ongoing fleet renewal and engine-service delays in the prior years. This compression in EBIT despite stable operating performance drives a pronounced uplift in forward multiples relative to peers.

Virgin Australia Holdings Limited

361. Virgin Australia provides domestic and short-haul international air transport services for leisure, corporate, and government travelers. Headquartered in South Brisbane, Queensland, the company operates under the Virgin Australia brand and manages the velocity frequent flyer program. Its services include scheduled passenger flights, charter operations, air freight, and travel insurance. Virgin Australia operates a mixed Boeing 737 and regional aircraft fleet across key domestic routes and selected international destinations. Regional operations are supported through contracted flying arrangements

and its subsidiary, Virgin Australia Regional Airlines Pty Ltd., which services remote and resource-based markets.

Japan Airlines Co., Ltd.

362. Japan Airlines Co., Ltd. (Japan Airlines) provides domestic and international passenger and cargo air transportation services. Headquartered in Tokyo, Japan, the company operates a fleet of over 220 aircraft and serves approximately 60 countries worldwide. Japan Airlines also offers aircraft maintenance, ground handling, and other aviation-related services through its subsidiaries. The airline operates regional services through its wholly owned subsidiary J-Air Co., Ltd., which operates a fleet of Embraer aircraft serving domestic and short-haul routes across Japan, as well as other affiliates.

ANA Holdings Inc.

363. ANA Holdings Inc., (ANA) headquartered in Tokyo, Japan, is the parent company of the All Nippon Airways Group which operates domestic and international passenger and cargo flights, as well as related businesses including aircraft maintenance, trading, logistics, and information systems. ANA's airline operations comprise a fleet of more than 250 aircraft, serving over 80 international and 50 domestic routes. Regional operations are primarily conducted through its wholly owned subsidiary ANA WINGS CO., LTD., which serves Japan's domestic and short-haul network.

Alaska Air Group, Inc.

364. Alaska Air is a United States-based airline holding company headquartered in Seattle, Washington. The company provides passenger and cargo air transportation through its subsidiaries, Alaska Airlines, Inc. and Horizon Air Industries, Inc., serving destinations across the US, Canada, Mexico, and Costa Rica. Alaska Air Group operates a fleet of over 300 aircraft and also offers regional feeder services, loyalty programs, and ancillary travel services. Its regional operations are carried out by Horizon Air, a wholly owned subsidiary, and SkyWest Airlines under capacity purchase agreements. Alaska Air's observed EV/EBITDA and EV/EBIT multiples are influenced by its acquisition of Hawaiian Airlines in September 2024 with the NTM EV/EBITDA and EV/EBIT multiples elevated due to normalisation adjustments for merger and integration costs captured in the LTM period. On an EV/EBIT basis, the multiple decreased from a NTM multiple of 10.3 times to a FY+2 multiple of 8.1, reflecting broker forecasts of a significant uplift in earnings from FY27 as the synergies of the acquisition integration materialise. Brokers estimates of higher depreciation from FY25 compared to pre-acquisition levels following the enlarged fleet and acquired assets also contributes to the front-loaded multiple profile.

American Airlines Group Inc.

365. American Airlines is a major United States airline holding company headquartered in Fort Worth, Texas. It provides passenger and cargo air transportation through its mainline operations under American Airlines, Inc. and regional affiliates operating under the American Eagle brand. The group operates one of the world's largest fleets, exceeding 900 aircraft, and serves more than 350 destinations across over 60 countries. Regional services

are provided through wholly owned subsidiaries including Envoy Air Inc., PSA Airlines Inc., and Piedmont Airlines Inc., which operate under capacity purchase agreements. The uplift in American Airlines Group Inc.'s NTM EV/EBIT multiple (13.1 times versus 10.1 times LTM) reflects broker forecasts of steady EBITDA growth but elevated depreciation associated with the carrier's ongoing fleet expansion program. The significant capital investment in new aircraft and engines increases the depreciable asset base, resulting in a flatter EBIT profile despite improving operating performance.

Delta Air Lines, Inc.

366. Delta Air Lines is a United States-based global airline headquartered in Atlanta, Georgia. The company operates scheduled passenger and cargo flights across North America, Latin America, Europe, Africa, and the Asia-Pacific region. Delta Air Lines manages a fleet of more than 900 aircraft and also provides maintenance, repair, overhaul (MRO), cargo, and loyalty program services. Its regional operations are conducted under the Delta Connection brand through partner airlines, including Endeavor Air Inc., a wholly owned subsidiary of Delta Air Lines, and partner carriers such as SkyWest and Republic Airways Inc., which operate under capacity purchase agreements.

Transaction evidence

367. The following table sets out a summary of transactions that have taken place in Australia and internationally. Given the structural change that has occurred post-COVID-19 pandemic, we have limited our transactions to post 2020.

Table 30: Transaction evidence

Date	Target	Acquirer	Acquired %	Implied Enterprise Value ($ millions)[1]	EBITDA Multiple[2] Historical	EBITDA Multiple[2] Forecast	EBIT Multiple[3] Historical	EBIT Multiple[3] Forecast
Jun-25	Virgin Australia Holdings Limited	Initial Public Offering	30.2%	3,621	4.4x	3.4x	7.2x	5.6x
Jun-25	Norwegian Air Shuttle ASA	n/a	6.3%	19,328	4.5x	2.5x	9.9x	6.9x
May-25	Air Premia Inc.	Tirebank Co., Ltd.	22.0%	1,084	12.0x	n/a[4]	26.5x	n/a[4]
Apr-24	Air Premia Inc.	AP Holdings Co.,Ltd.	13.3%	820	13.7x	n/a[4]	44.3x	n/a[4]
Apr-22	Air Partner plc (nka:Air Partner Limited)	Wheels Up Experience Inc.	100.0%	75	7.3x	6.6x	12.2x	7.7x
Jan-22	Air India Limited	Tata Sons Private Limited	100.0%	3,276	10.3x	n/a[4]	n/a[4]	n/a[4]

Source: S&P Capital IQ, Company Announcements, company financial statements, KPMG Corporate Finance analysis.

Notes:

1. Implied enterprise value represent considerations plus net borrowing assumed and displayed in A$ millions.
2. Represents the implied enterprise value divided by EBITDA, where EBITDA is earnings before net interest, tax, depreciation, amortisation, other income and significant and non-recurring items.
3. Represents the implied enterprise value divided by EBIT, where EBIT is EBITDA as discussed in note 2 less depreciation and amortisation.
4. n/a represents not available.

368. The pool of directly comparable airline transactions is extremely limited, reflecting the industry's challenges. Airlines are capital-intensive, cyclical businesses that have historically delivered low returns and high volatility, deterring many investors. This aversion was reinforced by the COVID-19 pandemic, which severely disrupted global aviation and led to restructures, bankruptcies and government interventions rather than conventional takeovers. Consequently, few airline transactions have taken place in recent years, and

those that did were typically driven by exceptional strategic factors rather than typical rationale.

369. Tata's acquisition of Air India in January 2022 was primarily motivated by national and strategic objectives. The deal allowed Tata to reclaim India's flagship carrier (an airline officially recognised as representing a country internationally, often historically government-owned) and integrate its international routes with its existing airlines, presenting a rare consolidation opportunity. Similarly, investor-led acquisitions of South Korea's Air Premia in April 2024 and May 2025 reflected expansion ambitions in a recovering travel market. The higher multiples observed for these transactions, well above industry norms, reflect the buyers paying for long-term strategic value and post-pandemic growth potential rather than near-term earnings. In Air India's case, the high implied multiple (10.3 times) reflected both its reduced earnings due to the impacts of the COVID-19 pandemic, and the buyer's confidence in turnaround and synergy benefits. For Air Premia, the higher valuation reflected its role as a platform for expansion in an underserved segment of the market.

370. By contrast, Virgin Australia's IPO in June 2025 was priced at around 4.4 times FY24 underlying EBITDA, broadly in line with typical earnings multiples of airline comparable companies. Having already undergone restructuring post-COVID-19, the IPO was a more conventional commercial deal without significant strategic uplift. Aside from Qatar Airways' minority stake, which provided network connectivity benefits, the IPO valuation largely reflected Virgin's fundamentals in a domestic market that has returned to normal.

Description of comparable transactions

371. A brief description of the selected comparable transactions is provided below.

Initial Public Offering of Virgin Australia Holdings Limited

372. On 24 June 2025, Virgin Australia relisted on the ASX, raising $685m through the sale of 236.2m existing shares at $2.90 each (no new capital was raised). In total, 30.2% of the company's shares were offered as part of the IPO. The IPO implied a market capitalisation of $2.3 billion. The listing provided liquidity for existing holders and supported Virgin Australia's next growth phase after a major turnaround under Bain Capital, LP's ownership, which included a simplified fleet, a renewed focus on core domestic and short-haul international routes, and a strengthened balance sheet. Strategically, the IPO aimed to broaden Virgin Australia's investor base, enhance its public profile, and position the airline to capitalise on growth opportunities in the recovering aviation sector, while maintaining financial flexibility for future initiatives.

Acquisition of Norwegian Air Shuttle ASA by unknown buyer

373. On 4 June 2025, the Royal Norwegian Ministry of Trade, Industry and Fisheries (NFD) sold its remaining 6.3% stake in Norwegian Air, amounting to 65.58m shares, to an undisclosed investor for NOK 892m. This divestment followed the NFD's May 2025 conversion of a COVID-19 pandemic-era government loan into equity, which had made the state the largest shareholder as part of a broader restructuring to support Norwegian Air's post-COVID-19 recovery. The government's rationale for the initial acquisition was to safeguard national

connectivity and employment, with a clear intention to exit once the airline's financial position stabilised.

Acquisition of Air Premia Inc. by Tirebank Co., Ltd.

374. On 30 April 2025, Tirebank Co., Ltd. (Tirebank) agreed to acquire an additional 22.0% interest in Air Premia from JC SPC (a vehicle of JC Partners Co., Ltd.) and Sono International Co., Ltd. (a subsidiary of Daemyung Sono Group Co., Ltd.) for KRW 119.4 billion. Completion occurred in September 2025, increasing Tirebank's total ownership to approximately 70.0%. Tirebank, a South Korean tyre distributor, sought majority control to strengthen governance, inject capital and accelerate Air Premia's fleet and route expansion.

Acquisition of Air Premia Inc. by AP Holdings Co., Ltd.

375. In April 2024, AP Holdings Co., Ltd., an investment vehicle affiliated with Tirebank, acquired a 13.3% stake in Air Premia for KRW 62.5 billion, increasing its holding to 43.7%. The purchase, from existing shareholder JC Partners Co., Ltd., represented an interim step towards consolidation of ownership ahead of Tirebank's full control, supporting Air Premia's expansion phase and capital requirements.

Acquisition of Air Partner plc by Wheels Up Experience Inc.

376. On 27 January 2022, Wheels Up agreed to acquire Air Partner plc from a group of shareholders for approximately £79.5m under a scheme of arrangement. The transaction involved purchasing the entire share capital of Air Partner plc for £1.25 per share in cash, financed through Wheels Up's existing balance sheet resources. The deal was subject to shareholder, regulatory, and court approvals, all of which were obtained by March 2022. Following court approval on 29 March 2022, completion occurred on 1 April 2022. The acquisition provided Wheels Up with immediate international scale across 18 locations worldwide and diversified its service offering into group charter, freight, and aviation safety consulting.

Acquisition of Air India Limited by Tata Sons Private Limited

377. On 8 October 2021, Tata through its wholly owned subsidiary Talace Pvt Ltd, won the bid to acquire Air India and signed a share purchase agreement on 25 October 2021, to buy 100% of the airline from the Government of India for ₹180 billion (US$2.4 billion). The deal included ₹27 billion in cash and the assumption of ₹153 billion in debt, with remaining liabilities and non-core assets transferred to Air India Asset Holding Limited. The acquisition also included the Air India brand and eight logos under a five-year lock-in, and Tata agreed to retain over 13,500 employees for one year. Following regulatory and court approvals, the transaction was completed on 27 January 2022, returning the national carrier to Tata after nearly seven decades, with the strategic intent of modernising operations and consolidating Tata's aviation interests.

Appendix 8 – Letter of Instruction

WHITE & CASE

Private & Confidential

4 September 2025

By Email

Joanne Lupton
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Sydney NSW 2000
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1 Farrer Place
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T +61 2 8249 2600

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whitecase.com

Dear Joanne,

In the Matter of Regional Express Holdings Limited ACN 099 547 270 (Administrators Appointed) & Ors | Federal Court of Australia Proceeding NSD1050 of 2024 (Proceeding)
Instructions to Prepare an Independent Expert Report

Background

1. We act for Samuel Freeman, Justin Walsh and Adam Nikitins of Ernst & Young Australia in their capacities as joint and several administrators (**Administrators**) of Regional Express Holdings Limited (Administrators Appointed) (**REHL**) and certain related entities set out at Schedule 1 (together, the **Rex Entities**).

2. On 30 July 2024, the Administrators were appointed as joint and several administrators to the Rex Entities.

3. The Administrators have been conducting a sale process and propose to enter into a deed of company arrangement (**DOCA**) with:

   (a) REHL, Rex Investment Holdings Pty Ltd (Administrators Appointed), Air Partners Pty Ltd (Administrators Appointed) and Regional Express Pty Ltd (Administrators Appointed),

   (together, **DOCA Entities**); and

   (b) a proposed proponent of the DOCA (**Proponent**).

4. The terms of the DOCA will provide that, subject to court approval, 100% of the shares in REHL (**Shares**) will be transferred to the Proponent, in addition to which:

   (a) all unsecured creditor claims (other than excluded claims) against the DOCA Entities will be discharged;

   (b) assumption of all claims of the secured creditor of the DOCA Entities, the Department of Infrastructure, Transport, Regional Development, Communications,

Sports and the Arts (**Secured Lender**), on terms to be agreed between the Proponent and the Secured Lender;

(c) employees of the DOCA Entities will be retained, together with an assumption of all their employee entitlement contributions;

(d) unsecured creditors of the DOCA Entities will not receive any returns;

(e) Rex Airlines Pty Ltd (Administrators Appointed) (**RAL**) will not form part of the transaction perimeter and DOCA structure; and

(f) a creditors' trust will be established on completion of the DOCA.

5. The Administrators will file an application in the Proceeding pursuant to sections 444GA and 447A of the *Corporations Act 2001* (Cth) (**Corporations Act**) and section 90-15 of the Insolvency Practice Schedule, being Schedule 2 to the Corporations Act, for orders that the Administrators be granted leave to transfer the Shares to the nominee to be advised by the Proponent in accordance with the terms of the DOCA (**Application**).

6. You are instructed as an independent expert to express an opinion as to the matters outlined in this letter.

7. The following matters of factual background may assist you in preparing your report. However, they are not intended to limit the scope of your report.

Group Structure

8. REHL is a publicly listed company whose shares are listed on the Australian Securities Exchange (**ASX**) and is the parent company of the group, which includes the Rex Entities and several related entities (**Group**). A structure chart in respect of the Group is set out at Schedule 2.

9. The Group operates a regional airline in the Australian domestic passenger and freight industry, with a focus on servicing regional locations by the operation of flights to and from regional or rural airports throughout Australia (**Regional Business**).

10. Key business segments of the Group are:

Business segment	Description
Regional Express Holdings Limited	A publicly listed entity whose shares are listed on the ASX and is the parent company of the Group. It operates the regional airline business and some shared staff are used in other parts of the Group.

Business segment	Description
Rex Investment Holdings Pty Ltd	An investment vehicle for the Group, with a 100% shareholding in each of Australian Aero Propeller Maintenance Pty Ltd, Australian Airline Pilot Academy Pty Ltd and AAPA Victoria Pty Ltd.
Air Partners Pty Ltd	An investment vehicle for the Group, with a 100% shareholding in Rex Flyer Pty Ltd.
Regional Express Pty Ltd	An investment vehicle for the Group, with a 100% shareholding in RAL. It also holds the Air Operator's Certificate for both regional and domestic trunk route services. (It is noted for completeness that RAL will not form part of the Potential Transaction).
Rex Flyer Pty Ltd	The entity which manages the loyalty program of the Group that allows members to earn and redeem loyalty points for goods and services.
Australian Aero Propeller Maintenance Pty Ltd	An entity which offers various aircraft maintenance and repair services.
Australian Airline Pilot Academy Pty Ltd	A pilot academy offering an intensive training program for global airlines with approval from the Commonwealth Register of Institutions and Courses for Overseas Students (**CRICOS**).
AAPA Victoria Pty Ltd	A pilot academy offering an intensive training program for global airlines under CRICOS approval.

11. During the administration period, the Administrators have carried out a wide range of tasks to progress and finalise the administration of the Rex Entities. Importantly, the Administrators have continued to trade on large parts of the Regional Business while running two comprehensive sale processes outlined in further detail below.

Court Orders

12. During the administration period, the Administrators have obtained various orders from the Federal Court of Australia in connection with the Rex Entities, including:

(a) orders obtained on 6 August 2024, which, amongst other things, facilitated the administration of the Rex Entities and limited the Administrators' personal liability in connection with the initial administration funding;

(b) orders obtained on 23 August 2024, which, amongst other things, extended the convening period for the second meetings of creditors of the Rex Entities (**Second Meetings**) to 25 November 2024 and limited the Administrators' personal liability in respect of a guarantee arrangement with the Commonwealth of Australia to support ticket purchases in connection with the Regional Business;

(c) orders obtained on 20 November 2024, which, amongst other things, further extended the convening period for the Second Meetings to 30 June 2025 and limited the Administrators' personal liability in connection with a funding agreement with the Secured Lender; and

(d) orders obtained on 24 June 2025, which, amongst other things, further extended the convening period for the Second Meetings to 5 December 2025 and limited the Administrators' personal liability in connection with an amendment to the funding agreement with the Secured Lender.

Sale Process

13. In or around August 2024, the Administrators conducted an initial sale process for the sale and/or recapitalisation of the Group (**First Sale Process**). Despite not finding a buyer for the Regional Business, the Administrators achieved the following sales:

(a) the aeromedical business carried on by Pel-Air Aviation Pty Ltd (**Pel-Air Business**) (which includes the business and assets of NAA Pty Ltd and VAA Pty Ltd) to an entity owned and controlled by Toll Holdings Limited (**Pel-Air Sale**). The Pel-Air Sale consists of, amongst other things:

(i) consideration that reflects an enterprise value of AUD $192.5 million (with an expected cash consideration of approximately AUD $47 million); and

(ii) an assumption of the existing debt facilities in the Pel-Air Business.

(b) the shares held by Air Partners in National Jet Express Pty Ltd, being a fly-in-fly-out charter business;

(c) the land situated at 37 Robey Street, Mascot NSW 2020; and

(d) the land situated at 72-76 Robey Street, Mascot NSW 2020, together with the sale of a Boeing 737 flight simulator located at those premises.

14. Based on consistent feedback from bidders in the First Sale Process, the Administrators identified a number of key challenges to be resolved for the Regional Business, which the

Administrators considered would need to be addressed in order to finalise and complete a sale. This included, amongst other things, resolving issues in connection with a lack of serviceable aircraft, unprofitable routes and an inability to undertake future fleet renewal.

15. Following this feedback from bidders and with the assistance of the Secured Lender providing various funding to the Rex Entities, the Administrators extended the convening period of the Second Meetings to 30 June 2025 in order to provide the Administrators with sufficient time in order to:

    (a) primarily undertake the significant volume of work required to resolve the matters listed at paragraph 14 above;

    (b) enhance the assets of the Regional Business;

    (c) engage with interested parties for the sale or restructure of the Regional Business to demonstrate to them a clear pathway to an enhanced version of the Regional Business with a particular focus on the profitability of the underlying business; and

    (d) progress a further sale process with a view to completing a sale or restructure of the Regional Business in the interests of the relevant stakeholders (including creditors, employees, customers and persons with an ongoing commercial relationship with the Rex Entities).

16. In light of the above, the Administrators conducted a further sale process for the sale and/or recapitalisation of the Regional Business (**Second Sale Process**). As a result of the Second Sale Process, the Administrators received four proposals from interested parties in connection with acquiring the Regional Business.

17. The Administrators, after careful consideration of each of the offers received, the Administrators are intending to enter into a form of implementation deed with the Proponent to provide for the finalisation of the transaction.

Instructions & Assumptions

18. You are instructed to prepare an independent expert report for the assessment of the residual equity value (if any) for the members of REHL.

19. The purpose of the report is to assist the Court in determining whether the proposed transfer of the shares in REHL to the Proponent's nominee will unfairly prejudice the interests of REHL's members for the purposes of the Application.

20. Your report will also be made available to the creditors and members of REHL and any other interested parties ahead of the Application.

21. Having regard to:

(a) the documents to be provided to you; and

(b) any other publicly available information that you obtain and consider relevant (and if you rely upon such information, please provide copies of such documents),

please prepare a report in which you provide your expert opinion on the matters raised in paragraph 18 above.

Your Duties as an Independent Expert

22. You are instructed as an independent expert with an overriding paramount duty to assist the Federal Court of Australia.

23. You are required to comply with the duties and requirements of an expert in court proceedings as set out in the Expert Evidence Practice Note (GPN-EXPT) (**Practice Note**). We **enclose** a copy of the Practice Note for your review.

24. Rule 23.13 of the *Federal Court Rules 2011* (Cth) (**Rules**) provides additional requirements as to the contents of an expert report. We **enclose** a copy of the requirements, as they appear in the Rules.

25. Consistent with these requirements, your expert report should include written confirmation (and you should ensure) that:

(a) you have read, understood and complied with the Practice Note to the extent that it imposes duties and obligations on you that are relevant to your role as an expert in the Application; and

(b) that your opinions are based wholly or substantially on your specialised knowledge, arising from your training, study or experience.

26. You must attach to your report any documents that record any instructions to you, including a copy of this letter and its enclosures, and the documents and other material that you have been instructed to consider.

27. You have a duty to comply with the directions of the Court. Such directions may include requiring you to confer with any other expert witness and produce a joint report identifying matters agreed or not agreed.

28. At the hearing of the Application, you may be called to attend Court and give evidence. You must be personally involved and knowledgeable in all aspects of the preparations of your report.

Format

29. As identified, you should ensure that your report complies with the requirements of the Practice Note and the Rules, and that compliance with the Rules is apparent.

30. At the beginning of your report, you must include an acknowledgement in the following terms: "I acknowledge that I have read, understood and complied with the Expert Evidence Practice Note (GPN-EXPT) and agree to be bound by it."

31. If your report is long or complex, you are required to include a brief summary at the beginning of your report.

32. We ask that you include a section addressing your independence, in which you summarise any relationship with our client, being the Administrators. If you have previously undertaken work for the Administrators you should identify the kind of work undertaken and whether it is ongoing. If you have not been engaged by the Administrators, you should identify this.

33. You should, in a section titled 'Qualifications', identify yourself as an expert in the areas which you have been asked to provide an opinion on, and describe your training, study or experience by which you have acquired your specialised knowledge. You should identify how your training, study or experience makes you an expert in the field. You may wish to attach your curriculum vitae to your report.

34. The Rules and Practice Note require you to set out separately each of the material facts and assumptions on which each opinion expressed in your report is based. The facts and assumptions you rely on must be linked to their sources and clearly stated and verifiable. You must identify, pursuant to the Practice Note, any:

    (a) examinations, tests or other investigations on which you have relied, identifying the person who carried them out and that person's qualifications; and

    (b) any literature or other source materials, such as text books, industry guidelines and handbooks, utilised in support of each opinion. This will include any documents provided by us, as well as any other documents to which you refer.

35. When drafting the section of your report containing your opinion, please address the questions set out above specifically and directly. Your opinions should be set out in subheadings that correspond to each question put to you. Please ensure your opinions are distinguishable from the underlying facts and assumptions. You must confine your opinion to areas within your expert knowledge. If there are alternative views available, please explain why you have chosen a particular alternative.

36. You must state, pursuant to the Rules, each question you have been asked to answer.

37. You should note any qualifications to your opinion. Pursuant to the Practice Note, you must identify:

    (a) if applicable, that a question, issue or matter falls outside your relevant field of expertise;

(b) if an opinion expressed in your report may not be a concluded opinion because of insufficient research or insufficient data or for any other reason; and

(c) if an opinion expressed in your report is or may be incomplete or inaccurate without some qualification.

38. The Practice Note requires that you include the following declaration: "I have made all inquiries that I believe are desirable and appropriate (save any matters identified explicitly in my report), and that no matters of significance that I regard as relevant have, to my knowledge, been withheld from the Court". Please ensure all relevant inquiries are made to ensure you are able to make this declaration at the conclusion of your report.

39. You must sign your report.

Confidentiality

40. Please keep all matters pertaining to your role as an expert witness in this matter confidential.

41. Under no circumstances should the contents of the enclosures, the matters referred to in this letter or any matters raised in correspondence or meetings between you, our client and/or White & Case be disclosed to any third party (except with White & Case's express written permission or pursuant to the order or direction of a Court).

42. Further, any documentation or reports you produce as a result of our instructions must be treated as strictly confidential and subject to legal professional privilege.

Please do not hesitate to contact us if you have any queries in relation to these instructions.

Yours sincerely

White & Case

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Partner

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Ashleigh Tang
Counsel

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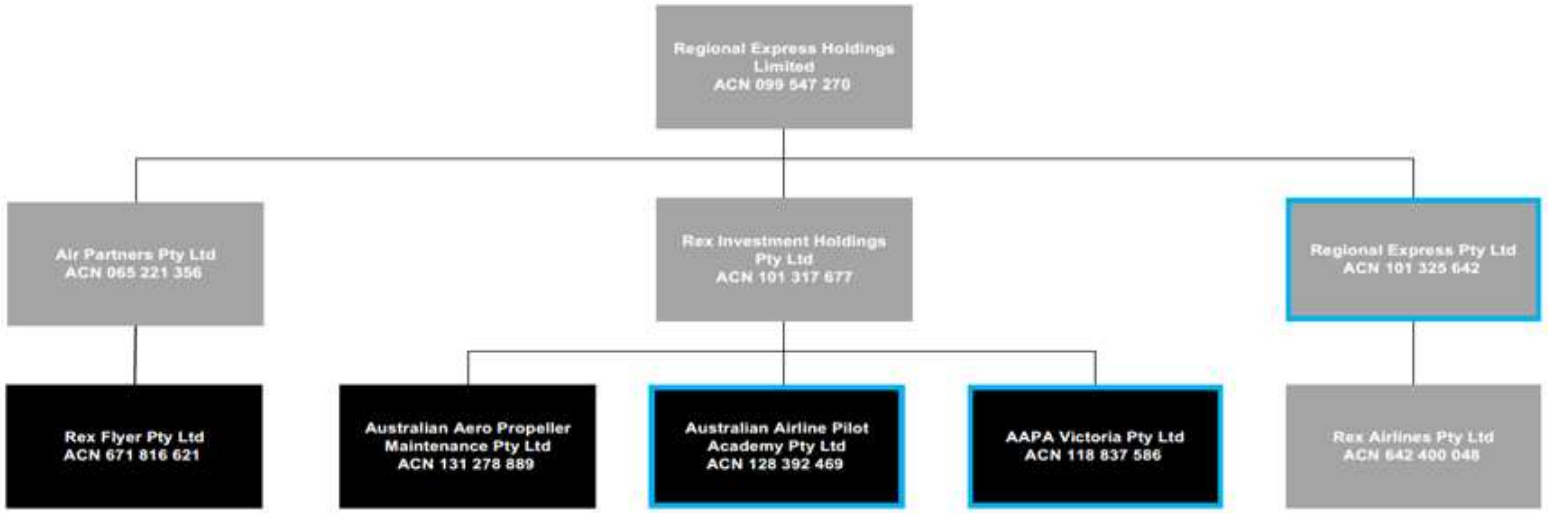
Schedule 1 – Rex Entities

1. Regional Express Holdings Limited (Administrators Appointed) (ACN 099 547 270)
2. Air Partners Pty Ltd (Administrators Appointed) (ACN 065 221 356)
3. Rex Investment Holdings Pty Limited (Administrators Appointed) (ACN 101 317 677)
4. Regional Express Pty Limited (Administrators Appointed) (ACN 101 325 642)
5. Rex Airlines Pty Ltd (Administrators Appointed) (ACN 642 400 048)

KPMG
4 September 2025

Schedule 2 – Group Structure



Appendix 9 – Specialist Report

Cirium Ascend Consultancy
World Business Centre 2, 1st Floor, Newall Road
Heathrow Airport, London, TW6 2SF, UK
Tel: +44 (0) 20 86523315

Our Ref: 225C234_v3/DH/JY/GS/LO/jd

Regional Express Holdings Ltd (Administrators Appointed)
81-83 Baxter Road,
Mascot, NSW 2020,
Australia

Report Date: 4th November 2025

This report is intended for Regional Express Holdings Ltd (Administrators Appointed) ("Client") and is valid at the date of issue only. This report has been prepared solely for the purposes of Regional Express Holdings Ltd (Administrators Appointed) based on the information, circumstances and purposes expressly imparted by Regional Express Holdings Ltd (Administrators Appointed) to Cirium Ascend Consultancy. This report is not to be made available or copied in whole or in part to any other person without the prior written consent of Cirium Ascend Consultancy. No consideration in this report has been made of the interest and concerns of any third party, and Cirium Ascend Consultancy disclaims to the extent permitted by applicable law any liability howsoever arising to any third party that may become privy to or aware of this report.

Cirium consents to the report being disclosed to KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (KPMG) for the purpose of inclusion in an independent expert report being prepared by KPMG in respect of a deed of company arrangement that has been proposed by Air T, Inc. in relation to Regional Express Holdings Limited (Administrators Appointed) and certain of its subsidiaries.

Cirium has not provided advice to either Regional Express Holdings Limited (Administrators Appointed) (REHL) and/or to Adam Nikitins, Samuel Freeman or Justin Walsh in their capacity as joint and several administrators of REHL and its subsidiaries (Administrators) in relation to the deed of company arrangement proposed by Air T, Inc.

This report has been prepared by Cirium Ascend Consultancy. This report has been prepared in accordance with the Australian Securities and Investments Commission (ASIC) Regulatory Guides 111 and 112.

Cirium Ascend Consultancy cannot be held responsible for any alterations made to this document, intentionally or otherwise after transmission.

Client:	Regional Express Holdings Ltd (Administrators Appointed)
Intended User(s):	Ernst & Young, KPMG, Regional Express Holdings Ltd, White & Case
	Ashleigh Tang ashleigh.tang@whitecase.com (White & Case)
	Joanne Lupton jlupton@kpmg.com.au (KPMG Corporate Finance, a division of KPMG Financial Advisory Services Pty Ltd, Level 38, Tower 3/300 Barangaroo Ave, Sydney NSW 2000)
Attention:	Justin Walsh *Joint and Several Voluntary Administrator (EY Parthenon)*

Dear Justin,

ADJUSTED VALUATION AND SCRAP VALUATION OF REGIONAL EXPRESS HOLDINGS LTD PORTFOLIOS

VALUATION AS AT DATE: PLEASE REFER TO APPENDICES

In accordance with your instructions, we are pleased to provide our Current and Distressed Values opinions for the Regional Express Holdings Ltd Portfolios, including:

- Inventory of spare parts
- 57 Saab 340B aircraft and 75 General Electric CT7-9B spare engines
- One Beechcraft King Air C90GTi Flight Training School aircraft
- 41 General Aviation Flight Training School aircraft.
- Current Scrap Value opinions for six IAI 1124 'Westwind' aircraft, retired from operation by Pel-Air Aviation and currently in storage at Wagga Wagga Airport, NSW Australia.

You requested the valuation for the purpose of inclusion in an independent expert report being prepared by KPMG in respect of a deed of company arrangement that has been proposed by Air T, Inc. in relation to Regional Express Holdings Limited (Administrators Appointed) and certain of its subsidiaries.

All the appraised value opinions are listed in the **Appendices.**

The appended values should only be considered in conjunction with the assumptions, methodologies and definitions described in the appended report.

Cirium Ascend Consultancy's valuation of the aircraft and engines takes into account the data supplied by Ernst & Young regarding their identities, specifications and maintenance status as well as data held in the Cirium Aviation Databases. We have additionally referred to previous valuations completed for Regional Express Holdings Ltd, ref: 225C139 (July 2025), 225C154 (July 2025) and for Ernst & Young, ref: 224C170 (August 2024).

We also previously undertook valuation work for Regional Express Holdings Ltd under reference 224C179, dated 30th August 2024, in relation to a Current Valuation for Two Full Flight Simulators.

We have also assumed that, at the valuation as at date, unless otherwise indicated, each aircraft and engine was a typical example of its type, model and age, are generally in good condition, with no damage history, and in compliance with all Airworthiness Directives (ADs) and significant Service Bulletins (SBs). We also assume each had a full and complete set of technical records and documentation available in English. We also assume that the aircraft and engines were free of any onerous restrictions with respect to its ownership and title documentation.

Cirium Ascend Consultancy has not undertaken a physical inspection of the subject aircraft and engines in relation to this assignment and no attempt has been made to verify the information provided, which is therefore assumed to be correct.

For spare parts appraisals, Cirium Ascend Consultancy has partnered with Mr Richard Berkemeier of Pegasus Appraisal, who is a Senior Accredited Appraiser, ASA, and has extensive expertise in the subject matter. Cirium Ascend Consultancy has reviewed Mr Berkemeier's appended report on the subject inventory of parts and endorses the values that have been provided. For the avoidance of doubt, the Fair Market Value definition used in Mr Berkemeier's report is synonymous with the ISTAT definition of Market Value (as defined later in this report). The appended values should only be considered in conjunction with the assumptions, methodologies and definitions described in Mr Berkemeier's report.

Although Cirium Ascend Consultancy endorses the valuation conclusions within Mr Rick Berkemeier's attached report, we are unable to verify its adherence to all statements and disclaimers included within our own report.

Reliance restricted. This report is prepared for the benefit of the named client to whom it is addressed. Cirium Ascend Consultancy accepts no responsibility or liability to any other person in respect of this report and accordingly if such other persons choose to rely upon any of its contents they do so at their own risk.

METHODOLOGY AND APPROACHES TO VALUE

Cirium Ascend Consultancy's valuation of the aircraft considers the three accepted approaches to value (as defined below). Within appraisal practice, an appraiser must consider all three approaches to value even though only one may be used to conclude value. A brief description of these approaches is below; a full detail can be found within the appendix. These below definitions are sourced from the American Society of Appraisers (ASA).

The Sales Comparison Approach To Value

A procedure to conclude an opinion of value for a property (asset) by comparing it with similar properties that have been sold or are for sale in the relevant marketplace by making adjustments to prices based on marketplace conditions and the properties' characteristics of value.

The Cost Approach To Value

A procedure to estimate the current costs to reproduce or create a property (asset) with another of comparable use and marketability.

The Income Approach To Value

A procedure to conclude an opinion of present value by calculating the anticipated monetary benefits (such as a stream of income) for an income-producing property (asset).

To conclude a valuation opinion for the assets within this assignment, Cirium Ascend Consultancy has considered all three approaches to value in addition to its' professional experience, expertise, and a range of sources, in addition to those mentioned above.

For this assignment, Cirium Ascend Consultancy has chosen to use the Sales Comparison (Market) Approach to value, deeming it the most relevant to the specialised business of appraising aircraft / engines, and most suitable for the subject aircraft and engine types to be appraised. The assets within this portfolio generally find themselves in an established market, enabling us to review recent transaction and trading activity, market opinion and demand today. All data points in addition to sources detailed in the appendix were analysed and adjusted, equating to the comparables of the subject being appraised.

Cirium Ascend Consultancy has also considered the Cost Approach to value, but as sales comparables and sufficient market data were available, we have not arrived at our value opinion by this method. Further, this may be more applicable for 'new' assets. Similarly, the Income Approach to value was also considered but on review of the aircraft type and operating profile & environment, we felt the Sales Comparison Approach was most suitable for this assignment.

DAMAGE HISTORY

Saab 340B aircraft

The following MSNs 205, 325, 374, 375, 381, 386, 396, 398, and 400 sustained major/minor damage in an accident/incident at various dates.

Cirium Ascend Consultancy was not provided any information regarding sustained damage and associated repairs in relation to this assignment. On the assumption that the aircraft have been repaired and returned to commercial service, no adjustment has been made to the values to reflect the effect of this damage.

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MAINTENANCE STATUS AND ASSUMPTIONS

Inventory of spare parts

Please refer to the assumptions, methodologies and definitions described in Mr Berkemeier's report.

Saab 340B aircraft

The term "Half-Life" refers to the airframe, engines, propellers, landing gear and all major components being half-way between major overhauls, inspections or performance restorations as appropriate with engine life limited parts (LLPs) having 50% of their certified lives remaining.

The term "Full-Life" assumes that the airframe, engines, propellers, landing gear and all major components are either new or have just undergone a major overhaul, inspection or performance restoration as appropriate; with engine LLPs having 100% of their certified lives remaining.

The **"**Adjusted**"** value takes into account the specified maintenance status of the aircraft. The client provided us with details of the subject aircraft's maintenance status and this information has been kept on file. Data was supplied with regard to the maintenance status of the following major components: airframe, landing gear, engines, propellers and engine life limited parts (LLPs).

The provided maintenance information is dated 16th June 2025. We have calculated our maintenance adjustments for calendar based items to the valuation as at date, while for hour / cycle based maintenance we have not supplemented this with Cirium Tracked Utilization data to bring the maintenance status to the valuation as at date.

We have also been advised by the client that the following MSNs 178, 182, 186, 200, 205, 209, 229, 279, 287, 291, 303, 311, 322, 325, 374, 376, 381, 386, 387, 389, 394, 397, 402, 403, 404, 410 and 447 are currently without engines installed. We have assumed that the aircraft will be considered airworthy upon the return of the title engines.

General Electric CT7-9B spare engines

We have provided value opinions under the following assumed maintenance scenarios:

- "Half-Life" refers to an engine being half-way between major performance restorations, with engine life limited parts (LLPs) having 50% of their certified lives remaining.
- "Full-Life" assumes that an engine is either new or fresh from performance restoration overhaul, with LLPs having 100% of their certified lives remaining.
- "Run-Out" indicates an engine in need of performance restoration overhaul, with LLPs having 0% of their certified lives remaining.
- "Adjusted" takes into account the specified maintenance status of the subject engines. The client provided us with details of the subject engine's maintenance status and this information has been kept on file. Data was supplied with regard to engine performance restoration overhauls as well as LLPs.

The provided maintenance information is dated 15th July 2025. We have calculated our maintenance adjustments as at the date of the latest utilization information that was provided to us by the client and have not "flown forward" to the valuation date. The following ESNs 785150, 785157, 785173, 785182, 785305, 785323, 785341, 785361, 785379, 785391, 785405, 785451, 785480, 785612 and 785681 currently have a full sets of maintenance data and we have provided Adjusted Values. For the other 60 ESNs which are currently awaiting spare parts including Life Limited Parts (LLPs), we have assumed that the engines will be considered airworthy upon the return of the missing parts, but for the purpose of this valuation we have assumed the referenced engines to be in "Run-Out".

Reliance restricted. This report is prepared for the benefit of the named client to whom it is addressed. Cirium Ascend Consultancy accepts no responsibility or liability to any other person in respect of this report and accordingly if such other persons choose to rely upon any of its contents they do so at their own risk.

Beechcraft King Air C90GTi Flight Training School Aircraft

The term “Half-Life” refers to the airframe, engines, propellers, landing gear, and all major components being half-way between major overhauls, inspections or performance restorations as appropriate with engine life limited parts (LLPs) having 50% of their certified lives remaining).

The **“**Adjusted**”** value takes into account the specified maintenance status of the aircraft. The client provided us with details of the subject aircraft’s maintenance status and this information has been kept on file. Data was supplied with regard to the maintenance status of the following major components: airframe, landing gear, engines and propeller overhauls.

The provided maintenance information is dated up to July 2025. We have calculated our maintenance adjustments for calendar-based items to the valuation as at date, while for hour / cycle-based maintenance we have not supplemented this with Cirium Tracked Utilization data to bring the maintenance status to the valuation as at date.

For the Beechcraft King Air C90GTi, maintenance data was not provided for landing gear overhauls. Due to uncertainty, we have kept this adjustment at “Half-Life”.

General Aviation Flight Training School Aircraft

The term “Half-Life” refers to the airframe, engines, propellers, landing gear, and all major components being half-way between major overhauls, inspections or performance restorations as appropriate with engine life limited parts (LLPs) having 50% of their certified lives remaining.

The **“**Adjusted**”** value takes into account the specified maintenance status of the aircraft. The client provided us with details of the subject aircraft’s maintenance status and this information has been kept on file. Data was supplied with regard to the maintenance status of the following major components: airframe and engine overhauls.

The provided maintenance information is dated over various dates in 2025. We have calculated our maintenance adjustments for calendar-based items to the valuation as at date, while for hour / cycle-based maintenance we have not supplemented this with Cirium Tracked Utilization data to bring the maintenance status to the valuation as at date.

IAI 1124 ‘Westwind’ aircraft

We have provided a single appraised value opinion for the ‘Scrap’ Valuation, which does not need to make assessment or determine a “Half-Life” or “Adjusted” value. Maintenance status was previously provided for engine overhauls however we have determined the highest and best use is to provide a scrap valuation. For the interiors, we understand that some aircraft may have a partial air ambulance configuration. We have made no special adjustment or consideration for this.

Reliance restricted. This report is prepared for the benefit of the named client to whom it is addressed. Cirium Ascend Consultancy accepts no responsibility or liability to any other person in respect of this report and accordingly if such other persons choose to rely upon any of its contents they do so at their own risk.

MARKET COMMENTARIES

SAAB 340B AIRCRAFT

Introduction / Overview

The Saab 340 became one of the most successful regional turboprop aircraft of its era and played a key role in defining the 30-seat commuter market. Despite this success, declining demand in the late 1990s led Saab to bring production to an end. Although widely regarded for reliability and capability, the 340 suffered from weakening sales and profitability by the late 1990s. Saab subsequently ended production of both the 340 and the 2000 in 1998. SAAB continues to provide aftermarket support, ensuring the aircraft remains active in regional service worldwide.

Currently there are 170 Saab 340 aircraft in service and stored with airline operators, including 77 aircraft with six carriers in Asia Pacific, 36 aircraft with six carriers in North America, 29 aircraft with seven carriers in Europe, 27 aircraft with seven carriers in Latin America and one aircraft with one carrier in Africa.

The main Saab 340 carriers and operating lessors are presented in the following tables:

Saab 340 Airline Operators (In Service & Stored)	No. of Aircraft	Share of Fleet
Regional Express	57	34%
Link Airways	10	6%
IBC Airways	9	5%
Pacific Coastal Airlines	9	5%
Pascan Aviation	9	5%
Others	76	45%
Total	**170**	**100%**

Saab 340 Operating Lessors (In Service & Stored)	No. of Aircraft	Share of Leased Fleet
Jetstream Aviation Capital	53	90%
Monte Aircraft Leasing	2	3%
Alandia Air	2	3%
Erik Thun AB	2	3%
Total	**59**	**100%**

Source: Cirium Fleets Analyzer

Market Outlook

Turboprop economics remain favourable for short routes, particularly in the current fuel environment. Fleet in service continues to slowly decline, with just 88 aircraft remaining in passenger service. Cargo fleet is increasing, as more Saab 340B models are freight converted. There are now around 40 340A/Bs in service as freighters. There are approximately 141 Saab 340B passenger aircraft operated by 24 carriers worldwide. Although the storage rate is relatively high at 43%, some aircraft are returning to service after extended periods in storage. The fleet is largely concentrated in the Asia Pacific region, with REX in Australia representing the largest operator, currently in financial difficulty, with the Australian government becoming its largest creditor. Attempts to sell the carrier continue, but the government may be forced to effectively nationalise the airline, in the absence of any buyers. The longer term future of the Saab 340 fleet remains uncertain.

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The key challenge for current operators is the limited availability of engines with sufficient green time, as well as high costs and longer turnaround times for engine maintenance. These pressures could result in a higher number of aircraft being placed into storage in future.

Looking to the medium and long term, the Saab 340 continues to hold a modest niche within the 30-seat short-haul segment. Saab has extended the certified life of the type from 60,000 flight hours to 80,000 hours through its maintenance review board programme, allowing ageing aircraft to remain operational. Nonetheless, a gradual decline in the passenger fleet is anticipated as retirements continue. The forthcoming Deutsche Aircraft D328eco, with capacity of up to 40 seats and expected entry into service in late 2027, may serve as a replacement option for some operators. However, the higher capital cost of the new aircraft is likely to influence fleet decisions. The CT7-9B spare engines continues to be highly sought after within the market owing to the backlog for spare parts from the OEM.

GENERAL ELECTRIC CT7-9B SPARE ENGINE

The GE CT7-9B engine, a member of the General Electric CT7 family, is a prominent turboprop/turboshaft powerplant widely used in both civil and military applications. Known for its reliability and performance, the CT7-9B powers aircraft such as the Leonardo AW139 helicopter and various regional and utility (fixed wing) airplanes.

GE Aviation continues to maintain a steady production cadence for the CT7-9B, with manufacturing facilities in the United States and global support networks. Supply chain resilience is a key focus, especially in light of recent global disruptions. While some components have experienced lead time extensions, GE's strategic partnerships and inventory management have thus far minimized significant delays for end users.

The aftermarket for the CT7-9B engine is active and competitive, with a range of authorized and independent maintenance, repair, and overhaul (MRO) providers offering comprehensive services. As many CT7-9B engines in service approach mid-life, demand for overhaul and refurbishment is increasing. This trend is expected to continue, with operators seeking to extend asset life and manage operating costs.

TEXTRON AVIATION BEECHCRAFT KING AIR (C90GTi FOCUS)

Introduction / Overview

The Textron Aviation Beechcraft King Air family is part of a family of twin-turboprop aircraft originally produced by the Beech Aircraft Corporation, thereafter the Beechcraft division of Hawker Beechcraft and from 2013, Beechcraft Corp. In February 2014, Cessna's parent company, Textron, acquired Beechcraft Corp, bringing together the two Wichita Kansas-based major manufacturers in the general and business aviation markets. The King Air was the first aircraft developed in its class and has been in continuous production since 1964. With over 50 years of presence in the market, and more than 60 million flight hours logged, it has outsold its entire turboprop competitors combined with over 7,000 deliveries. The family is split into four types: the Model 90 series, the Model 100 series, the Model 200 series and the Model 300 series. Model 90 Series.

Beechcraft introduced the first King Air in 1961 with the Model 90 series. Developed as a turboprop upgrade to the piston-engined Queen Air, the first straight 90 aircraft was powered by two Pratt & Whitney PT6A-6 engines. First flight took place on 20 January 1964, US Federal Aviation Administration (FAA) certification was received on 27 May, while customer deliveries commenced on 8 October 1964.

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On 21 May 2007, during the European Business Aviation Convention & Exhibition (EBACE) in Geneva, Beechcraft announced the Model C90GTi updated version of the C90GT, featuring the Rockwell Collins Pro Line 21 avionics package previously only offered for the B200 and B300 King Airs. In 2010, this was replaced with the C90GTx, which has factory-fitted BLR winglets, giving faster flight and improved fuel economy. Pro Line Fusion became standard on the C90GTx from 2016 and is also available as a retrofit from Pro Line II and Pro Line 21-equipped King Airs. In February 2021, Beechcraft announced that C90GTx (and effectively King Air 90) production would be ending. The clue was with announcements of the new KA 260 and 360 (replacing the 250 and 350i). Since the early 1960s, almost 3,000 of over 25 variants of the KA90 have been built, with over 2,000 still remaining in service today.

Model 90s have been utilised by over 20 different nations for military applications. They have been used for pilot training, surveillance, cargo and personnel travel. They have also been a favourite of corporate flight departments, charter operators, flying doctors, law enforcement as well as individual owners. The most popular variants, the C90, C90B, and E90, saw production runs totalling 504, 447, and 345 aircraft respectively.

According to Cirium Fleets Analyzer, at the end of Q2 2025, there was a total world fleet of 6,326 King Air Family aircraft in service or storage. The table below shows the breakdown by variant:

King Air Variant	90	100	200	300	350/360
Number of aircraft in service & storage	2,082	188	2,440	204	1,412

The 200 and 350 families feature current in-production models. The fleet sizes of the 90, 100 and 300 are now in a very gradual decline as the fleet ages and retires. The majority of the world's fleet is based with North American operators, with the remaining fleet spread around the world. The second highest population operates in Latin America. The type's rugged airframe allows operators unrestricted use of poorly prepared and unpaved airstrips, which can be found in abundance.

Market Activity

Used second-hand sales transaction activity has fallen steadily from 2021 when almost 1,000 secondary sales were recorded, amounting to around 16% of the total fleet. There were just over 800 sales in 2022 and only around 690 in 2023, followed by 644 in 2024. So far in 2025 (up to Q2), there have been 257 sales, compared with 335 in the same period in 2024.

King Air Market Outlook

Cessna's parent company, Textron Aviation, acquired Beechcraft Corp in 2014. The move brought together two major manufacturers in the general and business aviation markets, and two of the founding companies of the Wichita, Kansas aviation manufacturing cluster. The synergies can be clearly seen through their product offering which ranges from general aviation through business turboprops, into business jet very light, light, midsize and super midsize jet categories. Cooperation can also be seen within production, and their global aftermarket service network.

The OEM is very much committed to the future success of the King Air Family, which can be seen with the recent variant upgrade announcements of the 260 and 360. Production of the C90GTx, which was the lowest priced (and smallest) offering, had ended. The in-production King Air product portfolios consist of the King Air 260 and 360 (including C and 360ER options).

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GENERAL AVIATION FLIGHT TRAINING SCHOOL AIRCRAFT

Introduction / Overview

The general aviation (GA) market continues to rely heavily on proven training and utility aircraft, with models such as the Piper PA-28 and PA-44, as well as the Cessna 172S and Cessna 152, remaining central to flight schools, private owners, and rental fleets.

Piper PA-28 Series

The Piper PA-28 series, including variants like the Cherokee, Archer, and Warrior, has long been a staple in pilot training and personal aviation. Its reputation for reliability, ease of maintenance, and forgiving flight characteristics make it a favorite among flight schools and private owners alike. The market for used PA-28s remains robust, with steady demand driven by the ongoing need for affordable, four-seat trainers and cross-country aircraft.

Recent years have seen slight upticks in asking prices, reflecting increased interest from flight training organizations seeking alternatives to increasingly expensive new aircraft. The PA-28's parts availability and established support network further bolster its market position, making it a practical choice for operators looking for cost-effective solutions. The PA-28 series remains in production having began in 1960.

PA-28 Key Models and Variants

- Piper Cherokee 140/150/160/180: Early models with varying engine power (140 to 180 horsepower), primarily used for training and basic transportation.
- Piper Archer (PA-28-181): One of the most popular variants, featuring a 180-horsepower engine, fixed landing gear, and modern avionics. Widely used in flight schools.
- Piper Warrior (PA-28-161): Known for its 160-horsepower engine and efficient performance, the Warrior is a favorite among flight instructors and students.
- Piper Arrow (PA-28R): Features a 180 to 200 horsepower engine, retractable landing gear and a variable-pitch propeller, designed for pilots seeking complex aircraft experience.
- Piper Dakota (PA-28-236): Offers a more powerful 235-horsepower engine, ideal for high-performance needs and heavier payloads.

Piper PA-44 Seminole

The Piper PA-44 Seminole is recognized as one of the most widely used multi-engine trainers in the world. Flight academies and university programs consistently favor the Seminole for its twin-engine reliability and straightforward systems, which simplify the transition from single to multi-engine flight. Market activity for the PA-44 remains healthy, with newer models commanding premium prices and older airframes still attracting steady interest due to their proven track record and lower acquisition costs.

The ongoing pilot shortage and expanding flight training programs globally are contributing to sustained demand for multi-engine trainers, ensuring the PA-44's relevance in the market for the foreseeable future.

Production commenced in 1979 and continues today. Given that the PA-44 is a larger (twin) trainer, our Cirium Fleets Analyzer does cover this type (but not other types in this market commentary). All stated information is 'known' and may not be 100% complete. Currently, the PA-44 fleet (both -180 and 180T variants) numbers over 800 aircraft in service, with over half of the fleet (500 aircraft) based in the United States. Australia is the second largest region of operation with around 70 aircraft, while China and Canada are home to around 50 aircraft each, respectively. At least 150 aircraft are known to have been retired, while over 100 have been written off. Three quarters of the in-service fleet is based with flight training schools, and around

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130 aircraft with corporate / private individuals. Some 40 aircraft are used by charter (for hire) operators.

In terms of liquidity, some 42 PA-44's have been delivered new since the beginning of 2024, while around 50 known open market secondary transactions are understood to have taken place. This is a reasonably healthy level of activity for this fleet size.

Cessna 172S

The Cessna 172S is the latest iteration of the legendary Skyhawk, a model that has arguably 'defined' the light aircraft segment for decades. Known for its docile handling, reliability, and wide availability, the 172S is the backbone of countless flight schools and rental fleets. The market for both new and used 172S aircraft is highly active, with operators seeking modern avionics, fuel efficiency, and strong resale value.
Increasing demand for glass cockpit-equipped trainers and the Cessna 172S's compatibility with contemporary training needs have kept prices resilient. The aircraft's universal appeal and support infrastructure make it a perennial favorite, with supply often struggling to keep pace with demand.

Although the Cessna 172 began production in 1956, the 172S commenced in 1998 and continues today.

Cessna 172 – model / variant overview

Early Models (1956–1960s)

- Cessna 172 (1956): The original model featured a straight tail and a 145-horsepower Continental O-300 engine. It was basic but established the foundation for all future 172s.
- Cessna 172A–172D (1957–1962): These models introduced minor refinements, including changes to the landing gear and interior, and the tail design evolved to the more familiar swept-back look.

Cessna 172E–172K (1963–1970)

- Cessna 172E–172F: Improvements included increased fuel capacity and enhanced avionics.
- Cessna 172G–172K: These models saw further interior refinements and minor aerodynamic tweaks. The 172K introduced optional rear seats and better visibility.

Cessna 172L–172M (1971–1976)

- Cessna 172L: This model featured tubular landing gear and improved comfort.
- Cessna 172M: Known for its "camber-lift" wing design, which improved low-speed handling and short-field performance.

Cessna 172N–172P (1977–1986)

- Cessna 172N: Powered by a 160-horsepower Lycoming O-320 engine, offering better performance. Improved fuel system and avionics.
- Cessna 172P: Featured further improvements in seating, soundproofing, and fuel capacity.

Cessna 172R/S (1996–Present)

- Cessna 172R: Introduced in 1996, it featured a 160-horsepower fuel-injected Lycoming IO-360 engine, upgraded avionics, and improved interior comfort.
- Cessna 172S Skyhawk SP: The latest production model, equipped with a 180-horsepower engine, modern avionics (including Garmin G1000 glass cockpit options), and numerous safety improvements.

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Cessna 152

The Cessna 152, produced from the late 1970s through mid-1980s, remains a key player in the entry-level trainer market. Its simple systems, low operating costs, and ubiquity in the used market make it attractive to flight schools and private owners on a budget. While some airframes are approaching the end of their service lives, well-maintained examples continue to fetch competitive prices.

The 152's affordability and ease of operation ensure its continued presence in the market, especially as flight schools seek ways to offer introductory training at lower costs. Refurbishment programs and parts support help extend the aircraft's viability, even as newer models enter the market.

Market Outlook – General Aviation Types

The market for light single- and multi-engine trainers remains strong, driven by the growth of flight training worldwide and the steady demand for affordable, reliable aircraft. The Piper PA-28 and PA-44, along with the Cessna 172S and 152, are expected to maintain their prominence due to their proven designs, established support networks, and suitability for a range of training and personal flying needs.

Rising costs for new aircraft and ongoing pilot shortages will likely continue to support the pre-owned market for these models. Operators and buyers should expect continued competition for well-maintained examples, especially those equipped with modern avionics and upgrades.

IAI 1124 'Westwind' aircraft

See market commentary within Scrap Valuation methodology (as justification for valuation approach).

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VALUATION COMMENTARY SPECIFIC TO SAAB 340B AIRCRAFT AND CT7-9B ENGINE (MAINTENANCE) – OCTOBER 2025

Saab 340B Market Values were reviewed in late October 2025 and increased by 13% across all vintages, based on the latest transactions captured. The fact that there are no replacement options available in this segment, combined with reliable solutions to support engine and airframe maintenance requirements, continues to give the Saab 340B a positive, stable value trajectory, while demand remains strong and supply limited. Moreover, Saab 340 airframe and engine maintenance costs have been reviewed and reduced by 8%, primarily to reflect the average engine maintenance in today's market after capturing a large range of data points. Despite financial difficulty of the largest operator, Rex, much of the fleet remains in usage and recent market activity indicates continued usage for the foreseeable future.

As a consequence of this adjustment, the "Half-Life" values for the Saab 340B aircraft within this portfolio are anticipated to increase by approximately 13% upon reappraisal as of October. Furthermore, due to an additional revision to our maintenance cost opinions, the 'Adjusted' values are expected to reflect a different variation; the precise impact can only be determined through the completion of an updated appraisal.

Cirium Ascend Consultancy has completed valuations for the aforementioned assets as of July 2025. Should a valuation be required for a subsequent date, we recommend requesting an updated appraisal, rather than applying alternative valuation methodologies based on our July 2025 assessment.

VALUATIONS

As requested, we have provided our value opinions under the scenarios of **Market Value, Distressed Transaction Value, Base Value** (where applicable)**,** and **Scrap Value** (derived from assessment of Market Value). It is important that value definitions are understood by all parties and that such values are always considered in conjunction with their definitions.

MARKET VALUE

The International Society of Transport Aircraft Trading (ISTAT) defines "Market Value" as follows:

Market Value *or Fair Market Value (or Current Market Value or Current Fair Market Value, if the value pertains to the time of the analysis) is the Appraiser's opinion of the most likely trading price that may be generated for an aircraft (or other aviation-related asset) under the market circumstances perceived to exist at the time in question.*

Market Value assumes that the value is for an unencumbered single-unit transaction valued for the asset's highest and best use (as defined by the Appraiser), that the parties to the potential sale would be willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

Cirium Ascend Consultancy defines that the highest and best use of an aircraft and an engine as the one that is likely to generate the highest cash sale price in its defined configuration, considering where the majority of demand for the aircraft and engine type and aircraft vintage lies.

Cirium Ascend Consultancy defines that the highest and best use of an aircraft or engine *spare part* is the one that is likely to generate the highest cash sale price for the part in its current condition. In most cases the highest and best use of spare parts is to be used in aircraft or engine maintenance or repair as serviceable material.

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Although ISTAT does not explicitly define what an “adequate amount of time” is, we define this to typically be a period of up to 12 months prior to the value as at date.

As part of our market valuation procedure, we conducted a thorough review of market activity and known transaction data involving the subject aircraft and engine types around the value as at date. In addition, we took into account the perceived demand for the type, its availability on the market and the views of informed industry sources.

In addition, Cirium Ascend Consultancy took into account the age in months at the stated Valuation as at Date, specification of the subject aircraft for the “Half-Life” Market Value. We were further instructed to provide our Market Value opinions under the “Full-Life” scenario. We also took into account the maintenance status of the subject aircraft, as advised to us, and adjusted our “Half-Life” values accordingly to produce an Adjusted Market Values.

For engines, we have also taken the thrust rating and QEC configuration of the subject engines into account for the Market Value.

It is our opinion, therefore, based on these definitions and the information provided by the client, that the subject aircraft and engines have “Half-Life”, “Full-Life” and Adjusted Market Values, “sight unseen”, as listed in the **Appendices**.

While each of the appended values is provided as a single figure, do consider that the determination of such values involves multiple variables and that some variation in the perceived value must be expected.

DISTRESSED TRANSACTION VALUE

Certain market conditions or abnormal factors will lead to situations where discounting may occur in order to close a deal. Such transactions are often referred to as an “Immediate Sale”, a “Distress Sale”, a “Distress Value”, “Orderly Liquidation Value” or “Auction Sale Value”.

ISTAT defines “Distress Transaction Value” as follows:

Distressed Transaction Value *is the Appraiser’s opinion of the price at which an aircraft (or other aviation-related asset) could be sold when the seller is under duress to sell (e.g., an artificially limited marketing time period), a liquidation, commercial restrictions, legal complications, or other such factors that materially reduce the bargaining leverage of the seller and give prospective buyers a significant advantage that can translate into an actual trading price materially below Market Value. Apart from the preceding, Distressed Transaction Value assumes that the value is for a single-unit transaction valued for the asset’s highest and best use (as defined by the Appraiser), that the parties to the potential sale would be able, prudent and knowledgeable, and negotiating (or bidding, in the case of auction) at arm’s-length, for cash or equivalent consideration, under the market conditions that are perceived to exist at the time.’*

Cirium Ascend Consultancy defines that the highest and best use of an aircraft and engine as the one that is likely to generate the highest cash sale price in its defined configuration, considering where the majority of demand for the aircraft and engine type and aircraft vintage lies.

In our opinion, therefore, this value represents one that the aircraft and engine could best achieve in a scenario where the “seller” is compelled to sell on an “as-is, where-is basis”, within a limited time constraint less than the typical 12-month period Cirium Ascend Consultancy assumes under the Current Market Value scenario. This is regardless of the reasons for sale.

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The level of discount necessary will vary in our opinion, based on the following factors:

- Age of the aircraft
- Aircraft configuration
- Aircraft Type
- Engine thrust and QEC configuration
- Engine Type
- Time available to remarket
- The number of assets involved
- Its popularity/marketability
- Its immediate market position/market conditions
- Type of distress transaction

We have provided our Distressed Transaction Value opinions assuming a six-month period to market the aircraft and engines and close a sale in current market conditions.

Our opinions of Distressed Transaction Value can be found within the **Appendices.**

BASE VALUE

The International Society of Transport Aircraft Trading (ISTAT) defines "Base Value" as follows:

Base Value *is the Appraiser's opinion of the value of an aircraft (or other aviation-related asset) in a stable market with a reasonable balance of supply and demand. The Base Value of a tangible asset typically assumes its physical condition is average for an asset of its type and age, and its maintenance status is as described.*

Base Value assumes that the value is for an unencumbered single-unit transaction valued for the asset's highest and best use (as defined by the Appraiser), that the parties to the potential sale would be willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

Cirium Ascend Consultancy defines that the highest and best use of an aircraft and engine as the one that is likely to generate the highest cash sale price in its defined configuration, considering where the majority of demand for the aircraft and engine type and aircraft vintage lies.

Although ISTAT does not explicitly define what an "adequate amount of time" is, we define this to typically be a period of up to 12 months prior to the value as at date.

At Cirium Ascend Consultancy, we believe, the Base Value is an expectation of long-term value behaviour of an aircraft and engine, which is not swayed by short-term fluctuations in market conditions. For aircraft, we derive Base Values by examining historical value retention against age, as well as taking into account known future developments for that aircraft type. For engine, we derive Base Values by examining historical value retention against the position in the engine's life cycle, as well as taking into account known future developments for that engine type.

In our opinion, therefore, the "Half-Life", "Full-Life" and Adjusted Base Values of the subject aircraft and engines are as listed in the **Appendices**.

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SCRAP VALUE

As requested, we have provided our value opinions under the scenario of **Scrap Value** (derived from assessment of **Market Value**) for six IAI 1124 'Westwind' aircraft**.** It is important that value definitions are understood by all parties and that such values are always considered in conjunction with their definitions.

Given the market for, and the age and status of these specific aircraft, we have determined that the highest and best use is to consider a scrap valuation scenario. The IAI 1123/1124 'Westwind' fleet today numbers approximately 93 aircraft remaining in service (ranging 38 – 49 years of age), with over 185 aircraft retired or written off. Secondary market trading is extremely limited and driven by maintenance status and flyable aircraft.

We considered the possibility of part-out value (which would be salvaging parts such as engines and avionics), however without a physical inspection and thorough assessment of parts it is near-impossible to determine this value; therefore a scrap valuation is the most realistic scenario. Given the age of the aircraft and the sheer volume of retirements (particularly that it now outweighs the remaining fleet); plus the fact that older business aircraft are utilised at low hours / cycles per annum therefore requiring less serviceable parts from the market, there is effectively no specific value in the avionics or engines. Even though the TFE 731 (sub-40 inch diameter) is a widely used engine with over 2,500 aircraft in service, the younger fleet (specifically Learjet 40/45/70/75) is majority enrolled on engine maintenance programmes which would therefore not result in a need for engine parts on the open market.

The International Society of Transport Aircraft Trading (ISTAT) defines "Scrap Value" as follows:

Scrap Value *is the actual or estimated market value of an aircraft, engine or major assembly based solely on its metal or other recyclable material content with no saleable reusable parts or components remaining. The scrap value is usually expressed as net of removal and disposal costs. In some cases, scrap value could be zero if the dismantling and disposal costs are high, as for example hazardous materials or composite assemblies that might be impossible to recycle.*

Cirium Ascend Consultancy considers the scrap value to be value of the materials in the aircraft / engines sold for recycling, net of removal and disposal costs.

It is our opinion, therefore, based on these definitions and the information provided by the client, that the subject aircraft have a Scrap Value in the **Appendices**.

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STATEMENT OF DISINTEREST

Neither Cirium Ascend Consultancy nor the appraiser who has completed this valuation has any present or contemplated interest in the subject aircraft, nor any other financial interest which might tend to prevent a fair and unbiased appraisal.

Neither Cirium Ascend Consultancy nor any of its personnel involved in the preparation of this report have:

- any material present or contingent interest in either REHL or the Administrators; or
- any association with REHL or the Administrators, or related entities of either, which may lead to a bias.

Cirium Ascend Consultancy was remunerated a fixed fee amount for the preparation of this report, with no part of the fee contingent on the conclusion reached, or the content or future use of this report. Except for these fees, Cirium Ascend Consultancy has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report.

Please note that valuations given by Cirium Ascend Consultancy are only valid as of the date of issue. Subsequent to that, changes in the world aviation market or in the status and physical condition of the subject aircraft, their engines, or other general factors following the date of issue may affect Cirium Ascend Consultancy's valuation.

Yours sincerely,

Daniel Hall
Senior Valuation Consultant
ISTAT Certified Appraiser
ASA Accredited Senior Appraiser (ASA)

Johnny Yung
Senior Aviation Analyst

Ganesh Solayappan
Associate Valuation Analyst

Lionel Olonga
Senior Valuation Analyst

APPRAISER EXPERIENCE AND CERTIFICATIONS

Upon request, a summary of the report signed appraiser's experience and certifications may be forwarded to the Intended User(s) of this report.

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APPENDICES (AS TABS IN SINGLE APPENDIX EXCEL):

Appendix A: Inventory of spare parts

Appendix B_A: 57 Saab 340B aircraft

Appendix B_B: 75 General Electric CT7-9B spare engines:

Appendix C_A: One Beechcraft King Air C90GTi Aircraft

Appendix C_B: A portfolio of 41 general aviation (GA) aircraft

Appendix C_C: Six IAI 1124 'Westwind' aircraft

APPENDICES

Parts Appraisal Report

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Regional Express Holdings Limited (Administrators Appointed)

Current and Distressed Valuation of inventory of spare parts
Report Date: 4th November 2025
Valuation as at Date: 15th October 2025
All values expressed in US$ Million.

		New	Overhauled	Servicable	Unservicable	Total
	Quantity	915,866	1,016	22,098	4,425	**943,405**
	Fair Market Value of Parts in Assumed Condition	$ 19,779,601	$ 3,913,326	$ 11,273,104	$ 6,189,597	**$ 41,155,628**
	Value in Liquidation "on the ground"					**$12,346,000**

This valuation was conducted by Pegasus Aircraft Appraisal Group pursuant to its engagement with Cirium Ascend Consultancy. All findings, conclusions, and opinions contained herein are provided on behalf of Cirium Ascend Consultancy.

Regional Express Holdings Ltd (Administrators Appointed)

Retrospective Adjusted Valuation of 57 Saab 340B Aircraft
Report Date: 4th November 2025
Valuation as at Date: 15th July 2025
All values expressed in US$ Million.

#	MSN	REGN	Year of Build	Month of Build	Aircraft Type	Operator	Engine Type	Engine ESNs		MTOW		Utilisation			Specification Adjustments	Valuation as at Date	Market Values			Distressed Transaction Value			Base Values		
								Engine 1	Engine 2	kgs	lbs	Hours	Cycle	As at			"Half-Life"	Adjusted	"Full-Life"	"Half-Life"	Adjusted	"Full-Life"	"Half-Life"	Adjusted	"Full-Life"
1	175	VH-OLL	1990	Jan	Saab 340B	Regional Express	CT7-9B	785598	785685	13,154	29,000	44,939	52,785	16-Jun-2025	EASA Certification	15-Jul-2025	$1.70m	$1.29m	$2.91m	$1.05m	$0.64m	$1.80m	$1.14m	$0.73m	$2.35m
2	178	VH-YRX	1990	Feb	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	53,002	55,814	16-Jun-2025	EASA Certification / No engines installed	15-Jul-2025	$0.46m	$0.35m	$0.67m	$0.26m	$0.15m	$0.38m	$0.10m	$0.09m	$0.31m
3	179	VH-ZXS	1990	Mar	Saab 340B	Regional Express	CT7-9B	785520	785384	13,154	29,000	51,307	52,235	16-Jun-2025	EASA Certification	15-Jul-2025	$1.70m	$0.95m	$2.91m	$1.05m	$0.30m	$1.80m	$1.15m	$0.40m	$2.36m
4	182	VH-ZLX	1990	May	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	56,705	58,644	16-Jun-2025	EASA Certification / No engines installed	15-Jul-2025	$0.46m	$0.31m	$0.67m	$0.26m	$0.12m	$0.38m	$0.10m	$0.05m	$0.31m
5	186	VH-ZJS	1990	Apr	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	48,230	48,825	16-Jun-2025	EASA Certification / No engines installed	15-Jul-2025	$0.46m	$0.53m	$0.67m	$0.26m	$0.30m	$0.38m	$0.10m	$0.17m	$0.31m
6	200	VH-RXQ	1990	Aug	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	52,237	56,039	16-Jun-2025	EASA Certification / No engines installed	15-Jul-2025	$0.46m	$0.37m	$0.67m	$0.26m	$0.17m	$0.38m	$0.10m	$0.06m	$0.31m
7	205	VH-OLM	1990	Oct	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	56,861	67,341	16-Jun-2025	EASA Certification / No engines installed	15-Jul-2025	$0.46m	$0.33m	$0.67m	$0.26m	$0.13m	$0.38m	$0.10m	$0.08m	$0.31m
8	209	VH-RXX	1990	Sep	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	50,136	54,936	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.28m	$0.57m	$0.21m	$0.12m	$0.32m	$0.10m	$0.09m	$0.31m
9	229	VH-ZLR	1991	Feb	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	44,098	53,061	16-Jun-2025	EASA Certification / No engines installed	15-Jul-2025	$0.46m	$0.34m	$0.67m	$0.26m	$0.15m	$0.38m	$0.10m	$0.09m	$0.31m
10	257	VH-EKX	1991	Aug	Saab 340B	Regional Express	CT7-9B	785626	785637	13,154	29,000	52,069	59,636	16-Jun-2025	EASA Certification	15-Jul-2025	$1.70m	$1.10m	$2.91m	$1.05m	$0.46m	$1.80m	$1.18m	$0.58m	$2.39m
11	275	VH-RXE	1991	Dec	Saab 340B	Regional Express	CT7-9B	785290	785658	13,154	29,000	50,278	54,699	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.37m	$2.81m	$0.99m	$0.76m	$1.74m	$1.10m	$0.87m	$2.31m
12	279	VH-RXN	1992	Jan	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	47,915	52,930	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.27m	$0.57m	$0.21m	$0.11m	$0.32m	$0.10m	$0.11m	$0.31m
13	285	VH-RXS	1992	Feb	Saab 340B	Regional Express	CT7-9B	785774	785390	13,154	29,000	46,811	51,184	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.33m	$2.81m	$0.99m	$0.72m	$1.74m	$1.05m	$0.78m	$2.26m
14	287	VH-TRX	1992	Feb	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	47,227	51,108	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.29m	$0.57m	$0.21m	$0.13m	$0.32m	$0.10m	$0.07m	$0.31m
15	290	VH-KRX	1992	Mar	Saab 340B	Regional Express	CT7-9B	785553	785386	13,154	29,000	49,170	54,565	16-Jun-2025	-	15-Jul-2025	$1.60m	$0.79m	$2.81m	$0.99m	$0.18m	$1.74m	$1.05m	$0.24m	$2.26m
16	291	VH-NRX	1992	Mar	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	47,194	51,290	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.27m	$0.57m	$0.21m	$0.12m	$0.32m	$0.10m	$0.11m	$0.31m
17	293	VH-ORX	1992	Apr	Saab 340B	Regional Express	CT7-9B	785312	785235	13,154	29,000	49,666	54,798	16-Jun-2025	-	15-Jul-2025	$1.60m	$0.94m	$2.81m	$0.99m	$0.33m	$1.74m	$1.06m	$0.40m	$2.27m
18	301	VH-VNA	1992	Jun	Saab 340B	Regional Express	CT7-9B	785665	785357	13,154	29,000	36,906	39,704	16-Jun-2025	-	15-Jul-2025	$1.60m	$2.15m	$2.81m	$0.99m	$1.33m	$1.74m	$1.07m	$1.62m	$2.28m
19	303	VH-PRX	1992	Jun	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	45,817	50,737	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.32m	$0.57m	$0.21m	$0.16m	$0.32m	$0.10m	$0.16m	$0.31m
20	311	VH-SBA	1992	Aug	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	53,524	62,775	16-Jun-2025	EASA Certification / No engines installed	15-Jul-2025	$0.46m	$0.36m	$0.67m	$0.26m	$0.16m	$0.38m	$0.10m	$0.10m	$0.31m
21	322	VH-KDV	1992	Nov	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	44,372	53,453	16-Jun-2025	EASA Certification / No engines installed	15-Jul-2025	$0.46m	$0.41m	$0.67m	$0.26m	$0.21m	$0.38m	$0.10m	$0.15m	$0.31m
22	325	VH-KDQ	1992	Dec	Saab 340B	Regional Express	CT7-9B	NA	NA	13,154	29,000	44,847	54,279	16-Jun-2025	EASA Certification / No engines installed	15-Jul-2025	$0.46m	$0.35m	$0.67m	$0.26m	$0.15m	$0.38m	$0.10m	$0.08m	$0.31m
23	369	VH-EKH	1995	Jun	Saab 340B+	Regional Express	CT7-9B	785485	785510	13,154	29,000	46,115	50,963	16-Jun-2025	EASA Certification	15-Jul-2025	$1.70m	$1.51m	$2.91m	$1.05m	$0.86m	$1.80m	$1.17m	$0.98m	$2.38m
24	370	VH-ZLQ	1995	Sep	Saab 340B+ WT	Regional Express	CT7-9B	785631	785429	13,154	29,000	38,808	44,060	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.35m	$2.81m	$0.99m	$0.74m	$1.74m	$1.09m	$0.84m	$2.30m
25	371	VH-ZLA	1995	Sep	Saab 340B+ WT	Regional Express	CT7-9B	785532	785461	13,154	29,000	38,788	44,469	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.11m	$2.81m	$0.99m	$0.51m	$1.74m	$1.09m	$0.60m	$2.30m
26	373	VH-ZLC	1995	Nov	Saab 340B+ WT	Regional Express	CT7-9B	785674	785195	13,154	29,000	37,868	43,125	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.21m	$2.81m	$0.99m	$0.60m	$1.74m	$1.10m	$0.71m	$2.31m
27	374	VH-ZLF	1995	Oct	Saab 340B+ WT	Regional Express	CT7-9B	NA	NA	13,154	29,000	37,903	43,741	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.39m	$0.57m	$0.21m	$0.22m	$0.32m	$0.10m	$0.13m	$0.31m
28	375	VH-ZLG	1995	Nov	Saab 340B+ WT	Regional Express	CT7-9B	785232	785453	13,154	29,000	39,718	44,971	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.56m	$2.81m	$0.99m	$0.95m	$1.74m	$1.10m	$1.06m	$2.31m
29	376	VH-ZLH	1995	Dec	Saab 340B+ WT	Regional Express	CT7-9B	NA	NA	13,154	29,000	36,766	42,977	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.25m	$0.57m	$0.21m	$0.10m	$0.32m	$0.10m	$0.09m	$0.31m
30	380	VH-ZLJ	1995	Dec	Saab 340B+ WT	Regional Express	CT7-9B	785605	785437	13,154	29,000	38,535	43,492	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.82m	$2.81m	$0.99m	$1.13m	$1.74m	$1.10m	$1.32m	$2.31m
31	381	VH-ZLK	1996	Jan	Saab 340B+ WT	Regional Express	CT7-9B	NA	NA	13,154	29,000	36,052	41,512	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.24m	$0.57m	$0.21m	$0.08m	$0.32m	$0.10m	$0.08m	$0.31m
32	382	VH-ZLO	1996	Feb	Saab 340B+ WT	Regional Express	CT7-9B	785650	785511	13,154	29,000	36,236	41,702	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.15m	$2.81m	$0.99m	$0.54m	$1.74m	$1.05m	$0.60m	$2.26m
33	383	VH-ZLS	1996	Feb	Saab 340B+ WT	Regional Express	CT7-9B	785154	785800	13,154	29,000	36,717	43,255	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.45m	$2.81m	$0.99m	$0.84m	$1.74m	$1.05m	$0.90m	$2.26m
34	384	VH-ZPN	1996	Mar	Saab 340B+ WT	Regional Express	CT7-9B	785356	785791	13,154	29,000	34,008	39,204	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.21m	$2.81m	$0.99m	$0.60m	$1.74m	$1.05m	$0.66m	$2.26m
35	386	VH-ZLV	1996	Mar	Saab 340B+ WT	Regional Express	CT7-9B	NA	NA	13,154	29,000	36,787	43,378	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.25m	$0.57m	$0.21m	$0.10m	$0.32m	$0.10m	$0.08m	$0.31m
36	387	VH-ZLW	1996	Mar	Saab 340B+ WT	Regional Express	CT7-9B	NA	NA	13,154	29,000	36,660	42,225	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.30m	$0.57m	$0.21m	$0.14m	$0.32m	$0.10m	$0.13m	$0.31m
37	388	VH-ZRZ	1996	Mar	Saab 340B+ WT	Regional Express	CT7-9B	785118	785713	13,154	29,000	39,427	44,164	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.24m	$2.81m	$0.99m	$0.63m	$1.74m	$1.05m	$0.69m	$2.26m
38	389	VH-ZRB	1996	Apr	Saab 340B+ WT	Regional Express	CT7-9B	NA	NA	13,154	29,000	37,524	43,069	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.24m	$0.57m	$0.21m	$0.08m	$0.32m	$0.10m	$0.08m	$0.31m
39	390	VH-ZRC	1996	Apr	Saab 340B+ WT	Regional Express	CT7-9B	785140	785148	13,154	29,000	37,214	42,960	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.30m	$2.81m	$0.99m	$0.69m	$1.74m	$1.06m	$0.76m	$2.27m
40	391	VH-ZRE	1996	May	Saab 340B+ WT	Regional Express	CT7-9B	785487	785420	13,154	29,000	37,258	43,542	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.37m	$2.81m	$0.99m	$0.77m	$1.74m	$1.06m	$0.83m	$2.27m
41	392	VH-ZRH	1996	May	Saab 340B+ WT	Regional Express	CT7-9B	785463	785346	13,154	29,000	36,710	42,367	16-Jun-2025	-	15-Jul-2025	$1.60m	$0.89m	$2.81m	$0.99m	$0.28m	$1.74m	$1.06m	$0.35m	$2.27m
42	393	VH-ZRN	1996	May	Saab 340B+ WT	Regional Express	CT7-9B	785541	785121	13,154	29,000	37,347	43,218	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.35m	$2.81m	$0.99m	$0.74m	$1.74m	$1.06m	$0.81m	$2.27m
43	394	VH-ZRI	1996	May	Saab 340B+ WT	Regional Express	CT7-9B	NA	NA	13,154	29,000	37,151	42,233	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.22m	$0.57m	$0.21m	$0.06m	$0.32m	$0.10m	$0.06m	$0.31m
44	396	VH-ZRJ	1996	Jun	Saab 340B+ WT	Regional Express	CT7-9B	785472	785647	13,154	29,000	35,032	40,239	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.29m	$2.81m	$0.99m	$0.68m	$1.74m	$1.07m	$0.76m	$2.28m
45	397	VH-ZRK	1996	Jun	Saab 340B+ WT	Regional Express	CT7-9B	NA	NA	13,154	29,000	36,126	42,427	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.29m	$0.57m	$0.21m	$0.13m	$0.32m	$0.10m	$0.06m	$0.31m
46	398	VH-ZRL	1996	Jul	Saab 340B+ WT	Regional Express	CT7-9B	785208	785546	13,154	29,000	38,136	43,263	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.49m	$2.81m	$0.99m	$0.89m	$1.74m	$1.07m	$0.96m	$2.28m
47	400	VH-ZRM	1996	Aug	Saab 340B+ WT	Regional Express	CT7-9B	785340	785132	13,154	29,000	35,705	41,462	16-Jun-2025	-	15-Jul-2025	$1.60m	$0.99m	$2.81m	$0.99m	$0.38m	$1.74m	$1.08m	$0.47m	$2.29m
48	401	VH-ZRY	1996	Aug	Saab 340B+ WT	Regional Express	CT7-9B	785611	785498	13,154	29,000	36,545	42,098	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.43m	$2.81m	$0.99m	$0.82m	$1.74m	$1.08m	$0.91m	$2.29m
49	402	VH-ZXG	1996	Oct	Saab 340B+	Regional Express	CT7-9B	NA	NA	13,154	29,000	42,085	45,916	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.28m	$0.57m	$0.21m	$0.13m	$0.32m	$0.10m	$0.12m	$0.31m
50	403	VH-ZPB	1996	Oct	Saab 340B+	Regional Express	CT7-9B	NA	NA	13,154	29,000	48,863	47,586	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.19m	$0.57m	$0.21m	$0.04m	$0.32m	$0.10m	$0.05m	$0.31m
51	404	VH-ZPC	1996	Oct	Saab 340B+	Regional Express	CT7-9B	NA	NA	13,154	29,000	49,533	48,349	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.27m	$0.57m	$0.21m	$0.11m	$0.32m	$0.10m	$0.10m	$0.31m
52	410	VH-ZPA	1997	Feb	Saab 340B+	Regional Express	CT7-9B	NA	NA	13,154	29,000	42,228	43,722	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.31m	$0.57m	$0.21m	$0.16m	$0.32m	$0.10m	$0.12m	$0.31m
53	416	VH-ZXF	1997	May	Saab 340B+	Regional Express	CT7-9B	785570	785380	13,154	29,000	43,985	48,621	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.62m	$2.81m	$0.99m	$1.01m	$1.74m	$1.06m	$1.08m	$2.27m
54	420	VH-ZXK	1997	Jun	Saab 340B+	Regional Express	CT7-9B	785742	785607	13,154	29,000	43,464	48,431	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.18m	$2.81m	$0.99m	$0.57m	$1.74m	$1.07m	$0.65m	$2.28m
55	422	VH-ZXU	1997	Aug	Saab 340B+ WT	Regional Express	CT7-9B	785450	785153	13,154	29,000	43,116	46,466	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.23m	$2.81m	$0.99m	$0.63m	$1.74m	$1.08m	$0.71m	$2.29m
56	423	VH-ZXQ	1997	Aug	Saab 340B+ WT	Regional Express	CT7-9B	785406	785601	13,154	29,000	43,001	46,781	16-Jun-2025	-	15-Jul-2025	$1.60m	$1.31m	$2.81m	$0.99m	$0.71m	$1.74m	$1.08m	$0.79m	$2.29m
57	447	VH-ZPO	1998	Sep	Saab 340B+	Regional Express	CT7-9B	NA	NA	13,154	29,000	38,815	43,076	16-Jun-2025	No engines installed	15-Jul-2025	$0.36m	$0.34m	$0.57m	$0.21m	$0.19m	$0.32m	$0.10m	$0.13m	$0.31m

Regional Express Holdings Ltd (Administrators Appointed)

Retrospective Adjusted Valuation of 75 General Electric CT7-9B Spare Engines
Report Date: 4th November 2025
Valuation as at Date: 15th July 2025
All values expressed in US$ Million.

#	ESN	Engine Manufacturer	Engine Type	Utilisation			Specification Adjustments	Valuation as at Date	Market Values			Distressed Transaction Value			Base Values		
				Hours	Cycle	As at			"Half-Life"	Adjusted	"Full-Life"	"Half-Life"	Adjusted	"Full-Life"	"Half-Life"	Adjusted	"Full-Life"
1	785120	General Electric	CT7-9B	27,936	29,923	23-Apr-2025	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
2	785134	General Electric	CT7-9B	46,004	46,921	31-Mar-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
3	785147	General Electric	CT7-9B	41,633	45,851	29-Jan-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
4	785150	General Electric	CT7-9B	47,084	50,583	23-May-2025	-	15-Jul-25	$0.62m	$0.57m	$1.12m	$0.38m	$0.35m	$0.69m	$0.55m	$0.50m	$1.05m
5	785151	General Electric	CT7-9B	39,551	44,847	15-Mar-2024	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
6	785157	General Electric	CT7-9B	48,042	49,038	25-Feb-2025	-	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.38m	$0.07m	$0.69m	$0.55m	$0.05m	$1.05m
7	785173	General Electric	CT7-9B	39,231	39,423	01-Apr-2022	-	15-Jul-25	$0.62m	$0.47m	$1.12m	$0.38m	$0.29m	$0.69m	$0.55m	$0.40m	$1.05m
8	785182	General Electric	CT7-9B	51,667	60,346	24-Apr-2025	-	15-Jul-25	$0.62m	$0.46m	$1.12m	$0.38m	$0.28m	$0.69m	$0.55m	$0.39m	$1.05m
9	785184	General Electric	CT7-9B	43,371	43,222	18-Apr-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
10	785200	General Electric	CT7-9B	31,185	34,807	15-Aug-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
11	785210	General Electric	CT7-9B	37,399	40,328	08-Nov-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
12	785214	General Electric	CT7-9B	-	-	-	Missing data, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
13	785216	General Electric	CT7-9B	43,669	49,478	15-Dec-2024	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
14	785226	General Electric	CT7-9B	42,845	49,995	21-Sep-2021	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
15	785231	General Electric	CT7-9B	49,455	58,535	22-Dec-2021	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
16	785236	General Electric	CT7-9B	42,671	45,506	04-May-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
17	785239	General Electric	CT7-9B	50,723	60,393	28-Nov-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
18	785242	General Electric	CT7-9B	45,776	48,082	31-Mar-2025	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
19	~~785248~~	General Electric	CT7-9B	45,816	50,710	27-May-2025	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
20	785257	General Electric	CT7-9B	43,254	44,021	25-Apr-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
21	785283	General Electric	CT7-9B	22,208	24,969	20-Aug-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
22	785287	General Electric	CT7-9B	43,132	49,070	14-May-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
23	785292	General Electric	CT7-9B	29,945	34,216	29-Nov-2018	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
24	785294	General Electric	CT7-9B	-	-	-	Missing data, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
25	785299	General Electric	CT7-9B	42,212	52,901	11-Dec-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
26	785305	General Electric	CT7-9B	44,734	50,059	20-Feb-2025	-	15-Jul-25	$0.62m	$0.40m	$1.12m	$0.38m	$0.25m	$0.69m	$0.55m	$0.33m	$1.05m
27	785323	General Electric	CT7-9B	47,628	46,517	20-Dec-2024	-	15-Jul-25	$0.62m	$0.37m	$1.12m	$0.38m	$0.23m	$0.69m	$0.55m	$0.30m	$1.05m
28	785333	General Electric	CT7-9B	41,267	44,576	13-Dec-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
29	785341	General Electric	CT7-9B	42,660	47,689	10-Feb-2025	-	15-Jul-25	$0.62m	$0.52m	$1.12m	$0.38m	$0.32m	$0.69m	$0.55m	$0.45m	$1.05m
30	785355	General Electric	CT7-9B	38,748	44,327	22-Jul-2021	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
31	785361	General Electric	CT7-9B	27,935	30,895	13-Apr-2023	-	15-Jul-25	$0.62m	$0.31m	$1.12m	$0.38m	$0.20m	$0.69m	$0.55m	$0.24m	$1.05m
32	785369	General Electric	CT7-9B	38,511	42,627	01-Oct-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
33	785370	General Electric	CT7-9B	46,034	43,565	22-Aug-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m

34	785379	General Electric	CT7-9B	40,141	44,605	14-Oct-2024	-	15-Jul-25	$0.62m	$0.56m	$1.12m	$0.38m	$0.35m	$0.69m	$0.55m	$0.49m	$1.05m
35	785381	General Electric	CT7-9B	40,790	46,359	12-May-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
36	785387	General Electric	CT7-9B	39,871	43,031	27-Jun-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
37	785388	General Electric	CT7-9B	40,510	44,986	10-Jan-2024	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
38	785389	General Electric	CT7-9B	45,361	49,576	01-Mar-2025	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
39	785391	General Electric	CT7-9B	41,177	46,071	28-Mar-2025	-	15-Jul-25	$0.62m	$0.45m	$1.12m	$0.38m	$0.28m	$0.69m	$0.55m	$0.38m	$1.05m
40	785394	General Electric	CT7-9B	41,678	46,400	17-Jun-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
41	785405	General Electric	CT7-9B	38,204	42,068	14-Apr-2025	-	15-Jul-25	$0.62m	$0.69m	$1.12m	$0.38m	$0.43m	$0.69m	$0.55m	$0.62m	$1.05m
42	785409	General Electric	CT7-9B	41,088	41,431	08-Apr-2024	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
43	785425	General Electric	CT7-9B	40,708	45,625	25-Sep-2024	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
44	785434	General Electric	CT7-9B	40,487	48,214	05-Feb-2025	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
45	785451	General Electric	CT7-9B	23,609	28,904	15-Jan-2024	-	15-Jul-25	$0.62m	$0.15m	$1.12m	$0.38m	$0.09m	$0.69m	$0.55m	$0.08m	$1.05m
46	785459	General Electric	CT7-9B	40,364	47,426	14-Oct-2021	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
47	785465	General Electric	CT7-9B	43,567	51,304	18-Dec-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
48	785470	General Electric	CT7-9B	36,106	40,168	30-Jul-2021	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
49	785476	General Electric	CT7-9B	42,621	52,345	20-Mar-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
50	785480	General Electric	CT7-9B	42,442	47,996	09-Jun-2025	-	15-Jul-25	$0.62m	$0.39m	$1.12m	$0.38m	$0.24m	$0.69m	$0.55m	$0.32m	$1.05m
51	785492	General Electric	CT7-9B	38,740	42,682	02-May-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
52	785495	General Electric	CT7-9B	38,554	44,522	15-Jul-2024	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
53	785505	General Electric	CT7-9B	40,952	47,740	20-Jun-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
54	785516	General Electric	CT7-9B	37,094	45,982	22-Aug-2024	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
55	785518	General Electric	CT7-9B	29,844	34,693	19-Sep-2020	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
56	785537	General Electric	CT7-9B	-	-	-	Missing data, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
57	785575	General Electric	CT7-9B	33,475	38,902	16-Nov-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
58	785602	General Electric	CT7-9B	22,655	26,421	23-Jun-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
59	785603	General Electric	CT7-9B	41,106	45,489	11-Apr-2025	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
60	785604	General Electric	CT7-9B	30,484	34,291	29-Oct-2020	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
61	785608	General Electric	CT7-9B	29,034	33,556	24-Nov-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
62	785612	General Electric	CT7-9B	31,077	33,899	30-Nov-2024	-	15-Jul-25	$0.62m	$0.46m	$1.12m	$0.38m	$0.28m	$0.69m	$0.55m	$0.39m	$1.05m
63	785619	General Electric	CT7-9B	28,720	33,936	29-Mar-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
64	785620	General Electric	CT7-9B	29,368	33,098	15-Mar-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
65	785621	General Electric	CT7-9B	33,282	40,061	22-Mar-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
66	785622	General Electric	CT7-9B	29,268	35,425	11-Oct-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
67	785645	General Electric	CT7-9B	31,913	37,999	03-Sep-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
68	785653	General Electric	CT7-9B	30,073	35,303	19-Jan-2023	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
69	785669	General Electric	CT7-9B	41,068	42,708	20-Sep-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
70	785672	General Electric	CT7-9B	33,560	36,967	16-Feb-2022	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
71	785681	General Electric	CT7-9B	38,692	40,495	29-Dec-2023	-	15-Jul-25	$0.62m	$0.42m	$1.12m	$0.38m	$0.26m	$0.69m	$0.55m	$0.35m	$1.05m
72	785696	General Electric	CT7-9B	37,327	40,733	04-Nov-2021	Missing LLPs, assume Run-out condition	15-Jul-25	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m

73	785706	General Electric	CT7-9B	37,854	42,670	16-Feb-2022	Missing LLPs, assume Run-out condition	**15-Jul-25**	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
74	785724	General Electric	CT7-9B	34,507	38,057	15-Sep-2021	Missing LLPs, assume Run-out condition	**15-Jul-25**	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m
75	785736	General Electric	CT7-9B	34,134	38,869	11-Jul-2022	Missing LLPs, assume Run-out condition	**15-Jul-25**	$0.62m	$0.12m	$1.12m	$0.35m	$0.07m	$0.64m	$0.55m	$0.05m	$1.05m

Regional Express Holdings Limited (Administrators Appointed)

Adjusted and Distressed Valuation of One Beechcraft King Air C90GTi Aircraft

Report Date: 4th November 2025

Valuation as at Date: 22nd October 2025

All values expressed in US$ Million.

#	MSN	REGN	Year of Build	Month of Build	Aircraft Type	Operator	Engine Type	Engine ESNs		MTOW		Utilisation			Specification Adjustments	Special Comment	Distressed Value Assumption	Valuation as at Date	Market Values			
								Engine 1	Engine 2	kgs	lbs	Hours	Cycle	As at					"Half-Life"	"Half-Life" (Distressed)	Adjusted	Adjusted (Distressed)
1	LJ-1854	VH-VWG	2008	Jan	Textron Aviation (Beechcraft) King Air C90GTi	AAPA Victoria Pty Ltd	PT6A-135A	PZ0558	PZ0561	4581	10100	5,001	4,007	01-Jul-2025	ADS-B Out, ProLine 21 upgrade	EPR June 2025	Six-Months	22-Oct-2025	$2.58m	$2.19m	$3.31m	$2.82m

Regional Express Holdings Limited (Administrators Appointed)
Adjusted and Distressed Valuation of a portfolio of 41 General Aviation (GA) Aircraft
Report Date: 4th November 2025
Valuation as at Date: 22nd October 2025
All values expressed in US$ Million.

#	MSN	REGN	Year of Build	Month of Build	Aircraft Type	Operator	Engine Type	Engine ESNs		MTOW		Utilisation			Specification Adjustments	Special Comment	Distressed Value Assumption	Valuation as at Date	Market Values			
								Engine 1	Engine 2	kgs	lbs	Hours	Cycle	As at					"Half-Life"	"Half-Life" (Distressed)	Adjusted	Adjusted (Distressed)
1	2842334	VH-XEA	2009	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20256-39E	-	Unknown	-	4423	9182	16-Jun-2025	-		Six-Months	22-Oct-2025	$0.248m	$0.211m	$0.257m	$0.218m
2	2842335	VH-XEB	2009	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20259-39E	-	Unknown	-	4030	8514	28-Feb-2025	-		Six-Months	22-Oct-2025	$0.248m	$0.211m	$0.256m	$0.217m
3	2842336	VH-XEF	2008	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20379-39E	-	Unknown	-	4069	8670	28-Feb-2025	-		Six-Months	22-Oct-2025	$0.241m	$0.205m	$0.255m	$0.217m
4	2842337	VH-XEG	2009	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20415-39E	-	Unknown	-	3733	7654	24-Sep-2025	-		Six-Months	22-Oct-2025	$0.248m	$0.200m	$0.236m	$0.190m
5	2842340	VH-XEH	2010	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20275-39E	-	Unknown	-	3876	7957	19-Mar-2025	-		Six-Months	22-Oct-2025	$0.256m	$0.217m	$0.263m	$0.224m
6	2842341	VH-XEI	2010	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20391-39E	-	Unknown	-	4093	8678	26-Jan-2025	-		Six-Months	22-Oct-2025	$0.256m	$0.217m	$0.263m	$0.224m
7	2842342	VH-XEJ	2010	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20339-39E	-	Unknown	-	4300	9526	16-Apr-2025	-		Six-Months	22-Oct-2025	$0.256m	$0.217m	$0.266m	$0.226m
8	2842352	VH-XEK	2010	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20371-39E	-	Unknown	-	3947	8573	30-Sep-2024	-		Six-Months	22-Oct-2025	$0.256m	$0.205m	$0.238m	$0.191m
9	2842322	VH-XDD	2008	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20384-39E	-	Unknown	-	4942	11013	30-Aug-2025	-		Six-Months	22-Oct-2025	$0.241m	$0.196m	$0.232m	$0.188m
10	2842297	VH-XDE	2008	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20390-39E	-	Unknown	-	4641	9156	10-Sep-2025	-		Six-Months	22-Oct-2025	$0.241m	$0.205m	$0.246m	$0.209m
11	2842298	VH-XDF	2008	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20446-39E	-	Unknown	-	5341	9551	04-Jul-2025	-		Six-Months	22-Oct-2025	$0.241m	$0.196m	$0.233m	$0.190m
12	2842299	VH-XDG	2008	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20254-39E	-	Unknown	-	5004	9642	27-Jan-2025	-		Six-Months	22-Oct-2025	$0.241m	$0.199m	$0.240m	$0.198m
13	2842300	VH-XDH	2008	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20382-39E	-	Unknown	-	5267	11357	24-Sep-2025	-		Six-Months	22-Oct-2025	$0.241m	$0.205m	$0.251m	$0.213m
14	2842301	VH-XDI	2008	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20258-39E	-	Unknown	-	4634	9497	10-Sep-2025	-		Six-Months	22-Oct-2025	$0.241m	$0.205m	$0.242m	$0.206m
15	2842304	VH-XDK	2008	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20274-39E	-	Unknown	-	5050	10267	08-Oct-2025	-		Six-Months	22-Oct-2025	$0.241m	$0.198m	$0.240m	$0.197m
16	2842305	VH-XDL	2008	N/A	Piper PA28	Australian Airline Pilot Academy Pty Ltd	O-320-D3G	L-20245-39E	-	Unknown	-	4616	8558	24-Sep-2025	-		Six-Months	22-Oct-2025	$0.241m	$0.205m	$0.247m	$0.210m
17	4496277	VH-XEL	2010	N/A	Piper PA44	Australian Airline Pilot Academy Pty Ltd	LO-360-A1H6	L-918-71E	L-41611-36E	1,731	3,816	3780	6366	21-Aug-2025	-		Six-Months	22-Oct-2025	$0.496m	$0.399m	$0.463m	$0.372m
18	4496278	VH-XEM	2010	N/A	Piper PA44	Australian Airline Pilot Academy Pty Ltd	LO-360-A1H6	L-928-71E	L-41862-36E	1,731	3,816	4521	6950	14-Aug-2025	-		Six-Months	22-Oct-2025	$0.496m	$0.422m	$0.513m	$0.436m
19	4496265	VH-XDQ	2008	N/A	Piper PA44	Australian Airline Pilot Academy Pty Ltd	LO-360-A1H6	L-902-71E	L-41386-36E	1,731	3,816	4084	6718	16-Jul-2025	-		Six-Months	22-Oct-2025	$0.451m	$0.383m	$0.481m	$0.409m
20	4496239	VH-XDS	2007	N/A	Piper PA44	Australian Airline Pilot Academy Pty Ltd	LO-360-A1H6	L-939-71E	L-41601-36E	1,731	3,816	4716	7646	26-Jun-2025	-		Six-Months	22-Oct-2025	$0.429m	$0.364m	$0.437m	$0.372m
21	A1520871	VH-TKC	1979	N/A	Cessna C152	AAPA Victoria Pty Ltd	O-235-L2C	Unknown	-	Unknown	-	12,146	-	05-May-2025	-		Six-Months	22-Oct-2025	$0.066m	$0.056m	$0.071m	$0.060m
22	10051	VH-EOZ	2005	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	8,458	-	18-Mar-2025	Garmin G1000 PFD & MFD	Garmin 1000 Spec Adjustment	Six-Months	22-Oct-2025	$0.293m	$0.249m	$0.294m	$0.250m
23	10278	VH-VGC	2006	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	5,952	-	19-Mar-2029	Garmin G1000 PFD & MFD	Garmin 1000 Spec Adjustment	Six-Months	22-Oct-2025	$0.298m	$0.239m	$0.281m	$0.225m
24	9940	VH-VMM	2005	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	6,449	-	14-Aug-2025	Garmin G1000 PFD & MFD	Garmin 1000 Spec Adjustment	Six-Months	22-Oct-2025	$0.293m	$0.249m	$0.306m	$0.260m
25	10918	VH-VSC	2008	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	7,150	-	03-Jul-2024	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.300m	$0.255m	$0.308m	$0.261m
26	10919	VH-VSD	2008	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	6,938	-	22-Jan-2025	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.300m	$0.255m	$0.311m	$0.265m
27	10920	VH-VSE	2008	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	6,829	-	25-Aug-2025	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.300m	$0.255m	$0.302m	$0.256m
28	10921	VH-VSH	2008	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	6,994	-	30-Aug-2024	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.300m	$0.255m	$0.302m	$0.256m
29	10922	VH-VSJ	2009	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	6,652	-	20-Dec-2024	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.305m	$0.259m	$0.322m	$0.274m
30	10725	VH-VTA	2008	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	7,080	-	17-Jul-2025	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.300m	$0.255m	$0.301m	$0.255m
31	10724	VH-VTD	2008	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	7,598	-	27-Mar-2025	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.300m	$0.248m	$0.300m	$0.247m
32	10737	VH-VTE	2008	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	7,695	-	26-Aug-2025	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.300m	$0.247m	$0.298m	$0.245m
33	10743	VH-VTH	2008	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	6,978	-	29-May-2025	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.300m	$0.255m	$0.317m	$0.270m
34	10746	VH-VTJ	2008	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	7,823	-	10-Aug-2025	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.300m	$0.255m	$0.305m	$0.259m
35	10757	VH-VTK	2008	N/A	Cessna C172S	AAPA Victoria Pty Ltd	IO-360-L2A	Unknown	-	1,202	2,650	7,593	-	29-Sep-2025	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.300m	$0.255m	$0.302m	$0.257m
36	4496365	VH-VBK	2015	N/A	Piper PA44	AAPA Victoria Pty Ltd	LO-360-A1H6	Unknown	Unknown	1,731	3,816	2,787	-	17-Jun-2025	Garmin G1000 PFD & MFD		Six-Months	22-Oct-2025	$0.576m	$0.461m	$0.536m	$0.429m
37	4496309	VH-VDA	2012	N/A	Piper PA44	AAPA Victoria Pty Ltd	LO-360-A1H6	Unknown	Unknown	1,731	3,816	4,894	-	20-Mar-2025	-		Six-Months	22-Oct-2025	$0.513m	$0.436m	$0.532m	$0.452m
38	4496293	VH-VDE	2011	N/A	Piper PA44	AAPA Victoria Pty Ltd	LO-360-A1H6	Unknown	Unknown	1,731	3,816	5,242	-	16-Jun-2025	-		Six-Months	22-Oct-2025	$0.491m	$0.393m	$0.474m	$0.379m
39	4496296	VH-VDI	2012	N/A	Piper PA44	AAPA Victoria Pty Ltd	LO-360-A1H6	Unknown	Unknown	1,731	3,816	5,549	-	05-Feb-2025	-		Six-Months	22-Oct-2025	$0.513m	$0.421m	$0.506m	$0.415m
40	4496297	VH-VDJ	2011	N/A	Piper PA44	AAPA Victoria Pty Ltd	LO-360-A1H6	Unknown	Unknown	1,731	3,816	5,061	-	19-Feb-2025	-		Six-Months	22-Oct-2025	$0.491m	$0.418m	$0.505m	$0.429m
41	4496247	VH-XDB	2008	N/A	Piper PA44	Australian Airline Pilot Academy Pty Ltd	LO-360-A1H1	Unknown	Unknown	1,731	3,816	7,060	11,432	19-May-2025	-		Six-Months	22-Oct-2025	$0.427m	$0.363m	$0.440m	$0.374m

Regional Express Holdings Limited (Administrators Appointed)

Scrap Valuation of Six IAI 1124 'Westwind' Aircraft, MSNs 248, 281, 282, 317, 323 & 340
Report Date: 4th November 2025
Valuation as at Date: 23rd October 2025
All values expressed in US$ Million.

Subject Aircraft – Identification & Basic Specification						
Type and Model:	IAI 1124 'Westwind'					
Serial Number:	**248**	**281**	**282**	**317**	**323**	**340**
Registration:	VH-AJJ	VH-AJG	VH-AJV	VH-KNU	VH-KNS	VH-KNR
Current Status:	Fleet was retired circa Y2015-2021					
(Previous) Operator:	Pel-Air Aviation					
Appraisal Year of Build:	1979	1979	1980	1981	1981	1980
Hours/Cycles:	25,292 / 17,132 (Sept 2015)	22,995 / 17,824 (Sept 2015)	20,142 / 12,774 (Sept 2021)	32,469 / 16,562 (Aug 2020)	30,367 / 19,970 (June 2021)	9,482 / 6,141 (Feb 2018)
Maximum Take-Off Weight:	*Unknown and no requirement to verify*					
Airframe OEW (lbs) (ea)	13,250 (assumed)					
Engines:	NONE	1 x TFE731 3-1G	1 x TFE731 3D-1G & 1 x TFE731 3-1G	2 x TFE731 3-1G	2 x TFE731 3-1G	1 x TFE731 3-1G & 1 x TFE731 3D-1G
Engine Serial Numbers:	N/A	P78212C (RHS)	P84452C & P77527	P-75193C & P77249	P77376 & P-77306	P-77266 & P-78173C
Engine OEW (lbs) (ea)	754 (assumed)					
Interior Configuration:	Pax	Pax/AMB	Pax	Pax (Exec)	Pax	Pax/AMB
Other Equipment:	N/A					

Please note that Registrations may be expired

Aircraft Type		**IAI 1124 'Westwind'**
MSNs		248, 281, 282, 317, 323, & 340
Registration		VH-AJJ/AJG/AJV/KNU/KNS/KNR (*may be de-registered*)
Valuation as at Date		23-Oct-25
Market Value	Adjusted (Scrap Valuation)	$54,626 USD

Prepared for: Regional Express Holdings Limited (Administrators Appointed)

Attention: Mr. Justin Walsh

EY-Parthenon, Level 51

111 Eagle Street, Brisbane, QLD, 4000, Australia

Office:+61 7 3243 3422 Mobile:+61 434 040 765

Intended User: Regional Express Holdings Limited Administrators

Intended Use: Administrative Decision Making

This is a Desktop Appraisal Report; it DOES NOT include an onsite inspection of the inventory.

Effective Date of this Appraisal Report: 10/15/2025

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EXECUTIVE SUMMARY

ASSETS APPRAISED

Pursuant to a request by Nicholas Farrington, Manager of Strategy and Execution at Ernst & Young, we are pleased to provide a **Desktop** Appraisal Report on the subject inventory, which includes our opinion of the Fair Market Value AS IS. **There was NOT a physical inspection of the inventory for this appraisal.**

LIMITATIONS

This appraisal is based on information provided by Rex Airlines as of 10-15-2025. We have taken as true all representations made by REX AIRLINES, particularly with respect to ownership or condition and have not conducted any independent investigation or otherwise sought to verify the accuracy of the information provided by REX AIRLINES. No consideration has been given to any liens or encumbrances that may be held against the assets appraised. No additional values or appraisals have been made regarding such intangibles as patents, rights to manufacture, trademarks, goodwill, customer lists, etc. All data is considered current only as of the dates provided within the detailed files.

The determination of value is dependent upon overall market conditions and trading over a period of time. Market values are based on the knowledge of asking, offered and actual transactions taking place in the aviation marketplace, in addition to purchase and usage data provided by the company.

The opinions of value given are valid only as of the effective date of the report. Subsequent to that date there may be changes to overall market conditions or the physical condition or counts of the inventory, tooling and equipment that materially affect the opinion of value of these assets.

This appraisal has been developed and is submitted in compliance with the current Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

Effective Date: **10/15/2025**

Hypothetical Conditions: **The appraiser assumed the following: All Airworthy Parts (NU,OH,SV) have current EASA or dual release airworthiness tags, full ownership and availability.**

Method Used: **Sales Comparison, Cost Approach, Income Approach**

Data Files Received

- **REPORTS IN EXCEL FORMAT**
  Various Excel reports that identify the inventory items to be appraised, including a demand file. The files consisted of part numbers, descriptions, serial numbers, extended cost, condition and tag information.
- **DATA NOT PROVIDED**
  All data runs asked for were provided.

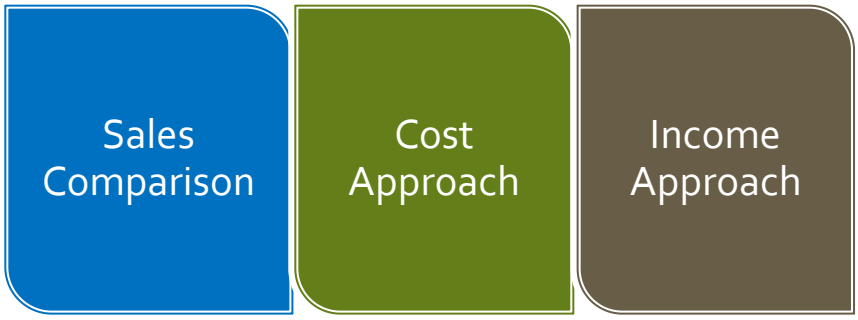
INDEPENDENCE

We are not a manufacturer or engaged in the sale or distribution of the assets that compose this appraisal. We make no representations or warranties, expressed or implied, with respect to the inventory.

This appraisal represents our opinion of value as an independent and disinterested party to the transaction as well as the known parties thereto. It is not given for or as an inducement for any financial transaction and, further, is prepared for the exclusive use of **REX Airlines** and shall not be provided to other parties without the express written consent of **REX Airlines**.

APPROACH TO VALUE USED - SALES COMPARISON

Appraisers use three approaches when determining the Value of an asset:



1. The Sales Comparison Approach

The most frequently used and accepted approach to determining aviation parts and equipment value is the **sales comparison approach**. This approach bases its opinion of the value on what similar assets (otherwise known as "comparables" or "comps") have sold for within a defined time period. The comparable assets can be adjusted for condition and equipment type, as compared to the assets that are being appraised. The appraiser understands which (and to what extent) adjustments are reasonable by relying on their experience as an appraiser. This appraisal used the **Sales Comparison Approach.** A full explanation of the process is found in Section 3, Valuation.

2. The Cost Approach

The second approach to determining the value of a property is the **cost approach**. This approach seeks to determine how much the assets would cost to replace. The term **reproduction cost** is used if an exact replica of the asset is produced. The term **replacement cost** is used if the asset is rebuilt with comparable utility but using current design and construction methods and materials. **The cost approach may be more reliable when considering a brand-new part for a current production aircraft. The method and results of the cost approach are considered less reliable for parts/material of older aviation assets.**

3. The Income Approach

The third approach to value is the **income approach**. When an asset generates income, that income or potential for income, substantiate, calculate and/or identify the market value of the property. Machinery and equipment can be income-producing properties. Appraisers can use the income derived from the use of the equipment, in addition to the residual value as part of the assessment of the market value. **The income approach is not applicable to this appraisal.**

OPINION OF VALUE / ASSUMPTIONS

In calculating the following, we used values provided by the company for cost / price and usage. It is assumed that all data received is in **Australian Dollars**.

ASSUMPTIONS. We ran all of the part numbers against their datastore but did not apply any values or usage data as Rex Airlines is one of the world's largest operators of the Saab 340 and it is assumed that these parts will continue to be used to support the current fleet. We examined the inventory using industry standard methods, which included matching to the company's available historical data which included three years of usage.

1) Parts that are listed in New, Overhauled or Serviceable condition are assumed to be airworthy and available to be installed on an aircraft in the fleet without additional costs or detailed inspection.
2) It is assumed that an obsolete or superseded parts are not in the file and / or not valued.
3) All parts are being priced regardless of their current location. Many of the parts are listed as NIS (Not in Stock). Per emails received. NIS = Not-in stock, parts last scanned at a particular location, but currently not physically held on the shelf (e.g in transit, sent out for overhaul or repair etc.)
4) Parts that are out for repair were priced as if they were in stock and based on the condition provided. These parts will most likely be the subject of a negotiation if monies are owed to the repair shop that currently has possession. The amounts owed may be for units already delivered to Rex Airlines, which would be above and beyond the amounts owed for the specific parts in the file.
5) The consumption file received is a true and accurate representation of the last three years of usage / consumption for the subject parts inventory.
6) Demand was applied against the new material first, then overhauled, then serviceable, and the rest against the unserviceable. Parts were only valued IF there was Demand in the Rex Consumption File.
7) Discounts were applied to each condition of part from largest market cost found in the file. Specific downward adjustments were made to unserviceable internal engine parts that have a much higher scrap rate that most rotables.
8) Items that had no cost / price in the Rex Inventory file, or that had no demand or usage did not receive an opinion of value. If there was demand / usage, quantities in the Rex Inventory file that exceeded the three-year demand / usage did not get value. Demand / usage was applied to the new items in the file first, the overhauled items second, the serviceable items third, and then the remainder to the unserviceable quantity.
9) **ALL prices in the file are assumed to be in Australian Dollars.**

10.14.25 mid-market exchange rate

	NEW	OVERHAULED	SERVICEABLE	UNSERVICEABLE	TOTAL
Quantity	915,866	1,016	22,098	4,425	943,405
Fair Market Value	$ 19,779,601	$ 3,913,326	$ 11,273,104	$ 6,189,597	$ 41,155,628

FAIR MARKET VALUE OF PARTS IN ASSUMED CONDITION

41,200,000 USD

OPERATIONAL OVERVIEW

Current fleet - Estimate as of August 2025, Rex Airlines operates the following aircraft:

Rex Airlines fleet

Aircraft	In service	Orders	Passengers		Notes
			Y	Total	
Saab 340B	57	—	30	30	
			33	33	
			34	34	
			36	36	
Total	**57**	**—**			

Rex (Regional Express Airlines) is a significant Australian airline that attempted to transform from a regional carrier into a major domestic player. It's known for its strong focus on safety and reliability, and more recently, for disrupting the domestic market.

- IATA Code: ZL
- Hub: Essentially Sydney Airport (SYD), with major bases in Melbourne (MEL) and Adelaide (ADL).
- Parent Company: Regional Express Holdings Ltd.

Key Characteristics

1. The Regional Heartland: Rex's core and origin are the regional routes of New South Wales, Victoria, South Australia, and Tasmania. It provides essential air links to towns like Broken Hill, Wagga Wagga, Merimbula, and Kings Canyon, which are often unprofitable or ignored by larger airlines. This is a government-supported network via the "Remote Area Subsidy Scheme."
2. The Saab 340 Fleet: Rex is one of the world's largest operators of the Saab 340B+ aircraft. This is central to its identity.
   a. Why - The Saab 340 is perfectly suited for short-haul, low-density regional routes. It's rugged, reliable, and economically efficient for these missions.

b. Reputation: Rex is very familiar with the Saab 340B aircraft type giving Rex a reputation for mechanical reliability and on-time performance on their regional network.

3. In a major strategic shift starting in 2021, Rex launched jet services on major trunk routes between Sydney, Melbourne, and Brisbane (the "Golden Triangle").
   c. Aircraft: They acquired a fleet of Boeing 737-800NG aircraft to compete directly with Qantas and Virgin Australia.
   d. They positioned themselves as a "no-frills but full-service" alternative, offering competitive fares that include a checked baggage allowance and refreshments, which low-cost carriers like Jetstar charge extra for.
4. Corporate Culture and Reputation:
   e. Safety First: Rex has an excellent overall safety record and is known for a very conservative, procedure-driven safety culture.
   f. "Reliable, Experience, Value": This is their company motto, which they generally deliver on in their regional operations.

Positive Aspects of Rex

- Regional Lifeline: Provides an absolutely critical service to rural Australia.
- Excellent Regional Reliability: Consistently tops the performance charts for on-time arrivals and cancellations on its regional network.
- Strong Safety Culture: Their safety record is a major point of confidence for passengers

Negative Aspects & Challenges

- Service Variability: The experience on their regional Saab 340 flights (no flight attendant, basic service) is vastly different from 737 jet services (full cabin crew). This can lead to mismatched passenger expectations.
- Financial Pressure: The move into the 737 market was capital-intensive and highly competitive. They faced significant financial losses funding this expansion and competing with deeply entrenched rivals.
- Network Disruptions: Like all airlines, they suffer from cancellations and delays, but their smaller size can mean fewer options for re-accommodating passengers compared to Qantas.

THE SAAB 340B

The Saab 340 is a classic in the regional aviation world, and it evokes strong opinions from pilots, mechanics, and passengers.

Positive Aspects

1. Robustness and Reliability: This is the Saab 340's defining characteristic. It was built in Sweden with the same philosophy as a Volvo truck: incredibly tough and dependable. Its systems are straightforward and over-engineered for its role, leading to excellent dispatch reliability, even in harsh operating conditions.

2. Excellent Short-Field Performance: The aircraft was designed to operate from short, often poorly equipped runways. Its strong landing gear and powerful brakes (especially with the larger tailcone parachute on the 340B+ model) make it a champion for getting in and out of challenging airports that larger jets can't serve.

3. Pilot's Airplane: Many pilots who have flown the Saab 340 have a fondness for it. It has responsive, hydraulic flight controls that provide good feedback, unlike the "fly-by-wire" feel of some modern aircraft. It's known to be stable and honest in its handling characteristics.

4. Fuel Efficiency (for its era): In the context of the 1980s and 1990s, the Saab 340 was very efficient compared to its jet-fueled competitors like the Jetstream 41. Its turboprop engines sip fuel, especially on shorter sectors, which remains a significant cost advantage for operators.

5. Cabin Comfort (with a caveat): The cabin is wider than many of its direct competitors (like the EMB-120 Brasilia). This allows for a 1+2 seating configuration, meaning no one is stuck in a middle seat. The large windows also give a great view. The pressurization system is generally effective.

Negative Aspects

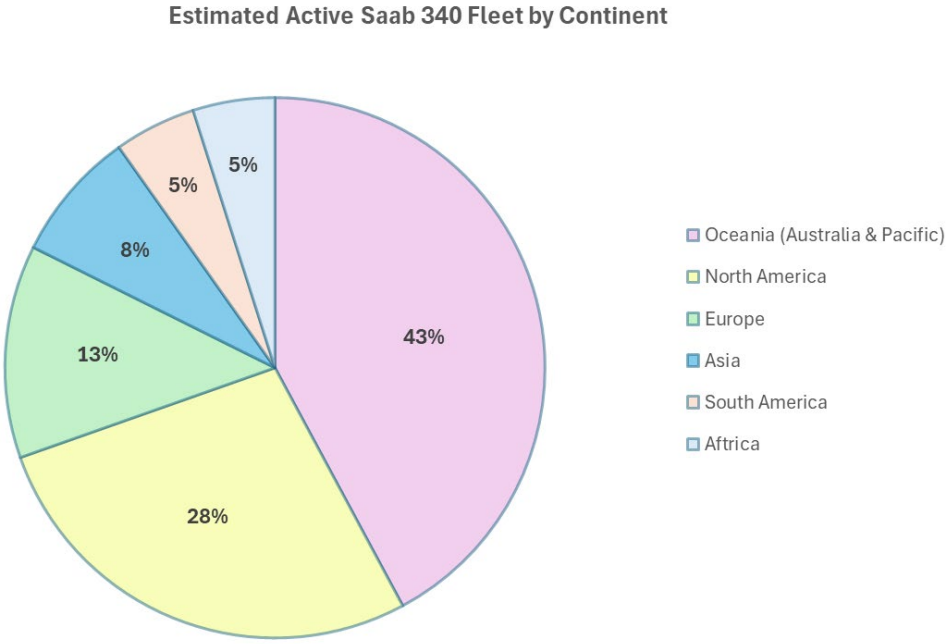
1. Noise and Vibration: This is the most common complaint from both passengers and crew. The combination of the General Electric CT7 turboprop engines and the Hamilton Standard propellers creates a significant amount of noise and vibration. It is not a quiet or smooth ride, especially in the rear rows of the aircraft. Conversation can be difficult.

2. Slow Cruise Speed: As a turboprop, it is significantly slower than a regional jet (like a CRJ or ERJ). A typical Saab 340 cruise speed is around 300 knots, compared to 430+ knots for a jet. On a flight longer than an hour, this time difference adds up.

3. Aging Fleet and Maintenance: While reliable, the global fleet is now quite old. Finding certain parts can be a challenge, and maintenance can be labor-intensive. The "hot-and-high" performance can also be a limitation, as the engines lose power in high-altitude, high-temperature conditions.

4. Passenger Experience: While the seat layout is good, the overall passenger experience is often considered sub-par by modern standards. The noise and vibration, combined with a relatively basic cabin (no overhead bins, often no flight attendant on smaller configurations), make it feel dated and utilitarian.

5. Crew Workload: For a two-pilot crew, the cockpit, while well laid-out, is not as integrated as a modern glass cockpit. This can lead to a higher workload, especially during complex procedures or in adverse weather, as there is less automation to rely on.



Operator	Approx. Saab 340 fleet (type notes)	Notes / status	Sources
Rex / Regional Express (Australia)	**~50–60** Saab 340 (B/B+)	Largest single operator worldwide in regional passenger service; Saab 340 turboprops form Rex's core regional fleet.	Planespotters.net
Link Airways (Australia)	**~8–12** Saab 340	Active regional operator in Australia, high utilization on island/PSO routes.	Airport Spotting
Pascan Aviation (Canada)	**5–8** Saab 340B / B(Plus)	Pascan is consolidating on Saab 340 for Québec regional network; recent additions reported.	ch-aviation

Pacific Coastal Airlines (Canada)	**~7–9** Saab 340	Mixed passenger/combi operations on Canadian regional routes.	Airfleets
IBC Airways (USA / Caribbean)	**~6–10** Saab 340 (many freighters)	Uses a number of 340s in freighter/charter roles across Caribbean / US markets.	Airfleets
Castle Aviation (USA)	**~2–4** Saab 340 (freighter ops)	Cargo/contract freighter operator in the US.	Airfleets
Transwest Air (Canada)	**~2–4** Saab 340	Regional operator in Saskatchewan and charter work.	Planespotters.net
Air Chathams (New Zealand)	**~2–4** Saab 340	Island/inter-island services in NZ / Pacific routes.	Airport Spotting
Air Rarotonga (Cook Islands)	**2** Saab 340B+	Inter-island services and NZ routes; 340B+ variant in use.	Airport Spotting
NyxAir (Estonia / Nordics)	**~4–6** Saab 340	Wet-lease, PSO and regional charters across Nordics/Baltics; restart of 340 ops reported 2025.	ch-aviation
SprintAir / SkyTaxi / other European cargo operators	**1–4 each** (varies)	Several small European operators use/lease 340s (often freighter or ad-hoc charter).	Planespotters.net
TAG / Transportes Aéreos Guatemaltecos (Central America)	**~4–8** Saab 340 (A/B+)	Regional Central American operator reported operating multiple 340s.	Planespotters.net
LADE (Argentina, state carrier)	**~3–5** Saab 340	State-run regional operator in Argentina — 340Bs in service on regional routes.	Wikipedia
Airest / Cargo lessors (EU)	**several (charter/cargo)**	Leasing / cargo specialist that operates or subcontracts Saab 340 freighters in Europe.	Planespotters.net

Saab 340B Aircraft Specifications Chart

Category	Specification	Details / Description
General	**Role**	Twin-turboprop regional airliner
	Crew	2 (Pilot & First Officer) + 1-2 Flight Attendants
	Passenger Capacity	Typically 33-36 passengers (Rex configures theirs for **34**)
	Launch Date	25 January 1983
	Primary Users	Regional Express (Rex
Dimensions	**Length**	19.73 m (64 ft 9 in)
	Wingspan	21.44 m (70 ft 4 in)
	Height	6.97 m (22 ft 10 in)
	Fuselage Diameter	2.16 m (7 ft 1 in)
Weights & Capacity	**Empty Weight**	8,140 kg (17,945 lb)
	Max Takeoff Weight (MTOW)	13,155 kg (29,000 lb)
	Max Landing Weight	12,700 kg (28,000 lb)
	Max Zero Fuel Weight	11,930 kg (26,300 lb)
	Useful Load	5,015 kg (11,055 lb)
	Baggage Capacity	9.1 m^3 (322 ft^3) - rear baggage compartment
Performance	**Engines**	2 × General Electric CT7-9B turboprop engines
	Power per Engine	1,305 kW (1,750 shp)
	Propellers	4-bladed Dowty Rotol or Hamilton Sundstrand constant-speed, fully feathering propellers
	Max Cruise Speed	522 km/h (282 knots)
	Typical Cruise Speed	467 km/h (252 knots)

	Range (with max payload)	1,732 km (935 nautical miles)
	Range (with 34 pax & reserves)	~1,100 km (594 nautical miles)
	Service Ceiling	7,620 m (25,000 ft)
	Takeoff Distance (MTOW)	1,380 m (4,528 ft)
	Landing Distance	1,220 m (4,003 ft)
	Fuel Capacity	2,590 kg (5,710 lb) or 3,250 litres (858 US Gal)
Cabin	**Cabin Layout**	Single-aisle
	Cabin Length	10.65 m (35 ft)
	Cabin Width	2.16 m (7 ft 1 in)
	Cabin Height	1.83 m (6 ft)
	Seat Configuration	Typically 1+2 (one seat on the left, two on the right)
	Seat Pitch	~30-31 inches (standard regional configuration)
	Pressurization	5.5 psi differential
	Baggage Access	External rear compartment; no overhead bins for roll-aboards.

Key Characteristics & Context for Rex's Operations:

- **The "B" Model:** The 340B is an improved version over the original 340A, featuring more powerful **GE CT7-9B engines**. This provides better performance, especially in "hot and high" conditions, which is crucial for many Australian regional airports.

- **Propeller Technology:** The four-bladed propellers are a signature feature. They are highly efficient and help reduce noise and vibration inside the cabin compared to older three-bladed designs.
- **Unpressurized Baggage Hold:** Unlike larger jets, the rear baggage compartment is **not pressurized or heated**. This is a critical operational point for transporting certain types of cargo and luggage.
- **Rex's Configuration:** Rex configures its Saab 340Bs with **34 seats**. This is a standard, comfortable density for this aircraft, avoiding an overly cramped cabin.
- **The Regional Workhorse:** The specifications make it ideal for Rex's network. Its short takeoff and landing performance allows it to serve small regional airports with shorter runways, while its range is perfect for sectors like Sydney-Merimbula, Adelaide-Mildura, or Melbourne-King Island.
- **Climb and Cruise:** The Saab 340 has an excellent rate of climb for a turboprop, allowing it to reach its optimal cruising altitude quickly. Its cruise speed is slower than a jet, but it operates efficiently on the shorter routes it was designed for.

Market Demand for REX Airlines Parts in a liquidation Scenario

The general overall market demand for Saab 340B parts would be extremely negatively impacted if the fleet of 57 aircraft ceased operation. We estimate the Opinion of Value of the parts would be reduced by 70%.

OPINION OF VALUE IN LIQUIDATION WITH THE Saab 340B Fleet of Rex Airlines "on the ground"

10.14.25 mid-market exchange rate

12,346,000 USD

This estimate is a gross recovery with the parts being sold "in place" and DOES NOT account for any cost to sell, movement costs, or any other costs that could negatively impact the ultimate recovery value of individual parts.

VALUATION OF AVIATION PARTS

Our appraisal team uses a clearly defined and reconcilable approach to the valuation of aircraft, engines, and most importantly aircraft parts. The process and database is used to obtain catalog values, current market values, orderly liquidation values, and, if requested, forced liquidation values. The first step of the method consists of our world class SQL based classification and value database, developed over two and a half decades and is unique to the industry. No other Appraisal company has this amount of data at its disposal. Turning raw data into information is a daunting task. It has taken our professionals decades to develop a proven method to sift through data and generate information. Almost all external data sources come with errors. These errors can manifest themselves in a variety of ways and every one of them can significantly impact the end result. Our professionals review all data before it is entered into the datastore.

Steps in the Valuation Process:

The initial classification of the aviation parts to be appraised

- Aircraft or engine model and type: Many parts can be used on multiple aircraft and engine types. We will attempt to match the part to its newest generation or most valuable aircraft or engine model. It is reasonable to assume that material that can be used on a newer model will have significantly greater value than material that can only be used on an older model airframe or engine.
- The material that can be used on a variety of different aircraft or engines maintains its value based on a larger overall market requirement.
- The breakdown of the material into different classifications: Rotable, Repairable, Expendable, and Airframe/Insurance.
    - Rotable material has the ability to be sent to a shop and returned to "o" time. Examples of such items are APUs, CSDs (Constant Speed Drives), starters, generators, valves, avionics and actuators among others.
    - Repairable material can also be sent to the shop for repair. This material will normally include panels, brackets, pulleys, etc.
    - Expendable material is comprised of one-time items. This material is usually lower in dollar value and can include nuts, bolts, washers, screws, gaskets, etc.
    - Airframe material includes any material that is structural in nature. Flaps, slats, vanes, and elevators can all be included in this category.

The classification of aircraft parts is one of the most time consuming elements in the method. The breakdown above is used as a guideline only. We continually invests time and resources into the capture of additional aircraft and engine classification data. Along with a full IPC Reference Catalog the database consists of many additional data points that are available from NO other source.

- Condition of the material: Even well into the second decade of the millennium, the aviation industry has yet to standardize on a finite set of aircraft material conditions. FAA 121 Airline Operators usually have only two conditions for material - Serviceable and Unserviceable. These conditions simply mean that a part can be installed directly to the aircraft or that it needs to be repaired or inspected before installation. Aviation aftermarket suppliers further segregate those two conditions to differentiate them more completely for their clients:

Condition Codes *(More fully described at the end of this report)*

- New (N / NE / NU), Factory New (FN), and New Surplus (NS)
- Overhauled (O / OH / OV)
- Serviceable (S / SV)
- Repairable or As Removed (R / RP / A / AR / ARFA)
- Beyond Economical Repair (B / BR / BER)
- Tear Down (TD)

We use a variety of data sources to classify subject inventories:

- FAA PMA database
- IPC reference database. (All Boeing, Douglas, Pratt, Embraer, Rolls Royce, and GE produced aircraft and engines, in addition to many other manufacturer's data)
- NSN database
- ATA (The legacy AIRS database of surplus with over five years of change information to evaluate industry usage trends) Boeing, Airbus, Embraer, Bombardier, Lockheed, ATR, etc. Component Maintenance data
- Boeing, Airbus, Embraer, ATR, Bombardier and other cross reference material
- Aircraft and engine type and model reference
- Aircraft number and location database

Once the material is properly classified it can then be run against the pricing data object to obtain values based on the classifications above.

We developed and maintain one of the largest aircraft parts pricing database in the world, containing:

- List Prices

  We have at our disposal over 12 million catalog values amassed over more than two and a half decades. These catalog values are maintained in a database that overlays the newest value over any previous or earlier dated list prices. However, many parts from older generation aircraft can only be found in earlier dated catalogs hence all historical data is retained. The database is used for information purposes, and while it cannot be considered at full value for fair market or current fair market purposes, it is extremely valuable as a weighted percentage while evaluating current material pricing. Almost all aviation parts companies will fall back on a percentage of the list value when quoting a potential customer.

- Historical Market Values

  These market values come from a variety of sources. Many are airline purchase prices while others are current and historical sale prices. These numbers can be used against catalog values to develop a discount off of catalog value for certain categories of parts that are with market values.

- Historical Quotes

  Quote values are compiled from a commitment to gather information from ILS, Partsbase, Part Logistics, Locatory, ATA, and Internet listings of part related materials. Our personnel are constantly obtaining additional inbound quote and sale values from companies listing on the services above. These quotes are entered into the database for future reference. Inbound quotes can also be used to develop a percentage discount from list price on a variety of newer aircraft materials.

Once all the information is compiled and placed in a separate database it is run through a special business rule object that alerts our professionals to eliminate any pricing extremes. This step is important as it filters out any inconsistencies that may come from errors in the data provided. Two of the most common errors are short, identical part numbers, for different types of parts and incorrect quantities from the supplied data.

The final steps consist of a review of certain subsections of the data set. Our professionals have decades of experience in the valuation of aircraft material and can readily spot anomalies that are missed by an automated process only. Aircraft systems change over time. This makes the value of obsolete material worth much less than any automated process will produce. We continue to constantly refine our methods assuring the client that the Appraisal/Valuation has been completed by the best method available.

The Appraisal and Valuation method for determining Current Fair Market Value

For this appraisal the following data files were used:

- Parts Detail provided by the Client.
  The data is received and reviewed in its original format. After this initial review, personnel process the various files into the database system. Once loaded the files are examined for the following conditions.

- Removal or identification of parts with a zero value:
  All parts classified as "BER" / beyond economical repair or scrap are marked as such. Any parts classified as "consignment" are classified or removed depending on inventory costing issues. BER parts are unserviceable for a variety of reasons, with paperwork issues being a major reason. If the paperwork is corrected, they may, at a later date, be reconsidered for value and assigned a condition of RP / AR, Repairable.

- Segregate and/or remove whole aircraft, whole engines, and whole APU's:
  The whole (not disassembled for parts) APU's are placed in a separate table for individual evaluation and appraisal based on their life-limited parts status. Complete engines and / or aircraft in the inventory are valued as whole and adjusted for their life-limited parts values and current maintenance status.

- Assign manufacturer's catalog pricing:
  All unique part numbers are overlaid with a catalog price according to their new catalog prices, where available. This process requires the use of our proprietary database of catalog prices. We maintain a catalog database of over twelve million prices for parts in the aviation industry.

- Conduct a small market sampling:
  Depending on the size of the inventory, a market sampling of each group may be accomplished with the higher-priced categories being sampled at a higher percentage than the lower-priced categories. A formula is then applied to each category to determine the value of that category. If deemed necessary, the results may be figured into both the CFMV and OLV.

- Segregation of material by condition:
  Segregation of parts is made based on condition and shown in tables contained within this report.

Determination of Net Orderly Liquidation Value

Establishing a Demand Profile:

We examine the quantity of parts on hand versus the three-year demand provided. Then the last sales price is multiplied by the demand quantity. The demand quantity is defined as the lower of quantity on hand or quantity consumed by the airline. For example, if there are 18 of a specific part number in stock and over the past three years, 8 were consumed, then the highest price reduced by a percentage based on condition is multiplied by the 8 that were sold or used as of a specified date. If there were no sales or usage by the airline. If no sales or usage activity in the past 36 months can be found, then the value assigned to this part for the market and OLV value for this appraisal is zero (0), even though there may be older pricing information in the database pertaining to the part. Normally we give No Orderly Liquidation Value for parts without a sales history or some type of usage for the past three years. However, there are instances of newly purchased parts or parts that are new to the system as a whole that we will apply some value based on the purchase price. An example would be brand new Boeing B737-800 items that have no historical demand because they are new to market. For older parts that do not meet the aforementioned criteria we maintain that parts receiving no value because of no 36 month demand represents a conservative hold back for the lender in the event of default since it is assumed that some of these parts will eventually sell. The formula was developed and refined by us over two and one half decades and it, to date, best replicates the actual experience of real liquidations. During a liquidation or auction, all of the parts are expected to sell, whether included in the demand formula or not. Further, after application of the demand profile formula, our appraisers may adjust certain classes of parts or equipment based on current market and future market expectations due to any number of events. An example of this situation would be after September 11, 2001 when the airlines parked a large number of older-generation aircraft; during that time it was not possible to rely solely on the look back characteristics of the demand profile algorithm. Downward adjustments of value for the parts for these aircraft types were made based on the event. Additional reductions in recovery value can be made if the liquidation period is reduced to less than 12 months, the normal liquidation period for aircraft and engine parts. In general, in periods of loose credit the value of parts increases because of readily available money. When credit is tight the value of parts and aircraft go down especially those that fit older generation machines.

INVENTORY SALE

Depending on the size and product mix of a Company's inventory, grouping of inventory by product type can help facilitate the consignment of material. While there are companies that specialize in different segments such as engines, airframe parts, and avionics, we don't see a need at this time to split this inventory up among different consignees. We are available to work with the company to select a consignee and monitor their performance during the liquidation process. If the inventory has to be liquidated by the means discussed in this appraisal, it is most likely that its actual makeup at the time of the sale would be considerably different than that which is the subject of this report. Typically, inventories are liquidated in their entirety only when the company has failed. That is, the operating business has ceased day-to-day functions and every attempt has been made to sell the business as an on-going entity. At that point, a liquidation of inventory would be the only remaining alternative. There are many issues that typically trouble a company in distress. They include such things as the lack of working capital, having sold the most marketable inventory in order to generate cash, the inability to replenish inventory stock, and the loss of their customer base, to name just a few. It is entirely possible to end up with an inventory that has little or no resale value. Those items of inventory remaining could be obsolete, slow moving, and/or in "as removed" or "needs repair" condition. That does not appear to be a likely scenario with this inventory. If it became necessary to liquidate the inventory, the first and most critical step would be to conduct a physical inventory. A full count could take a couple of days to complete for an inventory of this size. An abbreviated count could be made if the actual count reconciled to the database and this was acceptable. A correct inventory listing would be paramount to accurately identify the makeup of the materials on hand to be sold and made available to prospective purchasers. What is very important to the liquidation strategy will be the retention of the software and hardware dedicated to inventory control and management. These individuals should be readily identified and be provided the appropriate incentive to remain in their current positions to facilitate the liquidation process. This will reduce the cost of storage, security, and inventory management, as well as sale administration. This also will likely require the continued employment of the most knowledgeable individuals involved in inventory management. In any event, an appropriate marketing strategy should be developed and implemented as soon as possible. Marketing packages should be prepared to provide to prospective purchasers and include such things as photographs of the inventory, detailed inventory reports, an appraisal of the inventory, a summary of the inventory by location, terms of sale, the names of appropriate contact individuals, as well as inspection opportunities. Advertising would include direct mail flyers, trade publications, a telemarketing campaign, and some newspaper advertising. Each of these will be important to the success of the liquidation. As inventories are sold, further consolidation may be appropriate. When the inventory becomes "picked over" and sales slow, it may be time for an auction. The auctioneer should bundle those items having demand history with those having little or no demand to facilitate sales of the slow-moving items. There may be instances where inventory segments will remain that will prove unmarketable. Scrap dealers or other third-party liquidators should be contacted in an effort to dispose of these materials in order to eliminate potential out-of-pocket disposal costs to the seller.

SALE EXPENSES, AUCTION SALE

The main categories of expenses typically incurred in an orderly liquidation process charged by a liquidator to the seller include: commissions, advertising, travel expenses, staffing, administration and costs that may be incurred to consolidate the inventory at certain times during the process. It is very difficult to accurately estimate the potential expenses associated with the liquidation of the inventories that are the subject of this appraisal. It is highly unlikely that the inventory, as of the effective date of the appraisal would be exactly like that on hand in the event of liquidation. Inventories would be consumed and/or consolidated, or sold. In any event, it is important that any user of this report understand that the estimates provided are subjective. Advertising expenses for an orderly liquidation sale typically include direct mail, as well as advertisements in trade publications as well as newspapers. Travel expenses would also be charged; these include airfare, hotels, meals, and rental cars and are also deducted from the gross sale proceeds. The estimated sale expenses include only the expenses that would be incurred directly while conducting an orderly liquidation sale. The estimated expenses do not include real estate related costs to continue to occupy the company's various facilities, which may include mortgages and/or leases. These additional real estate related costs may also include utilities, security, and any other fixed real estate costs such as maintenance, taxes, and insurance. Other expenses, such as those for the secured lender, including attorney's fees, court costs, or other cost categories have also not been considered in an expense estimate and are beyond the scope of this report. These types of expenses may include, but not be limited to, the retention of existing employees, lease payments for computer hardware dedicated to inventory management, software license agreements, and a myriad of other costs that would be incurred.

COLLATERAL MONITORING

There are many factors that can affect the ongoing value of aviation inventory, machinery, and equipment. It is important to monitor the company's operations along with the aviation industry in general in order to avoid rapid collateral value deterioration.

It is important to monitor the following Red Flags:

- Loss of major customers or contracts (greater than 10% of sales)
- Increase in credit memos or returns near end of month, quarter, or year
- Change in application due to customer fleet change requirements
- General economic conditions
- FAA / Other Body regulations affecting parts and/or customer's fleets
- Profit margin decreases
- Negative growth, reduced gross sales
- Increased General and Administrative costs
- Geo-Political Risk
- Increase in delinquent Accounts Receivables
- Increase in Accounts Payable

APPRAISER BIOGRAPHIES AND QUALIFICATIONS

Richard Berkemeier, Senior ASA Appraiser, ASA-AS, ARM, MTS - Richard Berkemeier was a senior instructor and course developer for the Embry Riddle/American Society of Appraiser's aircraft appraisal classes, which are offered at Embry Riddle Aeronautics University in Daytona Beach, Florida. These courses have also been offered around the United States and in Europe and Australia. He is an expert witness in aircraft, aircraft engines and helicopter cases; the past secretary general of the International Ethics Standards Coalition; a Uniform Standards of Professional Appraisal Practice (USPAP) instructor; and a senior instructor and course developer for ASA in appraisal review, machinery and technical specialties, and aircraft-specific courses. He was vice president of Global Structured Products at Citigroup and was responsible for the review and management of all asset-based appraisals. Transactions included debtor-in-possession financing and restructuring of the domestic airlines. These transactions included United Airlines, American Airlines, Air Canada, Avail (largest diversified aircraft parts distributor), Rolls Royce Parts and Boeing Capital. He liaised between Citigroup's Investment Banking Group and Aircraft Finance Group and its syndicate partners, including Bain Capital; Blackstone Group; Kohlberg, Kravis & Roberts; Hicks-Muse; ESL Investments; and other partners. Richard is currently the International President of the AS.A

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The Appraisal FOUNDATION

Brad Swinney, Chair
Appraiser Qualifications Board

FAA ACRONYMS

337 - Major Repair or Alteration form
AC-Advisory Circular
ACO-Aircraft Certification Office
AD-Airworthiness Directive
APIS-Approved Production Inspection System
ASI-Aviation Safety Inspector
BAA-Bilateral Airworthiness Agreement
BASA-Bilateral Aviation Safety Agreement
CAA-Civil Aviation Authority
CAM-Civil Aeronautics Manual
CAR-Civil Air Regulation
CAVOK – Ceiling and Visibility are OK
CAVU – Ceiling and Visibility are Unlimited
CFR-Code of Federal Regulations
14 CFR-Title 14, Code of Federal Regulations
CG-Center of Gravity
CHDO-Certificate Holding District Office
CMACO-Certificate Management Aircraft Certification Office
CMO-Certificate Management Office
CMU-Certificate Management Unit
C of A-Certificate of Airworthiness
CO-Certificating Office
DAR-Designated Airworthiness Representative
DAS-Designated Alteration Station
DER-Designated Engineering Representative
DGAC-Direction Générale de l'Aviation Civile (French Aviation Authority)
DMIR-Designated Manufacturing Inspection Representative
DOA-Delegation Option Authorization
DOD-Department of Defense
DOT-Department of Transportation
EAA-Experimental Aircraft Association
EASA-European Aviation Safety Agency
ELSA-Experimental Light-Sport Aircraft
ELT-Emergency Locator Transmitter
ENAC-Ente Nazionale per L'Aviazione Civile (Italian Aviation Authority)
FAA-Federal Aviation Administration
FSCAP-Flight Safety-Critical Aircraft Part
FSDO-Flight Standards District Office
GPO-Government Printing Office
ICAO-International Civil Aviation Organization
ICAW-Instructions for Continued Airworthiness
ID-Identification
IFO-International Field Office
IFR-Instrument Flight Rules
IPA-Implementation Procedures for Airworthiness
IPC-Illustrated Parts Catalog
JAR-Joint Aviation Requirements
LBA-Luftfahrt-Bundesamt (German Aviation Authority)
LSA-Light-Sport Aircraft
MCAI-Mandatory Continuing Airworthiness Information
MIDO-Manufacturing Inspection District Office
MIO-Manufacturing Inspection Office
MIP-Maintenance Implementation Procedure
MISO-Manufacturing Inspection Satellite Office
MPD-Maintenance Planning Document
MRB-Maintenance Review Board
NAA-National Aviation Authorities
NTSB-National Transportation Safety Board
ODAR-Organizational Designated Airworthiness Representative
PAH-Production Approval Holder
PC-Production Certificate
PCA-Primary Category Aircraft
PI-Principal Inspector
PMA-Parts Manufacturer Approval
PMI-Principal Maintenance Inspection
R&D-Research and Development
RPM-Revolutions per Minute
SFA-Special Flight Authorization
SFP-Special Flight Permit
SFAR-Special Federal Aviation Regulation
SOC-Statement of Compliance
STC-Supplemental Type Certificate
49 U.S.C.-Title 49, United States Code
TC-Type Certificate
TCDS-Type Certificate Data Sheet
TPA-Turbine-Powered Aircraft
TSO-Technical Standard Order
VFR-Visual Flight Rules
VLA-Very Light Aircraft

APPRAISAL TYPES

APPRAISALS TYPE TERMINOLOGY USED - AIRCRAFT, ENGINE, GROUND SUPPORT EQUIPMENT, SHOP EQUIPMENT (MACHINERY / TOOLS), PARTS INVENTORY (ROTABLES / REPAIRABLES / EXPENDABLES / CONSUMABLES)

As of 2014-2015 USPAP only recognizes two types of Appraisals, an Appraisal report and a Restricted Appraisal report. The definitions below are for additional clarification only all current USPAP compliant appraisal reports will be either an Appraisal Report or a Restricted Appraisal Report

APPRAISAL REPORT*: A full appraisal includes an onsite inspection of the aircraft and/or inventory, and a review of the quality program and records. The onsite inspection is to personally determine the overall condition of a subset of the material and records to support the opinions of the appraiser. It does not include the Appraiser opening inspection panels on an aircraft or a detailed review of record archives. A full appraisal would normally provide a value that includes adjustments from the mid-time to account for the actual maintenance status of the aircraft, and possibly other adjustments to reflect the findings of the inspection of the aircraft and its records.*

DESKTOP APPRAISAL*: Does not include any inspection or onsite review of records. It is based upon the assumed conditions, maintenance status, and other information provided to the appraiser from the client and on data obtained from third party sources by the appraiser. In regards to an aircraft a desktop appraisal would normally only provide a value for a mid-time, mid-life aircraft.*

EXTENDED DESKTOP APPRAISAL*: An extended desktop appraisal is one which still lacks an on-site inspection, but in regards to an aircraft or engine does include the additional review of maintenance status information provided to the appraiser from the client, operator, or from another appraiser's report. An extended desktop appraisal would provide a value that includes adjustments from the mid-time, mid-life values to account for the actual maintenance status of the aircraft.*

FINANCIAL APPRAISAL*: A financial appraisal is one that determines the value of an aircraft to an investor based upon the income earning potential from its lease and residual value. A financial appraisal may be done in conjunction with either desktop or full appraisals.*

RESTRICTED APPRAISAL REPORT*: A restricted appraisal report does not contain all of the detail that would be provided within an appraisal report. A restricted appraisal report is for knowledgeable users and is restricted to those types of users.*

APPRAISAL TYPES

APPRAISALS TYPE TERMINOLOGY USED - AIRCRAFT, ENGINE, GROUND SUPPORT EQUIPMENT, SHOP EQUIPMENT (MACHINERY / TOOLS), PARTS INVENTORY (ROTABLES / REPAIRABLES / EXPENDABLES / CONSUMABLES)

As of 2014-2015 USPAP only recognizes two types of Appraisals, an Appraisal report and a Restricted Appraisal report. The definitions below are for additional clarification only all current USPAP compliant appraisal reports will be either an Appraisal Report or a Restricted Appraisal Report

APPRAISAL REPORT*: A full appraisal includes an onsite inspection of the aircraft and/or inventory, and a review of the quality program and records. The onsite inspection is to personally determine the overall condition of a subset of the material and records to support the opinions of the appraiser. It does not include the Appraiser opening inspection panels on an aircraft or a detailed review of record archives. A full appraisal would normally provide a value that includes adjustments from the mid-time to account for the actual maintenance status of the aircraft, and possibly other adjustments to reflect the findings of the inspection of the aircraft and its records.*

DESKTOP APPRAISAL*: Does not include any inspection or onsite review of records. It is based upon the assumed conditions, maintenance status, and other information provided to the appraiser from the client and on data obtained from third party sources by the appraiser. In regards to an aircraft a desktop appraisal would normally only provide a value for a mid-time, mid-life aircraft.*

EXTENDED DESKTOP APPRAISAL*: An extended desktop appraisal is one which still lacks an on-site inspection, but in regards to an aircraft or engine does include the additional review of maintenance status information provided to the appraiser from the client, operator, or from another appraiser's report. An extended desktop appraisal would provide a value that includes adjustments from the mid-time, mid-life values to account for the actual maintenance status of the aircraft.*

FINANCIAL APPRAISAL*: A financial appraisal is one that determines the value of an aircraft to an investor based upon the income earning potential from its lease and residual value. A financial appraisal may be done in conjunction with either desktop or full appraisals.*

RESTRICTED APPRAISAL REPORT*: A restricted appraisal report does not contain all of the detail that would be provided within an appraisal report. A restricted appraisal report is for knowledgeable users and is restricted to those types of users.*

DEFINITIONS OF APPRAISAL VALUE

BASE / HALF-LIFE VALUE *(Aircraft): the appraiser's opinion of the underlying economic value of an aircraft or helicopter in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use". This "Base Value" is perhaps the value that most closely reflects the theory that the value of a helicopter at a given point in time is a function of its future earning potential. At Ascend we believe that historical Market Values reflect the future expectations of an aircraft's (or engines) earning potential and thus these historical Market Values need to be incorporated into any analysis of an aircraft's future value.*

The valuation of a specific aircraft takes into account the age and specification of the asset in order to determine the Current Market and Base Values. Two standard bases on which aircraft are valued is assuming Half-Life or Full-Life status. For helicopters, the term "Half-Life" refers to the airframe, engines, gearboxes and all major components being half-way between major overhauls, inspections or performance restorations as appropriate; with any life-limited components, such as blades, having 50% of their certified lives remaining. Further to this the term "Full-Life" assumes that the airframe, engines, gearboxes and all major components are either new or have just undergone a major overhaul, inspection or performance restoration as appropriate; with any LLPs having 100% of their certified lives remaining.

In defining these values for helicopters there are some differences with the fixed wing aircraft, role and specifications are two key areas. A helicopter type whose specifications are mainly configured for corporate and VIP use tends to see more value volatility than a helicopter type with a large offshore oil/gas support fleet, which has less exposure to market fluctuations and hence values volatility.

FAIR MARKET VALUE (FMV): *Is the Appraiser's opinion of the most likely selling price that may be realized for a part, aircraft or engine under normal market circumstances that exist at the time. The term assumes that the asset is valued for its highest and best use, that the parties to the theoretical sale transaction are willing, able, prudent and knowledgeable, and under no undue pressure, and that the sale transaction would be negotiated in an open and unrestricted market on an arm's length basis. Market Value, and Fair Market Value are synonymous because the criteria typically used in those documents that use the term "Fair" reflect the same criteria set forth in the above definition of Market Value.*

By itself, the term "Fair" does not bring any additional qualifications to the appraised value, but it a term sometimes used in leases, sales contracts, tax regulations and legal documents, and is sometimes accompanied with a specific definition to which the contracting parties have agreed.

FAIR MARKET VALUE IN CONTINUED USE: *The estimated amount, expressed in terms of money, that may be expected for an asset exchanged between a willing buyer and seller with equity to both, neither under any compulsion to buy or sell, and both fully aware of all relevant facts, including installation, as of a specific date, and assuming that the business earnings support the value reported.*

FAIR MARKET VALUE, INSTALLED: *The estimated amount of an installed part, expressed in terms of money, that may reasonably be expected in exchange between a willing buyer and seller, with equity to both, neither under any compulsion to buy or sell, and both fully aware of all relevant facts.*

FAIR MARKET VALUE, REMOVAL: *The estimated amount, expressed in terms of money, that may reasonably be expected for a part between a willing buyer and seller, with equity to both, neither under any compulsion to buy or sell, and both fully aware of all relevant facts, as of a specific date, considering removal of the property to another location.*

FORCED LIQUIDATION VALUE (FLV): *Forced liquidation value, also known as auction value, assumes that a business owner – the seller – is being forced to sell his machinery, equipment, and other assets. It assumes that the circumstances are somewhat dire for the business. Forced liquidation value implies a reduced sales value because buyers are taking advantage of the fact that a seller is being compelled to sell. The forced liquidation value of a company's assets will always be lower than the fair market value.*

LIQUIDATION VALUE IN PLACE: *The estimated gross amount, expressed in terms of money, that is projected to be obtainable from a failed facility, assuming that the entire facility would be sold intact, as of a specific date, within a limited time to complete the sale.*

NET ORDERLY LIQUIDATION VALUE (NOLV): *An opinion of the estimated price expressed in terms of money which the property could typically realize at a privately negotiated sale, properly advertised and professionally managed, by a seller obligated to sell over a six to eighteen month time period, as of the effective date of the appraisal report. Further, the ability of the inventory to draw sufficient prospective buyers to insure competitive offers is considered. It is assumed that all of the property will be sold on a piecemeal basis "as is, where is" with the purchaser being responsible for removal at their own risk and expense.*

ORDERLY LIQUIDATION VALUE (OLV): *Is the estimated gross amount in dollars that could be typically realized from an orderly sale over a reasonable period of time. The sale of a property over this period must be managed and monitored to insure that the greatest return in value is realized. This OLV is not intended to be an immediate forced liquidation sale number. Rather we assume that the collateral would be properly marketed with all relevant certificates attached. In the case of an inventory combined into small sub-groupings. Further, the sub-groupings will be comprised of a combination of parts that are from both the "demand exceeds supply" and "supply exceeds demand". The expenses of liquidation are not included in the OLV given. The circumstances of liquidation must be carefully reviewed at the time so as to maximize return. The typical costs of liquidating a property of this type, over a one year liquidation period, must, at a minimum, budget for salaries, increased commissions, warehousing & office space, telephone & utilities, advertising, insurance, accounting and legal expenses. These expenses would be deducted from the Orderly Liquidation Value given.*

SALVAGE VALUE: *The estimated amount, expressed in terms of money, that may be expected for the whole part or a component of the whole that is retired from service.*

SCRAP VALUE: *The estimated amount, expressed in terms of money, that could be realized for the part, as of a specific date, if it were sold for its material content not for productive use.*

SECURITIZED VALUE *or Lease-Encumbered Value: Is the Appraiser's opinion of the value of an aircraft, under lease, given a specified lease payment stream (rents and term), and estimated future residual value at lease termination, and an appropriate discount rate.*

INSURANCE REPLACEMENT COST: *The replacement cost new as of a specific date, as defined in the insurance policy, less the cost new of the items specifically excluded in the policy, if any.*

INSURANCE VALUE DEPRECIATED: *The insurance replacement cost as of a specific date, less accrued depreciation considered for insurance purposes.*

REPRODUCTION COST NEW: *The current cost of reproducing a new replica of a property with the same or closely similar materials.*

REPLACEMENT VALUE: *Is the Appraiser's opinion of "a fair return in money, goods, services, etc., for something in exchange; monetary worth of a thing; marketable price." It is the most likely trading price that a property would trade for under the market circumstances that are perceived to exist at the time in question. Value is usually estimated and is subject to differences of opinion and interpretation and varies from one person to another. (Value is what a thing is worth; price is what is paid to acquire it.) The term assumes that the property is valued for its highest and best use, that the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's length basis. It is a synonymous with Market Value, and likewise Current Fair Market Value is synonymous with Current Market Value because the criteria typically used in those documents that use the term "Fair" reflect the same criteria set forth in the definition of Market Value.*

REPLACEMENT COST NEW: *The current cost of a similar new property having the nearest equivalent utility as the property being appraised.*

APPENDIX: Aviation Quality Programs – U.S. BASED

Certifications: ASA-100, AC Circular 56, ISO 9000, ISO 9002, TAC-2000

ASA-100 / TAC-2000

The ASA Accreditation Program (ASAAP) is a 36 month audit program based on the ASA-100 Standard. The standard was created to comply with the FAA Advisory Circular (AC) 00-56A, the Voluntary Industry Distributor Accreditation Program. ASA-100 emphasizes issues such as impartiality, competence, and reliability - all specific to the regulated needs of the aerospace industry. ASA's experienced auditors have all worked for air carriers and have extensive experience in the aviation regulations and industry business practices. TAC-2000 is certified to audit companies to the standard.

History of ASAAP (ASA Accreditation Program)

On September 5, 1996, the FAA published Advisory Circular (AC) 00-56, titled, "Voluntary Industry Distributor Accreditation Program." The purpose of this Advisory Circular was to describe an accreditation system for civil aircraft parts distributors on the basis of voluntary industry oversight and provide information useful for developing an accreditation program. the Aviation Suppliers Association assisted the FAA in writing AC 00-56, and, as a result, developed its own quality system standard, ASA-100. The ASA-100 Quality System Standard has since become the leading quality system standard under FAA AC-0056A. As of May 27, 2015 the FAA AC-0056A standard has been superseded by FAA AC-0056B. This AC is not mandatory and does not constitute a regulation. Any mandatory language used in this AC applies only to those who choose to voluntarily participate in this program; those who do choose to participate must follow the processes and procedures described in this AC in their entirety to be considered compliant with this program.

ISO 9000

The ISO 9000 family of standards represents **an international consensus on good quality management practices**. It consists of standards and guidelines relating to quality management systems and related supporting standards. ISO 9001:2008 is the standard that provides **a set of standardized requirements for a quality management system**, regardless of what the user organization does, its size, or whether it is in the private, or public sector. It is the only standard in the family against which organizations can be certified – although **certification is not a compulsory requirement** of the standard. The other standards in the family cover specific aspects such as fundamentals and vocabulary, performance improvements, documentation, training, and **financial and economic aspects.**

C.A.S.E. (Coordinating Agency for Supplier Evaluations)

C.A.S.E. is the original aviation quality control "pooling" organization. Its beginning can be traced to 1964 when 6 of the world's largest airlines agreed to share their internal quality information. The organization grew over the decades to include over 80% of the world's airlines. The C.A.S.E. standard allows an airline in Japan to audit a repair or maintenance vendor and share the findings with all other member airlines. This allows significant savings in manpower and travel throughout the system. We have developed a second generation C.A.S.E. database and website and has maintained, supported, and hosted the system for over a decade.

Statements of Limitation, report and data assumptions

- *This appraisal includes the use of forward-looking statements. All forward-looking statements can be identified by the use of the terminology; "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe" or "continue", the negative of these terms, variations of them or other similar terminology. By their nature these forward-looking statements require the appraiser to make assumptions that are by their nature subject to important known and unknown risks and uncertainties, which may in fact cause the actual results in the future to differ materially from the appraised findings. While the assumptions are reasonable and appropriate based on currently available information, there is risk that they may not be accurate as new data becomes available. Factors that could cause actual results to differ materially from those in the forward-looking statements include risks associated with general economic conditions, the general aviation business environment (such as risks associated with the airline industry's financial condition), airline and owner operational risks, financing risks (such as risks relating to liquidity and access to capital markets, to the terms of certain restrictive debt covenants, to financing support provided on behalf of certain customers and to reliance on government support) and market risks (such as risks relating to foreign currency fluctuations, to changing interest rates and commodity prices risks). The list of risks described above may materially affect future values. The forward-looking statements set forth herein reflect those known as at the date of this report and are subject to change after such date.*

- *The values stated in this report are opinions based on knowledge of the Aircraft, Engine and Spare Parts inventory market, current market conditions, and certain definitions and assumptions regarding the inventory condition and status, which is described in this report. The opinion of value is only valid for the Effective Date of this appraisal and only valid for the stated purpose.*

- *The values stated in this report are opinions based on the information supplied by the company. It has been assumed that this information along with any of management's statements relative to the topics discussed concerning the inventory, aircraft, or engines are full and complete representations that accurately depict the company, its inventory and the quality and condition of the market for the products produced and/or distributed. No warranty is given for its accuracy. Every reasonable attempt has been made to verify the information.*

- *Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of that party, in any event, only with proper written qualification and only in its entirety.*

- *Neither all nor part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.*

- *No risk or guarantees have been purchased by the owner of this report.*

- *All values stated in this appraisal are the appraisers considered opinions based upon the facts and data set forth in this report.*

- *The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the parts, aircraft or engine appraised unless arrangements have been made previously.*

- *We reserve the absolute right to recall all copies of this report to correct any omissions or errors that are found subsequent to dissemination.*

- *No consideration has been given to any liens or encumbrances, which may be held against the assets being appraised.*

- *We expect the Lender or any other party, with regard to the subject-appraised aircraft to conduct their own due diligence before determining and entering into any loan arrangements and shall not base any loan or borrowing base solely on the opinions of the appraisers.*

- *The maximum liability for the breach of any obligation in connection with this engagement or the Report, and for any and all damages of any type or nature (whether in contract or in tort, and whether compensatory, consequential or punitive in nature) sustained or claimed by the Company(ies) or any other person or entity in connection with this engagement or the Report, shall be limited to the fee actually received under the engagement agreement. In no event or circumstance shall we have any liability to the Company(ies) or any other person or entity in excess of the fee actually paid to and received by us under the engagement agreement.*

- *This appraisal is based upon the various types of values as defined in the definition section of this report.*

- *This study and appraisal was accomplished by the appraisers and will be held confidential. An experienced appraiser has prepared the appraisal and the analysis and conclusions are arrived at from many years of experience in the appraisal industry.*

- *We reserve the right to include your company name in our client list. We will maintain the confidentiality of all reports, documents, and conversations provided to us for the preparation of this report, subject to any legal proceedings.*

- *This appraisal has been prepared in conformity with the Principles of Appraisal Practice (USPAP) and the Code of Ethics of the American Society of Appraisers.*

Appraiser Certification (USPAP)

We certify that to the best of our knowledge and belief:

- *The statements of fact contained in this report are true and correct.*
- *The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are the personal, impartial, and unbiased professional, opinions, and conclusions.*
- *The inventory **WAS NOT** physically inspected for this appraisal.(**Desktop Appraisal**)*
- *We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.*
- *We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.*
- *The compensation for this assignment is not contingent upon the development or reporting of predetermined value or direction of value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *We have performed no services as an appraiser or in any other capacity regarding the assets that are the subject of this appraisal within the three-year period immediately preceding acceptance of this assignment*
- *The analyses, opinions, conclusions, and this report were developed in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.*
- *Jerry Frederick and Jill Woelfel provided significant assistance in the compilation of this report. No other persons provided significant business and/or intangible asset appraisal assistance.*

Richard Berkemeier, Senior Accredited Appraiser ASA

10/25/2025

Date

PROFILES

DANIEL HALL

Senior Valuation Consultant

- ISTAT Certified Appraiser
- ASA Accredited Senior Appraiser (ASA)

Daniel is dual certified as both an Accredited Senior Appraiser with the American Society of Appraisers (ASA) and a Certified Appraiser with ISTAT. Based in Ascend by Cirium's New York office, Daniel has a comprehensive knowledge of the commercial and business aviation sectors.

Daniel is involved in aircraft appraisals and valuations, consulting and business development, market insight and thought leadership. Daniel works with the major players in aircraft finance including banks, manufacturers, leasing companies and airline operators. He is a regular speaker at industry conferences. After graduating from Loughborough University with a BSc in Air Transport Management, Daniel joined Ascend's London team in 2010.

JOHNNY YUNG

Senior Aviation Analyst

Johnny had wide experience in aviation finance & aircraft leasing, most recently originating aviation finance and aircraft leasing business at Standard Chartered Aviation Finance before joining Cirium in November 2024. His expertise is in aviation finance/ leasing transaction, financial modelling and credit analysis.

Johnny holds B.S.Sc in Economics from The Chinese University of Hong Kong. He is based in Hong Kong.

PROFILES

GANESH SOLAYAPPAN

Associate Valuation Analyst

Ganesaan is a London-based Associate Valuation Analyst at Ascend by Cirium, supporting appraisals of narrowbody, widebody, and GA aircraft/engines. He builds and maintains valuation models and statistical forecasts of future values, translates complex datasets into clear market updates and client deliverables, and collaborates with senior appraisers on methodology and QA.

Previously with Cirium (NY) as an intern, he refined data pipelines and presentation materials. Earlier at EXL, he delivered dashboards for 70+ users, cut time-to-insight by 25%, and reduced data errors by 20%. He works across SQL, Python, Tableau, and brings a strong analytical and communication toolkit—bolstered by STEM tutoring experience at the University of Maryland.

LIONEL OLONGA

Senior Valuations Analyst

Lionel joined Ascend by Cirium in June 2016 and is currently working towards a specialization in fixed-wing aircraft and engine assets, as well as supporting Ascend by Cirium's portfolio and lease encumbered valuation capabilities. Prior to joining Cirium, he worked as Portfolio Analyst for Allianz Insurance, where he was involved in pricing and risk modeling of commercial lines business.

Lionel holds a Bachelor's degree in air transport operations and Management from City University London.

American Society of Appraisers

ASA
American Society of Appraisers
Providing Value Worldwide

The Society's Board of Examiners Certifies That

Daniel Hall

Is hereby awarded the designation

Accredited Senior Appraiser

Machinery & Technical Specialties / Aircraft

and is entitled to use the designation in accordance with the society's bylaws and administration rules.

Signed, Sealed and Attested

This .....29..... *day of* October 2015

International Secretary/Treasurer

This certificate is the property of the American Society of Appraisers and must be returned to the International Office upon membership termination.

International President

The International Society of Transport Aircraft Trading

This is to verify that

Mr. Daniel Hall

Has met the required education and professional standards
and is hereby certified as

Appraiser

Of the International Society of Transport Aircraft Trading

An organization which is dedicated to the establishment and promotion of the highest ethical and professional standards of the international aircraft airline and aviation industry: The recipient is hereby granted all insignia, insights and privileges in accordance with the ISTAT Constitution

Witness our hands and Seal at Washington, D.C.

September 2017

Phil Seymour
Chairman, ISTAT Appraisers' International Board of Governors

Douglas W. Runte
President of ISTAT

Attachment 3 – DOCA and Creditors' Trust Deed

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Execution Version

Deed of Company Arrangement - Rex Group

Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several administrators of the Deed Companies

The Deed Companies

Air T, Inc.

CORRS CHAMBERS WESTGARTH

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Date 14 November 2025

Parties

1 **Samuel Freeman, Justin Walsh and Adam Nikitins** each in their capacity as joint and several administrators of the Deed Companies of Ernst & Young Australia, 8 Exhibition Street, Melbourne VIC 3000 (**Deed Administrators**)

2 **Regional Express Holdings Limited (Administrators Appointed)** ACN 099 547 270
Air Partners Pty Ltd (Administrators Appointed) ACN 065 221 356
Rex Investment Holdings Pty Ltd (Administrators Appointed) ACN 101 317 677
Regional Express Pty Ltd (Administrators Appointed) ACN 101 325 642
Rex Flyer Pty Ltd (Administrators Appointed) ACN 671 816 621
Australian Aero Propeller Maintenance Pty Ltd (Administrators Appointed) ACN 131 278 889
Australian Airline Pilot Academy Pty Ltd (Administrators Appointed) ACN 128 392 469
AAPA Victoria Pty Ltd (Administrators Appointed) ACN 118 837 586

of c/- Ernst & Young Australia, 8 Exhibition Street, Melbourne VIC 3000 (each a **Deed Company** and together **Deed Companies**)

3 **Air T, Inc.** of 11020 David Taylor Drive, Suite 305, Charlotte, North Carolina 28262 (**Deed Proponent**)

Background

A On the Appointment Date, Samuel Freeman, Justin Walsh and Adam Nikitins were appointed as joint and several administrators (**Administrators**) of the Deed Companies pursuant to Part 5.3A of the Corporations Act.

B At the meetings held concurrently on 11 November 2025 and convened pursuant to section 439A of the Corporations Act, the Creditors of each Deed Company resolved that each Deed Company execute a deed of company arrangement proposed by the Deed Proponent under section 444B(2)(b) of the Corporations Act (**Section 439C Resolution**).

C The Deed Companies, the Deed Administrators, and the Deed Proponent have agreed to execute this document to give effect to the Section 439C Resolution.

D The Administrators have consented to be the Deed Administrators of this document.

E Subject to the terms of this document, this document binds all creditors of the Deed Companies, in accordance with section 444D of the Corporations Act and also binds the Deed Companies, and their Officers and Members in accordance with section 444G of the Corporations Act.

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Agreed terms

1 Interpretation

1.1 Definitions

In this document these terms have the following meanings:

444GA Share Transfer	A share transfer form with respect to the transfer of Shares to the Purchaser.
737 Entity	Rex Airlines Pty Ltd (In Liquidation) ACN 642 400 048.
737 Entity Creditor Claim	(a) a Claim of the 737 Entity (including any Claim of a liquidator of the 737 Entity); and (b) a Claim from any Creditor against a Deed Company which arises from a guarantee, indemnity or similar arrangement by a Deed Company of a 737 Entity Debtor Claim, including the Deed of Cross Guarantee.
737 Entity Debtor Claim	The meaning given to the term "Claim", subject to all references to "Deed Company" being replaced with "737 Entity".
Accrued Expenses	All trading and related expenses incurred by the Administrators or the Deed Companies from the Appointment Date (as applicable for each Deed Company) up to (and including) Completion, but which are not yet paid (or payable) as at Completion. For the avoidance of doubt, the following do not constitute Accrued Expenses: (a) any remuneration of the Administrators or Deed Administrators or expenses paid to legal, financial or other professional advisors; and (b) any Purchase Orders.
Accrued Expenses Amount	The amount of Accrued Expenses as at Completion.
Administration Debt	Any: (a) debt referred to in section 443A(1) of the Corporations Act which was incurred by the Administrators during the Administration Period; (b) liability to the Commissioner of Taxation referred to in section 443BA(1) of the Corporations Act; and (c) other debts and liabilities referred to in section 443D(aa) of the Corporations Act, in respect of which the Administrators are entitled to be indemnified under this document and section 443D of the Corporations Act.
Administration Period	The period of time commencing on the Appointment Date and concluding on the Commencement Date.

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Administrators	Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several administrators of each Deed Company and any successor to that office appointed pursuant to the Corporations Act.
Agreed Assets Amount	The amount equal to the value of each of the following categories of assets of the Deed Companies less the amount of the Deductions, in each case as at Completion: (a) term deposit balances; (b) cash at bank and bank balances other than the Cash Contribution; (c) cash collateral provided in respect of contractual arrangements between the Deed Companies and Worldpay; (d) cash collateral provided in respect of contractual arrangements between the Deed Companies and American Express; (e) receivables related to customer bookings owed by merchants and not paid as at Completion in the ordinary course of business of the Deed Companies; (f) outstanding amounts invoiced to customers and not paid at Completion; (g) government grants and subsidies accrued for services delivered prior to Completion but not yet invoiced at Completion; (h) deposits paid in respect of goods and/or services prior to Completion but not delivered or provided prior to Completion; (i) employee loans as at Completion; (j) receivables payable by other airlines; (k) prepayments for goods and/or services not yet delivered and/or received at Completion; (l) insurance and related prepayments paid for prior to Completion; (m) security deposit paid to Sydney Airport in respect of Hangar 390; and (n) any other assets of the Deed Companies as at Completion as agreed in writing between the Deed Proponent and the Deed Administrators.
Agreed Assets Cap	$18,000,000, as increased from time to time in accordance with **clause 8.1**.
Agreed Assets Contribution	A cash contribution of an amount equal to: (a) the Agreed Assets Amount estimated by the Deed Administrators in the Completion Statement; or (b) if such amount exceeds the Agreed Assets Cap, an amount equal to the Agreed Assets Cap.
Agreed Assets Pool	The Agreed Assets Pool to be established under, funded with the Agreed Assets Contribution and the Expense Cash Contribution, and applied, in accordance with the terms of the Trust Deed.

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Air T Facility	The syndicated loan note subscription agreement of $50,000,000 to be made available by the Air T Facility Lender to the Deed Companies.
Air T Facility Lender	Air T Lending 25.1, LLC.
Air T Finance Documents	(a) the Air T Facility; and (b) each other "finance document" and "security document" as defined in and for the purposes of the Air T Facility.
Appointment Date	(a) in respect of the Regional Companies, 30 July 2024; and (b) in respect of the Subsidiary Companies, 20 October 2025.
ASIC	The Australian Securities and Investments Commission.
ASIC Relief	Such exemptions and modifications from Chapter 6 of the Corporations Act granted by ASIC pursuant to section 655A of the Corporations Act as are necessary to permit the transfer of all of the Shares to the Purchaser.
Assumption Deeds	Each of: (a) the assumption deed dated 3 January 2020 whereby AAPA Victoria Pty Ltd (Administrators Appointed) acceded to the Deed of Cross Guarantee; (b) the assumption deed dated 2 November 2020 whereby the 737 Entity acceded to the Deed of Cross Guarantee; (c) the assumption deed dated 18 February 2022 whereby Australian Aero Propeller Maintenance Pty Ltd (Administrators Appointed) acceded to the Deed of Cross Guarantee; and (d) the assumption deed dated 23 October 2023 whereby Rex Flyer Pty Ltd (Administrators Appointed) acceded to the Deed of Cross Guarantee.
Business	The businesses carried on by the Deed Companies as at the date of this document and all associated and incidental activities.
Business Day	A day which is not a Saturday, Sunday or bank or public holiday, and on which banks are open for business generally in Sydney, New South Wales, Australia and New York, United States of America.
Cash Contribution	(a) the Costs Cash Contribution; and (b) the Expense Cash Contribution.
CFA Initial Amendment	An amendment deed in relation to the Secured Lender Finance Documents to be entered between the Deed Administrators and the Secured Lender providing for the release and discharge of the Administrators and the Deed Administrators from the Secured Lender Finance Documents by the Secured Lender.
CFA Subsequent Amendment	The amendment and restatement of the Secured Lender Finance Documents to be entered into between the Secured Lender and the Deed Companies.
Circumstances	As defined in the definition of Claim.
Claim	Any claim, cost, damages, debt, income, expense, tax, royalty, liability, loss, obligation, allegation, suit, action, demand, cause of action,

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proceedings, penalty (civil, criminal or otherwise), order or judgment of any kind however calculated or caused, howsoever arising in law or equity or under statute against a Deed Company, and whether direct or indirect, future, contingent, consequential, incidental or economic the circumstances giving rise to which occurred or arose before the Appointment Date (**Circumstances**), notwithstanding any contingent event provided for or contemplated by the Circumstances which occurred on or after the Appointment Date, whether or not they would be admissible to prove in the event of winding up of a Deed Company, and includes (without limitation):

(a) any claim that in a winding up of a Deed Company would be a subordinated claim for the purposes of section 563A of the Corporations Act;

(b) contingent claims (including claims pursuant to the Deed of Cross Guarantee);

(c) to the extent permissible by law, any fine or penalty that would be provable but for section 553B of the Corporations Act;

(d) without limiting the rights of Secured Creditors under section 444D(2) of the Corporations Act, the claims of Secured Creditors;

(e) without limiting the rights of lessors under section 444D(3) of the Corporations Act, the claims of lessors;

(f) any residual unsecured claim held by a Secured Creditor following realisation of its Security Interests;

(g) any warrant, option or similar instrument (including an entitlement under an employee share plan) issued by a Deed Company in respect of any of its Shares; and

(h) any claims of a Related Party.

Commencement Date — The date on which this document is executed by the Deed Administrators, the Deed Companies and the Deed Proponent.

Committee of Inspection — The committee of inspection formed:

(a) in accordance with Division 75 and 80 of the IPS and Division 75 of the IPR, as amended by orders of the Court in respect of the administration of the Deed Companies; and

(b) by resolution of creditors of the Deed Companies on 11 November 2025,

as that committee is constituted from time to time.

Completion — The time when:

(a) each of the Conditions have been satisfied or waived; and

(b) each of the Completion Steps has occurred.

Completion Date — The day on which Completion occurs, with such date being within 5 Business Days after the CP Satisfaction Date or such other date as the Deed Administrators and the Deed Proponent agree in writing.

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Completion Statement	A statement which provides the calculation of the Deed Administrators' best estimate of the following as at Completion: (a) Agreed Assets Amount; and (b) Accrued Expenses Amount.
Completion Steps	As defined in **clause 8.3**.
Completion Step One	Each of the completion steps listed in **clause 8.4**.
Completion Step Two	Each of the completion steps listed in **clause 8.5**.
Completion Step Three	Each of the completion steps listed in **clause 8.6**.
Conditions	Each of the conditions in **clause 3.1**.
Continuing Employee	Each Employee employed by a Deed Company as at the Commencement Date and who remains employed by a Deed Company as at Completion.
Corporations Act	*Corporations Act 2001* (Cth).
Costs	Includes costs, charges, fees, government charges, taxes and expenses, including those incurred in connection with advisers, incurred in connection with the performance of the Administrators' and Deed Administrators' duties, obligations and responsibilities under the Corporations Act and this document during the Administration Period and the Deed Period and includes any Administration Debt.
Costs Cash Contribution	A cash contribution of $3,825,000.
Court	The Federal Court of Australia or the Supreme Court of New South Wales.
CP Satisfaction Date	The date upon which each Condition has been satisfied or waived and provided that such date is no later than the End Date.
Creditor	Any person who has a Claim against a Deed Company.
Creditor Indemnity	As defined in **clause 6.2(a)(iv)(A)**.
Creditor Pools	The Employee Pool and the General Pool.
Deductions	Each of the following as at Completion: (a) liabilities of the Deed Companies in relation to tickets sold up to Completion for flights scheduled to be flown after Completion; (b) any amount prepaid to Saab Aircraft AB in relation to the Aircraft Collision Avoidance System upgrade for the Deed Companies' aircraft; (c) trade receivables and other loan balances aged more than 60 days or which are otherwise not collectable; and

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(d) any other assets or liabilities of the Deed Companies as at Completion as agreed in writing between the Deed Proponent and the Deed Administrators.

Deed Administrators	Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several deed administrators of each Deed Company and any successor to that office appointed pursuant to the Corporations Act or this DOCA.
Deed of Cross Guarantee	The Deed of Cross Guarantee dated 30 June 2011 between the Deed Companies and the 737 Entity (as amended from time to time and acceded to by the relevant Deed Companies and the 737 Entity by the Assumption Deeds).
Deed Period	The period commencing on the Commencement Date and ending on the earlier of the Termination Date or Completion.
Directors	The directors of each Deed Company from time to time.
DOCA	The deed of company arrangement for each Deed Company contemplated by this document.
Duty	Any stamp, transaction or registration duty or similar charge imposed by any government agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them.
Employee	An employee of a Deed Company who is an "eligible employee creditor" under the Corporations Act.
Employee Contribution	A cash contribution equal to the amount of the Trust Employee Entitlement Claims (as determined by the Deed Administrators).
Employee Entitlement Claim	Any Claim of an Employee of the Deed Companies that would have been entitled to be paid in priority to the payment of other unsecured Claims under sections 556, 560 or 561 of the Corporations Act if the Deed Company had been wound up and the winding up was taken to have commenced on the Appointment Date.
Employee Pool	The Employee Pool to be established under, funded with the Employee Contribution, and applied, in accordance with the terms of the Trust Deed.
Encumbrance	Any: (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power, or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or (2) of the PPSA; (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; (c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or

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(d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

End Date	60 days after the Commencement Date unless otherwise extended by agreement of the Deed Proponent and the Deed Administrators.
Enforcement Action	Has the meaning given to it in **clause 5.3(a)**.
Enforcement Process	As defined in the Corporations Act.
Expense Cash Contribution	An amount equal to the Accrued Expenses Amount *less* the amount of the Agreed Assets Contribution (each as detailed in the Completion Statement).
External Administrator	A liquidator, voluntary administrator, deed administrator, a restructuring practitioner, receiver, receiver and manager, controller or managing controller, or similar external administrator or insolvency practitioner (provided that the appointment of the Administrators or Deed Administrators shall not be an appointment of an External Administrator).
Fund Contribution	The contribution to the Trust Fund in accordance with the terms of this document and the Trust Deed, compromising of the: (a) Cash Contribution; (b) Employee Contribution; and (c) Agreed Assets Contribution.
General Pool	The General Pool to be established under, funded with the Costs Cash Contribution and any funds transferred from the Employee Pool, and applied, in accordance with the terms of the Trust Deed.
Implementation Deed	The document titled "Project Mustang – Sale and Implementation Deed" dated 21 October 2025 between the Deed Companies, the Administrators and the Deed Proponent.
Insured Claim	A Claim which a Creditor has against a Deed Company where: (a) the Claim would have been entitled to a priority in a liquidation under section 562 of the Corporations Act; (b) the Deed Company is insured against that Claim under a contract of insurance (not being a contract of reinsurance) entered into before the Appointment Date; and (c) an amount in respect of that Claim would be payable by the insurer to the Deed Company under the contract of insurance, but only to the extent of such part of the Claim as would be discharged by the payment from the insurer.
IPR	The *Insolvency Practice Rules (Corporations) 2016* (Cth).
IPS	The *Insolvency Practice Schedule (Corporations)* set out at Schedule 2 to the Corporations Act.
Legal Personal Representative	A trustee or executor appointed to the Deed Administrators upon death, incapacity, insanity or any combination of them.

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Meeting Date	The day the Section 439C Resolution is passed.
Member	As defined in the Corporations Act.
Nominated Directors	The Deed Proponent's nominated Officers, as notified to the Deed Administrators pursuant to **clause 8.2(b)**.
Non-Participating Claim	A Claim against a Deed Company which is: (a) a "subordinate claim" within the meaning of section 563A of the Corporations Act; (b) a Claim in respect of which the relevant Creditor has agreed in writing with the Administrators, the Deed Administrators or the relevant Deed Company not to participate in distributions from the Trust Fund; (c) any Claim which arises against a Deed Company by way of a guarantee of a Claim against another Deed Company; (d) a Related Party Claim; and (e) a Claim in respect of a Non-Participating Superannuation Debt.
Non-Participating Superannuation Debt	A Superannuation Debt in respect of which the Deed Administrators make a determination under **clause 8.8(b)**.
Officer	As defined in the Corporations Act and for the avoidance of doubt, includes a director.
Owner	Any person who is the legal or beneficial owner (including a lessor) of property in the possession of a Deed Company as at the Appointment Date.
Post-Completion Secured Lender Finance Documents	(a) the amended and restated loan facility made available by the Secured Lender to the Deed Companies, as amended pursuant to the CFA Subsequent Amendment to restructure existing Claims and outstanding liabilities owed by the Deed Companies; (b) the new loan facility to be made available by the Secured Lender to the Deed Companies; and (c) the intercreditor deed between, among others, the Secured Lender, the Air T Facility Lender and the Deed Companies; and (d) each other finance or security documents associated with or related to the documents referred to in **paragraphs (a)** to **(c)** above.
PPSA	The *Personal Property Securities Act 2009* (Cth).
Prescribed Provisions	The provisions prescribed by Schedule 8A of the Regulations.
Preserved Claim	Any: (a) Claim against a Subsidiary Company other than any 737 Entity Creditor Claim; (b) Preserved Employee Entitlement Claims;

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(c) the Secured Lender's Claims (but only as detailed and outlined under the Post-Completion Secured Lender Finance Documents);

(d) Claim arising under a Preserved Contract other than a Preserved Contract Released Claim;

(e) Insured Claim but only to the extent that the relevant Claim is an Insured Claim; and

(f) other Claim that the Deed Proponent nominates in writing to the Deed Administrators as a Preserved Claim no later than two Business Days prior to the Completion Date.

Preserved Contract Any contract (including any lease) that is designated by the Deed Proponent in writing as a Preserved Contract to the Deed Administrators no later than two Business Days prior to the Completion Date.

Preserved Contract Released Claim In relation to a Preserved Contract, any Claim under or in respect of that Preserved Contract that relates to:

(a) an amount that was due and payable by the relevant Deed Company before the Appointment Date or relates to a period up to the Appointment Date whether or not due and payable at that date;

(b) goods or services supplied to the relevant Deed Company prior to the Appointment Date;

(c) amounts payable under that Preserved Contract that are referrable to a period prior to the Appointment Date;

(d) any failure of the relevant Deed Company to perform obligations or duties under that Preserved Contract prior to, or in respect of the period prior to, the Appointment Date;

(e) amounts payable under that Preserved Contract that are referrable to the Administration Period of the relevant Deed Company or which relate to goods or services supplied by that Deed Company or failure to perform obligations or duties under an Preserved Contract during the Administration Period (provided that this does not affect any right that a Creditor has to be paid any such amounts for which the Administrators are personally liable under Division 9 of Part 5.3A of the Corporations Act); and

(f) any other liability of a Deed Company that arose by reason of the appointment of the Administrators or Deed Administrators to the Deed Company including any obligations to pay charges or default interest and any liability under any indemnity provisions in the relevant Preserved Contract.

Preserved Employee Entitlement Claims Any Employee Entitlement Claim in respect of a Continuing Employee which becomes due and payable after the Completion Date.

Property Any legal or equitable estate or interest (whether present or future and whether vested or contingent) in real or personal property of any description of one or more of the Deed Companies and includes:

(a) a thing in action; and

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	(b) "PPSA retention of title property" (as that term is defined in section 51F of the Corporations Act).
Purchase Order	Each purchase order for goods and services issued by the Rex Companies but not received before Completion, including those listed in Schedule 11 of the Implementation Deed.
Purchaser	Air T Rex Acquisition, Inc.
RCD Accession Deed	The deed of accession pursuant to which each Deed Company will accede to the terms of the Restructuring Coordination Deed.
Regional Companies	Each of: (a) REX; (b) Air Partners Pty Ltd (Administrators Appointed) ACN 065 221 356; (c) Rex Investment Holdings Pty Ltd (Administrators Appointed) ACN 101 317 677; and (d) Regional Express Pty Ltd (Administrators Appointed) ACN 101 325 642.
Regulations	The *Corporations Regulations 2001* (Cth).
Related Party	A "related body corporate" or "related entity" (as those terms are defined in the Corporations Act) of a Deed Company.
Related Party Claim	A Claim of a Related Party against a Deed Company.
Remuneration	The remuneration payable to the Administrators and Deed Administrators for acting as: (a) the administrators of each Deed Company under Part 5.3A of the Corporations Act; and (b) the Deed Administrators of each Deed Company under this document.
Restructuring Coordination Deed	The Restructuring Coordination Deed dated 21 October 2025 between the Secured Lender and the Deed Proponent.
REX	Regional Express Holdings Limited (Administrators Appointed) ACN 099 547 270.
Section 439C Resolution	As defined in Background **recital B**.
Section 444GA Application	An application made to Court by the Deed Administrators to seek leave of the Court pursuant to section 444GA(1)(b) of the Corporations Act, for the Transfer and any other ancillary orders necessary to implement the transaction contemplated by the Transaction.
Section 444GA Order	An order of the Court, as sought in the Section 444GA Application, for the Transfer, which is: (a) in a form (and subject to conditions) acceptable to the Deed Proponent; and (b) not subject to any appeal (whether by the passage of any applicable appeal period or otherwise).

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Secured Creditor	Any Creditor with the benefit of a valid and effective Security Interest at the Commencement Date over all or any property of the Deed Company securing all or any part of the Creditor's Claim, including the Secured Lender.
Security Interest	Any mortgage, chattel mortgage, pledge, charge, agreement, Encumbrance, lien, right of set-off (arising otherwise than by operation of law or as a result of a banker's right to combine accounts) and assignment which provides for and secures the payment of any debt or monetary liability or the performance of any obligation and any "security interest" as defined in sections 12(1) or (2) of the PPSA, each in respect of a Deed Company.
Secured Lender	The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts ABN 86 267 354 017.
Secured Lender Debt Forgiveness	The forgiveness of certain indebtedness owed to the Secured Lender by the Deed Companies pursuant to the terms of the Restructuring Coordination Deed.
Secured Lender Finance Documents	(a) the loan facility originally dated 11 November 2024, as amended from time to time, made available by the Secured Lender to the Deed Companies; and (b) each other finance document and security document associated with or related to the document referred to in **paragraph (a)** above.
Shareholders	Persons holding the Shares.
Shares	The entire issued share capital of REX.
Subsidiary Companies	Each of: (a) Rex Flyer Pty Ltd (Administrators Appointed) ACN 671 816 621; (b) Australian Aero Propeller Maintenance Pty Ltd (Administrators Appointed) ACN 131 278 889; (c) Australian Airline Pilot Academy Pty Ltd (Administrators Appointed) ACN 128 392 469; and (d) AAPA Victoria Pty Ltd (Administrators Appointed) ACN 118 837 586.
Superannuation Debt	A debt (or part thereof) by way of superannuation contribution.
Termination Date	The date upon which the DOCA terminates.
Termination Event	An event set out in **clause 16.3**.
Transaction	The transaction contemplated by the Transaction Documents.
Transaction Document	(a) the Implementation Deed; (b) this document; (c) the Trust Deed; and (d) each other document which is reasonably necessary to effect Completion as contemplated under this document.

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Transfer	As defined in **clause 8.5(f)**.
Trust	The Rex Group Creditors' Trust to be established under the Trust Deed.
Trust Deed	The trust deed to be entered into between the Deed Company, the Deed Administrators, the Deed Proponent and the Trustees substantially in the form of that contained in **Schedule 1**, which creates the Trust.
Trust Employee Entitlement Claims	Any Employee Entitlement Claim which is not a Preserved Employee Entitlement Claim.
Trust Fund	The trust fund contemplated by the DOCA and to be established under the Trust Deed.
Trustees	The trustees of the Trust established under the Trust Deed, being Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several trustees of the Trust.

1.2 Construction

Unless expressed to the contrary, in this document:

(a) words in the singular include the plural and vice versa;

(b) any gender includes the other genders;

(c) if a word or phrase is defined its other grammatical forms have corresponding meanings;

(d) "includes" means includes without limitation;

(e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;

(f) a reference to:

(i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;

(ii) a person includes the person's successors, assigns and persons substituted by novation;

(iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;

(iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;

(v) a right includes a benefit, remedy, discretion or power;

(vi) time is to local time in Sydney, New South Wales, Australia;

(vii) "$" or "dollars" is a reference to Australian currency;

(viii) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;

(ix) this document includes all schedules and annexures to it; and

(x) a party, clause, schedule or annexure is a reference to a party, clause, schedule or annexure, as the case may be, of this document;

(g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and

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(h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

1.3 Headings

Headings and the table of contents do not affect the interpretation of this document.

1.4 Deed

This document is a deed. Factors which might suggest otherwise are to be disregarded.

2 Content and Operation of DOCA

2.1 DOCA

(a) This document constitutes a deed of company arrangement under Part 5.3A of the Corporations Act for each Deed Company, and will operate as a separate deed of company arrangement for each Deed Company.

(b) A reference to "Deed Company" in this document is a reference to each Deed Company or the Deed Companies as a group, as the context requires.

(c) This document includes any schedule to this document.

2.2 Inconsistency with Corporations Act or Regulations

If there is any inconsistency between the provisions of this document and the Corporations Act, the IPR, the IPS or the Regulations, this document prevails to the extent permitted by law.

2.3 Other inconsistencies

If there is any inconsistency between the provisions of this document and the constitution of the Deed Company and any other obligation binding on the Deed Company, the provisions of this document prevail to the extent of the inconsistency, and all persons bound by this document agree to sign all documents and do all things necessary to remove such inconsistency, the costs of which will be borne by the Deed Company.

2.4 Prescribed Provisions

(a) Subject to **clause 2.4(b)**, the Prescribed Provisions are deemed to be incorporated in and form part of this document, save that to the extent of any inconsistency between the terms of this document and the Prescribed Provisions, the terms of this document will prevail.

(b) Clause 3 (*Termination of deed where arrangement fails*) and clause 11 (*Committee of inspection*) of the Prescribed Provisions are excluded in their entirety from the terms of this document.

2.5 Required Provisions

To the extent that the Corporations Act requires any provision to be included in this document which is not expressly included in this document, such provision will be deemed to be included in this document.

2.6 Commencement Date

This document will commence and take effect on the Commencement Date.

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2.7 Interim Effect

To the extent that a person would be bound by this document if it had already been executed, the person must not, at any time after the Section 439C Resolution is passed but before this document is executed, do anything inconsistent with the terms of this document, except with the leave of the Court.

2.8 Termination

This document continues until it is terminated in accordance with **clause 16** of this document.

3 Conditions

3.1 Conditions

The operation of **clause 8** is conditional upon each of the following conditions being satisfied by the End Date:

(a) (**Execution of DOCA**) the Deed Administrators, the Deed Companies and the Deed Proponent having executed this document;

(b) (**Execution of Trust Deed**) the Deed Administrators, the Trustees, the Deed Proponent and the Deed Companies having executed the Trust Deed;

(c) (**Section 444GA Order**) the Administrators, on behalf of REX, obtaining the Section 444GA Order;

(d) (**ASIC Relief**) the Administrators, on behalf of REX, obtaining the ASIC Relief;

(e) (**Implementation Deed**) each condition contained in Schedule 7 of the Implementation Deed being satisfied or waived in accordance with the Implementation Deed, and the Implementation Deed not having been terminated;

(f) (**Secured Lender consent**) the Secured Lender having consented to the entry into this document; and

(g) (**Air T Facility**) the Air T Finance Documents being in agreed form and all conditions to financial close under the Air T Facility have been satisfied or waived (or will be satisfied or waived simultaneous with Completion).

3.2 Obligation to satisfy Conditions and Transparency

(a) The parties must promptly take all reasonable steps within their control to ensure that the Conditions are satisfied prior to the End Date.

(b) On and from the Commencement Date, the parties must respond promptly to all reasonable requests for information from any other party in relation to the status and expected timing for satisfaction of the Conditions.

3.3 Waiver of Conditions

The Conditions in **clause 3.1** are for the benefit of the Deed Proponent and the Deed Administrators and may only be waived or amended in writing by the Deed Proponent and the Deed Administrators.

3.4 Consequence of Non-Satisfaction of the Conditions

In the event:

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(a) one or more of the Conditions is not satisfied, waived or amended in accordance with this **clause 3** by the End Date; or

(b) the Deed Administrators and the Deed Proponent are of the opinion that one or more of the Conditions are incapable of being satisfied by the End Date,

then:

(c) the parties will cease to be bound by this document on and from the End Date and will have no liability under it; and

(d) the Deed Administrators will convene a meeting of the Creditors to determine the future of the Deed Companies.

4 The Officers and Members

4.1 Effect of the DOCA on Officers of each Deed Company

(a) The Directors of each Deed Company will remain in office throughout the Deed Period unless they resign or are removed by the Deed Administrators.

(b) During the Deed Period, unless authorised in writing by the Deed Administrators, the Directors and other Officers of each Deed Company cannot perform or exercise, and must not purport to perform or exercise, a function or power as an Officer of that Deed Company, save as provided for under **clause 10.4(b)**.

(c) For the avoidance of doubt, the Directors of each Deed Company will not pass a resolution to place the Deed Company into voluntary administration or take any step to wind up the Deed Company except with the written approval of the Deed Administrators and the Deed Proponent.

(d) While they remain Directors of a Deed Company, the Directors of the Deed Company will not be relieved of their statutory duties as Directors of that Deed Company and for the avoidance of doubt, the Deed Administrators will not be responsible for such statutory obligations during the Deed Period.

(e) During the Deed Period, the Directors must:

(i) co-operate with and assist the Deed Administrators in the performance by the Deed Administrators of their obligations under this document;

(ii) carry out and perform such operations, functions, powers and other matters as may be delegated to them by the Deed Administrators; and

(iii) perform their obligations pursuant to this document.

4.2 Effect of this document on Members

(a) Until this document terminates, any Member of the Deed Company and any Creditor holding any Encumbrance over any Shares must not without the prior written consent of the Deed Administrators deal with, or attempt to deal with, any Shares or exercise rights that they have as a Member of the Deed Company or any Creditor holding any Encumbrance over any Shares of the Deed Company in a manner that is contrary to this document or the purpose of this document.

(b) The Deed Administrators must not, and must not allow:

(i) the Shares in the Deed Companies to be transferred; or

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(ii) further shares of any class to be issued in the Deed Companies,

other than in accordance with the terms of this document.

5 Moratorium and Release

5.1 Binding Effect

This document binds:

(a) in accordance with section 444D of the Corporations Act, all Creditors; and

(b) in accordance with section 444G of the Corporations Act, each Deed Company, its Officers and Members and the Deed Administrators.

5.2 No Limitation

Nothing in this document limits the rights in law or equity of the Deed Administrators:

(a) to make an application under section 444F of the Corporations Act;

(b) to make an application under section 444GA of the Corporations Act; or

(c) to apply for orders or directions pursuant to the Corporations Act (including, without limitation, section 447A(1)).

5.3 Moratorium

(a) No Creditor may, during or after the Deed Period, in relation to that Creditor's Claim or any of the underlying Circumstances giving rise to that Creditor's Claim:

(i) make or proceed with an application for an order to wind up the Deed Company or for the appointment of a provisional liquidator or a court appointed receiver to the Deed Company and the Property;

(ii) institute, revive or continue any action, suit, arbitration, mediation proceeding or other enforcement action against the Deed Company or in relation to the Property;

(iii) institute, revive or continue with any Enforcement Process against the Property;

(iv) take any action whatsoever to seek to recover any part of its Claim, including seizing, retaining, selling or otherwise dealing with the Property;

(v) exercise any right of set off or combination, or defence, cross claim or cross action to which that Creditor would not have been entitled had the Deed Company been wound up on the Appointment Date;

(vi) commence or take any further step in any arbitration against the Deed Company or to which the Deed Company is a party in relation to any matter arising or occurring before the Appointment Date;

(vii) take any action whatsoever to recover any part of its Claim from the Deed Company;

(viii) in the case of a Secured Creditor, enforce its Security Interest or take possession, sell or otherwise recover property subject to its Security Interest, including the appointment of an External Administrator;

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(ix) exercise any lien or other equitable remedy to enter into possession of the Property;

(x) otherwise enforce any right it may have or acquire,

(together, **Enforcement Action**),

except to the extent of that Creditor's entitlement, if any, to participate in the Trust Fund in accordance with the terms of the Trust Deed.

(b) A person who is an Officer or a Member of the Deed Company shall not, during the term of the Deed Period, exercise any rights it has or may have as an Officer or a Member (as applicable) of the Deed Company, other than in accordance with **clause 10.4(b)**.

5.4 Release Upon Completion

Each Creditor's Claims (other than any Preserved Claims) are forever discharged, extinguished and released in full on the occurrence of Completion Step Two in accordance with **clause 8.5**.

5.5 Bar to Claims

Subject to section 444D of the Corporations Act, this document may be pleaded and tendered by:

(a) the Deed Company or the Deed Administrators against any person having or asserting a Claim released, discharged and extinguished by **clause 5.4**; and

(b) the recipient of any release or covenant contained in this document,

as an absolute bar and defence to any legal proceeding brought or made at any time in respect of a Claim, or other matter subject to a release or covenant, as the case may be.

5.6 Execution of all necessary documents

Each Creditor must, if required by the Deed Company or the Deed Administrators, execute any document that the Deed Company or a Deed Administrator may require from time to time to give effect to the releases in **clauses 5.4** and **8.5(c)**.

5.7 Conversion of Claims

(a) Subject to **clause 5.7(b)**, the Deed Administrators and the Creditors agree that, upon all Claims (other than any Preserved Claims) being released pursuant to **clause 8.5(c)**, each Creditor who had a Claim (other than a Preserved Claim) will be entitled to make a claim against the Creditor Pools, in accordance with the Trust Deed, for an amount equal to their released Claim.

(b) A Creditor is not entitled to make a claim against the Trust Fund in respect of a Non-Participating Claim.

(c) Claims against the Trust Fund will rank in priority in accordance with the terms of the Trust Deed.

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6 Preserved Claims

6.1 Non-insured Preserved Claims

A Preserved Claim which is not an Insured Claim is not subject to the moratorium and release contained in **clauses 5.4** and **8.5(c)**.

6.2 Insured Claims

(a) If insurance is held by or on behalf of the Deed Company in respect of an Insured Claim:

(i) the Creditor may, in relation to its Insured Claim and notwithstanding that Completion has occurred, take action to recover the amount due in respect of the Insured Claim against the Deed Company, but such action must not exceed what is necessary to obtain payment from the insurer;

(ii) to the extent that the Creditor is able, by settlement, arbitral award or judgment, to obtain payment from the insurer on account of the Insured Claim, the Creditor may retain that amount in full satisfaction of the Claim;

(iii) the Deed Company is not required to provide assistance to a Creditor in relation to a Claim under this clause or take any action in response to enforcement action taken by a Creditor in accordance with this clause (including obtaining confirmation that any insurance is responsive to the Claim); and

(iv) where a Creditor intends to take action in relation to a Claim which is, or may be, an Insured Claim:

(A) the Creditor must, prior to taking any action in relation to the Claim, provide the Deed Company with an indemnity in the form of the Creditor Indemnity in **Schedule 2** (**Creditor Indemnity**);

(B) if requested by the Deed Company, provide the Deed Company with evidence, to the reasonable satisfaction of the Deed Company, that the Creditor will be (and will continue to be) in a financial position, or have access to sufficient funds, to enable it to satisfy the Creditor Indemnity; and

(C) the Deed Company may plead this document as a bar to any Enforcement Action taken by a Creditor in relation to the Claim in circumstances where the Creditor has not, prior to commencing that Enforcement Action, given the Creditor Indemnity to the Deed Company.

(b) A Creditor Indemnity must be provided prior to a Creditor taking action in relation to a Claim which is, or may be, an Insured Claim even if the insurer has not confirmed or it has not otherwise been established by the Deed Company that the applicable insurance is responsive to the Claim.

(c) To the extent that the Creditor is unable for any reason to obtain payment on account of its Insured Claim from the insurer (including, without limitation, by reason of any excess or deductible applicable to the insurance policy, or failure by the Deed Company to take action) this document operates as a complete release and bar to that part of the Creditor's Claim which has not been met by the insurer in accordance with **clauses 5** and **8.5(c)**.

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(d) If an Insured Claim is brought directly against the insurer or insurers with respect to that Insured Claim, the insurers will not be entitled to be subrogated to the Deed Company's rights to the Creditor Indemnity or otherwise entitled to rely on the Creditor Indemnity.

7 Secured Creditors and owners and lessors of property of the Deed Company

7.1 Secured Creditors

(a) Except as set out in this **clause 7**, nothing in this document will restrict the right of a Secured Creditor to realise or otherwise deal with its security to the extent permitted by section 444D(2) of the Corporations Act.

(b) Subject to **clause 7.1(c)**, each Secured Creditor who votes in favour of the Section 439C Resolution will be subject to the restrictions in **clause 5.3** and must not do anything to permit, procure or facilitate any security, trustee, agent or External Administrator for that Secured Creditor to do anything inconsistent with the restrictions in **clause 5.3**.

(c) The restrictions in **clause 5.3** will cease to apply to a Secured Creditor who votes in favour of the Section 439C Resolution if this document terminates for any reason other than Completion occurring.

7.2 Owners of property in the possession of the Deed Company

Nothing in this document will restrict a right that an Owner who does not vote in favour of the Section 439C Resolution has in relation to the property of that Owner under section 444D(3) of the Corporations Act.

7.3 Release of Security Interests

Immediately following Completion, any Security Interest held by a Secured Creditor (other than the Secured Lender) who votes in favour of the Section 439C Resolution will be immediately and automatically released without any further action of any person.

7.4 Removal of Security Interest Registrations

Each holder of a Security Interest which is released by **clause 7.3** must, as soon as reasonably practicable and in any event within 10 Business Days after Completion, remove and/or discharge or procure the removal and/or discharge of all registrations of its Security Interest, including any real property mortgage or PPSA registration.

8 Completion

8.1 Agreed Assets Contribution

The Deed Administrators agree that the amount of the Agreed Assets Contribution must not exceed the Agreed Assets Cap, provided that such Agreed Assets Cap may be increased from time to time by the Deed Administrators with the consent of the Deed Proponent (not to be unreasonably withheld or delayed and which will be deemed to have been provided if no response is received by the Deed Administrators within 48 hours of a request in writing sent to the Deed Proponent by email).

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8.2 Steps prior to Completion Date

(a) The Deed Administrators must, no later than 5 Business Days prior to the Completion Date, deliver to the Deed Proponent a Completion Statement, together with evidence (to the Deed Proponent's reasonable satisfaction) of the basis for the calculations made in the Completion Statement.

(b) The Deed Proponent must, no later than 10 Business Days prior to the Completion Date, notify the Deed Administrators of those persons that it wishes to appoint as Officers of the Deed Company in Completion Step Two and deliver to the Deed Administrators duly executed consents to act as an Officer from the relevant appointee.

8.3 Completion Steps

(a) On the Completion Date, the parties must undertake Completion Step One, Completion Step Two and Completion Step Three set out in **clauses 8.4** to **8.6** inclusive or such other steps as are reasonably required by the Deed Proponent and agreed by the Deed Administrators (**Completion Steps**).

(b) The Completion Steps are interdependent and will be effected (or deemed to be effected):

(i) with respect to Completion Step One, at the time on the Completion Date agreed by the Deed Proponent and the Deed Administrators;

(ii) with respect to Completion Step Two, immediately following Completion Step One;

(iii) with respect to Completion Step Three, immediately following Completion Step Two; and

(iv) with respect to each step comprising Completion Step Two:

(A) the steps set forth in **clauses 8.5(a)** to **8.5(e)**, simultaneously (which, in the case of the Secured Lender Debt Forgiveness, will comply with the terms of the Restructuring Coordination Deed); and

(B) the step set forth in **clause 8.5(f)**, immediately following the effectuation of the steps set forth in **clauses 8.5(a)** to **8.5(e)**.

(c) The Deed Administrators must give written notice to the Deed Proponent when all Completion Steps have occurred.

(d) If any of the Completion Steps are not completed, the parties must take such actions and steps as are necessary to put each of the parties in the same position as if none of the Completion Steps had occurred, and the extinguishment and release of Claims pursuant to **clause 8.5(c)** will be deemed not to have occurred.

8.4 Completion Step One

The Deed Administrators must deliver the Effective Time Notice as defined in the CFA Initial Amendment.

8.5 Completion Step Two

(a) (**Establishment of the Trust**) The parties thereto must exchange and cause to become effective the Trust Deed;

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(b) (**Cash Contribution**) the Cash Contribution must be paid by the Deed Administrators from the Deed Companies' cash at bank to the Trustees to be administered under the Trust as part of the Trust Fund;

(c) (**Release of Claims**) each Creditor's Claims (other than any Preserved Claims) are forever discharged, extinguished and released in full in accordance with **clause 5.4**;

(d) (**Resignation and appointment of Officers**) the Deed Administrators must:

(i) procure that each Director (and any other Officer nominated by the Deed Proponent to the Deed Administrators at least 3 Business Days prior to the Completion Date) of the Deed Companies immediately prior to the Completion Date resign or are removed as directors and Officers of the Deed Companies and deliver to the Deed Proponent duly executed resignation or termination letters of in a form satisfactory to the Deed Proponent (acting reasonably); and

(ii) take all such actions necessary to appoint the Nominated Directors as Officers of the Deed Companies in accordance with the Deed Proponent's directions; and

(iii) confirm in writing the resignation or termination of the Directors and any nominated Officers under **clause 8.5(d)(i)** and the appointment of the Nominated Directors under **clause 8.5(d)(ii)** is effective;

(e) (**Secured Lender Debt Forgiveness**) the Secured Lender Debt Forgiveness occurs; and

(f) (**Transfer of Shares**) the Deed Administrators must, pursuant to the Section 444GA Order (as applicable), transfer the Shares to the Purchaser, free from any Encumbrances or Security Interest (**Transfer**), by:

(i) delivering to the Purchaser a duly completed 444GA Share Transfer, executed on behalf of the Shareholders, for registration;

(ii) the Purchaser duly executing the 444GA Share Transfer, attending to the stamping of the 444GA Share Transfer (if required) and delivering it to the Deed Administrators for registration; and

(iii) immediately following receipt of the executed 444GA Share Transfer from the Purchaser, entering, or procuring the entry of, the name of the Purchaser in the share register for REX in respect of all the Shares transferred to the Purchaser in accordance with this document.

8.6 Completion Step Three

(a) (**Post-Completion Secured Lender Finance Documents**)

(i) the Deed Companies must exchange and cause to become effective the RCD Accession Deed; and

(ii) the parties thereto must exchange and cause to become effective the Post-Completion Secured Lender Finance Documents;

(b) (**Air T Finance Documents**) the parties thereto must exchange and cause to become effective the Air T Finance Documents (including satisfaction or waiver of the initial conditions precedent to the availability of the funding to be provided by Air T Facility Lender to the Deed Companies); and

(c) (**Air T Contribution**) the Employee Contribution and the Agreed Assets Contribution must be paid by the Deed Companies from the proceeds of a drawing under the Air T Facility to the Trustees to be administered under the Trust as part of the Trust Fund.

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8.7 Trust Fund available assets

(a) The only property of the Deed Companies that is available to pay the Creditors' Claims (other than any Preserved Claims) is the assets of the Trust Fund comprising:

(i) the portion of the Fund Contribution paid to the Creditor Pools; and

(ii) any interest accruing from time to time on the Creditor Pools.

(b) For the purposes of section 444A(4)(b) of the Corporations Act, the Creditor Pools of the Trust Fund are the only property of the Deed Companies available to pay Claims and the Property does not form part of the Trust Fund.

8.8 Consistency with the Corporations Act

(a) For the purposes of section 444DA of the Corporations Act:

(i) until Completion, any Employee Entitlement Claims in respect of the assets of the Deed Company under the Deed Administrators' control; and

(ii) on and from Completion, any Trust Employee Entitlement Claims in respect of the assets of the Creditor Pools,

will retain a priority at least equal to that they would have been entitled to if the property of the Deed Company had been applied in accordance with sections 556, 560 and 561 of the Corporations Act.

(b) For the purposes of section 444DB of the Corporations Act, the Deed Administrators (including in their capacity as Trustees) must determine that a Superannuation Debt is not admissible to proof as a Claim or a Claim against the Trust Fund if:

(i) that debt (or that part of the debt) by way of superannuation guarantee charge:

(A) has been paid; or

(B) is, or is to be, admissible against the Deed Company; and

(ii) the Deed Administrators are satisfied that the superannuation guarantee charge is attributable to the Superannuation Debt.

(c) If the Deed Administrators make a determination in accordance with **clause 8.8(b)**, the Superannuation Debt is to be treated as extinguished as against the Deed Company.

8.9 Employees Entitlements

On and from Completion, the Deed Company will remain liable for the Preserved Employee Entitlement Claims.

9 Pooling

All persons bound by this document acknowledge that for the purposes of the Trust Deed each Creditor of each Deed Company will be treated as a creditor of the group of Deed Companies as a whole.

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10 Deed Administrators' Appointment

10.1 Appointment

The Deed Administrators are appointed as joint and several administrators of the DOCA.

10.2 Acceptance of Appointment

The Deed Administrators:

(a) accept the appointment as administrators of the DOCA; and

(b) agree to act as administrators of the DOCA during the Deed Period or until the Deed Administrators retire or are removed from office in accordance with the DOCA or the Corporations Act.

10.3 Deed Administrators are agents

In exercising the powers conferred by the DOCA and carrying out the duties arising under this document, the Deed Administrators will act as agent for and on behalf of each Deed Company.

10.4 Management

(a) Subject to **paragraph (b)**:

(i) the Deed Administrators will retain day to day management and control of each Deed Company until the Termination Date to the exclusion of the Directors of the Deed Company; and

(ii) the Deed Proponent will not partake in the management or operations of any Deed Company prior to Completion, except as expressly consented to by the Deed Administrators in writing.

(b) Notwithstanding **paragraph (a)** and any other provision of this document, subject to the occurrence of Completion Step One and Completion Step Two, the Nominated Directors will be entitled and authorised to cause the Deed Companies to enter into the documents and effect the transactions contemplated by Completion Step Three.

10.5 Joint and several

The rights, powers and privileges of the Deed Administrators may be exercised by them jointly and severally.

10.6 Deed Administrators' resignation

Any Deed Administrator may resign at any time by giving not less than 28 days' prior written notice to each of the Deed Companies unless that resignation would result in there being no remaining Deed Administrators in which event the Deed Administrators must:

(a) convene meetings of Creditors of each of the Deed Companies in accordance with **clause 15** for the purpose of nominating a replacement deed administrator;

(b) assign to a replacement deed administrator nominated by the Creditors the Deed Administrators' rights, title and benefit under this document; and

(c) do all things reasonably necessary to effect the assignment referred to in **clause 10.6(b)**.

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11 Powers of the Deed Administrators

11.1 General Powers

For the purposes of administering this document and subject to the limitations in **clause 12**, the Deed Administrators have the following powers during the Deed Period:

(a) all the powers set out in paragraph 2 of Schedule 8A of the Regulations provided that the Deed Administrators must not, without the prior written consent of the Deed Proponent:

(i) bring an application for the winding up of the Deed Company;

(ii) exercise any of the powers set out in items (c), (n), (za), (zb), (zc) or (ze) of paragraph (2) of Schedule 8A of the Regulations; or

(iii) except in the ordinary course of business of the Deed Company, exercise any powers set out in items (h) or (s) of paragraph 2 of Schedule 8A of the Regulations,

unless the exercise of such power is expressly contemplated by this document or another Transaction Document;

(b) to remove from office a Director or company secretary of a Deed Company;

(c) to appoint a person as a Director of a Deed Company, whether to fill a casual vacancy or not;

(d) to perform any function and exercise any power that the Deed Company or any of their Officers could perform or exercise if the Deed Company were not subject to this document;

(e) in accordance with the Section 444GA Order, to transfer to the Shares;

(f) to do anything that is incidental to exercising a power set out in this **clause 11.1**; and

(g) to do anything else that is necessary or convenient for the purpose of administering this document.

11.2 Solicitors, Advisers and Consultants

(a) The Deed Administrators may engage the services of their fellow partners, employees, directors, officers, contractors, advisers, delegates, solicitors and consultants to assist them in the performance or exercise of their duties, obligations, responsibilities and powers under this document, and the Deed Company will pay all costs of any solicitors and consultants engaged by the Deed Administrators for such purpose.

(b) The Deed Administrators may delegate their powers under this **clause 11** including by way of appointing agents and authorises such agents to act on behalf of the Deed Administrators or the Deed Company.

11.3 No Personal Liability

During the Deed Period, the Deed Administrators are acting as the agent of the Deed Companies and, subject to the Corporations Act and to the extent permitted by law, accept no personal liability for any acts, matters or omissions relating to things done or not done in that capacity, including (without limitation) any liability relating to any amounts payable by the Deed Administrators for services rendered, goods bought or property hired, leased, used or occupied by or on behalf of the Deed Companies, other than any loss, damage, claim, liability

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or expense that is caused by fraud, wilful misconduct of the Deed Administrators or is contrary to the terms of this document.

12 Conduct of Business, Consultation with Deed Proponent and Reporting

12.1 Conduct of Business, Access and Consultation with the Deed Proponent

During the Deed Period, the Deed Administrators must:

(a) manage and conduct each Deed Company's Business in its ordinary and usual course, having regard to the nature of the Business of the Deed Companies and their past practice; and

(b) without prejudice to **paragraph (a)** above, not undertake any of the acts or matters listed in **Schedule 3** without the prior written consent of the Deed Proponent (not to be unreasonably withheld or delayed).

12.2 Creditor Reporting

Except as required by law, the Deed Administrators are not required to report to Creditors. However, the Deed Administrators may, in their absolute discretion, report to Creditors during the Deed Period at such times as the Deed Administrators consider appropriate and on matters which the Deed Administrators consider ought to be brought to the attention of the Creditors.

13 Committee of Inspection

(a) The Committee of Inspection, which was formed for the purposes of the administration of the Deed Companies will continue to operate for the purposes contemplated by this document and to assist the Deed Administrators in respect of each of the Deed Companies, with such modifications as necessary. For the avoidance of doubt, if this document terminates in respect of any Deed Company, the Committee of Inspection shall continue to operate in respect of the remaining Deed Companies.

(b) The members of the Committee of Inspection are permitted to continue dealing with the Deed Companies on a business as usual basis during the Deed Period.

(c) The Committee of Inspection may approve the remuneration of the Deed Administrators (and the Administrators) in accordance with Division 60 of the IPS.

14 Administrators' and Deed Administrators' remuneration and indemnity

14.1 Remuneration

(a) The Administrators and Deed Administrators are entitled to their Costs and their reasonable Remuneration in accordance with Division 60 of the IPS on the basis of the time spent by the Administrators and Deed Administrators (as the case may be), their partners and staff in the performance of services in connection with or in relation to the

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administration of the Deed Company under Part 5.3A of the Corporations Act and this document and such time will be charged at the Administrators' and Deed Administrators' standard rates, from time to time, for work of that nature by the firm of which the Administrators or Deed Administrators are partners or employees.

(b) The Deed Administrators acknowledge that from Completion their Remuneration and Costs will not be paid by the Deed Companies and will only be payable from the General Pool, and the Deed Companies will have no liability for Remuneration and Costs.

(c) The Administrators and the Deed Administrators' Remuneration and Costs referred to in this **clause 14.1** and all other costs shall be reimbursed by the Deed Companies prior to Completion and/or paid out of the General Pool. The Administrators and the Deed Administrators (whether or not they are still acting in either capacity) can request the Trustees to draw such approved amounts from the General Pool from time to time.

14.2 Indemnity

The Deed Administrators and Administrators (whether or not they are still acting in either capacity) are entitled to be indemnified from the General Pool in respect of:

(a) all debts, liabilities, actions, suits, proceedings, accounts, claims, damages, awards and judgments whatsoever arising out of or in any way connected to the administration of the Deed Company or their role as Administrators;

(b) any amount which the Administrators are, or but for the transactions contemplated by this document would be, entitled to be indemnified out of the assets of the Deed Company for, in accordance with the Corporations Act, at law or in equity, including any amounts payable pursuant to section 443A, section 443B or section 443BA of the Corporations Act;

(c) all actions, demands, suits, proceedings, debts, claims, losses, damages or other liabilities (whether present or future, certain or contingent, ascertained or sounding only in damages) arising out of, in connection with or incidental to any debts incurred by the Deed Company, the Deed Administrators, or the Deed Administrators' fellow partners or employees in the course of the administration of this document;

(d) any debts, liabilities, damages, losses and remuneration to which the statutory indemnity under section 443D of the Corporations Act applies;

(e) any amount for which the Administrators and Deed Administrators are entitled to exercise a lien at law or in equity on the property of the Deed Company;

(f) the Administrators' and Deed Administrators' Remuneration and Costs; and

(g) all debts, liabilities, actions, suits, proceedings, accounts, claims, damages, awards and judgments arising out of or in the course of this document and incurred or sustained in good faith and without negligence.

14.3 Continuing Indemnity

The indemnity and lien in this document is a continuing indemnity and will endure for the benefit of the Legal Personal Representatives despite the removal of the Deed Administrators and the appointment of new Deed Administrators or the termination of this document for any reason whatsoever, including by resolution of the Creditors or by order of the Court.

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14.4 Indemnity not to be affected or prejudiced

The indemnity under **clauses 14.2** and **14.3** will not:

(a) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Administrators or Deed Administrators and extends to cover any actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Administrators or Deed Administrators or defect in the approval or execution of this document or otherwise;

(b) affect or prejudice all or any rights that the Administrators or Deed Administrators may have against the Deed Company or any other person to be indemnified against the Costs, and liabilities incurred by the Administrators or Deed Administrators in the performance of, or incidental to, any of the powers or authorities conferred on the Administrators or Deed Administrators by this document or otherwise; or

(c) be affected by the removal of the Deed Administrators and the appointment of a replacement deed administrator or the termination of this document for any reason.

14.5 Administrators' and Deed Administrators' lien

Until Completion, the Deed Administrators and Administrators (whether or not they are still acting in either capacity) are entitled to exercise a lien over the Deed Company's assets for all amounts in respect of which they are entitled to an indemnity from the Deed Company under **clause 14.2**.

14.6 Deed Proponent not liable

To avoid doubt, the Deed Proponent shall not be liable for any debts, costs, expenses, losses, damages or liabilities incurred by the Administrators or the Deed Administrators prior to Completion (whether in their personal capacities or on behalf of the Deed Company) in connection with the administration of the Deed Company, the trading and operation of the business of the Deed Company or in connection with the administration of this document.

15 Creditors' Meetings

The Deed Administrators may convene a meeting or meetings of Creditors at any time, and except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this document, Division 75 of Part 3 of the IPR applies, with such modifications as are necessary, to meetings of Creditors held under this document as if references to the "external administrator" or chairperson, as the case may be, were references to the Deed Administrators.

16 Termination of the Deed

16.1 Termination on effectuation of Deed

This document will terminate immediately after Completion, unless terminated earlier in accordance with this document.

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16.2 Termination on failure of Deed

This document automatically terminates in respect of the Deed Company upon the happening of any one of the following events:

(a) following the occurrence of a Termination Event, the Deed Proponent gives the Deed Administrators notice of the Termination Event and the termination of this document under this clause **16.2**;

(b) the Court makes an order terminating this document under section 445D of the Corporations Act; or

(c) the creditors of the Deed Company with a Claim pass a resolution terminating this document in accordance with sections 445C(b) and 445CA of the Corporations Act.

16.3 Termination Event

The following events are Termination Events:

(a) (**Conditions**) the Conditions are not satisfied by the End Date or the Deed Proponent and the Administrators are of the view (acting reasonably) that one or more of the Conditions are incapable of satisfaction prior to the End Date; or

(b) (**Amendment**) this document is amended pursuant to a creditors' resolution or court order on terms not acceptable to the Deed Proponent.

16.4 Notice of effectuation of Deed

Upon termination in accordance with the provisions of **clause 16.1**, the Deed Administrators or one of them must immediately certify, in writing that the terms of this document have been fulfilled and, as soon as practicable, must lodge with ASIC a notice substantially in the following form in respect of the Deed Company:

> 'We, [***name of administrators***] of [***address***] as administrators of the deed of company arrangement executed on [***date***], CERTIFY that the deed has been wholly effectuated in respect to [***name of Deed Company***].'

and the execution of the notice terminates this document and all Claims (other than any Preserved Claims) of Creditors of the Deed Company will be extinguished, discharged and released if not extinguished or released earlier under this document.

16.5 Effect of Termination

In accordance with section 445H of the Corporations Act, the termination or avoidance, in whole or in part, of this document does not affect the previous operation of this document.

16.6 Severance

If any part of this document is or becomes illegal, ineffective, invalid or unenforceable, that part will be severed from this document and that severance will not affect the effectiveness, validity or enforceability of the remaining part of this document.

16.7 Consequences of Termination of the Deed for non-performance

Upon termination of this document under **clause 16.2**, unless the Deed Administrators and the Deed Proponent consider it appropriate to convene a further meeting of Creditors pursuant to Division 75-10 of the IPS to consider a variation of this document:

(a) each Deed Company will be taken to have passed special resolutions under section 491 of the Corporations Act that each of the Deed Companies (respectively) be voluntarily

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wound up and that the Deed Administrators be the applicable Deed Company's liquidators;

(b) section 446AA of the Corporations Act will apply; and

(c) each Deed Company will be wound up.

16.8 Survival of clauses

Despite any other provision of this document, **clauses 2**, **5**, **6**, **7.3**, **7.4**, **13**, **16**, **18** and **19** survive the termination of this document, including any other provision of this document or another Transaction Document incorporated by cross-reference or defined term in such clause.

17 GST

17.1 Construction

In this **clause 17**:

(a) unless there is a contrary indication, words and expressions which are not defined in this document but which have a defined meaning in the GST Law have the same meaning as in the GST Law;

(b) **GST Law** has the same meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) or, if that Act does not exist for any reason, means any Act imposing or relating to the imposition or administration of a goods and services tax in Australia and any regulation made under that Act; and

(c) references to GST payable and input tax credit entitlements include:

(i) notional GST payable by, and notional input tax credit entitlements of the Commonwealth, a State or a Territory (including a government, government body, authority, agency or instrumentality of the Commonwealth, a State or a Territory); and

(ii) GST payable by, and the input tax credit entitlements of, the representative member of a GST group of which the entity is a member.

17.2 Consideration GST exclusive

Unless otherwise expressly stated, all consideration, whether monetary or non-monetary, payable or to be provided under or in connection with this document is exclusive of GST (**GST-exclusive consideration**).

17.3 Payment of GST

If GST is payable on any supply made by:

(a) a party; or

(b) an entity that is taken under the GST Law to make the supply by reason of the capacity in which a party acts,

(**Supplier**)

under or in connection with this document, the recipient of the supply, or the party providing the consideration for the supply, must pay to the Supplier an amount equal to the GST

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payable on the supply and (without limiting the rights of any Supplier, but for the avoidance of doubt) the Administrators will be able to recover an amount to which they are entitled under this clause in the same manner as they are entitled to recover the consideration for that supply and failing entitlement to such recovery, from the General Pool.

17.4 Timing of GST payment

The amount referred to in **clause 17.3** must be paid in addition to and at the same time and in the same manner (without any set-off or deduction) that the GST-exclusive consideration for the supply is payable or to be provided.

17.5 Tax invoice

The Supplier must deliver a tax invoice or an adjustment note to the recipient of a taxable supply before the Supplier is entitled to payment of an amount under **clause 17.3**.

17.6 Adjustment event

If an adjustment event arises in respect of a supply made by a Supplier under or in connection with this document, any amount that is payable under **clause 17.3** will be calculated or recalculated to reflect the adjustment event and a payment will be made by the recipient to the Supplier or by the Supplier to the recipient as the case requires.

17.7 Reimbursements

(a) Where a party is required under or in connection with this document to pay for, reimburse or contribute to any expense, loss, liability or outgoing suffered or incurred by another party or indemnify another party in relation to such an expense, loss, liability or outgoing (**Reimbursable Expense**), the amount required to be paid, reimbursed or contributed by the first party will be reduced by the amount of any input tax credits to which the other party is entitled in respect of the Reimbursable Expense.

(b) This **clause 17.7** does not limit the application of **clause 17.3**, if appropriate, to the Reimbursable Expense as reduced in accordance with **clause 17.7(a)**.

17.8 Calculations based on other amounts

If an amount of consideration payable or to be provided under or in connection with this document is to be calculated by reference to:

(a) any expense, loss, liability or outgoing suffered or incurred by another person (**Cost**), that reference will be to the amount of that Cost excluding the amount of any input tax credit entitlement of that person relating to the Cost suffered or incurred; and

(b) any price, value, sales, proceeds, revenue or similar amount (**Revenue**), that reference will be to that Revenue determined by deducting from it an amount equal to the GST payable on the supply for which it is consideration.

17.9 No merger

This **clause 17** does not merge on the completion, rescission or other termination of this document or on the transfer of any property supplied under this document.

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18 Notices

18.1 General

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

18.2 How to give a communication

In addition to any other lawful means, a communication may be given by being:

(a) personally delivered;

(b) left at the party's current delivery address for notices;

(c) sent to the party's current postal address for notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail; or

(d) sent by email to the party's current email address for notices.

18.3 Particulars for delivery of notices

(a) The particulars for delivery of notices are initially:

Deed Administrators

Delivery address:	c/- Ernst & Young Australia, 8 Exhibition Street, Melbourne VIC 3000
Postal address:	Same as delivery address
Email:	sam.freeman@parthenon.ey.com justin.walsh@parthenon.ey.com adam.nikitins@au.ey.com
Attention:	Samuel Freeman, Justin Walsh and Adam Nikitins

Deed Company

Delivery address:	c/- Ernst & Young Australia, 8 Exhibition Street, Melbourne VIC 3000
Postal address:	Same as delivery address
Email:	sam.freeman@parthenon.ey.com justin.walsh@parthenon.ey.com adam.nikitins@au.ey.com
Attention:	Samuel Freeman, Justin Walsh and Adam Nikitins

Deed Proponent

Delivery address:	11020 David Taylor Drive, Suite 305, Charlotte, North Carolina 28262, United States of America with a copy to Corrs Chambers Westgarth, 50 Bridge Street, Sydney NSW 2000

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Postal address:	Same as delivery address
Email:	nswenson@airt.com
	mjundt@airt.com
	legal@airt.com
	with a copy to tom.schinckel@corrs.com.au and jeremy.horwood@corrs.com.au
Attention:	Nick Swenson, Mark Jundt, Jeremy Horwood, Tom Schinckel

(b) Each party may change its particulars for delivery of notices by notice to each other party.

18.4 Communications by post

Subject to **clause 18.6**, a communication is given if posted:

(a) within Australia to an Australian postal address, 3 Business Days after posting; or

(b) outside of Australia to an Australian postal address or within Australia to an address outside of Australia, 10 Business Days after posting.

18.5 Communications by email

Subject to **clause 18.6**, a notice sent by email is taken to be received at the time the email enters the recipient's email system (provided the sender does not receive a delivery failure message).

18.6 After hours communications

(a) If a communication is given:

(i) after 5.00 pm in the place of receipt; or

(ii) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

(b) The place of receipt for any notice to the Deed Proponent is Minneapolis, Minnesota, United States of America.

18.7 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this **clause 18** or in accordance with any applicable law.

18.8 Copies of communications

If the particulars of delivery in **clause 18.3** provide for copies of communication to be sent to specified addresses, delivery will not be deemed effective unless the communication is sent to both the party and the copy address in accordance with **clause 18.3**, but delivery to the copy address alone shall not be effective communication or service under this **clause 18.**

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19 General

19.1 Application to Court

No person bound by this document (other than the Deed Administrators or Deed Proponent) may make any application to Court in relation to any matter arising under this document unless at least 5 Business Days' prior notice has been given in writing to the Deed Administrators and Deed Proponent. The notice must give particulars of the proposed application and attach a copy of any papers proposed to be filed with the Court in support of that application.

19.2 Acknowledgement

The parties acknowledge that the terms set out in this document are subject to the obligations which the Administrators and the Deed Administrators have to Creditors under law and statute.

19.3 Duty

The Purchaser will be responsible for the payment of all Duty payable in respect of or in accordance with the transactions described in this document, including the transfer of all Shares to the Purchaser.

19.4 Effect of execution

(a) This document is not binding on any party unless it or a counterpart has been duly executed by each person named as a party to this document.

(b) If as a result of this clause, this document has not come into full force and effect on or prior to the expiration of 15 Business Days (or such further period as the Court allows) after the Meeting Date, then this document will terminate automatically.

19.5 Costs

(a) Except as expressly stated otherwise in this document, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this document.

(b) The Administrators' costs of, and incidental to, the preparation and execution of this document are taken to be costs, charges and expenses incurred by the Deed Administrators in connection with, or incidental to, the administration of this document.

19.6 Books and records

The Deed Administrators may retain copies of or access to the books and records of the Deed Companies following Completion, only for the purpose of doing anything necessary or reasonably desirable in the exercise of the Deed Administrators' performance or exercise of their duties, obligations and responsibilities under the Corporations Act, this document or the Trust Deed.

19.7 Amendment

This document may only be varied or replaced by:

(a) resolution passed at a meeting of Creditors by a majority of Creditors in number and in value in accordance with this document, but only if the variation is not materially

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different from the proposed variation set out in the notice of that meeting and provided the varied document is executed by the parties; or

(b) order of a Court.

19.8 Waiver and exercise of rights

(a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.

(b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

19.9 Rights cumulative

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party and do not exclude any rights, powers, authorities, discretions or remedies provided by law.

19.10 Consents

Except as expressly stated otherwise in this document, a party may conditionally or unconditionally give or withhold any consent to be given under this document and is not obliged to give its reasons for doing so.

19.11 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

19.12 Business Days

Except where otherwise expressly provided, if the day on or by which any act, matter or thing is to be done as required by this document is a day other than a Business Day, that act, matter or thing will be done on the immediately succeeding Business Day.

19.13 Governing law and jurisdiction

(a) This document is governed by and is to be construed in accordance with the laws applicable in New South Wales.

(b) Each person bound by this document irrevocably and unconditionally submits to the exclusive jurisdiction of the state and federal courts exercising jurisdiction in New South Wales and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

19.14 Creditors' Power of Attorney

Each Creditor irrevocably appoints:

(a) prior to Completion, each of the Deed Administrators jointly and severally; and

(b) following Completion, each Director of the Deed Company jointly and severally,

as its attorney to execute any document to give effect to the releases in set out in this document.

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19.15 Assignment

(a) A party must not assign or deal with any right under this document without the prior written consent of the other parties.

(b) Any purported dealing in breach of this clause is of no effect.

19.16 Liability

An obligation of two or more persons binds them separately and together.

19.17 Counterparts

(a) This document may be signed in any number of counterparts and exchanged by email or other electronic means, and all those counterparts taken together constitute one and the same instrument.

(b) An executed counterpart sent by email or other electronic means to a party is deemed to be a validly executed and exchanged counterpart as if it were the original.

19.18 Electronic execution

Each party consents to this document being executed electronically and existing in electronic form and agrees that electronic signatures, including scanned or pdf signatures, are legally valid and binding methods of execution and conclusive as to their intention to be bound as if signed by that party's (or any of its duly authorised signatory's) manuscript signature. Each party also confirms that the use of an electronic signing platform is a legally valid and binding method of execution.

19.19 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this document and the transactions contemplated by it.

19.20 Entire understanding

(a) This document contains the entire understanding between the parties as to the subject matter of this document.

(b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.

(c) No oral explanation or information provided by any party to another:

(i) affects the meaning or interpretation of this document; or

(ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

19.21 Relationship of parties

This document is not intended to create a partnership, joint venture or agency relationship between the parties.

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Schedule 1 – Trust Deed

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Execution Version

Rex Group Creditors' Trust Deed

Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several deed administrators of the Companies

Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several trustees of the Rex Group Creditors' Trust

The Companies

Air T, Inc.

CORRS CHAMBERS WESTGARTH

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Date

Parties

1 **Samuel Freeman, Justin Walsh** and **Adam Nikitins** each in their capacity as joint and several deed administrators of the Companies of Ernst & Young Australia, 8 Exhibition Street, Melbourne VIC 3000 (**Deed Administrators**)

2 **Samuel Freeman, Justin Walsh** and **Adam Nikitins** each in their capacity as joint and several trustees of the Rex Group Creditors' Trust of Ernst & Young Australia, 8 Exhibition Street, Melbourne VIC 3000 (**Trustees**)

3 **Air T, Inc.** of 11020 David Taylor Drive, Suite 305, Charlotte, North Carolina 28262 (**Deed Proponent**)

Each of:

4 **Regional Express Holdings Limited (subject to deed of company arrangement)** ACN 099 547 270

5 **Air Partners Pty Ltd (subject to deed of company arrangement)** ACN 065 221 356

6 **Rex Investment Holdings Pty Ltd (subject to deed of company arrangement)** ACN 101 317 677

7 **Regional Express Pty Ltd (subject to deed of company arrangement)** ACN 101 325 642

8 **Rex Flyer Pty Ltd (subject to deed of company arrangement)** ACN 671 816 621

9 **Australian Aero Propeller Maintenance Pty Ltd (subject to deed of company arrangement)** ACN 131 278 889

10 **Australian Airline Pilot Academy Pty Ltd (subject to deed of company arrangement)** ACN 128 392 469

11 **AAPA Victoria Pty Ltd (subject to deed of company arrangement)** ACN 118 837 586

of c/- Ernst & Young Australia, 8 Exhibition Street, Melbourne VIC 3000 (together, the **Companies**)

Background

A On the Appointment Date, Samuel Freeman, Justin Walsh and Adam Nikitins were appointed as joint and several administrators of the Companies pursuant to Part 5.3A of the Corporations Act.

B At the meetings held concurrently on 11 November 2025 and convened pursuant to section 439A of the Corporations Act, the Creditors of each of the Companies resolved that the Companies execute a deed of company arrangement proposed under section 444B(2)(b) of the Corporations Act.

C On or about the date of this document, the Deed Administrators and the Companies executed the DOCA pursuant to section 444B(2)(a) of the Corporations Act.

D The Fund Contribution will be transferred to the Trustees to settle the Trust in accordance with clauses 8.5(b) (*Cash Contribution*) and 8.6(c) (*Air T Contribution*) of the DOCA.

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E The parties enter into this document as contemplated by the DOCA in order to facilitate a distribution by the Trustees to the Trust Creditors in their capacity as beneficiaries of the Trust Fund.

Agreed terms

1 Interpretation

1.1 Definitions

The meanings of the terms used in this document are set out below. Otherwise, terms used in this document that are not set out below have the meaning set out in the DOCA:

Admitted Claim	The Claim of any Trust Creditor admitted by the Trustees after adjudication in accordance with **clause 7** of this document.
Agreed Assets Adjustment Payments	Has the meaning given to it in **clause 5.9(d)**.
Commencement Date	The date of Completion under the DOCA.
Committee of Inspection	The committee of inspection formed: (a) in accordance with Division 75 and 80 of the IPS and Division 75 of the IPR, as amended by orders of the Court in respect of the administration of the Companies; and (b) by resolution of creditors of the Companies on 11 November 2025, as that committee is constituted from time to time.
Court	The Federal Court of Australia or the Supreme Court of New South Wales, or any court having jurisdiction to hear and determine matters under the Corporations Act and the Trustee Act.
Deed Administrators' Costs	Includes costs, charges and expenses, including those incurred in connection with advisers, incurred in connection with the performance of the Deed Administrators' duties, obligations and responsibilities under the Corporations Act and the DOCA during the Administration Period and the Deed Period.
Deed Proponent	Air T, Inc.
Dispute Notice	Has the meaning given to it in **clause 5.9(c)(iii)**.
Dividend	Any amount paid to a Trust Creditor in respect of that Trust Creditors' Admitted Claim.
DOCA	The deed of company arrangement dated [●] November 2025 in respect of each Company.

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Draft True-Up Statement	A statement to be provided in connection with the True-Up setting out the Trustees' calculations as to: (a) the Agreed Assets Amount as at the Commencement Date; and (b) a reconciliation of the amount of Accrued Expenses due for payment and whether any Accrued Expenses have been discharged by the Company.
Final Dividend	The last Dividend payment to be made by the Trustees to any Trust Creditor under this document.
Final Objection Date	The fifth Business Day after receipt by the Deed Proponent of a Draft True-Up Statement.
Final True-Up Statement	Has the meaning given to it in **clause 5.9(c)(iv)** and must satisfy the requirement in **clause 5.9(f)**.
GST	Has the meaning given to that term in the GST Act.
GST Act	The *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
Liability	Any liability or obligation (whether actual, contingent or prospective), including for any Loss of whatever description irrespective of when the acts, events or things giving rise to the liability or obligation occurred.
Loss	Includes any loss, damage, Liability, obligation, compensation, fine, penalty, charge, payment, cost or expense (including any legal cost and expense) however it arises and whether it is present or future, fixed or unascertained, actual or contingent but excluding any consequential or indirect loss, economic loss or loss of profits.
Secured Lender	The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts ABN 86 267 354 017.
Total Agreed Assets Contribution	The aggregate amount for which the Companies may be liable to pay in respect of the Agreed Assets Contribution and the net amount of any Agreed Assets Adjustment Payments.
True-Up	The mechanism and process set out in **clause 5.9(a).**.
True-Up Commencement Date	The date which is two weeks after the Commencement Date.
True-Up Date	(a) the True-Up Commencement Date; and (b) monthly following the True-Up Commencement Date.
Trust	The "Rex Group Creditors' Trust" established by this document.
Trust Creditor	A Creditor who holds a Trust Creditor's Claim
Trust Creditor's Claim	A Claim, other than a Preserved Claim or a Non-Participating Claim.
Trustee Act	The *Trustee Act 1925* (NSW).
Trustees' Costs	The costs, charges and expenses, incurred by the Trustees in connection with the performance of their duties, obligations and responsibilities and the exercise of their powers and discretions under

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	this document as trustees of the Trust, including those incurred in connection with professional advisors.
Trustees' Remuneration	The remuneration of the Trustees referred to in **clause 10.1**.

2 Commencement Date

The Trust will come into effect and the Deed Administrators will act as Trustees pursuant to the terms of this document immediately upon the date of Completion occurring under the DOCA.

3 Payment of Fund Amount

The Fund Contribution will be transferred to the Trustees to settle the Trust in accordance with clauses 8.5(b) (*Cash Contribution*) and 8.6(c) (*Air T Contribution*) of the DOCA.

4 Declaration of Trust

4.1 Declaration

The Trustees acknowledge and declare that the Trust Fund will be held on trust by the Trustees for:

(a) the Trust Creditors; and

(b) each Company,

on the terms set out in this document.

4.2 Name of Trust

The trust constituted by this document will be called the Rex Group Creditors' Trust.

4.3 Trustees' powers

(a) Without limiting the powers that the Trustees have by operation of the Trustee Act, for the purposes of administering the trust created by this document, the Trustees have the following powers:

(i) to administer the Trust Fund in accordance with the provisions set out in the DOCA and this document;

(ii) to fulfil the Trustees' obligations in accordance with the terms of this document;

(iii) to sell, re-invest or otherwise deal with the assets of the Trust Fund;

(iv) to perfect title in any assets of the Trust Fund;

(v) to insure any assets of the Trust Fund;

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(vi) to, at any time, call meetings of the Trust Creditors for the purpose of considering the variation or termination of this document in accordance with the provisions of this document;

(vii) to admit Claims to proof in accordance with the provisions of the DOCA and this document;

(viii) to determine Admitted Claims and then to pay Dividends in accordance with the terms of this document;

(ix) to act as attorney for the Companies or any other person for any purpose associated with the Trust or this document;

(x) to enforce compliance with the terms of this document;

(xi) to accept the transfer of any shares, stocks, debentures, debenture stock, annuities, bonds, obligations or other securities of whatever nature that may at any time be transferred to the Trustees;

(xii) to enter upon or take possession of the Trust Fund and to collect the revenue or income from or interest on the Trust Fund and exercise any rights or powers relating to any part of the Trust Fund;

(xiii) to continue, bring, prosecute and defend any claim, action, suit or proceeding, which includes the power to bring and defend any claim, counter-claim, set-off, action, suit or proceeding in the Companies' names (only with the consent of the Companies) or (if necessary, after assignment) in the Trustees' name, to enforce any right, claim or cause of action that forms part of, or relates to a claim against the Trust Fund, and to that end:

(A) to issue or accept service of any writ, summons or other legal process and to appear or be represented in any court and before all wardens, magistrates or judicial or other officers as the Trustees think fit and to commence or defend and conduct any action or other proceeding in any court of justice in relation to the Trust Fund and any claim, proceeding or action forming part of the Trust Fund and to prosecute, discontinue, compromise, stay, terminate or abandon that proceeding or action as the Trustees think fit;

(B) to appoint any solicitor and counsel to prosecute or defend in those proceedings as occasion may require; and

(C) to take any other lawful ways and means for the recovering or getting in any of the Trust Fund or defending claims made against the Trustees or in respect of the Trust Fund;

(xiv) to convene and hold meetings of the Trust Creditors for any purpose as the Trustees consider fit;

(xv) to permit any person authorised by the Trustees to operate any account in the name of the Trust;

(xvi) to do all acts and execute in the name and on behalf of the Trust all deeds, receipts and other documents;

(xvii) to draw, accept, make or endorse any bill of exchange or promissory note in the name and on behalf of the Trust;

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(xviii) subject to the Corporations Act, to prove in the winding up of or under any scheme of arrangement entered into by, or deed of company arrangement executed by, any contributory or debtor of the Trust;

(xix) to bring or defend an application for the vesting or winding up of the Trust;

(xx) to report to the Trust Creditors from time to time;

(xxi) to make interim or other distributions of the Trust Fund;

(xxii) to appoint agents to do any business or attend to any matter or affairs of the Trust that the Trustees are unable to do, or that it is unreasonable to expect the Trustees to do, in person;

(xxiii) to appoint a solicitor, accountant or other professionally qualified person to assist the Trustees;

(xxiv) to compromise any claim, action, suit or proceeding brought by or against the Trustees on such terms as the Trustees consider fit, which power includes the power to compromise any claim, action, suit or proceeding referred to in paragraph (xiii) of this clause;

(xxv) to provision for and set aside a sum or sums equal to an amount which the Trustees reasonably anticipate may be payable in respect of any tax, including income tax, capital gains tax or GST;

(xxvi) to do anything incidental to exercising a power set out in this document;

(xxvii) to do anything else that is necessary or convenient for administering the Trust; and

(xxviii) to pay any amounts from the Trust Fund for which an indemnity exists under this document.

(b) Without limiting the Trustees' powers under any law with respect to trustees or otherwise, the Trustees may deal with the property comprising the Trust Fund in any manner as if the Trustees were the legal and beneficial owners of that property, and may also exercise any power in respect of the property comprising the Trust Fund and the Trustees' functions under this document as the Deed Administrators are or were entitled to exercise under the terms of the DOCA.

4.4 Exercise of discretion and powers

(a) The Trustees may exercise any discretion under this document in the Trustee's absolute and unfettered discretion.

(b) The Trustees shall not be required to give any reason for the exercise of, or failure to exercise, any of the Trustee's powers.

(c) None of the Trustees' powers shall limit the generality of any other of the Trustees' powers, and the Trustees shall have the power to do anything the Trustees consider incidental to any of the Trustees' powers.

4.5 Objects of the Trust

The Trustees shall receive and hold the Trust Fund on trust for the benefit of the Trust Creditors and will distribute the Trust Fund in accordance with the terms of this document.

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5 Trust Fund

5.1 Trust Fund

The Trust Fund shall be comprised of the Fund Contribution and any interest accruing from time to time on the Fund Contribution.

5.2 Trust Fund pools

(a) The Trust Fund will be segregated into the following pools:

(i) the Employee Pool, which will:

(A) comprise a portion of the Fund Contribution equal to the amount of the Employee Contribution; and

(B) only be available for satisfaction of the Claims of the Trust Creditors or transfer to the General Pool as specified in **clause 5.3**;

(ii) the Agreed Assets Pool, which will:

(A) comprise a portion of the Fund Contribution equal to the amount of the Agreed Assets Contribution and the Expense Cash Contribution; and

(B) only be available for satisfaction of the liabilities and payments specified in **clause 5.4**; and

(iii) the General Pool, which will:

(A) compromise a portion of the Fund Contribution equal to the Costs Cash Contribution and any amounts transferred from the Employee Pool as specified in **clause 5.3**; and

(B) only be available for satisfaction of the Claims of the Trust Creditors and other liabilities and payments specified in **clause 5.5**.

(b) Subject to **clause 5.3(b)**, each pool must remain segregated and may not be applied in satisfaction of the Claims of Trust Creditors or other payments or liabilities to which each other pool is to be applied in accordance with **clause 5.2(a)**.

5.3 Distribution of the Employee Pool

The Employee Pool will be available for distribution as follows:

(a) first, to any Employees on account of any Employee Entitlement Claim; and

(b) next, to the extent of any surplus, that surplus is to be applied to the General Pool for distribution in accordance with **clause 5.5**.

5.4 Distribution of the Agreed Assets Pool

The Agreed Assets Pool will be available for distribution as follows:

(a) as required by **clause 5.9(f)(ii)** or at such other time determined by the Trustees in their sole discretion, on account of payment of Accrued Expenses which are due and payable and which have not otherwise been paid by a Company;

(b) to the Companies on account of any distribution they are entitled to in accordance with **clause 5.9(f)(i)**;

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(c) to REX on account of any Agreed Assets Adjustment Payments they are entitled to in accordance with **clause 5.9(d)**; and

(d) to REX on account of any surplus they are entitled to following completion of the True-Up in accordance with **clause 5.9(g)**.

5.5 Distribution of the General Pool

The General Pool will be available for distribution as follows:

(a) first, to the Administrators and Deed Administrators (even though they may have ceased to be Administrators or Deed Administrators) for any accrued Administration Debt and any related amount recoverable by the Administrators under clause 17 of the DOCA;

(b) next, to the Administrators and Deed Administrators (even though they may have ceased to be Administrators or Deed Administrators) for any Remuneration and Costs and any other amount which they are entitled to be paid or indemnified for under clause 14 (*Administrators' and Deed Administrators' remuneration and indemnity*) of the DOCA and any related amount recoverable by the Administrators under clause 17 of the DOCA;

(c) next, to the Trustees in satisfaction of the Trustees' Remuneration and the Trustee's Costs;

(d) next, to the extent of any surplus, to the Secured Lender on account of its Trust Creditor's Claim;

(e) next, to the extent of any surplus, to any Trust Creditor whose Trust Creditor's Claim is entitled to priority under law over other Trust Creditor's Claims, on account of such priority Claims and in accordance with any applicable priority; and

(f) next, to the extent of any surplus, to each other Trust Creditor on account of its Trust Creditor's Claim in an amount equal to its pro rata portion of the remaining assets of the Trust; and

(g) next, to the extent that there is:

(i) a surplus or balance in the General Pool after the Trust Creditors have received their distribution in accordance with **clause 5.5(f)**; or

(ii) a remaining balance of any distribution of trust property to Trust Creditors which has remained under the control of the Trustees and has been unclaimed for more than six months after the day on which the Trustees declare their intention to distribute a Final Dividend in accordance with this document,

such surplus or balance will be paid by the Trustees to REX.

5.6 Insured Claims

Notwithstanding **clauses 5.2**, **5.3** and **5.5**, and in accordance with the requirements under clause 6.2 (*Insured Claims*) of the DOCA, any Creditor who would have been entitled to priority over other unsecured creditors under section 562 of the Corporations Act in respect of any amount forming part of the Creditor Pools (as applicable) will retain a priority in respect of the assets of the Creditor Pools at least equal to that to which they would have been entitled to if the property of the Company had been applied in accordance with section 562 of the Corporations Act.

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5.7 Employee Entitlement Claims

Notwithstanding **clause 5.2**, **5.3** and **5.5**, and in accordance with the requirements under clause 8.8 (*Consistency with the Corporations Act*) of the DOCA, any Creditor whose Employee Entitlement Claim would have been entitled to priority over other unsecured creditors under sections 556, 560 and 561 of the Corporations Act in respect of any amount forming part of the Creditor Pools will retain a priority in respect of the assets of that Creditor Pools at least equal to that to which they would have been entitled to if the property of the Company had been applied in accordance with such provisions of the Corporations Act.

5.8 Distributions to Trust Creditors

(a) No distributions will be made to Trust Creditors in accordance with **clause 5.5,** unless that Trust Creditor's Claim is an Admitted Claim.

(b) The Trustees may distribute the Trust Fund at such times as the Trustees consider, in their absolute discretion, that is appropriate and feasible to do so, including making distributions (whether interim or final) under any provision of **clauses 5.3** to **5.5** in advance of making any payments under any other provision of **clauses 5.3** to **5.5** on the basis that they have retained sufficient funds to ensure that any payments to be made under any provision of **clauses 5.3** to **5.5** having higher priority may be made when the time comes to do so.

5.9 True-Up Process

(a) For a period of six months following the Commencement Date, the Agreed Assets Contribution and the Accrued Expenses Amount will be reviewed by the Trustees and the Deed Proponent on a rolling basis as part of the True-Up as set out in this clause.

(b) The purpose of the True-Up is to:

(i) determine whether the Agreed Assets Amount as at the Commencement Date differs from the estimate of the Agreed Assets Amount in the Completion Statement provided to the Deed Proponent by the Deed Administrators in accordance with clause 8.2 (*Steps prior to Completion Date*) of the DOCA; and

(ii) reconcile the amount of Accrued Expenses due for payment and whether any Accrued Expenses have been discharged by the Company.

(c) The procedures for the True-Up are as follows:

(i) a True-Up of the Agreed Assets Contribution (which includes the Agreed Assets Amount) and the Accrued Expense Amount (which includes the Accrued Expenses) will occur on each True-Up Date;

(ii) the Trustees will prepare and deliver to the Deed Proponent on each True-Up Date a Draft True-Up Statement, along with supporting evidence of the basis for such calculations to the Deed Proponent's reasonable satisfaction;

(iii) if the Deed Proponent disagrees with any aspect of a Draft True-Up Statement, the Deed Proponent may deliver a notice (**Dispute Notice**) to the Trustees on or before the Final Objection Date for that Draft True-Up Statement setting out:

(A) a reasonable description of, and the grounds for, the dispute or disagreement the subject of the Dispute Notice (which grounds may include inadequacy of supporting information); and

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(B) its proposed adjustments to the Draft True-Up Statement, together with supporting calculations setting out the basis for such proposed adjustments;

(iv) if the Deed Proponent does not give a Dispute Notice to the Trustees on or before the relevant Final Objection Date in respect of a Draft True-Up Statement, that Draft True-Up Statement will be taken to be final and binding upon the parties (then a **Final True-Up Statement**); and

(v) if the Deed Proponent does give a Dispute Notice on or before the Final Objection Date in respect of a Draft True-Up Statement:

(A) the Deed Proponent and Trustees must:

(1) enter into good faith negotiations and use reasonable endeavours to resolve the dispute in respect of that Draft True-Up Statement by agreeing a Final True-Up Statement within five Business Days after delivery of the relevant Dispute Notice by the Deed Proponent; and

(2) provide all relevant information in each such party's reasonable control or possession regarding the matters which are the subject of the Dispute Notice to the other parties to assist with resolution of such dispute; and

(B) to the extent the dispute referred to in the Dispute Notice is not resolved in accordance with **clause 5.9(c)(v)(A)** above, the Deed Proponent or Trustees may refer the matter for final determination to an independent expert selected by:

(1) agreement between the parties; or

(2) if no agreement is reached between the parties within 10 Business Days after delivery by the Deed Proponent of the Dispute Notice, the Chair of the Resolution Institute at the request of the Deed Proponent and/or the Trustees,

in accordance with the rules and procedures determined by agreement between the parties, or as otherwise determined by the independent expert (including as to costs). The Deed Proponent and the Trustees agree that the Draft True-Up Statement as confirmed or varied by such independent expert's final determination will be deemed to be the Final True-Up Statement.

(d) Subject to **clause 5.9(e)**, to the extent any Final True-Up Statement reflects:

(i) any additional assets resulting in a higher Agreed Assets Amount than in the Completion Statement (as adjusted by any prior Final True-Up Statements), the Companies will pay or cause to be paid from the proceeds of a draw under the Air T Facility an amount equal to the difference between the Agreed Assets Amount in the Completion Statement (as adjusted by any prior Final True-Up Statements) and the higher Agreed Assets Amount (in cleared funds) to the Trust Fund to form part of the Agreed Assets Pool; or

(ii) a lower Agreed Assets Amount than in the Completion Statement (as adjusted by any prior Final True-Up Statements), the Trustees will pay an amount equal to the difference between the Agreed Assets Amount in the Completion Statement (as

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adjusted by any prior Final True-Up Statements) and the lower Agreed Assets Amount (in cleared funds) to REX under **clause 5.4(c)**,

(**Agreed Assets Adjustment Payments**) within five Business Days of the relevant Final True-Up Statement being delivered to the Deed Proponent.

(e) The parties acknowledge and agree that:

(i) the Total Agreed Assets Contribution shall not exceed the Agreed Assets Cap; and

(ii) to the extent that payment of any Agreed Assets Adjustment Payments by the Companies under **clause 5.9(d)** would result in the Total Agreed Assets Contribution exceeding the Agreed Assets Cap, the Agreed Assets Adjustment Payment required to be paid by the Companies will be reduced by the amount of such excess.

(f) Each Final True-Up Statement in relation to the Accrued Expenses will confirm whether any amounts detailed in the Completion Statement have become due for payment and have been paid by the Trustees or a Company. To the extent that:

(i) a Company has discharged all or part of an Accrued Expense, the Trustees will make a distribution to that Company under **clause 5.4(b)** in an amount equal to the amount of such Accrued Expense which the Company has discharged; and

(ii) an Accrued Expense is due and payable but not yet paid, the Trustees will discharge such liability under **clause 5.4(a)**.

(g) On the day which is six months after the Commencement Date, the final True-Up Date will occur and the parties will undertake a final True-Up process. Following the completion of that True-Up process and any payments in accordance with this **clause 5.9**, to the extent any surplus remains in the Agreed Asset Pool, such surplus will be distributed to REX under **clause 5.4(d).**

5.10 Postponement

Should proceedings be brought by any person in respect of the distribution of the Trust Fund, then the Trustees are entitled at their sole discretion to postpone the payment of any entitlement until determined by the Trustees.

5.11 Unclaimed moneys

In the event that the Trustees, for any reason, are unable to locate a Trust Creditor, or if any cheque sent by the Trustees to a Trust Creditor has not been presented within six months, then:

(a) the Trustees shall stop payment of such cheque;

(b) the moneys represented by such stopped cheque or held by the Trustees on behalf of the Trust Creditor shall be paid to ASIC; and

(c) the provisions of sections 544(1) and 544(3) of the Corporations Act will apply, with such modifications as are necessary to such payment as if references in those sections to “liquidator” were references to the “Trustees”.

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6 Perpetuity Period

Notwithstanding any other provision in this document, each:

(a) interest in property; and

(b) Trustees' power over or in connection with property,

created or granted by this document that, but for this provision, might vest, take effect, or be exercisable after the expiry of 80 years commencing on the date of this document, but which has not vested or taken effect by that date,

(c) will vest or take effect on the last day of that period; and

(d) is exercisable only on or before the last day of that period.

7 Claims

7.1 Admissibility of Claims

(a) Upon this document being settled, and in accordance with clause 5.7 (*Conversion of Claims*) of the DOCA, all Claims of the Trust Creditors against the Companies will convert to and become claims against the Creditor Pools of the Trust Fund under this document, equal in amount to the Trust Creditor's entitlement to a distribution in respect of the Trust Creditor's released Claim in accordance with **clauses 5.3** to **5.5** of this document.

(b) Interest will not accrue or be payable on any Admitted Claim.

7.2 Trustees' discretion

The Trustees may, in their absolute discretion:

(a) call for proofs of debt or claim;

(b) admit all or part of a Claim;

(c) reject all or part of a Claim; or

(d) pay any Admitted Claim,

in accordance with the provisions of this document.

7.3 Adjudication of Claims

(a) Subdivisions A, B, C and E of Division 6 of Part 5.6 of the Corporations Act apply to Claims under this document as if references to the liquidator were references to the Trustees and references to winding up were references to this document, and with such other modifications as are necessary to give effect to this document, except to the extent that those provisions are varied or excluded expressly or impliedly by this document.

(b) Regulations 5.6.11, 5.6.37, 5.6.39 to 5.6.43 (inclusive), 5.6.44 to 5.6.53 (inclusive) and 5.6.55 to 5.6.72 (inclusive) of the Regulations shall apply to this document and to the Trustees as if references to the liquidator were references to the Trustees and references to winding up were references to this document, and with such other

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modifications as are necessary to give effect to this document, except to the extent that those provisions are varied or excluded expressly or impliedly by this document.

(c) The Trustees may make interim distributions of trust property under this document.

(d) The Trustees may make any distribution by electronic funds transfer to a bank account nominated by the relevant Trust Creditor.

(e) The Trustees must declare and distribute trust property under this document as soon as practicable after the Trust comes into effect under **clause 4.1**. However, subject to **clauses 7.3(a)** and **7.3(b)**, the Trustees have an absolute and unfettered discretion as to the admission of Claims, and the amount and timing of the distribution of the trust property in payment of Admitted Claims.

(f) Where the Trustees propose to reject a Claim (whether in part or in full) the Trustees shall send a notice to the Creditor informing the Creditor of the proposed rejection and giving the party 14 days within which to make an application to the Court to determine the questions relating to the Claim.

(g) The Trustees are entitled to rely upon any steps and determinations made by the Deed Administrators for the purposes of this Clause in respect of whether a claim asserted for the purposes of claiming under this document is an Admitted Claim, together with any information and proofs or particulars of debt provided to the Administrators or Deed Administrators.

7.4 Access to Records

(a) The Trustees may at any time inspect and take copies of the books and records of the Companies at no cost and the Companies authorise the Trustees and their staff to enter the Companies' premises on any Business Day during the hours of 9.00 am and 5.00 pm with no less than 24 hours' notice, for the purpose of conducting such an inspection and for the purpose of doing anything necessary or desirable in the exercise of their powers and discretions and the performance of their duties, obligations and responsibilities as Trustees under this document, including to take photocopies or images of any books and records for that purpose.

(b) The Companies must provide copies of their books and records as reasonably requested by the Trustees from time to time to facilitate the Trustee's exercise of their powers and discretions and the performance of their duties, obligations and responsibilities as Trustees under this document.

(c) The Companies must provide assistance to the Trustees by the provision of information and access to staff with relevant technical expertise reasonably requested by the Trustees to facilitate the exercise of their powers and discretions and the performance of the Trustees' duties, obligations and responsibilities as Trustees under this document.

7.5 Non-Participating Superannuation Debts not Admissible

A Non-Participating Superannuation Debt is not admissible to proof against the Trust Fund.

7.6 Creditors' costs and expenses

Any costs and expenses incurred by a Trust Creditor in asserting a Claim under this document (including any application under **clause 7.3(f)**) will be borne by that Trust Creditor and will not form part of that Trust Creditor's Claim under this document.

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7.7 Abandonment of Claims

A Trust Creditor will have abandoned, and will be taken for all purposes to have abandoned, all Claims and all other entitlements (if any) in the Trust Fund:

(a) which are not the subject of a proof lodged with the Deed Administrators or the Trustees in the form required by the Trustees prior to the declaration of a Final Dividend; or

(b) which have been rejected by the Trustees and which are not the subject of any appeal or application to the Court within the time allowed under **clause 7.3(f)**.

7.8 Discharge of Claims

(a) All persons having a Claim must accept their Admitted Claims under this document (if any) in full satisfaction and complete discharge of all claims which they have or claim to have against the Trustees or the Trust Fund and each of them will, if called upon to do so, execute and deliver to the Trustees such forms of release of any such Claim as the Trustees require.

(b) The Trustees must take all steps reasonably required by the Deed Proponent to obtain such releases from any Trust Creditors nominated by the Deed Proponent.

7.9 Claims extinguished

On payment of the Final Dividend to the Trust Creditors from the Trust Fund:

(a) all Claims against the Trust Fund are extinguished, and each Trust Creditor will, if called upon to do so, execute and deliver to the Trustees such forms of release of any Claim as the Trustees require; and

(b) the obligations of the Trustees to the Trust Creditors under the Trust will be fully and finally discharged.

7.10 Bar

After distribution of the Final Dividend from the Trust Fund, the Trustees may plead this document in bar to any Claim.

7.11 Non-Participating Claims

No Creditor is entitled to participate in or receive any distribution from the Trust Fund in respect of a Non-Participating Claim.

8 GST on Claims

8.1 Definitions

Words and expressions used in this **clause 8** which are defined in the GST Act have the same meaning in this clause.

8.2 GST credits on Claims which have been or will be claimed by the Companies

To the extent that input tax credits on Admitted Claims have been or will be claimed by the Companies, the parties agree and acknowledge that following the payment of distributions to those Creditors by the Trustees from the Trust Fund, the Companies by their directors will be responsible for making any adjustment required by the provisions of the GST Act insofar as

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those adjustments relate to those Admitted Claims and Practice Statement PS LA 2012/1 (GA) will be applied by the Companies to calculate the impact of those adjustments.

8.3 GST credits for Administration Debts and Deed Administrators' Costs

To the extent that:

(a) an input tax credit is available in respect of an Administration Debt or a Deed Administrators' Cost; and

(b) neither the Administrators nor the Deed Administrators are able to claim that input tax credit because it is attributable to a tax period that arises after the date on which the GST registration of the Administrators or the Deed Administrators ends,

then, the parties agree and acknowledge that the Companies are responsible for claiming that input tax credit.

8.4 GST credits during operation of Trust

The parties agree and acknowledge that to the extent that an input tax credit is available in respect of a Trustee Cost which is incurred and paid for by the Trustees during the operation of the Trust, the Trustees (acting in their capacity as Trustees of the Trust) will be responsible for the claiming those input tax credits.

9 Meetings of Trust Creditors

9.1 Convening meetings by Trustees

The Trustees may at any time convene a meeting of Trust Creditors and except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this document, Division 75 of Part 3 of the IPR applies, with such modifications as are necessary, to meetings of the Trust Creditors as if references to the “external administrator” or chairperson, as the case may be, were references to the Trustees.

9.2 Right of Trust Creditors to attend meetings

Trust Creditors who have been paid the full amount of their entitlement in respect of their Admitted Claim under this document will no longer be entitled to attend and participate in the meetings of Trust Creditors.

9.3 Instructions from Trust Creditors

In the exercise of the Trustees’ powers, the Trustees:

(a) may (if they see fit), but are not obliged to, seek from the Trust Creditors at a meeting convened in accordance with this clause 9, instructions, including (without limitation) approval in respect of variations to the terms of this document;

(b) may, but shall not be obliged to, have regard to the instructions (if any) given by the Trust Creditors at a meeting so convened; and

(c) in the absence of instructions given by the Trust Creditors at a meeting so convened, do what is, in the Trustees’ opinion, in the best interests of Creditors.

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10 Remuneration

10.1 Remuneration of Trustees

(a) The Trustees:

(i) are to be remunerated at the usual rates charged by Ernst & Young Australia from time to time in respect of any work done by the Trustees, and any partner or employee of the Trustees, in connection with:

(A) the exercise of their powers and discretions and performance of their duties, obligations and responsibilities as Administrators and/or Deed Administrators, even though that remuneration has not been approved by the Creditors pursuant to Division 60 Subdivision B of the IPS;

(B) the calling for and adjudicating upon proofs of Claims;

(C) the distribution of the Trust Fund; and

(D) the exercise of their powers and discretions and performance of their duties, obligations and responsibilities as Trustees under this document; and

(ii) acknowledge that the Trustees' Costs, including costs, charges and expenses (including those incurred in connection with advisers) incurred in connection with the foregoing, including any stamp duty payable by them in respect of this document, will be payable from the General Pool of the Trust Fund.

(b) The Trustees' Remuneration and the Trustees' Costs referred to in this **clause 10.1** and all other costs shall be reimbursed and/or paid out of the General Pool of the Trust Fund. The Trustees shall be entitled to draw such amounts from the General Pool of the Trust Fund from time to time. For the avoidance of doubt, where the Trustees are liable to pay GST in respect of any taxable supply (within the meaning of the GST Act) they make under this document, the Trustees are entitled to recover an additional amount equal to the amount of that GST liability from the General Pool of the Trust Fund.

10.2 Acknowledgement

The parties acknowledge that the Trustees' Remuneration as referred to in **clause 10.1(a)(i)** includes remuneration and costs incurred by the Trustees in connection with or as a result of their duties, obligations and responsibilities as Administrators and/or Deed Administrators.

11 Committee of Inspection

(a) The Trustees may convene meetings of the Committee of Inspection from time to time for the purpose of consulting with the Committee of Inspection on matters arising in the course of the administration of the Trust including in respect of the Trustees' Remuneration.

(b) The Committee of Inspection will operate as a consultative committee and will not have power to direct or bind the Trustees in any way.

(c) The:

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(i) appointment and removal of members of the Committee of Inspection will be governed by Division 80-15 of the IPS and Division 80-10 of the IPR;

(ii) power to convene meetings of the Committee of Inspection will be governed by Division 80-27 of the IPS; and

(iii) obligations of members of the Committee of Inspection will be governed by Division 80-55 of the IPS,

with such amendments in form and substance as are necessary to give efficacy to the administration of the Trust by the Trustees.

(d) Subject to the discretion of the Trustees to make such disclosures as are necessary or convenient for the purposes of the administration of the Trust, the affairs of the Committee of Inspection will be conducted on a confidential basis.

(e) The Committee of Inspection may, if requested, approve the Trustees' Remuneration by a majority in attendance at the relevant meeting.

12 Indemnity

12.1 Indemnity

The Trustees are entitled to be indemnified out of the Trust Fund for all actions, suits, proceedings, accounts, claims and demands arising out of or relating to this document which may be commenced, incurred by or made on the Trustees by any person and against all costs, charges and expenses incurred by the Trustees in respect of them, provided that the Trustees shall not be entitled to an indemnity in respect of any liabilities or demands to the extent that the indemnification contravenes the Corporations Act or the Trustee Act.

12.2 Continuing indemnity

This indemnity takes effect on and from the Commencement Date and will be without limitation as to time and will operate notwithstanding the removal of the Trustees (or any one of them) and the appointment of new trustees or the termination of this Trust for any reason whatsoever.

12.3 Indemnity not to be affected or prejudiced

The indemnity under **clause 12.1** will not:

(a) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Trustees and will extend to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Trustees, the approval and execution of this document or otherwise; or

(b) affect or prejudice all or any rights that the Trustees may have against any other person to be indemnified against the costs, charges, expenses and liabilities incurred by the Trustees of or incidental to the exercise or performance of any of the powers of authorities conferred on the Trustees by this document or otherwise.

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12.4 Trustees' lien

The Trustees (whether or not they are still acting in their capacity as trustees of the Trust) are entitled to exercise a lien over the Trust Fund for all amounts in respect of which they are entitled to an indemnity from the Trust Fund under **clause 12.1**.

13 Liability

13.1 Exclusion of liability

(a) The Trustees, and the Trustees' partners and employees, are not liable for any loss or damage occasioned to the trust property or to any person by:

(i) the exercise of any discretion or power conferred by this document or by law on the Trustees or any delay or failure to exercise any of those discretions or powers;

(ii) any breach of duty or trust, unless it is proved to have been committed, made or omitted in personal, conscious and fraudulent bad faith by the Trustees, partner or employee; or

(iii) any disclosure by the Trustees or the officer of any document, matter or thing relating to the Trust, the trust property or any Trust Creditor.

(b) All persons claiming any interest in the trust property must be treated as taking it with and subject to notice of the protection conferred by this **clause 13**.

(c) Notwithstanding any other provision of this document:

(i) the Trustees are entering into and performing this document in their capacity as joint and several trustees of the Trust and are not contracting in their personal capacity;

(ii) the Trustees make no representations or warranties in relation to any matter whatsoever in their personal capacity;

(iii) the Trustees are not personally liable for, and do not accept or assume any personal liability in respect of any Liability incurred by them in acting as joint and several trustees of the Trust;

(iv) no Claim may be brought against the Trustees in their personal capacity in respect of, in connection with or incidental to, this document, the Trust or any document, matter or thing relating to it; and

(v) the Trustees' liability is limited to the extent of the amount for which the Trustees are actually indemnified for that Liability in accordance with **clause 12.1** , at law or in equity;

(d) The limitations of liability under this **clause 13**:

(i) will continue notwithstanding the Trustees ceasing to act as trustees of the Trust;

(ii) will operate as a waiver of any claims in tort and restitution as well as under the law of contract; and

(iii) will be in addition to, and not in substitution for, any right of indemnity or relief otherwise available to the Trustees and will continue notwithstanding the entry into any transaction or arrangement in connection with this document.

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(e) Notwithstanding the provisions of this **clause 13**, the Trustees are liable in their personal capacity and are not released to the extent that a Liability under this document arises out of their own fraud or wilful default that disentitles them from indemnity under **clause 12.1** in relation to the relevant liability.

(f) This **clause 13** survives termination of this document.

13.2 Proceedings against co-trustee

The Trustees are not bound to take any proceeding against a co-trustee for any breach or alleged breach of trust committed by the co-trustee.

13.3 Reliance on advice

Where the Trustees act in reliance upon the advice of any solicitor instructed on behalf of the Trust in relation to the interpretation of the provisions of this document or any document or statute or any matter concerning the administration of the Trust, the Trustees are not liable to any person in respect of any act done or omitted to be done by the Trustees in accordance with the advice.

13.4 Conflicts

All powers and discretions of the Trustee may be exercised notwithstanding that any person being a partner, employee or related party of the Trustee is a beneficiary or may have been a beneficiary or has a direct, indirect or personal interest (in whatever capacity) in the manner of, or as a result of exercising such power or discretion or may benefit directly or indirectly as a result of any such power or discretion.

14 Trustees' resignation

Any Trustee may resign at any time by giving not less than 14 days' prior written notice to the Companies unless that resignation would result in there being no remaining Trustees, in which event the Trustees must:

(a) convene a meeting of Trust Creditors in accordance with **clause 9** of this document for the purpose of nominating a replacement trustee;

(b) assign to a replacement trustee nominated by the Trust Creditors the Trustees' rights, title and benefit under this document; and

(c) do all things reasonably necessary to effect the assignment referred to in **clause 14(b)**.

15 Trustees not obliged to take action

The Trustees will not be obliged to take any action under this document until such time as there are sufficient funds in hand and immediately available to them to pay the Trustee's Remuneration and Trustee's Costs.

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16 Termination

16.1 Termination of the Trust

This Trust will terminate and the Trustees will resign as soon as reasonably practicable:

(a) after distribution of the Final Dividend from the Trust Fund and the Trustees determining that the Trust should terminate; or

(b) upon the expiry of the perpetuity period referred to in **clause 6**,

whichever occurs first.

16.2 Meeting of Trust Creditors

The Trustees must convene a meeting of Trust Creditors to consider a resolution to vary this document or terminate the Trust if:

(a) at any time prior to the termination of the Trust, the Trustees determine that it is no longer practicable or desirable to continue to implement or carry out this document; or

(b) the Court so orders.

16.3 Termination of the Trust by Court order and Trust Creditors' resolution

(a) This Trust will terminate if:

(i) a Court so orders; or

(ii) the Trust Creditors pass a resolution terminating this Trust at a meeting duly convened pursuant to **clause 16.2**.

(b) In that event, either of the following may occur:

(i) if all Trust Creditors have received their distribution in accordance with **clauses 5.3** to **5.5**, any remaining part of the Trust Fund must be immediately paid to or at the direction of the Deed Proponent and shall not be available for distribution to Trust Creditors; or

(ii) if any Trust Creditors have not received their distribution in accordance with **clauses 5.3** to **5.5**, then any remaining part of the Fund Contribution will be refunded to the Deed Proponent and any other remaining funds in the Trust Fund will be returned to the Companies and shall not be available for distribution to Trust Creditors.

16.4 Report to Trust Creditors

Upon a meeting being convened pursuant to **clause 16.2**, the Trustees must send each Trust Creditor prior to the meeting a report as to the state of affairs of the Trust accompanied by such financial statements as the Trustees think fit. The report must include:

(a) a statement explaining the circumstances which have caused the Trustees to convene the meeting pursuant to **clause 16.2**; and

(b) a statement that this Trust will be terminated if the Trust Creditors so resolve.

16.5 Previous operation of this document preserved

The termination or avoidance, in whole or in part, of this Trust does not affect the efficacy of any act done prior to the termination or avoidance.

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16.6 Variation of Trust Deed

This document may be varied:

(a) following application of the Employee Pool of the Trust Fund in accordance with **clause 5.3,** with the consent of:

(i) the Deed Proponent (not to be unreasonably withheld or delayed); and

(ii) the Trustees,

by resolution passed at a meeting of Trust Creditors by (subject to **clause 16.6(a)(i)**) a majority of Trust Creditors in number and in value, but only if the variation is not materially different from the proposed variation set out in the notice of that meeting and provided that the variation does not materially prejudice the interests of any class of Trust Creditors without the approval of a majority of that class of Trust Creditors in number and value; or

(b) by the Court upon application of any of the Trust Creditors or the Trustees pursuant to the Trustee Act.

17 Notices

17.1 General

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

17.2 How to give a communication

In addition to any other lawful means, a communication may be given by being:

(a) personally delivered;

(b) left at the party's current delivery address for notices;

(c) sent to the party's current postal address for notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail; or

(d) sent by email to the party's current email address for notices.

17.3 Particulars for delivery of notices

(a) The particulars for delivery of notices are initially:

Deed Administrators

Delivery address:	c/- Ernst & Young Australia, 8 Exhibition Street, Melbourne VIC 3000
Postal address:	Same as delivery address
Email:	sam.freeman@parthenon.ey.com justin.walsh@parthenon.ey.com adam.nikitins@au.ey.com
Attention:	Samuel Freeman, Justin Walsh and Adam Nikitins

Trustees

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Delivery address:	c/- Ernst & Young Australia, 8 Exhibition Street, Melbourne VIC 3000
Postal address:	Same as delivery address
Email:	sam.freeman@parthenon.ey.com justin.walsh@parthenon.ey.com adam.nikitins@au.ey.com
Attention:	Samuel Freeman, Justin Walsh and Adam Nikitins

Companies

Delivery address:	c/- Ernst & Young Australia, 8 Exhibition Street, Melbourne VIC 3000
Postal address:	Same as delivery address
Email:	sam.freeman@parthenon.ey.com justin.walsh@parthenon.ey.com adam.nikitins@au.ey.com
Attention:	Samuel Freeman, Justin Walsh and Adam Nikitins

Deed Proponent

Delivery address:	11020 David Taylor Drive, Suite 305, Charlotte, North Carolina 28262, United States of America with a copy to Corrs Chambers Westgarth, 50 Bridge Street, Sydney NSW 2000
Postal address:	Same as delivery address
Email:	nswenson@airt.com mjundt@airt.com legal@airt.com with a copy to tom.schinckel@corrs.com.au and jeremy.horwood@corrs.com.au
Attention:	Nick Swenson, Mark Jundt, Jeremy Horwood, Tom Schinckel

(b) Each party may change its particulars for delivery of notices by notice to each other party.

17.4 Communications by post

Subject to **clause 17.6**, a communication is given if posted:

(a) within Australia to an Australian postal address, three Business Days after posting; or

(b) outside of Australia to an Australian postal address or within Australia to an address outside of Australia, 10 Business Days after posting.

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17.5 Communications by email

Subject to **clause 17.6**, a notice sent by email is taken to be received at the time the email enters the recipient's email system (provided the sender does not receive a delivery failure message).

17.6 After hours communications

If a communication is given:

(a) after 5.00 pm in the place of receipt; or

(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

17.7 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this **clause 17** or in accordance with any applicable law.

17.8 Copies of communications

If the particulars of delivery in **clause 17.3** provide for copies of communication to be sent to specified addresses, delivery will not be deemed effective unless the communication is sent to both the party and the copied address in accordance with **clause 17.3**, and delivery to the copy address alone shall not be effective communication or service under this **clause 17**.

18 General

18.1 Inconsistency with Act or Regulations

If there is any inconsistency between the provisions of this document and the Corporations Act, or the IPR, the IPS, the Trustee Act or the Regulations, this document shall prevail to the extent permitted by law.

18.2 Other inconsistencies

If there is any inconsistency between the provisions of this document and the constitution of the Companies and any other obligation binding on the Companies, the provisions of this document shall prevail to the extent of the inconsistency, and all persons bound by this document agree to sign all documents and do all things necessary to remove such inconsistency, the costs of which shall be borne by the Companies.

18.3 Books and records

The Trustees may retain copies of or access to the books and records of the Companies following termination of the Trust, only for the purpose of doing anything necessary or reasonably desirable in the exercise of the Trustees' performance or exercise of their duties, obligations and responsibilities under the Corporations Act and this document.

18.4 Document components

This document includes any schedule to this document.

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18.5 Effect of execution

This document is not binding on any party unless it or a counterpart has been duly executed by each person named as a party to this document.

18.6 Legal costs

Except as expressly stated otherwise in this document, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this document.

18.7 Amendment

This document may only be amended in accordance with **clause 16.6**.

18.8 Waiver and exercise of rights

(a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.

(b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

18.9 Rights cumulative

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

18.10 Consents

Except as expressly stated otherwise in this document, a party may conditionally or unconditionally give or withhold any consent to be given under this document and is not obliged to give its reasons for doing so.

18.11 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

18.12 Business Days

Except where otherwise expressly provided, if the day on or by which any act, matter or thing is to be done as required by this document is a day other than a Business Day, that act, matter or thing will be done on the immediately succeeding Business Day.

18.13 Governing law and jurisdiction

(a) This document is governed by and is to be construed in accordance with the laws applicable in New South Wales.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

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18.14 Creditors' Power of Attorney

Each Creditor irrevocably appoints each of the Trustees jointly and severally as its attorney to execute any document to give effect to the releases in **clause 7.8**.

18.15 Assignment

(a) A party must not assign or deal with any right under this document without the prior written consent of the other parties.

(b) Any purported dealing in breach of this clause is of no effect.

18.16 Liability

An obligation of two or more persons binds them separately and together.

18.17 Counterparts

(a) This document may be signed in any number of counterparts and exchanged by email or other electronic means, and all those counterparts taken together constitute one and the same instrument.

(b) An executed counterpart sent by email or other electronic means to a party is deemed to be a validly executed and exchanged counterpart as if it were the original.

18.18 Electronic execution

Each party consents to this document being executed electronically and existing in electronic form and agrees that electronic signatures, including scanned or pdf signatures, are legally valid and binding methods of execution and conclusive as to their intention to be bound as if signed by that party's (or any of its duly authorised signatory's) manuscript signature. Each party also confirms that the use of an electronic signing platform is a legally valid and binding method of execution.

18.19 Entire understanding

(a) This document contains the entire understanding between the parties as to the subject matter of this document.

(b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.

(c) No oral explanation or information provided by any party to another:

(i) affects the meaning or interpretation of this document; or

(ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

18.20 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this document and the transactions contemplated by it.

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18.21 Severance

If any part of this document is or becomes illegal, ineffective, invalid or unenforceable, that part will be severed from this document and that severance will not affect the effectiveness, validity or enforceability of the remaining part of this document.

18.22 Relationship of parties

This document is not intended to create a partnership, joint venture or agency relationship between the parties.

18.23 Duty

Any stamp duty assessed on this document is to be paid out of the General Pool of the Trust Fund.

18.24 No reliance

No party has relied on any statement by any other party not expressly included in this document.

18.25 Construction

Unless expressed to the contrary, in this document:

(a) words in the singular include the plural and vice versa;

(b) any gender includes the other genders;

(c) if a word or phrase is defined its other grammatical forms have corresponding meanings;

(d) "includes" means includes without limitation;

(e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;

(f) a reference to:

(i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;

(ii) a person includes the person's successors, assigns and persons substituted by novation;

(iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;

(iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;

(v) a right includes a benefit, remedy, discretion or power;

(vi) time is to local time in Sydney, New South Wales, Australia;

(vii) "$" or "dollars" is a reference to Australian currency;

(viii) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;

(ix) this document includes all schedules and annexures to it; and

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(x) a party, clause, schedule or annexure is a reference to a party, clause, schedule or annexure, as the case may be, of this document;

(g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and

(h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

18.26 Costs

Each party must pay its own costs of negotiating, preparing and executing this document.

18.27 Survival

Despite any other provisions of this document, **clauses 1, 8, 10, 11, 13, 15**, **16** and **18** survive the termination of this document.

18.28 Headings

Headings and the table of contents do not affect the interpretation of this document.

18.29 Deed

This document is a deed. Factors which might suggest otherwise are to be disregarded.

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Execution

Executed as a deed.

Deed Administrators

Signed sealed and delivered by **Samuel**)
Freeman in the presence of:)

....
Witness Signature

.....
Name of witness (print)

Signed sealed and delivered by **Justin**)
Walsh in the presence of:)

....
Witness Signature

.....
Name of witness (print)

Signed sealed and delivered by **Adam**)
Nikitins in the presence of:)

....
Witness Signature

.....
Name of witness (print)

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Trustees

Signed sealed and delivered by **Samuel**)
Freeman in the presence of:)

....
Witness Signature

.....
Name of witness (print)

Signed sealed and delivered by **Justin**)
Walsh in the presence of:)

....
Witness Signature

.....
Name of witness (print)

Signed sealed and delivered by **Adam**)
Nikitins in the presence of:)

....
Witness Signature

.....
Name of witness (print)

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Companies

Signed sealed and delivered by **Regional Express Holdings Limited** (subject to deed of company arrangement) ACN 099 547 270 by one of its joint and several deed administrators in the presence of:

.....	.....
Witness	Signature
.....	.....
Name of witness (print)	Name (print)

Signed sealed and delivered by **Air Partners Pty Ltd** (subject to deed of company arrangement) ACN 065 221 356 by one of its joint and several deed administrators in the presence of:

.....	.....
Witness	Signature
.....	.....
Name of witness (print)	Name (print)

Signed sealed and delivered by **Rex Investment Holdings Pty Ltd** (subject to deed of company arrangement) ACN 101 317 677 by one of its joint and several deed administrators in the presence of:

.....	.....
Witness	Signature
.....	.....
Name of witness (print)	Name (print)

Docusign Envelope ID: FAA03A91-9682-43D3-8B9C-032C270302DA

Signed sealed and delivered by **Regional Express Pty Ltd** (subject to deed of company arrangement) ACN 101 325 642 by one of its joint and several deed administrators in the presence of:

.....	.....
Witness	Signature
.....	.....
Name of witness (print)	Name (print)

Signed sealed and delivered by **Rex Flyer Pty Ltd** (subject to deed of company arrangement) ACN 671 816 621 by one of its joint and several deed administrators in the presence of:

.....	.....
Witness	Signature
.....	.....
Name of witness (print)	Name (print)

Signed sealed and delivered by **Australian Aero Propeller Maintenance Pty Ltd** (subject to deed of company arrangement) ACN 131 278 889 by one of its joint and several deed administrators in the presence of:

.....	.....
Witness	Signature
.....	.....
Name of witness (print)	Name (print)

Docusign Envelope ID: FAA03A91-9682-43D3-8B9C-032C270302DA

Signed sealed and delivered by **Australian Airline Pilot Academy Pty Limited** (subject to deed of company arrangement) ACN 128 392 469 by one of its joint and several deed administrators in the presence of:

.....	.....
Witness	Signature
.....	.....
Name of witness (print)	Name (print)

Signed sealed and delivered by **AAPA Victoria Pty Limited** (subject to deed of company arrangement) ACN 118 837 586 by one of its joint and several deed administrators in the presence of:

.....	.....
Witness	Signature
.....	.....
Name of witness (print)	Name (print)

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Deed Proponent

Executed by **Air T, Inc.**

SEAL

.....	.....
Witness	Signature of Authorised Signatory
.....	.....
Name of witness (print)	Name of Authorised Signatory (print)

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Schedule 2 – Creditor Indemnity

To: [**] Pty Ltd ACN [**] (**Company**)

INDEMNITY IN RELATION TO INSURED CLAIM

I/We [**insert creditor name**] refer to the deed of company arrangement in respect of the Company (**DOCA**) dated [**insert date**]. Capitalised terms in this document not otherwise defined have the same meaning as in the DOCA.

I/We wish to take legal proceedings to enforce a Claim under **clause 6.2** of the DOCA which is, or may be, an Insured Claim against the Company. The Claim is [**insert full description**] (**Indemnified Claim**).

I/We irrevocably and unconditionally indemnify the Company against any costs, expenses or judgments incurred as a consequence of commencing, or in contemplation of, or otherwise in relation to, legal proceedings or other Enforcement Action in relation to the Indemnified Claim (**Costs**) to the extent that the Company is not indemnified for such costs pursuant to a contract of insurance entered into before [**insert relevant Appointment Date**] or such Costs are not otherwise paid by the Company's insurer.

I/We confirm our agreement to be bound by the terms of **clause 6.2** of the DOCA in respect of the Indemnified Claim.

I/We confirm the Company will be entitled to make periodic demands for payment under this Indemnity.

Dated: [**insert date**]

Executed as a deed poll in favour of the Company.

Signed sealed and delivered for and on
behalf of

[**Creditor name**]

[**Deed Execution Block for Creditor**]

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Schedule 3 – Prohibited Actions

1 The following acts and matters:

a. grant, issue or redeem any mortgage, charge, debenture, right to acquire, pledge, lien or other form of security or Encumbrance or equity on, over or affecting the whole or any part of its undertaking or assets or any of the shares of the Deed Companies or give any guarantee, indemnity or other assurance for the obligations of any person; or

b. incur any capital expenditure or make any capital commitment which individually or together with linked expenditures or commitments in respect of any of the Deed Companies exceeds $100,000 or which, taken together with all other capital expenditures and capital commitments entered into by that Deed Company in the Deed Period exceeds $1 million in aggregate (other than costs and expenses which are reasonably considered necessary for the operation, maintenance and care of the aircraft, engines and other related equipment required to operate the Business); or

c. acquire or dispose of any assets (other than in the ordinary course of the Business) of a Deed Company which have an aggregate book value exceeding $100,000 other than in the ordinary course of business; or

d. acquire or dispose of or create any Encumbrance in respect of any part of a Deed Company's assets (whether by one transaction or a series of related transactions) except in the ordinary course of trading of business of that Deed Company or where, in the case of an acquisition or disposal, the transaction is on arm's length terms for consideration of less than $100,000; or

e. amend, assign, terminate or fail to observe or perform any term or condition of or waive any rights under, any contract, arrangement or obligation to which a Deed Company is a party which:

    i. whether by reason of its nature, scope, price or otherwise, is or is likely to be of material importance to the Business, profits, assets or liabilities of the Deed Company; or

    ii. requires an aggregate consideration payable by the Deed Company or involves supply of goods and or services the aggregate value of which is in excess of $100,000;

f. make any change to the terms and conditions of employment of any of a Deed Company's directors or employees of or consultants engaged by a Deed Company with a salary or fee (on a full-time employment or consultancy basis) of more than $300,000 per annum; or

g. offer to engage any new employee, Officer, director, consultant or secondee, except for any employee, Officer, director, consultant or secondee with a salary or fee (on the basis of full-time employment or consultancy) that is less than $300,000 per annum, provided that the aggregate per annum salaries and fees so offered do not exceed $300,000; or

h. dismiss or terminate the employment of any employee, Officer, director, consultant or secondee, except where such dismissal is for good cause; or in the ordinary course of business and the person in question is not a person referred to in item f; or

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i. permit any of a Deed Company's insurances to lapse, do anything which would make any policy of insurance void or voidable, effect any change to the terms of level of cover of any of its insurances or fail to notify and pursue any potential claim under any insurance policy.

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Execution

Executed as a deed.

Deed Administrators

Signed sealed and delivered by **Samuel Freeman** in the presence of:

Signed by:
DSieber
BDE441E44D8E449...

Witness

Damian Sieber

Name of witness (print)

Signed by:
Samuel Freeman
B69E7BDA7DBD4A3...

Signature

Samuel Freeman

Name (print)

Signed sealed and delivered by **Justin Walsh** in the presence of:

Signed by:
N.Farr
C133DE24A5FC42F...

Witness

Nicholas Farrington

Name of witness (print)

Signed by:
2AE9233A28DB4B3...

Signature

Justin Walsh

Name (print)

Signed sealed and delivered by **Adam Nikitins** in the presence of:

Signed by:
3E219F609054499...

Witness

Rebecca Spiridon

Name of witness (print)

DocuSigned by:
F06786ABFE12414...

Signature

Adam Nikitins

Name (print)

Docusign Envelope ID: FAA03A91-9682-43D3-8B9C-032C270302DA

Deed Companies

Signed sealed and delivered by **Regional Express Holdings Limited** (Administrators Appointed) ACN 099 547 270 by one of its joint and several administrators in the presence of:

Signed by:
3E219F609054499...
Witness

DocuSigned by:
F06786ABFE12414...
Signature

Rebecca Spiridon
Name of witness (print)

Adam Nikitins
Name (print)

Signed sealed and delivered by **Air Partners Pty Ltd** (Administrators Appointed) ACN 065 221 356 by one of its joint and several administrators in the presence of:

Signed by:
3E219F609054499...
Witness

DocuSigned by:
F06786ABFE12414...
Signature

Rebecca Spiridon
Name of witness (print)

Adam Nikitins
Name (print)

Signed sealed and delivered by **Rex Investment Holdings Pty Ltd** (Administrators Appointed) ACN 101 317 677 by one of its joint and several administrators in the presence of:

Signed by:
3E219F609054499...
Witness

DocuSigned by:
F06786ABFE12414...
Signature

Rebecca Spiridon
Name of witness (print)

Adam Nikitins
Name (print)

Docusign Envelope ID: FAA03A91-9682-43D3-8B9C-032C270302DA

Signed sealed and delivered by **Regional Express Pty Ltd** (Administrators Appointed) ACN 101 325 642 by one of its joint and several administrators in the presence of:

Signed by: 3E219F609054499...
.....
Witness

DocuSigned by: F06786ABFE12414...
.....
Signature

Rebecca Spiridon
.....
Name of witness (print)

Adam Nikitins
.....
Name (print)

Signed sealed and delivered by **Rex Flyer Pty Ltd** (Administrators Appointed) ACN 671 816 621 by one of its joint and several administrators in the presence of:

Signed by: 3E219F609054499...
.....
Witness

DocuSigned by: F06786ABFE12414...
.....
Signature

Rebecca Spiridon
.....
Name of witness (print)

Adam Nikitins
.....
Name (print)

Signed sealed and delivered by **Australian Aero Propeller Maintenance Pty Ltd** (Administrators Appointed) ACN 131 278 889 by one of its joint and several administrators in the presence of:

Signed by: 3E219F609054499...
.....
Witness

DocuSigned by: F06786ABFE12414...
.....
Signature

Rebecca Spiridon
.....
Name of witness (print)

Adam Nikitins
.....
Name (print)

Docusign Envelope ID: FAA03A91-9682-43D3-8B9C-032C270302DA

Signed sealed and delivered by **Australian Airline Pilot Academy Pty Ltd** (Administrators Appointed) ACN 128 392 469 by one of its joint and several administrators in the presence of:

Signed by:
3E219F609054499...

.....
Witness

Rebecca Spiridon
.....
Name of witness (print)

DocuSigned by:
F06786ABFE12414...

.....
Signature

Adam Nikitins
.....
Name (print)

Signed sealed and delivered by **AAPA Victoria Pty Ltd** (Administrators Appointed) ACN 118 837 586 by one of its joint and several administrators in the presence of:

Signed by:
3E219F609054499...

.....
Witness

Rebecca Spiridon
.....
Name of witness (print)

DocuSigned by:
F06786ABFE12414...

.....
Signature

Adam Nikitins
.....
Name (print)

Docusign Envelope ID: D7E99E93-EC65-40AE-AC39-CD3EF0DCF7FF

Deed Proponent

Executed by **Air T, Inc.**

SEAL

Signed by:
Mark Jundt
4DBFE0D12E0D427...

Witness

Mark Jundt

Name of witness (print)

Signed by:
Nick Swenson
95893515BB81417...

Signature of Authorised Signatory

Nick Swenson

Name of Authorised Signatory (print)

Attachment 4 – Administrators' Section 75-225 Report

Voluntary Administrators' Report

Regional Express Holdings Limited	ACN 099 547 270
Air Partners Pty Ltd	ACN 065 221 356
Regional Express Pty Ltd	ACN 101 325 642
Rex Investment Holdings Pty Ltd	ACN 101 317 677
Australian Airline Pilot Academy Pty Ltd	ACN 128 392 469
AAPA Victoria Pty Ltd	ACN 118 837 586
Australian Aero Propeller Maintenance Pty Ltd	ACN 131 278 889
Rex Flyer Pty Ltd	ACN 671 816 621
Rex Airlines Pty Ltd	ACN 642 400 048

(All Administrators Appointed) (collectively Regional Express Group of Companies)

Date of issue of report	3 November 2025
Matter contact person	**Cooper Zammit**
Contact email	**rex.creditors@au.ey.com**
Postal Address	**GPO Box 2646, Sydney NSW 2001, Australia**

The better the question. The better the answer.
The better the world works.

EY Parthenon
Shape the future with confidence

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Creditors wishing to attend the Second Meetings should take note of the following key items and due dates. Please refer to **section 2.6, Appendix M and Appendix N** for further instructions:

Key item	Due Date/ time	Contact
Second Report released	3 November 2025	rex.creditors@au.ey.com
Lodge proof of debt ▪ Required if you have not already done so. ▪ Employees are not required to lodge - their claim details have already been uploaded to the Creditors' Portal	**12pm (AEDT) on 7 November 2025**	Log in - EY Creditors Portal Instructions on how to register on the Creditors' Portal and lodge your Proof of Debt are contained in **Appendix N**
Lodge proxy ▪ Required if you are a company creditor or an individual nominating another person to attend the meeting on your behalf	**12pm (AEDT) on 7 November 2025**	rex.creditors@au.ey.com Please refer to instructions at **section 2.6** and complete and return the relevant forms at **Appendix N**
Register to attend Second Meeting	**12pm (AEDT) on 7 November 2025**	Second Meetings Registration Link
Voting opens on the Creditors' Portal	**2pm (AEDT) on 7 November 2025**	Log in - EY Creditors Portal Instructions on how to vote on the Creditors' Portal are contained in

Key item	Due Date/ time	Contact
		Appendix M
Microsoft Teams Live Events link sent to creditors	**10 November 2025 by 5pm (AEDT)**	N/A
Second Meetings commence	**11 November 2015 at 2pm (AEDT)**	Via Microsoft Live Teams platform link
Voting closes on the Creditors' Portal	During the meeting after the announcement that voting has closed for each resolution by the Chairperson	Log in - EY Creditors Portal

Glossary

Abbreviation	Description
2024 Administrations	The appointment of Samuel Freeman, Adam Nikitins and Justin Walsh as joint and several Voluntary Administrators of the Rex Group and RAL on 30 July 2024
2024 First Meeting	First meetings of creditors of the Rex Group and RAL held concurrently on 9 August 2024
2025 Administrations	The appointment of Samuel Freeman, Adam Nikitins and Justin Walsh as joint and several Voluntary Administrators of the Subsidiaries on 20 October 2025
2025 First Meeting	First meetings of creditors of the Subsidiaries held concurrently on 28 October 2025
$	Australian dollars
$000s	Thousands of Australian dollars
ACN	Australian Company Number
Act	*Corporations Act 2001 (Cth)*
Administrations	The 2024 Administrations and the 2025 Administrations
Administrators / we / our / us	Samuel Freeman, Adam Nikitins and Justin Walsh
AAPA	Australian Airline Pilot Academy Pty Ltd (Administrators Appointed) (ACN 128 392 469)
AAPAV	AAPA Victoria Pty Ltd (Administrators Appointed) (ACN 118 837 586)
AAPM	Australian Aero Propeller Maintenance Pty Ltd (Administrators Appointed) (ACN 131 278 889)
AEDT	Australian Eastern Daylight Time
AP	Air Partners Pty Ltd (Administrators Appointed) (ACN 065 221 356)
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	Australian Securities and Investments Commission
ASIC Act	*Australian Securities and Investments Commission Act 2001* (Cth)
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
BIS	The business improvement strategy as described in section 5.2.2.2 of this Report
CASA	Civil Aviation Safety Authority
Code	ARITA Code of Professional Practice
COI	Committee of Inspection of the 2024 Administrations
Court	A Court of competent jurisdiction
Chairperson	Chairperson of the Second Meeting
Companies / Regional Express Group of Companies	REX, RIH, REPL, AP, RAL, AAPA, AAPAV, AAPM and Rex Flyer
Commonwealth	Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts
Creditors' Portal	The online platform used by the Administrators to communicate with creditors, manage creditor claims and allow creditors to vote on resolutions proposed by the Administrators. Please refer to **Appendix M** for further information

Abbreviation	Description
Creditors' Trust	The Creditors' Trust contemplated under the DOCA proposal, to be established immediately upon Completion under and as defined in the DOCA. Please refer to **sections 9 and 10** for further information
CIRCOS	Commonwealth Register of Institutions and Courses for Overseas Students
DEWR	Department of Employment and Workplace Relations
Director(s)	The director(s) of the Companies at the relevant time. Please refer to the directors for each of the Companies for the last three years set out at **Appendix D**
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities
DOCA	Deed of Company Arrangement
DXG	Deed of Cross Guarantee between the Companies
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
FIFO	Fly In Fly Out
FY	Financial Year
GST	Goods and Services Tax
HY	Half Year
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Schedule 2 to the Act (Insolvency Practice Schedule)
k	Thousands
M	Millions
LTM	Last Twelve Months
NAA	NAA Pty Ltd (ACN 638 356 902)
NJE	National Jet Express Pty Ltd
NSW	State of New South Wales
PAG	PAGAC Regulus Holding Pte. Ltd.
Pel-Air	Pel-Air Aviation Pty Limited (ACN 002 858 013)
PILN	Pay in lieu of notice
PMSI	Purchase Money Security Interest
PP&E	Property, Plant and Equipment
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR	Personal Property Securities Register established under the PPSA
Proponent or Purchaser	Air T, Inc. or its nominee
RAL	Rex Airlines Pty Ltd (Administrators Appointed) (ACN 642 400 048)
Relation back day	Date on which the Voluntary Administrators were appointed
Relation back period	The period in the six months ending on the relation back day
REPL	Regional Express Pty Ltd (Administrators Appointed) (ACN 101 325 642)
REX	Regional Express Holdings Limited (Administrators Appointed) (ACN 099 547 270)
Rex Domestic	The commercial airline business which operated metro-to-metro routes with Boeing 737 fleet
Rex Flyer	Rex Flyer Pty Ltd (Administrators Appointed) (ACN 671 816 621)
Rex Group	REX, RIH, REPL and AP
Rex Regional	The commercial airline business servicing regional areas of Australia

Abbreviation	Description
RIH	Rex Investment Holdings Pty Ltd (Administrators Appointed) (ACN 101 317 677)
ROCAP	Report on Company Activities and Property
Sale Process	The various sale processes relating to the business and assets of the Rex Group undertaken by the Voluntary Administrators
Sale Agreement	Sale and Implementation Agreement executed by Air T, Inc, the Rex Group, the Subsidiaries and the Administrators dated 21 October 2025 for the sale of the Rex Regional business
Second Meetings	The concurrent second meetings of creditors of the Companies to be held concurrently using the Microsoft Live Teams platform on 11 November 2025 at 2pm (AEDT)
Second Report / this Report	Report to creditors prepared by the Administrators pursuant to IPR 75-225 dated 3 November 2025
SGC	Superannuation Guarantee Charge
Subsidiaries	AAPA, AAPAV, AAPM and Rex Flyer
VA	Voluntary administration
VAA	VAA Pty Ltd
WBC	Westpac Banking Corporation

1. Executive summary

This section addresses frequently asked questions relating to the Administrations. Full details are available throughout this report.

Question	Response
What is the purpose of this report? *Refer to* ***section 2***	The purpose of this Report is to: ▪ Table the findings of our preliminary investigations into the business, affairs, and financial circumstances of the Companies ▪ Outline our opinion on the options available to creditors in deciding the future of the Companies at the Second Meeting This report should be read in conjunction with our Initial Notices to Creditors dated 31 July 2024 for the 2024 Administrations and 21 October 2025 for the 2025 Administrations.
What did the Companies do? *Refer to* ***section 3***	▪ The Companies operate Australia's largest independent regional airline, connecting Australia's regional centres and capital cities, with an owned fleet ▪ The Companies have been providing commercial and charter air transport services to regional Australia for over 20 years ▪ The Rex Group and RAL own and operate a fleet of 123 aircraft, including the world's largest fleet of twin-engine turboprop Saab 340B / B+'s ▪ AAPA and AAPAV operate the two pilot academies at Wagga Wagga and Ballarat and own 42 aircraft and 6 flight simulators. The pilot schools offer an intensive program to train pilots to commercial airlines standards ▪ AAPM performs aircraft maintenance and overhauls ▪ Rex Flyer operates the frequent flyer program which has approximately 120k members based on information as at October 2025
What is the current status of the Companies? *Refer to* ***Section 5***	The Administrators were appointed as joint and several voluntary Administrators of the Rex Group and RAL on 30 July 2024 and the Subsidiaries on 20 October 2025 by the Directors under Section 436A of the Act. The focus of the Administrations has primarily been on: ▪ Undertaking an urgent financial and commercial review of the operations ▪ Communicating with key stakeholders including customers and suppliers ▪ Realising value in non-core assets including Pel-Air and NJE ▪ Maintaining the operations of the regional airline business to maximise value ▪ Undertaking the Sale Process
What is the ownership structure of the Companies? ***Refer to Section 3***	REX is the ultimate holding company for the Rex Group, RAL and the Subsidiaries and operates the Rex Regional business.
Why do the Directors believe the Companies became insolvent? ***Refer to section 6***	The Directors provided the following reasons for the failure of the Rex Group and RAL: ▪ Inability to conclude negotiations for the sale of the loss-making Rex Domestic business operated by RAL ▪ Cross defaults by the Companies under the financing arrangement with its then secured lender, PAG The Directors attribute the failure of the Subsidiaries to the fact that there is no DOCA proposal for RAL, which will result in a liquidation of RAL, thereby enlivening the DXG.
What do the Administrators believe were the causes of the failure of the Companies? *Refer to* ***section 6***	The Administrators agree with the reasons set out by the Directors, but also consider the following factors contributed to the failure of the Companies: ▪ Global pilot shortage, leading to suboptimal fleet utilisation ▪ Supply chain issues, particularly engine maintenance components, leading to suboptimal fleet utilisation ▪ Entering the competitive domestic trunk route market subscale and without an ability to secure frequency

<table>
<tr><th>Question</th><th>Response</th></tr>
<tr><td>When do the Administrators believe the Companies became insolvent?
Refer to section 7</td><td>From our preliminary investigations, we have concluded that the Rex Group and RAL were insolvent from as early as 20 July 2024, which coincided with the failed negotiations for the sale of the Rex Domestic business operated by RAL.
The Rex Domestic business had been incurring significant losses including Indicative Operating Cash (IOC) losses of $46m in the LTM to 31 March 2024 and $32m in the LTM to 31 March 2023. The IOC losses appeared to have absorbed most of the Companies' available cash and were funded through working capital (mainly the stretching of trade creditors and prepaid airfares).
The Rex Domestic business was grounded at the commencement of the 2024 Administrations and all employees that were unable to be redeployed were made redundant. RAL has not operated since that time.
The Subsidiaries were solvent generally until it became apparent that RAL may be wound up as it was not included in the DOCA proposal put forward by the Proponent. A liquidation of RAL would trigger the crystallisation of liabilities under the DXG. All the Companies are parties to the DXG (see comments at section 3.2)
A liquidator, if appointed, would need to conduct further investigations in relation to the estimated loss, and possibly conduct a public examination of relevant parties, to ultimately determine whether the relevant Companies became insolvent at these times or earlier.</td></tr>
<tr><td>What is the outcome of the Administrators' investigations?
Refer to section 8</td><td>Our investigations have identified a transaction totalling $1M that a Liquidator, if appointed, may investigate further to determine if it may constitute an unfair preference payment and if a recovery could be made for the benefit of the creditors of REX.</td></tr>
<tr><td>What is the estimated return to creditors?
Refer to section 11</td><td>Under the proposed DOCA for the Rex Group and the Subsidiaries, we estimate that the dividend payable to each class of creditor would be as follows:
<table>
<tr><th>Creditor class</th><th>Est dividend rate (cents in the $)</th><th>Estimated timing</th></tr>
<tr><td>Secured creditor - Commonwealth</td><td>Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA[1]</td><td>Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA[1]</td></tr>
<tr><td>Priority employee creditors - continuing</td><td>Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA</td><td>Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA</td></tr>
<tr><td>Priority employee creditors – terminating/terminated</td><td>100c/$</td><td>Less than 3 months</td></tr>
<tr><td>Unsecured creditors – ordinary</td><td>0c/$[2]</td><td>n/a</td></tr>
<tr><td>Contingent creditors - DXG</td><td>0c/$</td><td>n/a</td></tr>
</table>
1 – the debt due to the Commonwealth will continue to be payable by the Rex Group and the Subsidiaries after the effectuation of the DOCA. The Administrators understand the debt due to the Commonwealth will be restructured immediately upon effectuation of the DOCA. The Administrators will not be a party to this transaction.
2 – under the proposed DOCA, ordinary unsecured creditors of the Subsidiaries will receive a full return. Unsecured creditors of the Subsidiaries were largely current at the date of appointment of the Administrators with this category of claimants expected to be immaterial.
These calculations are an estimate only and may change due to:
▪ the final trading position
▪ the amounts realised for the sale of business/assets of the Rex Group and the Subsidiaries
▪ the final claims determined for PMSI registrations
▪ the amounts received with respect to other assets
▪ final proving of creditor claims

The proposed DOCA provides:
▪ ongoing employment for the continuing employees of the Rex Group and the Subsidiaries
▪ ongoing trading with suppliers
▪ the continuation of the Rex Regional business</td></tr>
</table>

Question	Response
	▪ a return to secured creditors and payment in full of employee entitlements to non-continuing employees ▪ a significant reduction in the value of creditor claims which would exist in a liquidation through the avoidance of staff redundancies and breaches of numerous contractual obligations There is no estimated return to ordinary unsecured creditors or contingent creditors of the Rex Group under the proposed DOCA or in a liquidation scenario. The ordinary unsecured creditors of the Subsidiaries will receive a full return under the DOCA. The unsecured creditors of the Subsidiaries were largely current at the date of appointment of the Administrators. As such, the estimated return to unsecured creditors of the Subsidiaries is expected to be immaterial. The funds received from the sale of RAL's assets will be applied in part payment of the secured debt due to the Commonwealth. As the proceeds will be insufficient to discharge the Commonwealth debt in full, there will be no funds available to provide for a return to priority or unsecured creditors of RAL. If RAL is placed into liquidation at the Second Meeting, priority creditors may be able to recover their outstanding entitlements (excluding unpaid superannuation) through FEG. Where claims have been lodged by eligible employees, FEG has already paid those entitlements.
What is the purpose of the Second Meetings of creditors? *Refer to **section 2***	To determine the future of the Companies. The options available include whether: ▪ the Companies execute a DOCA, or ▪ the Administrations should end, or ▪ the Companies be wound up If creditors resolve that the Administrations should end, control of the Companies will revert to the Directors.
What do the Administrators recommend creditors should do? *Refer to **section 12***	The Proponent has proposed a DOCA (including a Creditors' Trust) which will allow the Rex Group and the Subsidiaries to exit external administration with no pre-appointment creditors (except for priority employee entitlements which remain with the Rex Group and the Subsidiaries for those employees continuing their employment with the Rex Group and the Subsidiaries). The proposed DOCA provides for: ▪ acquisition of 100% of the shares in REX by the Proponent or its nominee ▪ ongoing employment for the continuing employees of the Rex Group and the Subsidiaries ▪ ongoing trading with certain suppliers of the Rex Group and the Subsidiaries ▪ continuation of the Rex Regional business and the honouring of prepaid tickets for the regional business We are of the opinion that creditors of the Rex Group and the Subsidiaries should accept the proposed DOCA as none of the items mentioned above could be achieved if the Rex Group and the Subsidiaries are wound up. No DOCA proposal has been received for RAL. Accordingly, we are of the opinion that RAL should be wound up.
What do creditors need to do next? *Refer to **section 2.6, Appendix M and Appendix N***	Creditors will vote on the Creditors' Portal on the future of the Companies at the Second Meetings to be held concurrently using the Microsoft Live Teams platform at **2pm (AEDT) on 11 November 2025**. On 24 October 2025 the Court vacated certain of the orders made on 23 August 2024 in relation to the Conduct of the Second Meetings for the Rex Group and RAL and made orders in relation to the conduct of the Second Meetings for the Companies (refer to our circulars to creditors dated 24 October 2025). The instructions set out below and at **section 2.6, Appendix M** and **Appendix N** reflect the requirements of those orders. All creditors are entitled to attend the Second Meeting. **Creditors should review the contents of this Report and complete the following forms by 12pm (AEDT) on 7 November 2025:**

<table>
<tr><th>Question</th><th>Response</th></tr>
<tr><td></td><td>
<table>
<tr><th>Form / voting</th><th>Instructions</th></tr>
<tr><td>Appointment of proxy - form 532
(Appendix N1 – Rex Group and Subsidiaries)
(Appendix N2 - RAL)</td><td>

You are required to submit a proxy if you are a company creditor or an individual nominating another person to attend the meeting on your behalf.
General proxies must be in favour of an Administrator or the Chairperson.
Special proxies – must nominate a proxy to attend on your behalf. You must also indicate how you wish to vote for each resolution. We will record those votes on the Creditors' Portal before the Second Meetings commence.
Proxy forms must be submitted by 12pm (AEDT) on 7 November 2025. Forms lodged late will be disregarded.
Completed proxy forms are to be returned by:

Email: rex.creditors@au.ey.com , or

Post: GPO Box 2646, Sydney NSW 2001, Australia

</td></tr>
<tr><td>Proof of debt - form 535 (only required if you have not already done so; not required if you are an employee)</td><td>Lodge on the Creditors' Portal by 12pm (AEDT) on 7 November 2025. Creditors who do not submit a proof of debt by this deadline will not be eligible to participate and vote at the Second Meetings.

Log in - EY Creditors Portal</td></tr>
<tr><td>Register to attend the Second Meeting</td><td>Register to attend at this link: Second Meetings Registration Link. Please contact this office by email to rex.creditors@au.ey.com if you have any difficulty completing the form by 12pm (AEDT) on 7 November 2025.

A conference link will be emailed on the last business day prior to the meeting. You will be required to dial into the Second Meetings using teleconference link.</td></tr>
<tr><td>Online voting for the Second Meeting</td><td>Voting for the Second Meetings will occur electronically by poll. All poll votes will be counted by the Administrators regardless of whether those creditors (or their proxy or attorney) were present at the Second Meetings.

To vote on the resolutions for the Second Meetings creditors must:

Lodge their proxy form with the Administrators by 12pm (AEDT) on 7 November 2025.
Lodge their proof of debt form on the Creditors' Portal (if they have not already done so) by 12pm (AEDT) on 7 November 2025.
Refer to the instructions for voting at step 14 of the Creditors' Portal instructions at Appendix M.
Voting will be available via the following options:

</td></tr>
</table>
</td></tr>
</table>

Question	Response
	▪ **Option A** – By lodging a special proxy form before the meeting, or ▪ **Option B** – By logging in and voting on the Creditors' Portal before (preferred) or during the Second Meetings ▪ If you are a creditor of more than one of the Companies, you will need to go back to the home page to click on the relevant company meeting to submit your votes for each company that you are a creditor of. Instructions on how to log into the Creditors' Portal to register, submit a proof of debt form and vote can be found at **section 2.6, Appendix M and Appendix N** of this Report.

2. Introduction & disclaimer

This section provides information on the Companies, the objectives of the Administrations, the purpose of this Report, details of the Second Meetings and a summary of the Administrators' remuneration and disbursements.

Summary of section 2		Ref.
1	Samuel Freeman, Adam Nikitins and Justin Walsh were appointed as joint and several Administrators of the Rex Group and RAL on 30 July 2024 and of the Subsidiaries on 20 October 2025	2.1
2	The purpose of this Report is to summarise the investigations undertaken by the Administrators and to outline the options available for the future of the Companies	2.3
3	Creditors will vote on the Creditors' Portal on the future of the Companies at the Second Meeting, to be held using the Microsoft Teams Live Events platform at 2pm (AEDT) on 11 November 2025	2.6

2.1 Introduction

The Directors under Section 436A of the Act appointed Samuel Freeman, Adam Nikitins and Justin Walsh as joint and several Administrators of the Rex Group and RAL on 30 July 2024 and the Subsidiaries on 20 October 2025.

2.2 Objective of administration

In a voluntary administration, Administrators are empowered by the Act to assume control of an insolvent company, superseding the powers of the directors and officers, to manage the company's affairs and deal with its assets in the interests of its creditors.

The intention of a VA is to maximise the prospects of a company continuing in existence or, if that is not possible, to achieve a better return for creditors than would be achieved by immediate liquidation. During a VA there is a moratorium over most pre-administration creditor claims.

The Administrators are also required to investigate the affairs of the Companies and report to creditors on the Administrators' opinion as to which outcome of the VA process is in the best interests of creditors and informing creditors of this opinion prior to their voting at the Second Meetings (please see **section 2.5.2** for further details).

2.3 Purpose of this Report

This Report has been prepared in accordance with the requirements set out in IPR 75-225(3) and provides creditors with:

- Details regarding the business, property, affairs and financial circumstances of the Companies
- Details regarding the preliminary investigations undertaken by the Administrators to date
- The Administrators' opinion and recommendation on each of the options available to creditors
- Details of the proposed DOCA

To complete our Report, we have used information from:

- ASIC
- the PPSR
- the book and records of the Companies

- discussions with the Directors
- discussions with key employees
- discussions with certain creditors
- other public databases

2.4 DIRRI

In accordance with Section 436DA of the Act and the Code, a DIRRI was enclosed with the Administrators' initial notice to creditors for the 2024 Administrations and the 2025 Administrations and was tabled at the 2024 First Meeting and the 2025 First Meeting.

The DIRRI's disclosed information regarding the Administrators' independence, prior personal or professional relationships with the Companies or related parties and any indemnities received in relation to the relevant appointments. This assessment identified no real or potential risks to the Administrators' independence.

There has been a change to the DIRRI for the 2024 Administrations because of the appointment of the Administrators to the 2025 Administrations on 20 October 2025. A copy of the replacement DIRRI was lodged with ASIC on 22 October 2025 and is attached at **Appendix A**.

2.5 First Meetings

2.5.1 2024 First Meeting

The 2024 First Meeting convened pursuant to Section 436E of the Act was held on 9 August 2024, at which the appointment of the Administrators to the Rex Group and RAL was not challenged.

Prior to the 2024 First Meeting, the Administrators obtained orders on 6 August 2024 from the Federal Court of Australia that related to, amongst other things, procedural matters in respect of the administration of the Rex Group and RAL and the conduct of the 2024 First Meeting including the appointment of a COI. Those orders provided that:

- A single COI would be formed for the 2024 Administrations
- The members of the COI will be representatives proposed by the Administrators based on nominations they have received from creditors up to one business day after the 2024 First Meeting
- No more than three business days after the 2024 First Meeting, the Administrators will:
    - notify creditors of the representatives proposed by the Administrators to form the COI and why we have proposed these representatives, and
    - invite creditors to vote on the proposal within 5 business days

The outcome of the proposal sent to creditors was that a COI would be formed comprising:

COI Member	Representing
James Marshall	PAG
Jodie Kampf	WBC
Henry Carr	DEWR
Simon Lutton	AFAP Union as Employee Nomination
Teri O'Toole	FAAA Union as Employee Nomination
Edward Knell	TWU Union as Employee Nomination
Christopher Swan	Self (Employee)
Michael Gilderdale	Australian Pacific Airports (Melbourne) Pty Ltd
Cameron Hoffman	Maranoa Regional Council
Stuart Richardson	Aus Flight Handling Pty Ltd

COI Member	Representing
Tony Troiani	Sabre Asia Pacific Pte Ltd / Sabre GLBL Inc
James Keen	Killick Aerospace Limited
Justin Cheng Kim Chuen	The Branksome Residences Pty Ltd
Sam Hardy	NJE

Each member of the COI has been kept appraised by, and has consulted with, the Administrators from time to time in relation to:

- updates on the administration of the Rex Group and RAL
- the Sale Process and offers received from interested parties
- transactions being considered by the Administrators

The matters discussed at the various COI meetings and the resolutions passed by the COI are summarised in the following table.

Meeting date	Business discussed	Resolution passed
24 September 2024	Administration update, overview of the Sale Process, summary of key assets, details of transactions being considered by the Administrators	None
13 November 2024	Administration update, update on the Sale Process, Commonwealth support, BIS update, proposed further extension of the convening period, remuneration of the Administrators	Resolutions to approve the: ▪ remuneration of the Administrators for the period 30 July 2024 to 1 November 2024 ▪ internal disbursements of the Administrators for the period 30 July 2024 to 13 August 2024
21 February 2025	Changes to COI membership, administration update, update on the Sale Process, Commonwealth support and changes to the secured creditor position, BIS update, remuneration of the Administrators	Resolutions to approve the remuneration of the Administrators for the period 1 November 2024 to 31 January 2025
15 May 2025	Changes to COI membership, administration update, update on the Sale Process, remuneration of the Administrators	Resolutions to approve the remuneration of the Administrators for the period 1 February 2025 to 30 April 2025 [Note 1]
17 June 2025	Administration update, update on the Sale Process, proposed further extension of the convening period, remuneration of the Administrators	Resolutions to approve the remuneration of the Administrators (including remedying the previous resolution irregularities) for the period 1 February 2025 to 31 May 2025
10 September 2025	Administration update, update on the Sale Process, remuneration of the Administrators	Resolutions to approve the remuneration of the Administrators for the period 1 June 2025 to 31 August 2025
23 October 2025	Administration update, update on the Sale Process, remuneration of the Administrators	Resolutions to approve the remuneration of the Administrators for the period 1 September 2025 to 10 October 2025

Note 1 – the remuneration the subject of these resolutions was not drawn. The resolutions were amended and presented to the COI meeting on 17 June 2025

The changes made to the members of the COI since it was formed are set out in the table at the end of this section. We make the following comments on the changes to the COI:

- The appointment of the Commonwealth as a member of the COI on 30 January 2025 was because the Commonwealth acquired all of the secured debt owed by REX to PAG which included the assignment of PAG's security interests to the Commonwealth

- The resignation by PAG from the COI on 15 May 2025 reflected the fact that the balance of the debt owed to PAG had been discharged from the sale of non-core assets and PAG was no longer a creditor of the Regional Express Group of Companies

Outgoing COI Member	Replacement COI Member	Effective date of change	Representing
N/A	Noel McCoy or in his absence Scott Atkins, both of Norton Rose Fullbright	30 January 2025	Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts
Jodie Kampf	Richard Schofield	11 February 2025	WBC
James Marshall	N/A	15 May 2025	PAG

2.5.2 2025 First Meeting

The 2025 First Meeting convened pursuant to Section 436E of the Act was held on 28 October 2025, at which the appointment of the Administrators to each of the Subsidiaries was not challenged.

Creditors did not resolve to appoint a COI at the 2025 First Meeting.

2.6 Second Meeting

2.6.1 Court Orders

2.6.1.1 Rex Group and RAL

Based on the statutory timetable for a VA, the Second Meetings for the Rex Group and RAL was required to be held on 3 September 2024.

Given the large number of expressions of interest received and the complexity of the Sale Process, the Administrators applied to the Federal Court of Australia on three occasions for extensions of the convening period and orders in relation to the conduct of the Second Meetings pursuant to Sections 439A(6) and 447A of the Act, IPS 90-15 and Sections 37AF and 37AG of the Federal Court of Australia Act 1976 (Cth) (**Orders**).

In respect of the REX Group and RAL, the Court made Orders in relation to the 2024 Administrations on:

- 23 August 2024 to extend the convening period so that the Second Meetings must be held no later than 5 business days after 25 November 2024 (**First Extension**)
- 20 November 2024 to extend the convening period so that the Second Meetings must be held no later than 5 business days after 30 June 2025 (**Second Extension**)
- 24 June 2025 to extend the convening period so that the Second Meetings must be held no later than 5 business days after 5 December 2025. The Administrators may convene and hold the Second Meetings earlier than this date (**Third Extension**)
- 24 October 2025 relating to the limitation of the personal liability of the Administrators in relation to a further amended facility agreement with the Commonwealth (refer **section 5.2.2.1**) and vacated certain of the orders made on 23 August 2024 in relation to the conduct of the Second Meetings

2.6.1.2 Subsidiaries

In addition, the Court made Orders for the 2025 Administrations on 24 October 2025 relating to:

- procedural matters in respect of the administration of the Subsidiaries including the conduct of the First Meeting and the Second Meetings
- the extension of the convening period to so that the Second Meetings for the Subsidiaries must be held no later than 5 business days after 5 December 2025. This short extension enables the Administrators to progress the sale of the business and assets of the Rex Group and the Subsidiaries (see **section 5.2.2.6**) and to ensure that the affairs of the Rex Group and the Subsidiaries are administered in a coordinated and efficient manner. The Companies are closely connected, and the alignment of convening periods will facilitate a unified approach to creditor communications, reporting and decision-making across the Rex Group, the Subsidiaries and RAL
- the limitation of the personal liability of the Administrators in relation to a further amended facility agreement with the Commonwealth (refer **section 5.2.2.1**) and in relation to certain other arrangements

2.6.1.3 Orders for the conduct of the Second Meetings

In terms of the conduct of the Second Meetings, certain of the Orders made by the Court on 23 August 2024 for the 2024 Administrations were vacated by the Court on 24 October 2025 and replaced with orders for both the 2024 Administrations and the 2025 Administrations to align the process for the Second Meetings for all the Companies.

The orders for the conduct of the Second Meetings are summarised as follows:

- only those creditors who have **lodged a proof of debt by 12pm (AEDT) on 7 November 2025 will be able to participate and vote at the Second Meetings**. Any proof of debt submitted after this date will be disregarded for voting purposes, together with any requests to amend or replace any proof of debt submitted after this date
- if creditors wish to appoint a **special proxy** to vote at the Second Meetings, they **must lodge the appointment of special proxy form by 12pm (AEDT) on 7 November 2025**
- if creditors wish to appoint a **general proxy** to vote at the Second Meetings, they **must lodge an appointment of general proxy form by 12pm (AEDT) on 7 November 2025**. To be able to vote, **that general proxy must name either an Administrator or the Chairperson of the meeting as the person appointed as proxy**
- any appointment of proxy forms submitted after **12pm (AEDT) on 7 November 2025** will be disregarded
- creditors must lodge a proof of debt, any proxy form, and/or a form appointing a power of attorney (if relevant) in accordance with the instructions in this Report
- if creditors appoint one of the Administrators as a general proxy, and that Administrator is not present at the meeting and/or chairing the meeting, the Chairperson will be treated as the creditor's general proxy
- voting for the Second Meetings will occur electronically by poll. All poll votes will be counted by the Administrators regardless of whether those creditors (or their proxy or attorney) are present at the Second Meetings.
- creditors will be informed of the method and time for voting no less than 5 business days before the Second Meetings
- the Second Meetings:
  - will be conducted by livestream teleconference (where creditors can participate by live chat function and it will be at the discretion of the Chairperson to allow oral participation)
  - creditors who wish to ask questions, request information, make comments or propose other resolutions must submit these to the Administrators by **12pm (AEDT) on 7 November 2025** by email at rex.creditors@au.ey.com

- the Administrators will answer or address questions at the Second Meetings (for at least 2 hours) that have been received from creditors on or before **12pm (AEDT) on 7 November 2025**
- the Administrators may, but are not required, at the Second Meetings to answer any questions, requests for information, or comments submitted by creditors after **12pm (AEDT) on 7 November 2025**

2.6.2 Notice of Second Meetings

Pursuant to Section 439A of the Act, the Second Meetings of the Companies will be held concurrently on 11 November 2025 **at 2pm (AEDT)** using the Microsoft Live Teams platform. At the Second Meeting, creditors will decide the future of the Companies by voting on one of the following options:

- that the Administrations should end (in this case control of the Companies will revert to the Directors); or
- that the Companies should be wound up; or
- that the Companies execute a DOCA

No DOCA has been proposed for RAL, so there is no option for creditors to pass a resolution requiring RAL to execute a DOCA.

The Notice of Meeting of Creditors is attached (**Appendix B).** Creditors can adjourn the Second Meetings for up to a period of 45 business days for a number of reasons including enabling further investigations to be undertaken or to provide further time to consider a DOCA. Creditors should consider that no funding is available to the Administrators to enable the continuation of operations beyond mid-December 2025, and any adjournment of the Second Meetings may risk completion of the sale contemplated under the proposed DOCA and/or result in the cessation of trading.

2.6.3 Creditors' Portal and voting instructions

We are using the Creditors' Portal to communicate with creditors, manage creditor claims and vote on resolutions at the Second Meetings.

Creditors will be required to log into the Creditors' Portal to vote on resolutions for the Second Meetings. Creditors will be able to vote on resolutions in advance of the Second Meetings from **2pm (AEDT) on 7 November 2025** up to the time the Chairperson closes the voting on resolutions during the Second Meeting. **To facilitate the efficient conduct of the Second Meetings, creditors are asked to vote on the resolutions prior to the commencement of the Second Meetings where possible**.

Creditors (who have not already done so) are required to register and submit a formal proof of debt on the Creditors' Portal at the following link Log in - EY Creditors Portal.

Instructions on how to register, submit a claim, manage a claim and vote on resolutions at the Second Meetings can be found at **Appendix M**. We have prepared this guide to assist you as a creditor to understand the steps that must occur to ensure you are appropriately registered, can submit your vote on the Creditors' Portal and be able to vote on the resolutions for the Second Meetings.

2.6.4 COI

At the Second Meetings we will be seeking a resolution for the appointment of a COI for the Rex Group and the Subsidiaries for the DOCA, Creditors' Trust or liquidation. We propose that this COI will comprise the following members who are existing members of the COI for the 2024 Administrations:

Proposed COI Member	Representing
Noel McCoy or in his absence Scott Atkins, both of Norton Rose Fullbright	Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts
Archie Ramsay	Westpac Banking Corporation Ltd
Henry Carr	DEWR
Simon Lutton	AFAP Union as Employee Nomination
Teri O'Toole	FAAA Union as Employee Nomination
Edward Knell	TWU Union as Employee Nomination
Michael Gilderdale	Australian Pacific Airports (Melbourne) Pty Ltd
Cameron Hoffman	Maranoa Regional Council
Stuart Richardson	Aus Flight Handling Pty Ltd
Tony Troiani	Sabre Asia Pacific Pte Ltd / Sabre GLBL Inc
Justin Cheng Kim Chuen	The Branksome Residences Pty Ltd
Sam Hardy	National Jet Express Pty Ltd

We do not see a requirement for a COI to be appointed for RAL.

2.6.5 What creditors need to do

All creditors are entitled to attend the Second Meetings. Creditors should review the contents of this Report and attend to the following as a matter of urgency:

Form / voting	Instructions
Appointment of proxy - form 532 (Appendix N1 – Rex Group and Subsidiaries) (Appendix N2 - RAL)	▪ General proxies **must be** in favour of an Administrator or the Chairperson ▪ **For the efficient conduct of the Second Meetings, creditors are encouraged to submit a special proxy indicating how they wish to vote on the resolutions** – these votes will be recorded in the Creditors' Portal prior to the Second Meetings. ▪ Completed proxy forms are to be returned by **12pm (AEDT) on 7 November 2025** to: **Email:** rex.creditors@au.ey.com , or **Post:** GPO Box 2646, Sydney NSW 2001, Australia ▪ Proxy forms submitted after **12pm (AEDT) on 7 November 2025** will be disregarded.
Proof of debt - form 535 (only required if you have not already lodged a proof of debt)	Lodge on the Creditors' Portal by **12pm (AEDT) on 7 November 2025** Log in - EY Creditors Portal
Register to attend the Second Meetings	Register **by 12pm on 7 November 2025** to attend at this link: Please click on this Second Meetings Registration Link to register to attend the Second Meetings. Please contact this office by email to rex.creditors@au.ey.com if you have any difficulty completing the form. A conference link will be emailed on the last business day prior to the Second Meetings. You will be required to dial into the meeting using teleconference link.
Online voting for the Second Meeting	Voting for the Second Meetings will occur electronically by poll. All poll votes will be counted by the Administrators regardless of whether those creditors (or their proxy or attorney) were present at the Second Meetings.

Form / voting	Instructions
	For the efficient conduct of the Second Meetings, creditors who do not wish to lodge a special proxy, are requested to log onto the Creditor' Portal **before the meeting** to cast their votes on the resolutions. To vote on the resolutions for the Second Meetings creditors must: a. Lodge their proxy form with the Administrators by **12pm** (AEDT) on **7 November 2025** b. Lodge their proof of debt on the Creditors' Portal by **12pm** (AEDT) on **7 November 2025** c. Log into the Creditors' Portal at any time after **2pm** (AEDT) on **7 November 2025** and click on the meeting for the relevant company that you are a creditor for – it will say "open for voting" and you should be able to view the resolutions for the meeting d. If you have submitted your proxy form, or if you are an individual creditor, place a tick in the box "I do not need a proxy". **Please note you should not tick this box if you are representing a corporate creditor without ensuring you have submitted your proxy form to the Administrators first or your votes will not be valid** e. Ensure you click "submit" after you vote for each resolution to ensure your votes are submitted f. If you are a creditor of multiple Companies, you will need to go back to the home page and click on the relevant company meeting to submit your votes for each company

2.7 Remuneration

An Administrator's remuneration can only be fixed by resolution of a COI, the creditors, or by application to the Court. In accordance with IPR 70-35 and the Code, an Initial Remuneration Notice was provided to creditors with our initial communication to creditors for the 2024 Administrations and the 2025 Administrations and tabled at the 2024 First Meeting and the 2025 First Meeting.

ARITA has issued an "Approving remuneration in external administrations" information sheet providing general information for creditors on the approval of an administrator's fees in a liquidation, a VA or a DOCA. This information sheet is available from the ARITA website at ARITA Information Sheets.

The COI has approved the Administrators' remuneration to 10 October 2025 for the Rex Group and RAL (**Appendix L**).

Creditors approved the Administrators' remuneration for the Subsidiaries at the 2025 First Meeting (**Appendix L**).

We will not be seeking approval for our prospective remuneration in this report. Our remuneration for the Rex Group and RAL from 11 October 2025 will be considered retrospectively by the COI after the Second Meetings. Our remuneration for the Subsidiaries from the date of the Second Meetings will be considered retrospectively by creditors, or a COI.

2.8 Non-disclosure of certain information

There are sections of this Report where we have considered it inappropriate to disclose certain information to creditors. Such information includes:

- valuations of specific assets
- valuation of the business

- details of offers received during the Sale Process
- commercially sensitive prospective financial information (for example, projections / forecasts)
- legal advice

We recognise the need, where possible, to provide creditors with complete disclosure of all necessary information relating to the Companies. However, we believe this information is commercially sensitive and it is not in creditors' interests for us to disclose the information publicly at this stage.

Where necessary in this Report, we provide a combined figure for potential realisations of assets when comparing estimated dividends under the relevant options.

During consultations with the COI, we have disclosed such information to COI members to ensure that they are fully informed and would be able to consider an overview of the Sale Process, transactions contemplated by the Administrators and a general update in relation to the Administration of the Companies.

All information provided to COI members was disclosed under the strict terms of the undertaking as to confidentiality that each member signed prior to receiving such information.

2.9 Disclaimer

This Report has been prepared following our preliminary investigations and review of the available books and records of the Companies. While we have endeavored to determine the accuracy or otherwise of the information provided, we are unable to warrant the accuracy, completeness or reliability of same.

We reserve the right to alter any conclusion or recommendation in this Report based on further information that may become available. If any creditor is aware of any information that should be brought to the Administrators' attention relevant to any matter that may affect our recommendation in this Report, we request that this be done as a matter of urgency. Any additional material issues that are identified after the issue of this Report may be the subject of a further written report and/or tabled at the Second Meetings.

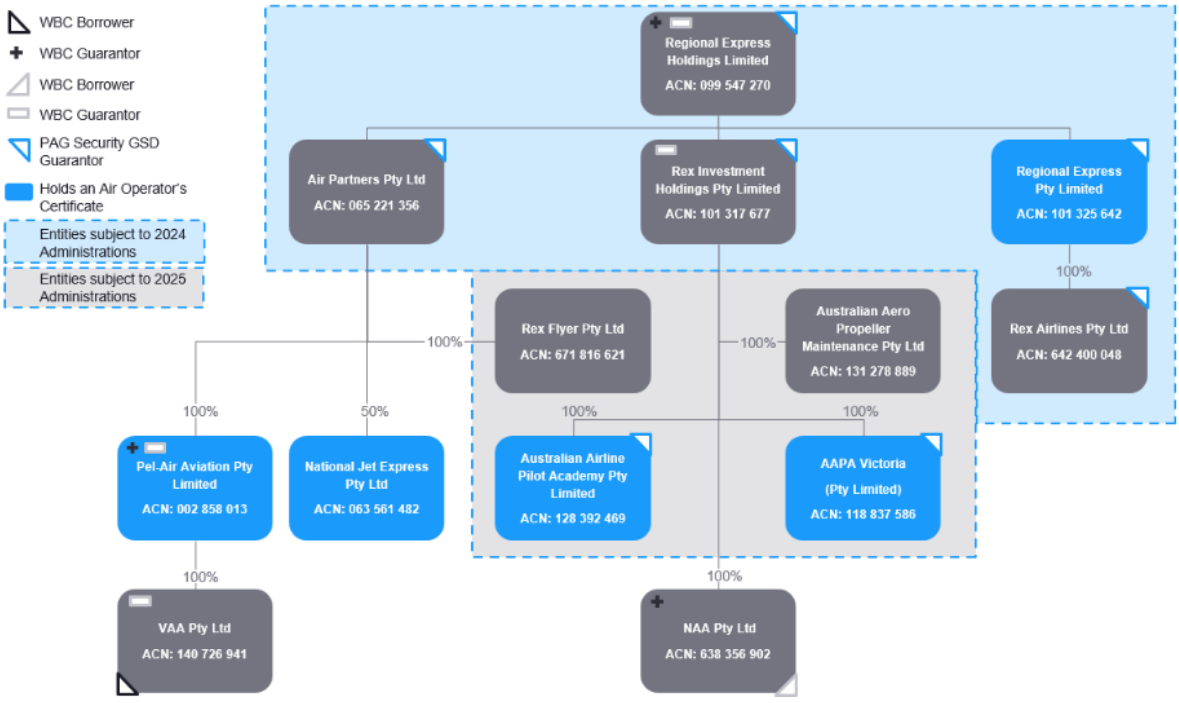
3. Background information

This section provides creditors with information on the history of the Companies and the circumstances leading to the appointment of the Administrators, together with details of related entities, including statutory information and an overview of the operating businesses.

Summary of section 3		Ref.
1	REX is the ultimate holding company for the Regional Express Group of Companies	3.1
2	In 2021, REX saw the reduction in Virgin Australia's services as an opportunity to establish Rex Domestic, entering the market by leasing a fleet of nine Boeing 737's to service the metro flight routes between Australian major cities	3.2
3	The corporate group consisting of REX and its subsidiaries comprised five key segments at the time the Administrators were appointed: Rex Regional, Pel-Air, AAPA and AAPAV, NJE and Rex Domestic (operated by RAL)	3.3

3.1 Corporate structure

A summary of the corporate structure of REX and its subsidiaries on commencement of the 2024 Administrations is below:



Key points to note in relation to the corporate structure are:

- REX is the ultimate holding company for the Rex Group, RAL and the Subsidiaries and operates all regional aircraft, notably the Saab fleet
- REX was listed on the ASX but was under a trading halt at the time of our appointment. On 31 July 2024, REX's securities were suspended from quotation and on 11 September 2025 REX issued an announcement on the ASX which noted that REX was removed from the ASX in September 2025. The Administrators had obtained a deferral of financial reporting obligations under the 1 Year Listing Rule but given the protracted administration process, the ASX was not able to grant any further extension of time to permit completion of a transaction

- RAL held and managed the Group's 737 operations, which exclusively flew the major city routes (i.e. Rex Domestic) and has been grounded since commencement of the VA
- NAA and VAA are special purpose vehicles that own and operate the air ambulance fleet in NSW and Victoria, respectively. Pel-Air holds the two ambulance contracts. NAA and VAA provide fixed wing ambulance services with a specially modified fleet of aircraft. NAA and VAA were sold to Helicorp Pty Ltd, part of Toll Aviation, on 23 December 2024
- AAPA and AAPAV are pilot training entities
- AAPM holds European Aviation Safety Agency and CASA approvals and most major Propellor original equipment manufacturer approvals to perform aircraft maintenance and overhauls
- Rex Flyer holds the REX and RAL frequent flyer program and had approximately 120k members as at October 2025
- REPL and AP are non-operating entities
- RIH is an investment company
- NJE (50% interest acquired by AP in July 2022) provides bespoke charter flights in the FIFO market. AP sold its shares in NJE to entities controlled by the other existing shareholders of NJE on 2 December 2024
- On commencement of the VA, the Companies had a complex financing structure with various entities borrowing from PAG and WBC or acting as guarantors to these arrangements
- In January 2021, REX entered into an agreement with PAG to issue up to $150M first-ranking senior secured convertible notes to support the launch of Rex Domestic.
- In December 2023, REX issued convertible notes equivalent to 25M ordinary shares to PAG. Following this transaction, REX had issued, in aggregate, $120M of convertible notes of $1 each to PAG (convertible into 80M ordinary shares)
- REX also had a loan facility with WBC which largely related to the acquisition of aircraft required for NSW Air Ambulance and Victoria Air Ambulance operations with step in provisions by the respective Government departments. This loan facility was used to pay for manufacture and delivery of NSW Air Ambulance operations. Upon delivery of the aircrafts the facility is converted into an amortising facility – repayable over the life of the relevant contracts with the government departments. The loan facility was secured by the aircraft and guaranteed by the Rex Group and RAL. The WBC facility remained with Pel-Air on completion of the sale of that business and REX and RIH were released from their obligations under the facility other than a small bank guarantee and credit cards.

3.2 DXG

On 30 June 2011, REX entered into a DXG in relation to the debts of Pel-Air, AP, RIH, AAPA and REPL for the purposes of ASIC Corporations (Wholly Owned Companies) Instrument 2016/785.

Subsequently, the following subsidiaries joined the same DXG by entering into pro-forma assumption deeds:

- AAPAV, VAA and NAA in FY20
- RAL in FY21
- AAPM in FY22
- Rex Flyer in FY24

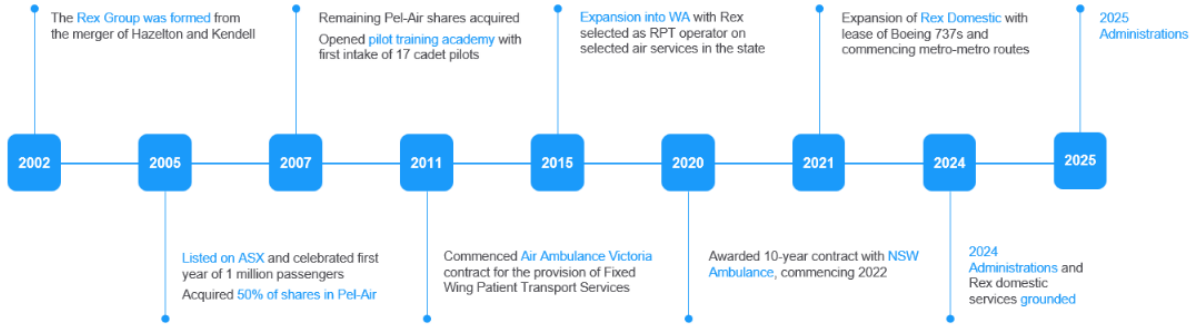
ASIC permits corporate groups that are party to a DXG to lodge their financial statements on a consolidated basis. This simplifies financial reporting for the Companies.

The DXG also enhances creditor protection across the group of Companies. Broadly speaking, the DXG provides that each of the Companies in the group guarantees the debts and claims of the other Companies in the group. This means where a creditor has a claim against one of the Companies, that creditor has a contingent claim against the other Companies pursuant to the DXG.

The DXG will only become enforceable where one (or more) of the Companies enters liquidation and certain conditions are satisfied. As none of the Companies are presently in liquidation, creditors currently only have contingent claims under the DXG. Under the terms of the proposed DOCA, it is proposed that all claims, including contingent claims against the Rex Group and the Subsidiaries, will be extinguished upon effectuation of the DOCA.

3.3 History and key events leading up to administration

A timeline of the key events in the history of the Companies together with commentary on the events leading up to the Administrators' appointment is set out below:



- Prior to COVID-19, Rex Group and the Subsidiaries were profitable businesses including through the Global Financial Crisis
- In 2020, Virgin Australia (one of Rex Group's main competitors) reduced its footprint in regional Australia and downsized its Boeing 737 fleet. At the same time, Virgin Australia also grounded its Tiger Air brand, a budget airline flying between major cities, including the "golden triangle"
- REX saw the reduction in Virgin Australia's services as an opportunity to establish Rex Domestic, entering the market by leasing a fleet of nine Boeing 737's to service the metro flight routes between major cities
- However, with a highly competitive market with a lack of scale (i.e. only 9 aircraft), the Rex Domestic segment struggled to attract sufficient demand to make it profitable
- During this time, the Rex Group (excluding Rex Domestic) maintained profitable performance, however Rex Domestic was impacting overall group profitability
- After 4 years in the market, Rex Domestic was no longer a viable business. Rex Group and RAL undertook a strategic review of the business but ultimately had no option other than to appoint Administrators
- Following the grounding of the Rex Domestic business and the outcome of the Sale Process, it has become apparent that RAL will not be included in the DOCA proposed for the sale and recapitalisation of the Rex Group and the Administrators will have no option but to recommend to creditors that RAL be wound up. The liquidation of RAL will trigger the crystallisation of liabilities under the DXG. It is for this reason that the Directors appointed Administrators to the Subsidiaries on the basis they were likely to become insolvent on the liquidation of RAL

3.4 Business operations

The operations of REX and its subsidiaries on the initial appointment of Administrators had five key segments:

3.4.1 Rex Regional

- Rex Regional, operated by REX, owns and operates all "Rex" branded commercial aircraft, offering commercial flight routes between many of Australia's major cities and regional

locations. It is a full-service carrier, providing booking, ticketing, professional ground handling services, and pre-assigned seatings

- Owns a fleet of ~56 Saab 340B / B+ aircraft serving 54 airports across Australia
- Holds the Air Operator's Certificate to conduct airline and charter activities and the Certificate of Approval to undertake aircraft maintenance and overhaul
- Previously owned the Rex Group's freehold head office at Mascot, NSW. This property was sold under a sale and leaseback arrangement on 20 December 2024 (refer **section 5.2.1.1**)

3.4.2 Pel-Air

At the time of our appointment to the 2024 Administrations, Pel-Air:

- Had a fleet size of 15 aircraft consisting of Beechcraft King Air B200C/260C and King Air B350C/360C & Pilatus PC-24 jets with further access to the Rex Group fleet
- Was a leading air charter company offering aeromedical transport, FIFO charter services, air freight and corporate jet services
- Included the air ambulance fleet in NSW and Victoria owned by NAA and VAA and the two ambulance contracts in those States
- The Pel-Air business was sold on 23 December 2024 (refer **section 5.2.1.1**)

3.4.3 AAPA and AAPAV

- Registered training organisations and CRICOS approved to offer an intensive training program for global airlines and the pipeline of Rex cadet pilots which allows students to graduate with a Commercial Pilot Licence, Multi-Engine Rating and Instrument Rating
- AAPA and AAPAV operate from freehold facilities in Wagga Wagga, NSW (owned by REX) and Ballarat, Victoria (owned by RIH). The pilot academies own 42 aircraft and six flight simulators
- The flight school in Wagga Wagga is currently not training any students

3.4.4 NJE

At the time of our appointment:

- NJE was a joint venture arrangement between Rex Group (50% interest owned by AP), and Lim Kim Hai (30% interest) and Thian Song (20% interest)
- NJE provided FIFO charters supporting mining, oil and gas projects and private charter services to business, tourism and leisure clients. In addition, NJE offers overnight freight to support Australia's national freight operations on the east coast and aircraft handling
- In July 2022, Rex Group acquired a 50% interest in NJE for $48M. Rex Group did not control or manage NJE. NJE historically could call upon Rex Group's fleet to meet client needs
- AP sold its interest in NJE to entities controlled by the remaining shareholders of NJE on 2 December 2024 (refer **section 5.2.1.1**)

3.4.5 Rex Domestic

- RAL operated the Rex Domestic routes between major cities in Boeing 737s

- Following the appointment of the Administrators to RAL, these routes were grounded and the aircraft leases for the nine Boeing 737's were terminated

3.5 Statutory information

The following statutory information in respect of each of the Companies extracted from ASIC's national database at the time of our appointment is set out in **Appendix D**:

- incorporation date
- registered office address
- principal place of business address
- company officers
- shareholders

3.6 Registered security interests

3.6.1 Summary of registered security interests

At the time of our appointment, the PPSR disclosed the following security interests registered against the Companies:

No. of registrations on appointment		REX	RIH	REPL	AP	RAL	AAPA	AAPAV	AAPM	Rex Flyer
Collateral class	**PMSI**									
Aircraft Engine	Yes	-	-	27	-	30	-	-	-	-
	No	44	68	33	-	30	-	-	-	-
Airframe	Yes	-	-	14	-	15	-	-	-	-
	No	22	35	136[1]	-	15	-	-	-	-
Small Aircraft	No	-	-	-	-	-	21	20	-	-
AllPAAP - No Except	N/A	2	-	-	-	-	-	-	-	-
AllPAAP - With Except	N/A	5	2	14	1	11	1	1	-	-
Motor Vehicle	Yes	15	-	2	-	7	-	-	-	-
	No	-	-	-	-	2	-	-	-	-
Other Goods	Yes	28	-	2	-	2	1	-	1	-
	No	1	-	2	-	-	-	-	-	-
General Intangible	No	-	1	-	-	-	-	-	-	-
Investment Instrument	N/A	-	1	-	-	-	-	-	-	-
Total		117	107	230	1	112	23	21	1	-

1 120 of these security interests were registered on 30 July 2024 and are not considered to be valid

A detailed listing of PPSR registrations by company is set out in **Appendix E**.

Immediately on appointment, the Administrators wrote to all parties with interests registered on the PPSR requesting further information regarding their registration and any amounts due.

The Administrators completed a detailed assessment of the registered security interests and any further PPSA claims that were received. Where suppliers held valid security interests, their goods on hand were either returned or alternatively, if the goods were used in the ordinary course of business, the Administrators have paid for those goods.

All claims have been assessed or will be assessed and duly dealt with during the Administration. Further details of the registered security interests are available to creditors on request.

3.6.2 AIIPAAP

On commencement of the 2024 Administrations, the Companies had a complex financing structure in place with various entities borrowing principally from WBC and PAG or acting as guarantors for those facilities.

3.6.2.1 PAG

In January 2021, REX entered into an agreement with PAG to issue up to $150M first ranking senior secured convertible notes to support the launch of Rex Domestic. In December 2023, REX issued convertible notes equivalent to 25M ordinary shares to PAG. Following this transaction, REX had issued, in aggregate, $120M of convertible notes of $1 each to PAG (which were convertible into 80M ordinary shares).

REX is the borrower under the PAG facility. The guarantors under that facility are identified in the corporate structure at **section 3.1**.

The PAG facility has been repaid in full during the administration by way of:

- Acquisition by the Commonwealth of the PAG secured debt on 23 January 2025
- Repayment from the proceeds of the sale of non-core assets in March 2025

The Commonwealth has now replaced PAG as the largest secured creditor of the Companies (see further details of the Commonwealth funding at **section 5.2.2.1**).

3.6.2.2 WBC

The WBC facility relates to funding for the acquisition of aircraft required for the NSW Air Ambulance and Victoria Air Ambulance operations. Upon delivery of the aircraft the facility is converted into an amortising facility – repayable over the life of the Air Ambulance contract.

The principal borrowers under the WBC facility are VAA and NAA but those debts are secured by the aircraft and guaranteed by REX and RIH.

When the air ambulance business owned by Pel-Air was sold (refer **section 5.2.1.1**), the WBC facility remained with Pel-Air, VAA and NAA. REX and RIH were released from the facility and only retained a small bank guarantee and credit card facility with WBC.

3.7 Winding up applications

There was no outstanding winding up applications against the Companies at the relevant date of our appointment.

4. Historical financial position

This section provides a summary of the financial performance of the Companies.

Summary of section 4		Ref.
1	The Administrators have relied on the financial statements and management accounts for their review of the historical financial position and performance of the Companies	4.3
2	Audited financial statements were prepared for the Companies on a consolidated basis which recorded a net loss after tax of $46M in FY22; a net loss after tax in HY23 of $14M, a net profit after tax of $14M in FY23, and a net loss after tax of $7k in HY24	4.4
3	Management accounts for the individual Companies reflect the impact on the overall profitability of the Companies from the poor trading performance of the Rex Domestic business which incurred net losses after tax of $52M in FY22, $23M in FY23 and $46M in FY24	4.4

4.1 Summary

We have undertaken a preliminary analysis of the historical financial position and performance of the Companies based on the information provided to us. We are not placing reliance on the accounts provided to us, only summarising the information contained therein and making comment on items where sufficient information is available.

4.2 Books and records – quality of financial information

The Administrators are required to assess the quantum and quality of the books and records maintained by a company. Pursuant to Section 286(1) of the Act, a company must keep written financial records that:

1. correctly record and explain its transactions and financial position and performance, and
2. would enable accurate and fair financial statements to be prepared and audited

Based on our review of the available records, it is our opinion that the books and records for the Companies were maintained in accordance with Section 286(1) of the Act.

4.3 Preparation of financial statements

In the three years prior to the appointment of the Administrators, the Companies' financial statements were prepared and audited up to HY24. The FY24 financial statements were drafted but had not been finalised at the date of our appointment. BDO Audit Pty Ltd audited the financial statements for FY22, HY23, FY23 and HY24.

The Companies also prepared monthly management reports.

4.4 Summary profit and loss and balance sheet

A summary of the Companies' profit and loss statements and balance sheets are presented at **Appendix F** together with our key observations.

5. The administration to date and sale of business

This section provides an overview of the conduct of the Administration, including the trading of the business and the Sale Process.

	Summary of section 5	Ref.
1	On appointment, the Administrators assumed control of the businesses operated by the Companies and took steps to take control of the assets	5.1
2	Having regard to the immediate cash flow position of the Rex Group and RAL, the Administrators grounded the Rex Domestic fleet of Boeing 737s. The Administrators determined that the Rex Regional business was able to continue to operate while they progressed the Sale Process	5.2
3	To maximise the likelihood of the Rex Regional business being sold as a going concern, the Administrators and the Commonwealth agreed to implement a financial restructure including Commonwealth funding and the implementation of a business improvement strategy to re-establish the ability of the Rex Regional business to operate in a financially sustainable manner	5.2
4	The Administrators have concluded sales of the other businesses operated by the Rex Group throughout the administration following the original Sale Process which was commenced in August 2024	5.2.1
5	The Administrators continued the Sale Process for the Rex Regional business and received seven NBIOs from parties to acquire the Rex Regional business. Four parties were invited to the binding due diligence phase with two binding bids received and two binding bid extension requests received. The Administrators have accepted an offer from the Purchaser	5.2.2
6	Subject to approval by creditors, the proposed DOCA provides that the Purchaser will acquire 100% of the shares in REX by way of the DOCA between the Proponent, the Rex Group, the Subsidiaries and the Administrators. The DOCA proposal does not include RAL.	5.2.2

5.1 Summary of tasks undertaken during the administrations

Since our appointment, we have assumed control of the operations of the Companies. Appropriate controls and systems were put in place with respect to cash / banking, purchase orders, stock control and reporting. Whilst conducting an urgent assessment of the business, we grounded the Rex Domestic services but were able to continue to operate the Rex Regional services in the ordinary course.

We have carried out a wide range of tasks in the conduct of the Administrations:

- General administration tasks and tasks relating to our statutory obligations, including:
  - opening new accounts with service providers, utilities and other non-stock suppliers
  - continuing the employment of all staff except for those largely associated with the Rex Domestic service
  - negotiating certain payments of necessity to ensure continued supply of business-critical services
  - conducting meetings with Directors, senior management and staff
  - issuing instructions to carry out an immediate stock take
  - reviewing the procedures for IT services and back up processes for information on site
  - reviewing the adequacy of the insurances policies held by the Companies and arranged insurance of the Companies' assets
  - carrying out an external valuation of the Companies' assets

- corresponding with key suppliers and stakeholders to establish trading procedures and maintain relationships during the Administration
- receiving and responding to creditor and employee enquiries and other stakeholder questions and preparing and uploading information for creditors and customers to the Rex website
- monitoring and managing email addresses established in the administrations to deal with enquiries and correspondence in relation to the administrations
- establishing a database to record various creditor claims and assist with ongoing management of creditor claims
- undertaking preliminary investigations into the affairs of the Companies including the financial position of the Companies, reviewing books and records, conducting forensic imaging of electronic records and considering potential insolvent trading and voidable transaction claims
- investigating the security held in relation to the assets and property of the Companies
- investigating and dealing with claims of creditors who have registered financing statements against the Companies on the PPSA and negotiating security interest settlements where required
- undertaking preliminary calculations of the secured debt position of the Companies
- undertaking preliminary investigations in relation to the DXG between REX and the other Companies
- applying to the Court for orders in relation to the conduct of the 2024 First Meeting
- applying to the Court for orders in relation to the conduct of the 2025 First Meeting and updated orders for the conduct of the Second Meetings
- convening the 2024 First Meeting and the 2025 First Meeting and attending to tasks necessary for the conduct of those meetings including preparing notices to creditors, collecting proofs of debt and proxies lodged by creditors, conducting the meetings, preparing the minutes of the meetings and, in the case of the 2024 Administrations, preparing and issuing a notice of proposal for creditors for their ratification of the proposed members of the COI selected by the Administrators
- obtaining court orders and directions in relation to three extensions of the convening period for the Rex Group and RAL, limitation of liability and the entering into of finance and security agreements with PAG and the Commonwealth
- obtaining court orders and directions in relation to the extension of the convening period for the Subsidiaries, limitation of liability and the entering into of a further amended facility agreement with the Commonwealth
- preparation of this Report
- attending to other general administrative tasks as required
- filing of required notices with ASIC in relation to our appointment and convening the 2024 First Meeting and the 2025 First Meeting
- notifying the ATO of our appointment

- Specific trading tasks associated with the continued operation of large parts of the business of the Companies, including:
  - facilitating ongoing trading and the operation of the Rex Regional business, including opening new accounts with service providers, utilities and other non-stock suppliers
  - preparing and monitoring an 'Administration' trading cash forecast

- holding discussions with, and requesting information from, key personnel and advisers in relation to the assets, liabilities and operations of the Companies
- liaising with Government bodies and Government representatives at the State and Commonwealth level in relation to the administrations
- entering into a loan agreement with PAG and a general security deed
- negotiating and entering into a facility agreement between the Commonwealth, the Companies and the Administrators
- liaising with employees and union representatives
- continuing employment of staff and facilitating ongoing wage payments
- liaising with regulatory and statutory bodies

- Tasks relating to the Sale Process for the Rex Regional business as well as other businesses and assets owned by the Companies, including:
  - commencing the Sale Process including preparation of an information memorandum, creation of a virtual data room, negotiating with potential purchasers
  - continuing the Sale Process including implementation of the BIS developed by the Administrators
  - ongoing communications with our investment banking advisors in relation to the Sale Process
  - entering binding sale documents for the sale of certain assets owned by the Companies
  - continuing to market other assets of the Companies (including spare parts, engines and landing gear) and engage with potential buyers of these assets
  - negotiation of key terms of documentation with the Purchaser to progress the sale of the Rex Regional business
  - engage with the State and Commonwealth Governments regarding support and the go forward position of regulated routes
  - finalise the "go forward plan" for the Rex Group and the Subsidiaries after the VAs end
  - refine and finalise the terms of the proposed transaction, transaction documents, proposed DOCA terms and Creditors' Trust terms, transitional arrangements following approval of the transaction at the Second Meetings
  - take appropriate steps to apply for and obtain necessary approvals from the Foreign Investment Review Board
  - obtain confirmation from the Commonwealth in its capacity as the sole secured creditors that the proposed transaction is acceptable
  - agree and execute the Sale Agreement
  - complete the sale of all remaining assets of the Companies

5.2 Sale Process

Having regard to the immediate cash flows of the Companies, it was determined shortly following our appointment that it was in the best interest of all creditors to ground the Rex Domestic services but continue to trade the Rex Regional services to attempt to achieve a going-concern solution for that business.

First Sale Process

Immediately following our appointment, we commenced a competitive Sale Process for the recapitalisation and/or sale of the businesses operated by the Rex Group. That first Sale Process achieved sales of the businesses set out at **section 5.2.1**.

Second Sale Process

By mid-November 2024, notwithstanding interest from bidders, the Administrators had not received a binding proposal that was credible or otherwise capable of acceptance for the sale of the Rex Regional business or the AAPA/AAPAV flight schools. Based on consistent feedback from bidders in the first Sale Process, the Administrators identified the following key challenges to be resolved for the Rex Regional business, which the Administrators considered would need to be addressed to finalise and complete a sale:

- Lack of serviceable aircraft – there was a need for significant capital expenditure in the short term to increase the number of serviceable aircraft available to the Rex Regional business
- Unprofitable routes - certain routes operated by the Rex Regional business were not financially sustainable but were critical for regional communities and were considered necessary to maintain business operations to optimise returns to creditors
- Inability to undertake future fleet renewal - the aircraft fleet operated by the Rex Regional business was either at or beyond mid-life and would need to be progressively replaced over the medium to long term. In the intervening period, as the fleet continued to age, costs associated with maintaining and servicing aircraft would increase. While renewal of the fleet would be necessary to enhance operational reliability of the fleet and ensure the long-term competitiveness of the airline, the business did not currently have sufficient levels of profit or available capital to be able to renew its fleet in this timeframe (where the cost of this process was estimated to be significant)

To maximise the likelihood of the Rex Regional business being sold as a going concern, which the Administrators considered would optimise the return to creditors, the Administrators and the Commonwealth agreed to implement a financial restructure involving:

- The Commonwealth funding the continued trade on of the Rex Regional business during the Administration
- The Administrators undertaking a business improvement process aimed at re-establishing the ability of the Rex Regional business to operate its regional network in a financially sustainable manner

The agreement with the Commonwealth required, amongst other things, the Administrators to obtain the Second Extension to implement the BIS and further develop work on the fleet renewal options. This allowed time to demonstrate to potential bidders a clear pathway to an enhanced Rex Regional business, undertake a second Sale Process and complete a sale. Please refer to **section 5.2.2** for an update on the outcome of the second Sale Process for the Rex Regional business.

5.2.1 Sale updates – other businesses

5.2.1.1 Sales achieved

As a result of the first Sale Process, we achieved the following:

- Sale of the aeromedical business carried on by Pel-Air (including NAA and VAA) to Helicorp Pty Ltd, an entity owned and controlled by Toll Holdings which completed on 23 December 2024. The Pel-Air sale consisted of, amongst other things:

- Fixed wing air ambulance services with the NSW and Victorian Governments
- A total enterprise value of c.$200 million, with cash consideration of c.$50 million
- An assumption of the existing debt facilities of c.$151 million extended by Westpac
- A material reduction in the secured debt owed to PAG
- Charter business retained by REX
- Cash released of c.$10.5m to REX (now supporting guarantee and merchant facilities of the Rex Regional business)

- Sale of the shares held by AP in NJE for $12M which was completed on 2 December 2024
- Sale and leaseback of the Rex head office at 79 & 81-83 Baxter Road, Mascot which was owned by REX for $13.2m. This sale settled on 20 December 2024 and the current lease agreement with the landlord has been extended through to 30 June 2026
- Sale of the land at 37 Robey Street, Mascot (**Rex House**) which was owned by REX and settled on 30 October 2024 for $2.5M
- Sale of the Boeing 737 flight simulator and associated property at 72-76 Robey Street, Mascot (**737 Sim and Robey Street**) which was owned by REX. This sale was settled on 13 March 2025, with the property selling for $3.7M and the 737 flight simulator selling for USD2.4M
- Sale of the B350 aircraft that was excluded from the Pel-Air sale which was owned by RIH and settled on 7 March 2025 for USD7.3M
- Sale of various Boeing 737 aircraft spare parts and rotables owned by RAL, both by the Administrators and through the Administrators' agent, C&L Aerospace LLC, who is currently selling these parts progressively in the international market
- Sale of other PP&E items that are no longer required for operations, such as excess galley carts and drawers

These transactions have contributed significantly to enhancing liquidity and optimising the asset base across each of the Companies. The Administrators continue to pursue strategic asset sales that will further strengthen the financial position of the Companies where commercial to do so.

5.2.1.2 AAPA/AAPAV flight schools

- A Sale Process for the shares in the flight school businesses resulted in only modest interest. Formal expressions of interest nominated a sale price which was below asset backing
- The Administrators identified a preferred bidder and counter-offered in line with asset backing, which was agreed in principle, but has since remained subject to ongoing negotiation of terms customary with any sale
- Negotiations with the preferred bidder have been protracted. Given AAPA's financial position, the AAPA board formed the view that it could not take on additional students and there is presently no pilot training occurring at Wagga Wagga.
- Offers were made to the 17 students impacted by the current position of the Wagga Wagga campus to transfer and complete their studies at the Ballarat Campus
- Consultations have occurred with the 21 AAPA staff impacted by the reduction in training operations and REX has offered alternative employment options where possible

- The Ballarat operations continue to offer training operations for a limited number of students
- Negotiations with the preferred bidder have now been terminated because the Purchaser of the Rex Regional business intends to acquire the flights schools as part of that sale (refer comments at **section 5.2.2.6**).

5.2.2 Rex Regional update

5.2.2.1 Commonwealth support

The Commonwealth and State governments have been deeply engaged and supportive of REX throughout the administration.

The Commonwealth has a strong desire to see the Rex Regional business continue to operate to serve regional and remote communities and to maximise the likelihood of a going concern sale. For this reason, on 11 November 2024, the Commonwealth entered into an $80 million financing facility to support the Rex Regional network and then extended the Federal Government Regional Flight Booking Guarantee (**Booking Guarantee**). Pursuant to the Booking Guarantee, the Commonwealth agreed to guarantee the obligations of REX and REPL in relation to regional customer bookings from 9:31pm (AEST) on 30 July 2024 (being from the date the 2024 Administrations commenced).

The Administrators accepted the Commonwealth's funding offer as it allowed investment in the business to optimise its value and maximise returns to creditors.

The Commonwealth funding was approved by the Federal Court of Australia on 20 November 2024 when the Court approved the Second Extension. This provided the opportunity for the Administrators to implement the BIS to better position the Rex Regional business for a sale (please refer to **section 5.2.2.2** for further information in relation to the BIS) with a view to maximising returns to creditors.

The funding provided by the Commonwealth included a standstill agreement reached between the Commonwealth, PAG and the Companies which facilitated the sale of assets non-core to the Rex Regional business and partial repayment of the secured debt owed by REX to PAG.

On 23 January 2025, the Commonwealth acquired the secured debt owed by REX to PAG which elevated the Commonwealth to the largest secured creditor of REX. The Commonwealth paid consideration of $50M and took an assignment of PAG's debt. The balance of PAG's debt was repaid from the proceeds of sale of non-core assets in March 2025.

To accommodate the second Sale Process (see comments at **section 5.2.2.3**), it was necessary to apply for the Third Extension of the convening period to 5 December 2025 to finalise the sale of the Rex Regional business. The Court approved the Third Extension on 24 June 2025 together with approval for the Administrators to enter into an amended funding agreement with the Commonwealth to increase the existing facility by $30M (**the Amended Facility Agreement**).

While the existing Commonwealth funding had not been fully drawn (in a large part due to supply chain delays on engineering orders needed to return more aircraft to service), the amended funding agreement with the Commonwealth was required to provide the Administrators with necessary resources to continue to operate the Rex Regional business, finalise negotiations with interested parties who had submitted binding offers and transact with a preferred bidder to complete a sale.

At the time of our appointment to the 2025 Administrations, we formed the view that it was necessary to obtain urgent funding to enable us to meet the costs of the administration of the Subsidiaries and other costs required to continue to operate the businesses conducted by them.

The Commonwealth agreed to further amend the Amended Facility Agreement to include the Subsidiaries as parties to that Further Amended Facility Agreement and to permit the facility to be used to fund the costs of the administration of the Subsidiaries including our costs. On 24 October 2025, the Court made orders approving the Administrators entry into the Further Amended Facility Agreement.

It is unclear if all the Commonwealth funding will be required.

The Commonwealth has also provided support in the form of multiple Ministerial Directions to the Slot Manager for Sydney Airport relating slots for the below seasons. These directions allow REX to have historical precedence to a designated regional series slot thereby retaining and preserving the regional slots needed for its 'go forward' plan without needing to satisfy the use it or lose it rules.

- Northern Summer 2024 (31 March 2024 to 26 October 2024)
- Northern Winter 2024 (27 October 2024 to 29 March 2025)
- Northern Summer 2025 (30 March 2025 to 25 October 2025)
- Northern Winter 2025 (26 October 2025 to 28 March 2026)
- Northern Summer 2026 (29 March 2026 to 24 October 2026)

5.2.2.2 BIS

The BIS is a step plan undertaken by the Administrators for the implementation of a financial and operational restructure of the Rex Group to re-establish the Rex Group's ability to operate the Rex Regional business in a financially sustainable manner. The BIS included undertaking the following:

- Route optimisation: opportunities have been identified to profitably increase flying activity and schedule frequency, while balancing operational and regional community needs
- Operational initiatives: amongst other things, introducing flight crew recruitment and retention initiatives, increasing marketing expenditure and the wholesale review of commercial terms with key vendors
- Capital expenditure: REX's ability to service its existing regional network has been impacted by aircraft shortages. A fundamental component of the BIS is a significant short-term investment in an engine overhaul program to increase the number of serviceable aircraft available to support active lines of flying

The primary objective of the BIS was to demonstrate to potential bidders a clear pathway to an enhanced Rex Regional business to maximise the proceeds of a going concern sale.

5.2.2.3 Timetable

The timetable for the sale of the repositioned Rex Regional business is set out below:

Date	Requirement
19 February 2025	Expressions of interest process launched, and Non-Disclosure Agreements (**NDA**) were provided to interest parties for execution
4 March 2025	A preview Information Memorandum (**IM**) and access to the virtual data room (**VDR**) was provided to parties who had executed an NDA and complied with the pre-qualification requirements
20 March 2025	Comprehensive IM provided to parties who had executed an NDA
From 14 April 2025	Submissions of non-binding indicative offers (**NBIOs**)

Date	Requirement
2 June 2025	Binding offers due

5.2.2.4 Interested parties

There was a strong level of engagement from parties early in the second Sale Process, which we summarise below:

Stage	Number of parties
Number of NDAs returned – parties received access to the VDR for the Pre-Qualification Stage	41
Number of parties invited to the NBIO diligence phase	17
Number of NBIOs received	7
Number of parties invited to the binding proposal diligence phase	4
Number of binding offers received	2
Number of binding bid extension requests received	2

5.2.2.5 Assessment of offers

In assessing the binding offers and requests for binding bid extension requests, the Administrators considered the following:

- Commercial terms, including but not limited to the:
  - Total consideration offered
  - Simplicity of the offer and minimisation of bid conditions
  - Timeframe to complete a transaction
  - Ability to secure support of the Commonwealth to achieve a release of its security interest over the Companies
  - Ability to maximise the financial outcome for the various classes of creditors
- Retention of employees: it was our intention to maximise the retention of staff employment through the sale and introduction of a new business owner. This included whether a party would be amenable to assuming all or some of the current employee entitlement liabilities
- Agreement proposal: proposals by each party were required to address the use of leased assets currently being used by the Companies and agreements associated with those assets in addition to any other third-party agreements for services provided to the Companies
- Financial capacity and experience of the bidder: to provide the best prospect of a completed sale transaction and for the business to continue viably into the future, we considered the financial capacity of the parties as well as their experience undertaking similar services

5.2.2.6 Proponent

The Administrators, after consultation with key stakeholders, formed the view that only one interested party was best placed to complete a transaction to purchase the business and assets of the Rex Group and the Subsidiaries on a going-concern basis. Since 9 July 2025 we have worked exclusively with the Proponent to finalise confirmatory due diligence and progress the second Sale Process.

On 21 October 2025, the Administrators entered into the Sale Agreement with the Purchaser which will result in the sale and recapitalisation of the Rex Group and the Subsidiaries. The Sale Agreement is subject to customary conditions precedents for a transaction of this type including receipt of regulatory approvals and approval by creditors at the Second Meetings.

The acquisition by the Proponent will be completed through a DOCA subject to creditor approval (please refer to details at **section 9**). The Commonwealth has agreed to support the DOCA consistent with the DOCA proposal provided by the Proponent subject to compliance with certain conditions precedent.

5.3 Trading results

On appointment, the Administrators worked closely with management and employees to continue to trade on a "business as usual" basis whilst assessing the financial position of the Companies and the viability of the businesses moving forward. The Rex Domestic routes operated by RAL were grounded following our appointment and this business has not traded during the VA period.

The Administrators contacted key suppliers to guarantee supply of essential goods and services to continue to operate. Almost all suppliers were supportive and willing to continue supply during the VA process.

Trading cash receipts and payments for the period 30 July 2024 to 26 October 2025 are summarised below. This is presented on a cash basis and excludes the recovery of pre-appointment debtors. It also excludes non-trading expenses including insurance, workplace health & safety review, valuation fees, legal costs and the remuneration and disbursements of the Administrators.

The trading results also exclude funding provided by PAG and the Commonwealth. This funding was provided under agreements approved by the Court to enable the Companies to continue to trade during the VA while the Sale Process was undertaken.

$000s	(excl GST)
Merchant receipts	353,808
Other revenue	42,200
Total trading receipts	**396,008**
Trading payments	(224,327)
Wages and payroll expenses	(135,495)
Engineering capital expenditure	(42,166)
Other trading expenses	(22,756)
Total trading payments*	**(424,744)**
Net receipts / (payments) from trading	(28,736)

**Excludes additional trading payments accrued and yet to be paid*

Full details of the Administrators' receipts and payments are attached as **Appendix B**.

6. Financial position of the Companies - ROCAPs

This section provides a summary of the ROCAPs submitted by the Directors, together with the Directors' explanation for failure of the Companies.

Summary of section 6		Ref.
1	The Directors' attribute the failure of the Rex Group and RAL to the failure of negotiations with a Major Operator (defined at section 6.2 below) to sell or transfer the loss-making Rex Domestic business (operated by RAL) which ultimately led to the grounding of the business	6.2
2	The Directors' attribute the failure of the Subsidiaries to the fact that there is no DOCA proposal for RAL, which will result in a liquidation of RAL, thereby enlivening the DXG	6.2
3	The Administrators also consider that pilot shortage, supply chain issues (particularly engine maintenance components, which led to suboptimal fleet utilisation) and the decision to enter the competitive domestic truck route market with an inability to secure frequency also contributed to the failure of the Companies	6.3

6.1 ROCAPs

Section 438B of the Act requires the Directors to give an Administrator a ROCAP about the business, property, affairs and financial circumstances of the Companies. We received the Directors' ROCAPs for the:

- 2024 Administrations between 8 - 13 August 2024 and they were lodged with ASIC on 15 August 2024
- 2025 Administrations between 23 - 27 October 2025 and they were lodged with ASIC on 29 October 2025

Set out at **Appendix G** is the financial position of the Companies set out in the ROCAPs at the date of our appointment.

We have not audited the Companies' records or the book values. The information at **Appendix G** should not be used to determine the likely return to creditors as a number of realisable values are based on the records of the Companies and remain subject to the review of the Administrators and in particular:

- the Administrators cannot confirm (or otherwise) certain asset values as they are commercially sensitive and are not disclosed in this report
- the value of creditor claims remains subject to change as further claims may be received and require adjudication
- the analysis does not provide for possible trading losses or professional costs associated with the administration process

Further detail on the estimated return to creditors from the administration is contained in **section 11**.

6.2 Directors' opinion as to the reasons for failure

The Directors attribute the following reasons to failure of the Companies:

- Negotiations were in a process with a major Australian Domestic mainline operator (**Major Operator**) to sell or transfer the loss-making domestic business (operated by RAL). When an arrangement could not be reached, the Directors of RAL had no further options available to them but to appoint the Administrators
- REX, RIH, REPL and AP failed by reason of cross-default under the PAG facility
- There is no DOCA proposal for RAL, which will result in a liquidation of RAL, thereby enlivening the DXG

6.3 Administrators' opinion as to the reasons for failure

In addition to the reasons identified by the Directors, we believe the Companies failed because of:

- Pilot shortages and supply chain issues, particularly engine maintenance components, which led to suboptimal fleet utilisation
- Entering the competitive domestic market to service the metro flight routes between major cities with an inability to secure frequency

7. Administrators' investigations

This section provides creditors with information on the investigations undertaken by the Administrators to date, and whether there have been any potential actions identified that may be pursued by a liquidator, if appointed.

Summary of section 7		Ref.
1	Our preliminary investigations have identified that the Rex Group and RAL may have been insolvent from as early as 20 July 2024	7.3.2
2	Our preliminary investigations have concluded that the Subsidiaries were solvent and were only likely to become insolvent because of the fact there is no DOCA proposal for RAL, which will result in a liquidation of RAL at the Second Meetings, thereby enlivening the DXG	7.3.2
3	The analysis of an insolvent trading claim is complex and would require a detailed calculation by a liquidator and legal advice	7.3.2

7.1 Nature and scope of investigations

The Act requires an administrator to carry out preliminary investigations into a company's business, property, affairs, and financial circumstances.

Investigations focus on transactions entered into by a company that a liquidator might seek to have declared void (together with orders for repayment or compensation) if a company were to be wound up. Investigations allow an administrator to advise creditors what funds might become available to a liquidator. This is to assist creditors in assessing whether to accept a DOCA proposal or resolve to wind up the company. We have investigated matters of the Companies to the extent possible in the time available.

A liquidator may recover funds from certain voidable transactions or through other avenues; for example, through action seeking compensation for insolvent trading or breach of director's duties. Funds recovered would be available to the general body of unsecured creditors including secured creditors but only to the extent of any shortfall incurred after realising their security.

A deed administrator cannot recover voidable transactions.

The Administrators' knowledge of the affairs of the Companies comes principally from the following sources:

- discussions with the Directors, their advisors and key staff members
- the Directors' ROCAPs
- management accounts, books and records, board reports and financial statements
- the internal accounting system for the Companies
- correspondence and discussions with the creditors
- an independent valuation of the Companies' assets
- searches obtained from relevant statutory authorities
- records maintained by the ATO
- public information

7.2 Responsibilities of directors and officers

7.2.1 Duties and offences

Sections 180 to 184 of the Act set out the duties, obligations and responsibilities imposed on Directors which are designed to promote good governance and ensure that Directors act in the interests of the Companies. These duties include:

- duty of care and diligence
- duty of good faith
- duty not to make improper use of position
- duty not to make improper use of information

Based on the information available to us and our investigations to date, we have identified breaches of Section 180 of the Act in relation to the Rex Group and RAL. The conduct associated with these breaches is addressed in the proceedings that have been commenced by ASIC against the Directors, set out below.

7.2.2 ASIC proceedings against the Directors

On 10 December 2024, ASIC filed an originating process seeking, amongst other things, declarations under sections 180, 674 and 1041H of the Act and section 12DA of the ASIC Act in respect of certain matters concerning REX and four Directors of REX in the period between February 2023 and May 2023.

In short, ASIC alleges that (prior to the appointment of the Administrators and while under the control of the Directors) Rex engaged in misleading or deceptive conduct and contravened its continuous disclosure obligations.

ASIC sought and was granted leave pursuant to section 440D(1)(b) of the Act to proceed with the application against REX. ASIC was granted leave (on which the Administrators did not oppose), on the basis that ASIC will not seek any order against REX beyond the declaratory relief sought in the originating process (including an order for a pecuniary penalty) and will not seek an order against REX or its Administrators with respect to the cost of the proceedings.

The purpose of these conditions was to preserve ASIC's ability to seek declaratory relief against REX, while preserving the position of creditors in the VA (and any subsequent administration) of REX by ensuring that the proceedings do not create additional financial claims by ASIC against REX, which might dilute the return to creditors in a VA (or subsequent external administration).

This matter is ongoing.

7.3 Solvency

Some actions available to a liquidator to recover funds through the voiding of certain transactions or through other legal action, such as seeking compensation from directors for insolvent trading, require the insolvency of the Companies to be established at the relevant time.

There are two primary tests used in determining a company's solvency, at a particular date, namely:

- balance sheet test
- cash flow or commercial test

The Courts have widely used the cash flow or commercial test in determining a company's solvency at a particular date along with several other indicators.

7.3.1 Indicators of insolvency

A company is insolvent when it cannot pay its debts as and when they fall due. One of the key cases relating to insolvent trading is ASIC v Plymin[1], which set out a checklist of indicators of insolvency that remain widely used. Solvency is ultimately only determined by a Court, and with the benefit of hindsight.

[1] *Australian Securities and Investments Commission (ASIC) v Plymin (No 1)* (2003) 175 FLR 124.

The key insolvency indicators for the Companies are summarised below:

Indicator	FY22A	FY23A	FY24A
Endemic shortage of working capital (balance sheet)			
Net asset deficiency	●	●	●
Working capital deficiency	●	●	●
Ageing of creditors	●	●	●
Inability to extend finance facilities and breaches of covenants	●		●
Inability to meet other financial commitments / default on finance agreements	●	●	●
Profitability / trading losses	●	●	●
Cash flow difficulties	●	●	●
Access to alternative sources of finance (including equity capital)	●	●	●
Issuing of post-dated cheques/dishonoured payments	●	●	●
Dishonoured payments	●	●	●
Disposal of non-core assets	●	●	●
Overdue Commonwealth and State taxes			
Overdue Commonwealth & State taxes	●	●	●
Creditor forbearances / communications			
Poor relationship with present bank including inability to borrow additional funds	●	●	●
Suppliers placing the company on COD terms, or otherwise demanding special payments before resuming supply	●	●	●
Creditors unpaid outside trading terms			●
Special arrangements with selected creditors	●	●	●
Solicitors' letter, summons(es), judgments or warrants issued against the company	●	●	●
Payments to creditors of rounded figures, which are irreconcilable to specific invoices	●	●	●

Key:
- ● Observed
- ● Partly observed
- ● Not observed

7.3.2 Preliminary conclusion as to solvency

The solvency analysis of the individual Companies is difficult as the Companies formed part of a trading group:

- Audited financial statements were prepared for the Companies on a consolidated basis which recorded a net loss after tax of $46M in FY22; a net loss after tax in HY23 of $14M, a net profit after tax of $14M in FY23, and a net loss after tax of $7k in HY24
- Management accounts reflect the Companies recognised a sustained Indicative Operating Cash (**IOC**) loss of $29M in the LTM to 31 March 2024 and $7M in the LTM to 31 March 2023. These losses have predominantly been driven by:
  - IOC losses in RAL of $46M in the LTM to 31 March 2024 and $32M in the LTM to 31 March 2023
  - IOC losses for the Rex Regional business of $3M in the LTM to 31 March 2024, relative to a surplus of $4M in the LTM to 31 March 2023
- Deterioration in the operational performance in the Rex Regional business appears to have been largely driven by a lack of availability of pilots and delays in engine maintenance, which are challenges being experienced globally and not confined to only the Rex Regional business
- Pel-Air made a positive IOC contribution in the LTM to 31 March 2024 of $27M, broadly consistent with the LTM to 31 March 2023 noting that Pel-Air is a subsidiary owned by AP
- The IOC losses appear to have absorbed most of the Rex Group's available cash and were funded through working capital (mainly the stretching of trade creditors and prepaid airfares)

Analysing the balance sheet position and forming a conclusion regarding each of the Companies individually is difficult, because of:

- Intercompany assets and liabilities which may distort the net asset position
- FY24 audit adjustments which were not finalised in the management accounts. As part of year end accounting, the Companies would post a series of year-end adjustments which had not been finalised at the date of our appointment
- Certain assets and liabilities being held in individual entities, but which were generally available for the benefit of the Companies as a whole
- Notwithstanding the above, the Rex Group and RAL had been operating with a negative working capital position since at least July 2021, largely driven by prepaid airfares and trade creditors

Based on our investigations to date, it appears that:

- In the period leading up to the appointment of Administrators the Rex Group and RAL were under significant financial distress, with a fixed cost base and pressure from its creditors to repay its outstanding debts including its key contractors, suppliers and fleet financiers and no immediate capacity to repay those amounts
- The Rex Group and RAL had an operating loss position that appears to have been funded over the preceding two years largely through prepaid airfares and stretching of trade creditor payments
- While the Rex Group and RAL had increased in size and complexity in recent years, the finance function did not meet its current operating requirements including a lack of adequate financial forecasting systems

In the first half of 2024 the non-executive directors of Rex Group and RAL raised concerns regarding the operational performance and financial management of the Rex Group and RAL, which resulted in:

- Discussions being held at board level regarding options to access additional capital to assist with meeting immediate cash flow requirements
- The appointment of a financial expert to review the financial performance and position of the Rex Group and RAL and provide an assessment of solvency
- The development by Rex Group and RAL management of options to address the operational performance and a solvent turnaround plan

We further understand that:

- Management was considering using asset sales (mainly aircraft) to continue to fund operating losses. However, this did not address the underlying performance challenges of the Rex Group and RAL
- Management and the Directors had been considering a solvent wind-down or sale of the Rex Domestic business which included negotiations of a proposed transaction with a Major Operator. The proposed transaction included:
    - The transfer of all Rex staff operating the Domestic (B737) fleet
    - The wet lease or acquisition of all the Rex Boeing 737 fleet
    - The possibility of an interline agreement between the Rex Regional and the Rex Domestic network.

- The Major Operator withdrew its offer on the weekend of 20/21 July 2024 and, absent additional capital to support a solvent restructuring, it appeared the Directors of the Rex Group and RAL had little choice but to appoint the Administrators for the 2024 Administrations

Our investigations to date in relation to the Subsidiaries have concluded that:

- the Subsidiaries were solvent generally until it became apparent that RAL would have to be wound up
- RAL has not traded since the Rex Domestic routes were grounded at the end of July 2024
- RAL is not included as a party to the DOCA proposed by the Proponent
- There will be no other option for creditors to resolve at the Second Meetings but for RAL to be wound up
- The liquidation of RAL will trigger the crystallisation of liabilities under the DXG which will render all the Companies (including the otherwise solvent Subsidiaries) liable to meet the debts of RAL under the terms of the DXG

Based on the comments outlined above, our preliminary view is:

the Rex Group and RAL were likely insolvent from at least 20 July 2024, the date a Major Operator withdrew its offer, and remained insolvent up until the date of the appointment of the Administrators (that is, a period of around 10 days)

- the Subsidiaries are likely to become insolvent because of the crystallisation of the liabilities under the DXG which will occur on the winding up of RAL. The Subsidiaries have otherwise remained solvent

A liquidator, if appointed, would need to conduct further investigations, and possibly conduct a public examination of relevant parties, to ultimately determine whether the Companies became insolvent at those times or earlier.

However, even if it was determined that the Rex Group and RAL became insolvent at an earlier date, we are of the view that any claim against the Directors for insolvent trading is unlikely to be successful given the steps taken by the Directors in the lead up to our appointment, including the appointment of Administrators following the withdrawal of the offer from the Major Operator in circumstances where the Rex Group and RAL did not have access to additional capital to support a solvent restructuring.

7.4 Potential liquidator recoveries – insolvent trading

7.4.1 Director liability

Section 588G of the Act imposes a positive duty upon company directors to prevent insolvent trading. If a director is found to have committed an offence under Section 588G, the Court may order him or her to pay compensation to the company equal to the amount of loss or damage suffered by its creditors.

The Court may also impose upon the directors one of two types of civil penalty orders, the first can include a fine or an order prohibiting the directors from participating in the management of a company. The second, where there is criminal intent and conviction, exposes a director to imprisonment for up to five years and/or a fine.

This action is not a right that is available to an administrator or a deed administrator. Applications for compensation payable to the company are usually made by a liquidator, or in specified circumstances, a creditor.

The substantive elements of Section 588G of the Act are:

- a person is a director of a company at the time when the company incurs a debt

- the company is insolvent at that time, or becomes insolvent by incurring that debt (or by incurring, at that time, debts including that debt)
- at that time, there are reasonable grounds for suspecting that the company is insolvent or would become insolvent (as the case may be).

7.4.2 Director defences

7.4.2.1 Section 588H defences

The defences available to directors contained in Section 588H are:

- at the time when the debt was incurred, the person had reasonable grounds to expect, and did expect that the company was solvent and would remain solvent even if it incurred that debt or any other debts that it incurred at that time

- at the time that the debt was incurred, the person had reasonable grounds to believe, and did believe, that a competent and reliable person (the other person) was responsible for providing to the first-mentioned person adequate information about whether the company was solvent, and that the other person was fulfilling that responsibility, and expected, on the basis of information provided to the first-mentioned person by the other person, that the company was solvent at that time and would remain solvent even if it incurred that debt and any other debts that it incurred at that time

- because of illness or for some other good reason, the person did not take part in the management of the company

- the person took all reasonable steps to prevent the company from incurring the debt

7.4.2.2 Safe Harbour defences

Section 588GA of the Act gives directors a safe harbour from application of the insolvent trading provisions contained in Section 588G of the Act in respect of a debt incurred whilst attempting to restructure or turnaround the business.

Safe harbour provisions apply if (and subject to certain conditions being met) after the person starts to suspect the company may become or is insolvent, the person starts developing one or more courses of action that are reasonably likely to lead to a better outcome for the company. The period of safe harbour continues from the time at which the person starts developing the course of action and ends at the earliest of any of the following times:

- if the person fails to take any such course of action within a reasonable period after that time – the end of that reasonable period
- when the person ceases to take any such course of action
- when any such course of action ceases to be reasonably likely to lead to a better outcome for the company
- the appointment of an administrator or liquidator to the company.

During the period of safe harbour, various conditions must be met, including:

- the debt must be incurred directly or indirectly in connection with the course of action reasonably likely to lead to a better outcome for the company
- the company must continue to pay all employee entitlements (including superannuation) by the time they fall due
- the company must continue to comply with all tax reporting obligations

The availability of a safe harbour defence would be considered if the Companies go into liquidation. We are aware that the Directors had retained a legal advisor and they were working towards a better outcome involving the sale of the Rex Domestic business to a Major Operator. It is likely the Directors would rely on these steps to invoke a safe harbour defence.

7.4.3 Pursuing an insolvent trading claim

A liquidator must form an opinion as to the date of insolvency and determine the debts incurred from that date thereby quantifying the loss to a company.

The costs of proceeding with an insolvent trading action, which are usually considerable, particularly given the need for expert evidence as to insolvency, must be considered.

Any decision to commence an action against the Directors for insolvent trading must have regard to the following:

- the costs of litigation and the uncertainty of success inherent in any complex litigation
- the Director's/former Director's capacity to meet a claim for compensation

Our preliminary view is that the Rex Group and RAL were insolvent from as early as 20 July 2024.

In determining a course of action, a liquidator:

- Would consider the costs and risks of any proceedings and the ability to fund any proceedings
- May write to the Directors, setting out the results of the investigations and the conclusions in relation to insolvent trading and request payment of compensation for debts incurred by the Rex Group and RAL at a time when it was insolvent
- May, subject to a response, if any, being received from the Directors, conduct public examinations of the Directors to further investigate the examinable affairs of the Rex Group and RAL and obtain further information and documentation in relation to the potential claim(s) being considered
- May, if a settlement is not forthcoming in answer to any letter of demand, commence recovery proceedings against the Directors (and entities associated with them, if applicable) for amounts relating to insolvent trading, unfair preference payments, uncommercial transactions and/or director-related transactions

The analysis of an insolvent trading claim is complex and requires a detailed calculation by a liquidator and legal advice. We have not quantified a potential claim for insolvent trading (if any) at this stage having regard to the short period of time that would be subject to such a claim (~10 days), the work that had been undertaken by the Directors to secure a solvent sale of the Rex Domestic business operated by RAL, and the immediate steps taken by the Directors thereafter to obtain advice and prepare for the eventual appointment of the Administrators having regard to the critical infrastructure nature of the Rex Regional business.

7.5 Adequacy of books and records

Section 286 of the Act requires a company to keep written financial records that correctly record and explain the company's transactions, financial position and performance and would enable true and fair financial statements to be prepared. The financial records must be retained for a period of seven years after the transactions covered by the records are completed.

The failure to maintain books and records in accordance with Section 286 provides a rebuttable presumption of insolvency which might be relied upon by a liquidator in an application for compensation for insolvent trading.

Based on our review of the books and records received, we are of the opinion that the books and records of the Companies were maintained in accordance with Section 286 of the Act to the date of our appointment.

8. Voidable transactions

This section provides creditors with information on the preliminary investigations undertaken by the Administrators to date, and whether there have been any potential actions identified that may be pursued by a liquidator, if appointed.

Summary of section 8		Ref.
1	We have identified one transaction by REX totalling $1M that a liquidator, if appointed, may investigate further to determine if it may constitute an unfair preference payment. A liquidator would need to assess the likelihood of action for the recovery of unfair preference payments being successful	8.1

A liquidator has the power to take steps to have declared void certain transactions which are either not beneficial, or are detrimental, to a company. An administrator must identify any transactions that appear to be voidable by a liquidator. Apart from seeking to have a voidable transaction declared void, a liquidator may seek related orders, including the payment of compensation.

ARITA has published a creditor information which can be accessed here Offences and Recoverable Transactions in a Voluntary Administration . This information sheet details the types of transactions which a liquidator can seek to have declared void, which include:

- unfair preference payments
- creditor-defeating dispositions
- uncommercial transactions
- unfair loans
- unreasonable director-related transactions
- creation of certain security interests within 6 months of commencement of liquidation

For the purposes of examining voidable transactions, the Liquidator would review transactions that occurred during the relation back period or otherwise as prescribed under the Act have regarding to the relation back day.

8.1 Summary of potential antecedent transactions

Set out below is a summary of transactions that a liquidator of REX or RAL would be likely to investigate further if a liquidator was appointed.

Potential recovery item	REX $000s	RAL $000s
Unfair preferences	1,000	-

8.2 Unfair preferences

Section 588FA of the Act provides that an unfair preference payment is a transaction, generally occurring in the six months prior to the relation back day, between the company and a creditor, resulting in the creditor receiving from the company, in respect of an unsecured debt that the company owes to the creditor, more than the creditor would receive from the company in respect of the debt if the transaction were set aside and the creditor were to prove for the debt in a winding up of the company. The lookback period is extended to four years for transactions entered into with a related entity.

A transaction can only be considered an unfair preference if the company was insolvent at the time the transaction took place, or the company became insolvent because of the transaction.

Our investigations have one transaction during the relation-back period which appears to potentially represent an unfair preference payment of $1M to VIVA Energy by REX on 30 July 2024. Our investigations indicate that VIVA had a direct debt arrangement with REX for fuel used for

engineering repairs. There was no fixed frequency for these direct debits, but management have advised they usually occur twice a month with the last direct debit prior to our appointment being $636.39. The payment of $1M seems inconsistent with the historical direct debit payments

We have also identified two payments made by RAL to VIVA Energy and the ATO which, after investigation, we have concluded do not constitute unfair preference payments due to the following:

- One payment of $1,717,630.65 to VIVA Energy by RAL on 29 July 2024. This payment appears to have been a regular weekly direct debit for fuel costs. The average direct debit for FY24 was $1.3M and the direct debit in the week before this payment was $1.8M. Having regard to this information, there would not appear to be any basis to claim that VIVA Energy had grounds for suspecting that RAL was insolvent

- We have also identified a payment of $444,522 to the ATO by RAL for the RAL PAYG liability for the period 24 to 26 July 2024. This payment was processed by RAL on 30 July 2024 prior to our appointment but was not released from RAL's bank account until 31 July (after our appointment and after the bank had been requested to freeze the account).

  This payment was not authorised by the Administrators, and on that basis, we have written to the ATO to request the reallocation of those funds from the pre-appointment liability account to the Administrators' account to be applied against the Administrators' PAYG liabilities during the trade-on period. Notwithstanding that this has been escalated within the ATO, we have not received a response to date.

Further investigations will be undertaken in a liquidation to determine the likelihood of action for the recovery of unfair preference payments to be successful. A successful action for recovery of unfair preference payments includes establishing the date of insolvency, and the costs of pursuing an unfair preference payment can sometimes outweigh the potential returns.

Based on our investigations, no payments were made to creditors by RIH, REPL, AP or the Subsidiaries during the relation back period which would appear to constitute unfair preference payments.

8.2.1 Unfair preferences – defences

A creditor may defend an unfair preference claim brought by a liquidator if it proves that it became a party to the transaction in good faith and, at the time when the person became a party to the transaction the creditor:

- received no benefit from the transaction
- received the benefit in good faith and provided valuable consideration under the transaction or has changed his or her position in reliance on the transaction
- had no reasonable grounds for suspecting that the company was insolvent at that time or would become insolvent because of entering the transaction and a reasonable person in the creditor's circumstances would have had no such grounds for so suspecting

8.3 Uncommercial transactions

Section 588FB of the Act provides that an uncommercial transaction is a transaction which a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefits (if any) to the company entering the transaction
- the detriment to the company of entering the transaction
- the respective benefits to other parties to the transaction of entering into it
- any other relevant matters

If such a transaction is an insolvent transaction and was entered into by the Companies within the

period of two (2) years ending on the relation-back day, it may be voidable and recoverable by a liquidator under Section 588FE(3) of the Act. Where a related entity is a party to the transaction, the relation back period is four (4) years.

We have not identified any transactions which would constitute uncommercial transactions.

8.4 Unfair loans

A liquidator will investigate any loans to the company which may be considered unfair due to extortionate interest rates or charges.

We have not identified any transactions which would constitute unfair loans to the Companies.

8.5 Unreasonable director-related transactions

Section 588FDA of the Act provides that a transaction is an unreasonable director-related transaction if:

- the transaction is a payment or disposition of property by a company
- the payment or disposition is to a director or a close associate of a director or a person on behalf of, or for the benefit of, a director of the company or a close associate of a director of the company
- having regard to the benefit and detriment of the transaction, a reasonable person in the company's circumstances would not have entered into it

We note that it is not necessary that the company be insolvent at the time of the transaction for a transaction under Section 588FDA of the Act to be voidable. Any transaction that may satisfy the criteria that occurred within four (4) years of the relation-back date may be voidable by a liquidator.

We have not identified any transactions which would constitute unreasonable director-related transactions.

8.6 Voidable charges

A circulating security interest is void, as against the company's liquidator, if the security interest was created during the six months ending on the relation back day except so far as it secures:

- an advance paid to the company, or at its direction, at or after the it was created and as consideration for the creation of the circulating security interest
- interest on such an advance
- the amount of a liability under a guarantee or other obligation undertaken at or after that time on behalf of, or for the benefit of, the company
- an amount payable for property or services supplied to the company undertaken at or after that time on behalf of, or for the benefit of, the company
- interest on an amount so payable

Our investigations have not identified any voidable charges.

8.7 Arrangements to avoid employee entitlements

Part 5.8A of the Act aims to protect the entitlements of a company's employees from agreements that deliberately defeat the recovery of those entitlements upon insolvency. Section 596AB(1) of the Act provides that it is an offence for a person to enter into a transaction or relevant agreement with the intention of, or with intentions that include the intention of:

- avoiding or preventing the recovery of the entitlements of employees of a company
- significantly reducing the entitlements of employees of a company that can be recovered

Our investigations have not identified any arrangements entered with the intention of avoiding the payment of employee entitlements.

8.8 Director's' ability to pay

At this stage, the Administrators have not made an assessment as to the financial capacity of the Directors to meet any potential actions that may be progressed by a liquidator.

8.9 Reports to ASIC

Section 438D of the Act requires an administrator of a company to lodge a report with ASIC (and give ASIC such information, and access to facilities for inspecting and taking copies of documents, as ASIC requires) should it appear to the administrator that:

- a past or present officer or employee, or a member, of the company may have been guilty of an offence in relation to the company; or
- a person who has taken part in the formation, promotion, administration, management or winding up of the company:
    - may have misapplied or retained, or may have become liable or accountable for, money or property (in Australia or elsewhere) of the company; or
    - may have been guilty of negligence, default, breach of duty or breach of trust in relation to the company.

Other than the matters that are already the subject of the ASIC proceedings referred to at **section 7.2.2**, we have not identified any other offences that require reporting to the ASIC pursuant to Section 438D of the Act.

Creditors should be aware that any report lodged pursuant to Section 438D of the Act (or an investigation report lodged by a liquidator pursuant to Section 533 of the Act) is not available to the public.

9. Proposal for DOCA

On 21 October 2025 a DOCA proposal was received from the Proponent for the Rex Group and the Subsidiaries. No DOCA proposal has been received for RAL

	Summary of section 9	Ref.
1	The DOCA will result in the shares in REX being transferred to the Proponent or its nominee and allow for the establishment of a Creditors' Trust at completion from which funds will be distributed in the form of a dividend.	9.2
2	The DOCA consideration will comprise: ▪ the assumption by the Proponent of all claims secured in favour of the Commonwealth on restructured terms as agreed between the Proponent and the Commonwealth ▪ the assumption by the Proponent of all employee entitlement liabilities for employees continuing their employment ▪ the assumption by the Proponent of debts due to critical suppliers determined by the Proponent ▪ a cash contribution for the payment of other employee entitlements payable in priority to ordinary unsecured creditors under sections 556, 560 and 561 of the Act. At this stage, this is estimated to be $2.4M (subject to final reconciliation on completion) ▪ a cash contribution representing the value of the Agreed Assets (as that term is defined in the DOCA proposal less any Deductions (as defined in the DOCA proposal). At this stage, this contribution is subject to an agreed cap of $18M. ▪ a cash contribution of $3.825M for costs relating to the Creditors' Trust costs and expenses, future legal costs and a contingency for unexpected costs ▪ a cash contribution representing the amount of the Accrued Expenses less the Agreed Asset Contribution (as each term is defined in the DOCA proposal) The cash contributions are to meet the Administrators', Deed Administrators' and Trustees of the Creditors' Trust costs and expenses and the Accrued Expenses (as that term is defined) in the DOCA. To the extent any assets remain in the Creditors' Trust Fund (being the fund to be established pursuant to the DOCA proposal at **Appendix H**), these may be applied in accordance with clause 15 of the DOCA proposal.	9.2
3	The DOCA provides for ongoing employment for the continuing employees of the Rex Group and the Subsidiaries and the continuation of the Rex Regional business. The DOCA maximises returns to the Secured Lender as compared to a liquidation. The DOCA will also result in a continuing business relationship for many unsecured creditors and in any event unsecured creditors would be no worse off than in a liquidation scenario.	9.3

9.1 Proposal received

We have received a DOCA proposal from the Proponent which is attached at **Appendix H.** A summary of the key features of this proposal is provided at **section 9.2**.

The Administrators have entered into the Sale Agreement with the Proponent, binding the Proponent to enter into the necessary agreements to give effect to the DOCA proposal, subject to conditions precedents being met.

The DOCA (including a Creditors' Trust) will allow the Rex Group and the Subsidiaries to exit external administration with no pre-appointment creditors (except for employee entitlements which remain with the Rex Group and the Subsidiaries for those employees continuing their employment with the Rex Group and the Subsidiaries). We provide further detail regarding the DOCA in this section, and further details of the Creditors' Trust at **section 10** below.

A draft DOCA will be available on request.

No DOCA proposal has been received for RAL.

9.2 Overview of transaction

A detailed description of the proposed transaction is provided at **section 9.3**. At a high level, the transaction can be described as follows:

- The Proponent will acquire all the issued share capital in REX (subject to necessary approvals being obtained). As a consequence of acquiring this share capital, the Proponent will effectively take ownership and control of the Rex Group and the Subsidiaries.
- The consideration paid by the Proponent to acquire the shares in REX will take the form of a combination of cash payments and assumption (that is, the debts will remain payable after effectuation of the DOCA) of debts which would be paid in priority to ordinary unsecured claims in circumstances where the Rex Group and the Subsidiaries were wound up. The total value of consideration is expected to vary by only immaterial amounts depending on the value of the relevant assets and debts at the date of completion. The amount of cash paid and debts assumed will be materially as outlined in the following table:

Description	DOCA reference	Amount A$
The secured debt which is payable by Rex Group and the Subsidiaries at the date the transaction completes will remain payable at the date upon which the Proponent acquires the share capital in REX. The exact value of this debt changes daily and the amount expressed is an estimate	Clause 10(a)	140,000,000
The amounts payable to the continuing employees of Rex Group and the Subsidiaries which would be afforded priority over unsecured claims in a liquidation will remain payable by Rex Group and the Subsidiaries at the date upon which the Proponent acquires the share capital in REX.	Clause 10(b)	12,000,000
The amounts payable in respect of certain claims against the Subsidiaries and which have been designated as Excluded Claims will remain payable by the Subsidiaries at the date upon which the Proponent acquires the share capital in REX.	Clause 10(c)	Less than 500,000
At the date of completion, the Proponent will contribute an amount representing certain cash and receivables assets to be retained by the Rex Group, less allowable deductions for debt like items including prepaid tickets sold for flights scheduled to be flown after completion. The contribution by the Proponent is subject to an agreed cap of A$18 million.	Clause 10(d)	18,000,000
The Proponent will make a cash contribution of an amount equal to the claims of former employees of the Rex Group and the Subsidiaries that would be afforded priority over ordinary unsecured claims in a liquidation	Clause 10(e)	2,000,000
Total estimated value of consideration (subject to following notes)		**172,500,000**

The previous table should be read in conjunction with the following notes:

- Although the values disclosed are materially accurate as at the date of this Report, the values will move daily and will be slightly higher or lower on the date of completion
- We understand that the terms of the secured debt owed to the Commonwealth will be restructured upon completion of the proposed transaction. The Administrators are not a party

to this restructuring arrangement, and it is not part of the transaction contemplated by the proposed DOCA
- On completion there will also be numerous adjustments for working capital balances (cash on hand, accounts receivable etc) in the business
- No funds will become available to allow a dividend to be paid to ordinary unsecured creditors under the proposed transaction

9.3 Key features of the DOCA proposal

The proposed DOCA includes the following key features. A copy of the DOCA proposal appears at **Appendix H**. Unless otherwise defined, capitalised terms in the following table have the meaning given to them in the DOCA proposal.

Item	Key term / Matter	DOCA proposal
1	Parties	The parties to the DOCA are as follows: (a) The Rex Group and the Subsidiaries ("**DOCA Companies**") (b) Air T, Inc. ("**Proponent**") (c) Administrators
2	Purpose of the DOCA proposal	The proposed DOCA is intended to satisfy the objects of Part 5.3A of the Act, including achieving better outcomes for the respective Creditors of the DOCA Companies, compared to the expected outcome were the DOCA Companies to be wound up, and to maximise the chances of the DOCA Companies, or as much as possible of their operations, continuing in existence.
3	Excluded companies	It is proposed that RAL will not form part of the DOCA.
4	Key terms of the DOCA proposal	The DOCA will contain the following key terms: (a) acquisition of 100% of the shares in REX by the Proponent or its nominee (b) provision of the DOCA Consideration (see item 7 below) on account of the Claims of Creditors of the DOCA Companies (c) discharge in full of all Claims against the DOCA Companies except for the Preserved Claims (d) on Completion, the DOCA Companies to be released from all Claims (except for the Preserved Claims) and control to be given to the Incoming Directors (e) all other provisions which are customary in a DOCA of this nature
5	Deed Administrators	Samuel Freeman, Justin Walsh and Adam Nikitins of Ernst & Young.
6	Commencement date	As soon as practical following the Second Meeting, the DOCA will be executed and will commence on the date of execution.
7	DOCA consideration	The DOCA consideration will comprise: (a) assumption of all Claims of the Secured Lender, to be restructured on Completion on terms to be agreed between the Proponent and the Secured Lender (b) assumption of all employee entitlement liabilities of employees continuing employment with the Rex Group of the Subsidiaries (c) assumption of certain debts of critical suppliers (being the "Excluded Claims") (d) the "Agreed Asset Contribution" (discussed below) (e) the "Employee Contribution" (discussed below)

Item	Key term / Matter	DOCA proposal
8	Conditions precedent	Completion under the DOCA cannot occur until the following conditions precedent are satisfied or waived, and which may not be waived without the written approval of the Proponent and the Administrators: execution of the DOCA by all relevant parties (a) execution of the Creditors' Trust Deed in respect of the Creditors' Trust by all relevant parties (b) consent of the Secured Lender (c) the Administrators, on behalf of REX, obtaining the Orders and the ASIC Relief (d) execution of all documents in respect of and satisfaction of all conditions to financial close under the Air T Facility (e) the Sale and Implementation Deed has not been terminated
9	Creditors' trust	A creditors' trust will be established on Completion of the DOCA and the Deed Administrators will be the Trustees of the Creditors' Trust. On Completion, the Claims of Creditors (other than the "Preserved Claims") will be released as against the DOCA Companies and will transfer to and become Claims against the Creditors Trust. The terms of the Creditors Trust Deed will be customary for a DOCA of this nature and will contain the provisions referred to in the DOCA proposal – see **section 10** below and **Appendix H**.
10	Assets of the Creditors' Trust	The assets of the Creditors' Trust Fund will comprise: (a) the Employee Contribution (b) the Agreed Asset Contribution (c) the Cash Contribution, being comprised of the Costs Cash Contribution and the Expense Cash Contribution (i) The Cash Contribution will be paid to the Creditors' Trust by the Deed Administrators on Completion from the Companies' cash at bank. The Employee Contribution and the Agreed Asset Contribution will be paid to the Creditors' Trust on Completion from the proceeds of a drawing under the Air T Facility.

Item	Key term / Matter	DOCA proposal
11	Calculation of Contributions and Adjustments	It is intended that the Trustees will be responsible for the discharge of the Accrued Expenses for the period up to (and including) Completion and the Creditors' Trust will be funded with the Agreed Asset Contribution and the Expenses Cash Contribution for payment of such Accrued Expenses. On Completion, the liabilities of the DOCA Companies comprising the Accrued Expenses will transfer to and become Claims against the Creditors' Trust. As the value of the Agreed Assets and Accrued Expenses will not be known as at Completion, and will be estimated by the Deed Administrators in a "completion statement" provided to the Proponent no later than 5 Business Days before Completion, there is a true-up mechanism under the DOCA to ensure that: (a) the Agreed Asset Contribution is adjusted to reflect the actual amount of the Agreed Assets as at Completion; and (b) the Accrued Expenses reflect the actual amount of the Accrued Expenses as at Completion. The true-up process will run for a 6 month period following Completion and will involve the Trustees preparing monthly statements setting out their calculations referable to the true-up of the calculation of the Agreed Assets and Accrued Expenses as at Completion. The DOCA proposal includes a dispute resolution mechanism in relation to this process. If the true-up process determines that: (a) the Proponent overpaid in respect of the Agreed Assets, the Trustees will cause an amount equal to the overpayment to be paid out of the Creditors' Trust Fund to the Proponent at the conclusion of the true-up process; (b) the Proponent underpaid in respect of the Agreed Assets, the Proponent will pay or cause to be paid a further contribution in an amount equal to the underpayment (up to the Agreed Asset Cap) to the Creditors' Trust Fund; and (c) Accrued Expenses have been paid by the Proponent in the period after Completion, the Trustees will cause an amount to be paid from the Creditors' Trust Fund to the Proponent by way of reimbursement. Any true-up contributions to the Creditors' Trust Fund to be paid, or caused to be paid by, the Proponent in accordance by reason of the adjustment mechanism will be funded from the proceeds of a drawing under the Air T Facility.

Item	Key term / Matter	DOCA proposal
12	Distribution of Creditors' Trust Fund	(a) The assets of the Creditors' Trust Fund will comprise three separate pools as follows: (i) the "Employee Pool", to which the Employee Contribution will be applied (ii) the "Agreed Assets Pool", to which the Agreed Asset Contribution and the Expense Cash Contribution will be applied (iii) the "General Pool", to which the Costs Cash Contribution will be applied (b) The pools of the Creditors' Trust Fund are to be distributed as follows: (i) The Employee Pool will be distributed as follows: A. first, in satisfaction of any Claim of an eligible employee creditor (as that term is defined in the Act) of the Companies (other than a Preserved Claim) that would have been entitled to be paid in priority to the payment of other unsecured Claims under Sections 556, 560 or 561 of the Act if each of the Companies is taken to be in liquidation on the Appointment Date B. next, to the extent there is any surplus in the Employee Pool, that surplus is to be applied to the General Pool (ii) The Agreed Assets Pool will be distributed for the following purposes: A. as and when determined by the Trustees in their sole discretion, on account of payment of Accrued Expenses which are due and payable and have not been previously paid by a DOCA Company B. to the DOCA Companies on account of any adjustments they are entitled to pursuant to the true-up mechanism C. once the True-Up process referable to the Agreed Assets is finalised, the balance in the Agreed Assets Pool will be repaid to REX
		(iii) the General Pool will be distributed in the following order of priority: A. first, to the Administrators and Deed Administrators for any amount which the Administrators or Deed Administrators are entitled to be paid or indemnified for under the DOCA, including all debts and liabilities incurred by them during the administration and deed administration of the Companies which remain outstanding B. next, to the Trustees of the Creditors' Trust in satisfaction of their remuneration and costs C. next, to the extent of any surplus in the General Pool following the above distributions, the Trustees will make a distribution to the Secured Lender on account of its Claim
13	Moratorium	During the period of operation of the DOCA, the moratoria in Sections 440A, 440B, 440D, 440F and 444E of the Act will apply to all Creditors and members of the DOCA Companies.
14	Released Claims	Except for the Preserved Claims, the DOCA will release all debts and Claims of the DOCA Companies. In return for the releases, Creditors (excluding Creditors that have a Related Party Claim) will receive an entitlement to a distribution from the Creditors' Trust Fund. Subject to the terms of the DOCA and Section 444D of the Act, the DOCA may be pleaded by a Company against any Creditor in bar to any Claim.

Item	Key term / Matter	DOCA proposal
15	Preserved Claims	Claims against a DOCA Company that will not be released under the DOCA (and which will be continuing obligations of that DOCA Company post Completion) will be limited to: (a) the Secured Lender's Claims (as such Claims are restructured under the Secured Lender Finance Documents) (b) the Excluded Claims (c) liabilities in respect of Continuing Employees (d) insured Claims
16	Deed Period	During the Deed Period the Deed Administrators will manage and conduct the business of the DOCA companies in the ordinary course, subject agreed conduct of business restrictions, as detailed in Schedule 2 of the DOCA Proposal.
17	Termination of DOCA	The DOCA will continue in operation until the DOCA is terminated: (a) upon its effectuation as set out in this proposal (b) by an order of the Court under Section 445D of the Act (c) by a resolution of the Creditors at a meeting convened under IPS Div 75, or (d) if a Condition Precedent is not satisfied (or becomes incapable of being satisfied) or waived by the parties by the CP Satisfaction Date.
18	Employees	The continuing employees will be those employees who are employed by a DOCA Company as at the date of the DOCA and who remain employees as at Completion (**Continuing Employees**).
19	Secured creditors, and owners / lessors of property	Other than as expressly provided for under the DOCA, the DOCA will not release: (a) any Security held by a Creditor in respect of any Claim; and (b) any Security validly and effectively held by an owner or lessor in property of a Company, who does not vote in favour of the DOCA. The Secured Lender's Claims and Security will be restructured in accordance with the terms of the Secured Lender Finance Documents.
20	Control of the Companies	During the period of operation of the DOCA, the Deed Administrators will have stewardship of each Company and will continue to manage the operations of each Company. The Proponent will not take part in the management or operations of the Companies, except as expressly consented to by the Deed Administrators in writing. Stewardship of the Companies will return to the Incoming Directors upon Completion.
21	Administrators', Deed Administrators' and Trustees' remuneration	The Administrators, the Deed Administrators and the Trustees of the Creditors' Trust will be remunerated out of the Creditors' Trust Fund for their services at their usual hourly rates in accordance with IPS Div 60.
22	Variation of DOCA	The DOCA may only be varied by: (a) a resolution passed at a meeting of the Creditors of each Company convened in accordance with IPS Div 75, but only if the variation is not materially different from a proposed variation set out in a notice of meeting; or (b) order of a Court.
23	Definitions and DOCA provisions	Refer to full copy of the DOCA proposal, including its relevant definitions at **Appendix H**.

9.4 Conclusion

The DOCA provides ongoing employment for the continuing employees of the Rex Group and the Subsidiaries, ongoing trading with suppliers and the continuation of the Rex Regional business enabling it to continue to serve its regional customers.

The DOCA provides a return for the preservation of the Secured Lender's claim in the form of the assumption of debt and payment in full of employee entitlements to non-continuing employees. The DOCA will also result in a continuing business relationship for many unsecured creditors.

The DOCA provides no return to ordinary unsecured creditors for the Rex Group. The DOCA provides a full return to the ordinary unsecured creditors of the Subsidiaries. As set out at section 11, a liquidation of the Rex Group and the Subsidiaries also is unlikely to provide any return to ordinary unsecured creditors.

9.5 Further information for creditors

Creditors should seek their own legal advice as to their rights and the effects of their position in entering into the DOCA.

Creditors can obtain further information from the ASIC website at Voluntary administration: A guide for creditors | ASIC.

10. Creditors' Trust

10.1 Proposed Creditors' Trust

A Creditors' Trust proposed in a DOCA is a mechanism used to accelerate a company's exit from external administration and enables all the assets available to creditors and creditors' claims to be transferred from a company to a trust held for the benefit of the creditors of the company.

Ultimately the Creditors' Trust allows the company to no longer be subject to an external administration, and to trade without an insolvency status. Once a DOCA effectuates the Creditors' Trust claims against a company will be extinguished and transferred to the Creditors' Trust. Creditors will then become beneficiaries of the Creditors' Trust.

10.2 Creditor rights

Creditors do not have the same rights available to take action against a company once their claims have been extinguished. Details about certain differences to creditor's rights are noted below:

- Under a DOCA or liquidation scenario creditors are able to challenge the decisions and actions of the deed administrator or liquidator and request additional information. This includes decisions about the value of their claim. These rights are not available once the creditor become a beneficiary of the trust.
- Under a DOCA or liquidation scenario the creditors remain informed about the progress of the insolvency process through meetings of creditors (if applicable) and lodgement or receipt and payment reports. These rights are not available once the creditors become a beneficiary of the trust.
- Creditors have the right whilst in DOCA to apply to the court for the DOCA to be varied, terminated or avoided. These rights are not available once the creditor becomes a beneficiary of the trust.
- During the DOCA or liquidation the creditors are able to submit claims to ASIC regarding the conduct of the deed administrators or liquidators. These rights are not available once the creditor becomes a beneficiary of the trust.
- Once the Creditors' Trust is created and creditors become beneficiaries, the Trustees Act 1925 (NSW) would govern the interpretation of the trust deed, the trustee's powers and duties and the creditor's rights.

Further details about creditor's rights are outlined in **Appendix I** to this Report.

10.3 ASIC's guide for DOCA's involving a Creditors' Trust

ASIC Regulatory Guide 82 provides guidance for Administrators recommending the provision of certain information to creditors when they are considering recommending the terms of a DOCA to involve a Creditors' Trust. A copy of the guidelines may be downloaded using this link ASIC Regulatory Guide 82 - DOCA's Involving a Creditors' Trust .

At **Appendix I** to this Report, we address the issues raised in the guide together with an explanation of each of the issues as they relate to the DOCA Proposal. Creditors should seek their own legal advice as to their rights and the impact upon them if the Rex Group and the Subsidiaries are to enter into a DOCA.

11. Estimated outcome for creditors

This section provides creditors with information on the estimated financial outcome to creditors together with the anticipated timing of any dividend.

Summary of section 11		Ref.
1	Creditor claims have been estimated at the date of the appointment of the Administrators and remain subject to change after the Administrators' formal adjudication	11.1 11.2
2	The estimated outcome presented incorporates many assumptions which are subject to change	
3	The estimated outcome provides an estimated high and low analysis for a DOCA/Creditors' Trust scenario and compares that to a liquidation scenario	
4	No return is anticipated for ordinary unsecured creditors under with the DOCA/Creditors' Trust scenario or the liquidation scenario	
5	A dividend to priority employee creditors would likely be paid within three months of the establishment of the Creditors' Trust. A liquidation of the Rex Group and the Subsidiaries would result in significant job losses and trigger crystallization of employee entitlements including redundancy and PILN in the order of $37M-$40M	11.3

11.1 Return to creditors – DOCA / Creditors' Trust – Rex Group and Subsidiaries

The tables below summarise the estimated return to creditors of the Rex Group and the Subsidiaries under the DOCA proposed by the Proponent.

A detailed analysis of the estimated return to creditors under the DOCA proposed by the Proponent is provided at **Appendix K**.

11.1.1 Rex Group

Estimated dividend DOCA/Creditors' Trust (cents in $)	DOCA/Creditors' Trust High	DOCA/Creditors' Trust Low
Secured creditor – Commonwealth	Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA [1]	Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA [1]
Priority employee creditors – continuing	Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA	Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA
Priority employee creditors – terminating/terminated	100c/$	100c/$
Unsecured creditors - ordinary[2]	0c/$	0c/$
Contingent liabilities – DXG	0c/$	0c/$
1 – the debt due to the Commonwealth will continue to be payable by the Rex Group and the Subsidiaries after the effectuation of the DOCA. The Administrators understand the debt due to the Commonwealth will be restructured immediately upon effectuation of the DOCA. The Administrators will not be a party to this transaction.		
2 – Please note that ~$16M of REX customers holding pre-paid tickets at the date of our appointment have effectively received a return of 100 cents in the dollar because of the ability of REX to continue to operate and deliver services on a business as usual basis throughout the VA		

11.1.2 Subsidiaries

Estimated dividend DOCA/Creditors' Trust (cents in $)	DOCA/Creditors' Trust High	DOCA/Creditors' Trust Low
Secured creditor - Commonwealth	Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA [1]	Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA [1]
Priority employee creditors – continuing	Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA	Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA
Priority employee creditors – terminating/terminated	100c/$	100c/$
Unsecured creditors - ordinary	100c/$	100c/$
Contingent liabilities - DXG	0c/$	0c/$

1 – the debt due to the Commonwealth will continue to be payable by the Rex Group and the Subsidiaries after the effectuation of the DOCA. The Administrators understand the debt due to the Commonwealth will be restructured immediately upon effectuation of the DOCA. The Administrators will not be a party to this transaction.

11.2 Return to creditors – Liquidation – Rex Group and Subsidiaries

The table below summarises the estimated return if creditors resolve to wind up the Rex Group and the Subsidiaries. Reflecting the uncertainty of possible returns, we have presented two scenarios in a high and low range basis to illustrate the potential outcome for creditors.

A detailed analysis of the estimated return to creditors in a liquidation scenario is provided at **Appendix K**.

Estimated dividend Liquidation (cents in $)	Liquidation High	Liquidation Low
Secured creditor - Commonwealth	63c/$	35c/$
Priority employee creditors	11c/$	10c/$
Unsecured creditors[1]	0c/$	0c/$
Contingent liabilities - DXG	0c/$	0c/$

1 – Please note that ~$16M of REX customers holding pre-paid tickets at the date of our appointment have effectively received a return of 100 cents in the dollar because of the ability of REX to continue to operate and deliver services on a business as usual basis throughout the VA.

As detailed above, there is not expected to be any return to unsecured creditors in a liquidation scenario of the Rex Group. This position is consistent with estimates at the times when the Administrators obtained the Second Extension and Third Extension from the Court, being that there would have been no return to unsecured creditors had a liquidation scenario of the Rex Group occurred at an earlier time.

In addition to possible returns in a liquidation outlined in the table above, the following points may be relevant:

- Employee creditors will lose the benefit of any ongoing employment with the Rex Group or the Subsidiaries if they are wound up
- Trade creditors will lose the benefit of any potential profits from ongoing business relationships with the Rex Group or the Subsidiaries if they are wound up

The above calculations for the DOCA or liquidation of the Rex Group and the Subsidiaries are an estimate only and may change due to:

- the final amount realised from the sale of the Rex Group and the Subsidiaries
- the allocation of sale proceeds amongst secured creditors

- final proving of priority creditor claims
- the finalisation of trading of the businesses and eventual trading losses incurred
- changes in the quantum of costs of the liquidation for unforeseen issues

If any of the companies in the Rex Group and the Subsidiaries are placed into liquidation, employees may be eligible for payment of their outstanding employee entitlements (excluding unpaid superannuation) under FEG, a scheme operated by DEWR.

Employees can obtain further information on the eligibility requirements of FEG at Eligibility for FEG Assistance Fact Sheet.

11.3 Return to creditors – Liquidation – RAL

The table below summarises the estimated return if creditors resolve to wind up RAL. We have presented two scenarios in a high and low range basis to illustrate the potential outcome for creditors.

A detailed analysis of the estimated return to creditors in a liquidation scenario is provided at **Appendix K**.

Estimated dividend - liquidation (cents in $)	Liquidation High	Liquidation Low
Secured creditors – Commonwealth	Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA [1]	Unknown
Secured creditor - non Commonwealth	0c/$	0c/$
Priority employee creditors	0c/$	0c/$
Unsecured creditors[2]	0c/$	0c/$

1. Subject to approval of the DOCA for Rex Group and the Subsidiaries, the secured debt of the Commonwealth for which RAL is an obligor will continue to be payable by the Rex Group, the Subsidiaries and RAL after the effectuation of the DOCA. \

2. In addition, Virgin and Qantas also supported the RAL customers with free of charge rebooking for a majority of RAL ticketholders.

The above calculations for RAL are an estimate only and may change due to:

- the final amount realised from the sale of any residual assets of RAL
- the allocation of sale proceeds amongst secured creditors
- final proving of priority creditor claims
- changes in the quantum of costs of the liquidation for unforeseen issues

11.4 Timing of dividend

11.4.1 Rex Group and Subsidiaries

The dividend to priority (employee) creditors in a DOCA/Creditors' Trust scenario will likely be paid within three months of the establishment of the Creditors' Trust.

In a liquidation scenario, employees may be eligible for payment from FEG (which would typically take more than three months).

There are insufficient funds available to distribute to unsecured creditors in a liquidation scenario.

11.4.2 RAL

In a liquidation scenario, employees may be eligible for payment from FEG (which would typically take more than three months). Where claims have been lodged by eligible employees, FEG has already paid those entitlements.

There will be no dividend paid to employee creditors or unsecured creditors in a liquidation scenario.

12. Statement by Administrators

For reasons set out below, the Administrators recommend that the creditors resolve that:

- The Rex Group and the Subsidiaries execute the DOCA proposed by the Proponent
- RAL be wound up

12.1 Options available to creditors

IPR 75-225(3)(b) requires that the Administrators give our opinion about whether it would be in the creditors' interests for the:

- Administrations of the Companies end and control be returned to the Directors
- Rex Group and the Subsidiaries to execute the proposed DOCA
- Rex Group and the Subsidiaries and/or RAL to be wound up

Each of these options is discussed below.

12.2 Administration to end

The Companies are insolvent (or in the case of the Subsidiaries, likely to become insolvent) and unable to pay their debts as and when they fall due. Accordingly, returning control of the Companies to the Directors would not be appropriate and is not recommended by the Administrators.

12.3 DOCA

We are of the opinion that the DOCA proposed by the Proponent for the Rex Group and the Subsidiaries should be accepted by all classes of creditors. Our reasons for forming this view vary depending upon the class of creditor and the individual company involved. Our reasons can be summarised as follows:

The Rex Group

- Secured Creditors – The proposed DOCA provides a return to secured creditors which exceeds that which is likely to be achieved in circumstances where the Rex Group is wound up. Further, it will allow the Rex Group to continue to operate the Regional Business which we understand is the desire of the secured creditor. As a result, the Administrators consider it is in the interest of the secured creditor for the DOCA to be entered into.

- Priority Unsecured Creditors (former and current employees) - The proposed DOCA provides a return to priority unsecured creditors which significantly exceeds that which is likely to be achieved in circumstances where the Rex Group is wound up. Further, for continuing employees, it will provide the individual creditors with the opportunity to benefit from a continued employment relationship with the Rex Group. As a result, the Administrators consider it is in the interest of Priority Unsecured Creditors for the Rex Group to enter into the DOCA.

- Ordinary Unsecured Creditors – Although the proposed DOCA provides no return to ordinary unsecured creditors this return is no worse than that likely to be achieved in circumstances where the Rex Group is wound up. Ordinary unsecured creditors will at least have the opportunity to benefit from a continued business relationship with the Rex Group if the DOCA is accepted.

The Subsidiaries

- Secured Creditors – The proposed DOCA provides a return to secured creditors which exceeds that which is likely to be achieved in circumstances where the Subsidiaries are wound up. Further, it will allow the Subsidiaries to continue to operate which we understand is the desire of the secured creditor. As a result, the Administrators consider it is in the interest of the secured creditor for the DOCA to be entered into.

- Priority Unsecured Creditors (former and current employees) - The proposed DOCA provides a return to priority unsecured creditors which significantly exceeds that which is likely to be achieved in circumstances where the Subsidiaries are wound up. Further, for continuing employees, it will provide the individual creditors with the opportunity to benefit from a continued employment relationship with the Subsidiaries. As a result, the Administrators consider it is in the interest of Priority Unsecured Creditors for the Subsidiaries to enter into the DOCA.

- Ordinary Unsecured Creditors – the proposed DOCA provides for a full return to ordinary unsecured creditors of the Subsidiaries. Unsecured creditors of the Subsidiaries were largely current at the date of appointment of the Administrators. There will likely be some additional trade creditor claims for those who had provided services that had not been invoiced prior to the Administrators' appointment but these are expected to be immaterial.

No DOCA has been proposed for RAL.

12.4 Winding up of the Companies

Creditors may resolve to wind up the Companies. In such circumstances, absent the nomination of an alternate liquidator(s), the Administrators would be appointed Liquidators of the Companies.

It would not be in the creditors' interests to resolve to wind up the Rex Group and the Subsidiaries. The reason for our opinion is that the liquidation of the Rex Group and the Subsidiaries would result in significant job losses, trigger crystallization of employee entitlements and significantly impact the continuation of the Rex Regional business.

In the absence of a DOCA proposal, it is our opinion that the RAL should be placed into liquidation.

Our reason for this opinion is that RAL is insolvent and will require the formal mechanism of liquidation to undertake investigations and distribute the available recoveries (if any) to creditors. A liquidator will be able to conduct detailed investigations into the conduct of Directors and the financial affairs of RAL. A liquidator will also be empowered to:

- complete the sale of any residual assets in an orderly manner to the extent that would be possible

- assist employees in applying to FEG (to the extent required) for the payment of certain employee entitlements that cannot otherwise be funded by RAL

- pursue potential recoveries under the Act

- distribute recoveries made in accordance with the priority provisions of the Act

- report to ASIC on the results of investigations into RAL's affairs

12.5 Administrators' recommendation

It is the Administrators' opinion that it is in the best interests of the creditors of the Rex Group and the Subsidiaries that **the Rex Group and the Subsidiaries execute a DOCA** consistent with the

proposal from the Proponent. If circumstances change between now and the Second Meetings, we will explain those changes in a supplementary report to creditors.

It is the Administrators' opinion that it is in the best interests of the creditors of RAL for **RAL to be wound up**. If circumstances change between now and the Second Meeting, we will explain those changes in a supplementary report to creditors.

Attached at **Appendix I** is our formal statement in relation to this matter in accordance with IPR 75-225(3)(b).

13. Further information

ASIC has released several insolvency information sheets to assist creditors, employees and shareholders with their understanding of the insolvency process. You can access the relevant ASIC information sheets at ASIC Insolvency Information Sheets.

We will advise creditors in writing of any additional matter that comes to our attention after the release of this Report, which in our view is material to creditors' consideration.

Should you have any questions, please contact rex.creditors@au.ey.com.

Dated this 3rd day of November 2025

Samuel Freeman, Adam Nikitins, Justin Walsh
Joint and Several Administrators of the Rex Group, the Subsidiaries and RAL

Appendix A DIRRI

EY Parthenon
Shape the future with confidence

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Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Corporations Act 2001

Air Partners Pty Ltd	**ACN 065 221 356**
Regional Express Holdings Limited	**ACN 099 547 270**
Regional Express Pty Ltd	**ACN 101 325 642**
Rex Airlines Pty Ltd	**ACN 642 400 048**
Rex Investment Holdings Pty Ltd	**ACN 101 317 677**

(Administrators Appointed) (collectively, the Companies)

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to the Companies and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This declaration is made in respect of ourselves, our partners, EY Australia and related parties covered by the extended definition of the firm (collectively **EY**).

A. Independence

We, Samuel Freeman, Adam Nikitins and Justin Walsh have assessed our independence, and we are not aware of any reasons that would prevent us from accepting this appointment.

There are no other relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

This declaration supersedes the DIRRI dated 31 July 2024 and issued to all known creditors as set out in the records of the Companies or as otherwise known to us.

We will issue a copy of this declaration in the next written notice to all known creditors as set out in the records of the Companies or as otherwise known to us.

B. Circumstances of appointment

i. How we were referred this appointment

This matter was not referred to EY by a professional advisor, rather it has come about as a result of a direct enquiry from the Companies.

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Liability limited by a scheme approved under Professional Standards Legislation

There is no expectation, agreement or understanding between us, the Companies, or their directors regarding the conduct of the voluntary administrations and we are free to act independently and in accordance with the law and applicable professional standards.

Did we meet with the Companies or their directors before we were appointed?

☒ Yes ☐ No

In May 2024, at the request of the Companies, EY undertook an Independent Business Review (**Review**). Details regarding the Review are set in Annexure A.1 of this DIRRI.

We had the following meetings with the Companies' directors between 9 May 2024 and 30 July 2024:

Date of Meeting	Purpose of Meeting	Attendees
9/05/2024	Initial call for the Review	Milan Milosevic; Adam Nikitins, Morgan Kelly; Stephen Ault; Timothy Chan; Trent Summers-Levin (EY) Richard Kwan; Irwin Tan; Lincoln Pan (Rex)
14/05/2024	Scoping call for the Review	Milan Milosevic; Adam Nikitins; Stephen Ault (EY) Lincoln Pan (Rex)
16/05/2024	Update call to discuss initial learnings of the Review	Milan Milosevic; Adam Nikitins; Stephen Ault (EY) Lincoln Pan (Rex)
17/05/2024	Management call	Stephen Ault; Adam Nikitins; Milan Milosevic; Julian Failla (EY) Irwin Tan; Richard Kwan (Rex)
20/05/2024	Meeting of Directors to discuss the initial findings of the Review	Richard Kwan; Lim Kim Hai; John Sharp (Rex) Stephen Ault; Adam Nikitins (EY)
20/05/2024	Brief follow up discussion following the presentation of the initial findings of the Review	Adam Nikitins (EY) and Lincoln Pan (Rex)
4/06/2024	Meeting of Directors to walk through the second stage of the Review	Richard Kwan; Lim Kim Hai; John Sharp; Jim Davis; Lee Thian Soo; Lincoln Pan (Rex) Adam Nikitins (EY)
5/06/2024	Update call to discuss the second stage of the Review	Lincoln Pan (Rex) Milan Milosevic; Stephen Ault; Adam Nikitins (EY)
14/06/2024	Update call to discuss the second stage of the Review	Lincoln Pan; Richard Kwan (Rex) Stephen Ault; Adam Nikitins; Joshua Prior; Milan Milosevic (EY)
22/06/2024	Rex project engagement committee / EY Phase II updated walk through	Richard Kwan (Rex) and Adam Scull (EY)
22/06/2024	Rex project engagement committee / EY Phase II updated walk through	Lincoln Pan; John Sharp Jim Davis; Ron Bartsch (Rex) Milan Milosevic; Stephen Ault; Adam Nikitins; Joshua Prior (EY)
9/07/2024	Project update	Lincoln Pan; Richard Kwan; Irwin Tan (Rex) Stephen Ault; Adam Nikitins; Joshua Prior; Adam Scull (EY)
9/07/2024	Project update	Richard Kwan; Irwin Tan; Lincoln Pan (Rex) Lawrence Mendes (Baker McKenzie) Alistair Hartley (Virgin Australia) Adam Nikitins; Stephen Ault; Adam Scull; Joshua Prior (EY)

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Date of Meeting	Purpose of Meeting	Attendees
15/07/2024	Project update	Lincoln Pan; John Sharp; Jim Davis; Lee Thian Soo; Ron Bartsch (Rex) Adam Nikitins (EY)
19/07/2024	Meeting with Rex Directors and Management regarding contingency planning	Richard Kwan; Dale Hall; David Brooksby; Irwin Tan; Mark Burgess; Mayooran Thanabalasingam; Neville Howell; Paul Fisher; Warrick Lodge; John Sharp; Lincoln Pan; Jim Davis (Rex) Adam Nikitins; Scott McKinnon (EY)
22/07/2024	Meeting with PAG, Deloitte and EY regarding contingency planning	Sid Khotkar; Lincoln Pan; Murtaza Kahloon (PAG) Sal Algeri; Daniel Linaker; Jason Tracy (Deloitte) Sam Freeman; Adam Nikitins; Scott McKinnon; Joshua Prior; Adam Scull (EY)
25/07/2024	Meeting with PAG and White & Case regarding VA funding.	Sid Khotkar; Lincoln Pan; Minchu Wang (PAG) Jillian McAleese; Timothy Sackar (White & Case) Adam Nikitins; Sam Freeman (EY)
26/07/24	Meeting with REX and Deloitte	Adam Nikitins; Sam Freeman; Justin Walsh; Scott McKinnon; Adam Scull (EY) Sal Algeri; Jason Tracy; Richard Hughes; Daniel Linaker (Deloitte) Richard Kwan; Neville Howell (Rex)
29/07/24	Meeting with PAG to discuss VA funding arrangements	Adam Nikitins (EY) and Lincoln Pan (PAG)
29/07/24	Meeting with Rex to discuss communications strategy	Adam Nikitins (EY), Lincoln Pan (PAG) and John Sharp (Rex)
30/07/24	Attendance at Regional Express Holdings Limited board meeting to present final report on financial position of the Companies	Adam Nikitins (EY), Lincoln Pan; John Sharp; Jim Davis; Lee Thian Soo; Ron Bartsch, Richard Kwan, Irwin Tax, Lim Kim Hai (Rex)
Between 16/07/2024 and 30/07/2024	Various meetings with management regarding contingency planning for potential VA.	EY team, including Sam Freeman, Justin Walsh, Adam Nikitins and others.

These meetings were for the purposes of undertaking a limited scope of works that is allowed prior to the appointment of Voluntary Administration. This scope of works was to:

- Conduct a limited scope business review including review of financial forecasts, current liquidity requirements, sensitivities for illustrative purposes and comments on the strategic options available for the Companies.
- Preparation of a template financial model for management to develop inputs and assumptions for financial forecasts in a business-as-usual scenario, including sensitivity analysis.
- Undertake contingency planning for the possible appointment of an administrator to the Companies, including key elements of communications strategy with key stakeholders and to work with management to establish operational dependencies.

In our opinion, these communications do not affect our independence for the following reasons:

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- EY's advice was limited to preparation of a template financial model for management to develop inputs and assumptions and assessing the Companies' financial position and the consequences of insolvency and restructuring options. Our work involved the building of the mechanics of the financial model only. We did not have any input into the assumptions that underpinned the financial forecasts in the model or nor did we express any opinion on the achievability of the forecasts.
- Our work was undertaken for the Companies only. We did not provide any advice to the directors personally or others.
- The Courts and the applicable professional standards specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or an impediment to accepting the appointment.
- The nature of the advice is such that it would not be subject to review and challenge during the administration.
- The pre-appointment advice will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration in an objective and impartial manner.

We have received $220,000 in advance for this Review. We have also received payment in advance of $300,000 for the services provided relating to contingency planning for a possible voluntary administration appointment. These fees were paid to us by the Companies.

We have provided no other information or advice to the Companies and the directors prior to our appointment beyond that outlined in this DIRRI.

C. Declaration of relationships

Within the previous two years, have we, or EY, had a relationship with:		
The Companies	☒ Yes ☐ No Yes – See Annexure A.1 for a summary of services provided to the Companies.	
The directors?	☐ Yes ☒ No	
Any associates of the Companies	☒ Yes ☐ No	
	Nature of relationship	**Reasons no impediment or conflict of interest or duty**
	We have been appointed Voluntary Administrators to five companies in the group being Air Partners Pty Ltd; Regional Express Holdings Limited; Regional Express Pty Ltd, Rex Airlines Pty Ltd and Rex Investment Holdings Pty Ltd on 31 July 2024.	▪ The nature of the business operations mean that the administrations can be conducted more efficiently by the same external administrator. ▪ At the time of our appointment, we were not aware of any conflicts of interest between the group companies. ▪ If a conflict arises, we will inform creditors and take appropriate action to resolve the conflict.

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Within the previous two years, have we, or EY, had a relationship with:		
	We were appointed Voluntary Administrators to AAPA Victoria Pty Ltd, Australian Aero Propeller Maintenance Pty Ltd, Australian Airline Pilot Academy Pty Ltd and Rex Flyer Pty Ltd (Administrators Appointed) (**the Rex Companies**) on 20 October 2025.	▪ The Companies hold shares in the Rex Companies. ▪ The nature of the business operations means that the administrations can be conducted more efficiently by the same external administrator. In this regard we note that the Companies' operations are heavily intertwined with the Rex Companies. With shared staff, IT systems, accounting infrastructure, access to fixed assets and access to intellectual property. the Companies are highly reliant on each other and intertwined. ▪ The appointment to the Rex Companies will not influence our ability to comply with the statutory and fiduciary obligations associated with the voluntary administration of the Companies in an objective and impartial manner. ▪ At the time of our appointment, we are not aware of any conflicts of interest between the Companies and the Rex Companies. ▪ If a conflict arises, we will inform creditors and take appropriate action to resolve the conflict.
A former insolvency practitioner appointed to the Companies?	☐ Yes ☒ No	
	Nature of relationship	**Reasons no impediment or conflict of interest or duty**
	N/a	N/a

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<table>
<tr><th colspan="3">Within the previous two years, have we, or EY, had a relationship with:</th></tr>
<tr><td rowspan="4">A secured creditor entitled to enforce a security over the whole or substantially the whole of the Companies' property?</td><td colspan="2">☒ Yes ☐ No

PAGAC Regulus Holdings Pte. Ltd (PAG)</td></tr>
<tr><td>Nature of relationship</td><td>Reasons no impediment or conflict of interest or duty</td></tr>
<tr><td>PAG held security interests over the Companies' property as at the date of appointment. On 23 January 2025, the Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Commonwealth) acquired the secured debt owed by the Companies to PAG.

PAG's security has been removed as at the date of this DIRRI.

We and EY have professional relationships with most of the major lenders and banks in Australia and with a number of staff within PAG related organisations. We and EY have previously undertaken formal and informal assignments on behalf of the PAG for a number of years.</td><td>PAG is no longer a creditor of the Companies.

We believe that this relationship does not result in a conflict of interest or duty because EY's previous relationships with the PAG were not in relation to the Companies' and/or the directors' affairs, or related parties of the Companies' and/or the directors. EY has not provided any advice to PAG in relation to the Companies' and/or the directors' affairs, or related parties of the Companies' and/or the directors.

The relationship that EY has with PAG is not material to EY, will not be the subject of any review or part of our investigations and will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration of the Companies in an objective and impartial manner.

At the time of our appointment, we were not aware of any conflicts of interest as a result of EY's relationship with PAG which would preclude us from accepting this appointment. Should such a conflict arise, we will keep creditors informed and take appropriate action to resolve the conflict.</td></tr>
<tr><td colspan="2">☒ Yes ☐ No

Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Commonwealth)</td></tr>
</table>

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Within the previous two years, have we, or EY, had a relationship with:		
	On 23 January 2025, the Commonwealth acquired the secured debt owed by the Companies to PAG. The Commonwealth holds security interests over the Companies' property. We and EY have previously undertaken formal and informal assignments on behalf of the Commonwealth for a number of years.	▪ We believe that this relationship does not result in a conflict of interest or duty because EY's previous relationships with the Commonwealth were not in relation to the Companies' and/or the directors' affairs. EY has not provided any advice to the Commonwealth in relation to the Companies' and/or the directors' affairs. ▪ The Commonwealth has its own independent advisors in respect of the Companies and the Rex Companies. ▪ The relationship that EY has with the Commonwealth is not material to EY, will not be the subject of any review or part of our investigations and will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration of the Companies in an objective and impartial manner. ▪ At the time of our appointment, we were not aware of any conflicts of interest as a result of EY's relationship with the Commonwealth which would preclude us from accepting this appointment. Should such a conflict arise, we will keep creditors informed and take appropriate action to resolve the conflict.

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Within the previous two years, have we, or EY, had a relationship with:		
A secured creditor entitled to enforce a security over the whole or substantially the whole of the Companies' property?	☒ Yes ☐ No Westpac Banking Corporations (**Westpac**)	
	Nature of relationship	**Reasons no impediment or conflict of interest or duty**
	Westpac held security interests over Rex Investment Holdings Pty Ltd's property as at the date of appointment. Westpac's security has been removed as at the date of this DIRRI. We and EY have professional relationships with most of the major banks and lenders in Australia and with a number of staff within Westpac related organisations. We and EY have previously undertaken formal and informal assignments on behalf of the Westpac for a number of years.	We believe that this relationship does not result in a conflict of interest or duty because EY's previous relationships with Westpac were not in relation to the Companies' and/or the directors' affairs, or related parties of the Companies' and/or the directors. EY has not provided any advice to PAG in relation to the Companies' and/or the directors' affairs, or related parties of the Companies' and/or the directors. The relationship that EY has with Westpac is not material to EY, will not be the subject of any review or part of our investigations and will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration of the Companies in an objective and impartial manner. At the time of our appointment, we were not aware of any conflicts of interest as a result of EY's relationship with Westpac which would preclude us from accepting this appointment. Should such a conflict arise, we will keep creditors informed and take appropriate action to resolve the conflict.

Do we, or EY, have any other relationships that we consider are relevant to creditors assessing our independence?		
☒ Yes ☐ No		
	Nature of relationship	**Reasons no impediment or conflict of interest or duty**
Major unsecured creditors: Deputy Commissioner of Taxation (**ATO**)	Various Practitioners at EY are members of panels for appointments as liquidators and bankruptcy trustees.	We believe that this relationship does not result in a conflict of interest or duty because: ▪ Our previous relationship with the ATO was not in relation to the Companies' and/or the director's', or related parties of the Companies and/or the directors. ▪ We have a wide referral base and the ATO is one of many referrers of work in the past 24 months. ▪ Referrals from the ATO are commonplace and do not impact on our independence in carrying out our duties as Administrators.

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	Nature of relationship	Reasons no impediment or conflict of interest or duty
Major unsecured creditors: Australian Commonwealth Government, State Governments (WA/NSW/VIC/QLD) and Local Council Bodies (**Government Bodies**)	It is likely that the Companies are indebted to one or more of the Government Bodies and/or have ongoing or historical contracts or dealings with such parties. EY undertakes work for such Government Bodies from time to time.	We believe that these relationships do not result in a conflict of interest or duty because: ▪ EY has not undertaken any work for Government Bodies in respect of the Companies. ▪ The work that EY undertakes for Government Bodies will not be the subject of any review or part of our investigations and will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration of the Companies in an objective and impartial manner. ▪ At the time of our appointment, we were not aware of any conflicts of interest as a result of EY's relationship with Government Bodies which would preclude us from accepting this appointment. Should such a conflict arise, we will keep creditors informed and take appropriate action to resolve the conflict.

D. Indemnities and up-front payments

We have not been provided any indemnities or up-front payments, however the following arrangements have been put in place to provide limited funding to the administration:

Name	Relationship with Insolvent	Nature of Indemnity or payment
PAG	Secured creditor – previous secured creditor	▪ The DIRRI dated 31 July 2024 outlined that PAG had agreed to provide limited funding to the administration through a new committed funding facility. ▪ This funding was used to meet costs of the administration (both trading costs and Administrators' remuneration and expenses) and allow the Companies to continue to keep operating regional flights. ▪ The funding was not used to meet administrations costs or our remuneration until such time that the costs are incurred and our remuneration was approved by creditors. ▪ There were no conditions on the conduct or outcome of the administration attached to the provision of the funding. ▪ On 23 January 2025, the Commonwealth acquired the secured debt owed by the Companies to PAG.
Commonwealth of Australia	Secured creditor	▪ On 23 January 2025, the Commonwealth acquired the secured debt owed by the Companies to PAG. ▪ The Administrators entered into a Commonwealth Facility Agreement dated 11 November 2024 in relation funding throughout the voluntary administration. ▪ This funding is to be used to meet costs of the administration (both trading costs and Administrators' remuneration and expenses) and allow the Companies to continue to keep operating regional flights.

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This does not include any indemnities we may be entitled to under the law. We have not received any other indemnities or up-front payments.

Dated this 21st day of October 2025

Samuel John Freeman
Joint and Several Administrator

Adams Pauls Nikitins
Joint and Several Administrator

Justin Denis Walsh
Joint and Several Administrator

Note:

1 The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional standards.

2 If circumstances change, or new information is identified, we are required under the Corporations Act or Bankruptcy Act and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement Declaration at the next meeting of creditors. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.

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Annexure A.1 – Summary of engagements with the Companies in the previous twenty-four (24) months

Date of Engagement	Description of Services	Fee (Excl GST)	Reason for engagement not posing a conflict of interest
9 May 2024 (including addendum agreement dated 22 May 2024)	**Independent Business Review and options analysis** The scope of works relating to the Review was to: ▪ Conduct a limited scope business review including review of financial forecasts, current liquidity requirements, sensitivities for illustrative purposes and comments on the strategic options available for the Companies. ▪ Preparation of a template financial model for management to develop inputs and assumptions for financial forecasts in a business-as-usual scenario, including sensitivity analysis. ▪ Undertake contingency planning for the possible appointment of an administrator to the Companies, including key elements of communications strategy with key stakeholders and to work with management to establish operational dependencies. The report was provided to the Companies.	$520,000	▪ The Review was of a limited time and scope. ▪ The Review was completed in a period of approximately 10 weeks. ▪ The fee received in respect of the Review was not material to EY or to the Companies. ▪ The Review was independent and factual. It did not provide advice on the restructure plan, rather it commented on key risks. ▪ The Review has assisted us in developing an understanding of the Companies and their activities. ▪ Our report would not be the subject of review and challenge by an administrator. Further, it will not influence our ability to comply with the statutory and fiduciary obligations associated with the voluntary administration of the Companies in an objective and impartial manner.

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Appendix B Receipt and payments

REX	Amount $
Receipts	
Merchants: Accounts Receivable	5,047,067.00
Merchants: Passenger Revenue	336,018,400.59
Merchants: Restricted Cash	12,742,135.07
Freight revenue	2,700,252.23
Charter revenue	5,324,725.38
Other passenger services and amenities	4,016,424.01
Flight sales revenue and Government grants and subsidiaries	22,909,188.49
Head and other taxes	(36,492,843.88)
Other receipts	10,830,411.67
Operating receipts	363,095,760.56
Pel-Air (including VAA and NAA)	62,863,297.66
Pel-Air (Beechcraft Super King Air B350)	11,058,973.36
37 Robey Street, Mascot (Rex House)	2,535,817.06
B737 Simulator + Property	6,705,715.60
Domestic: B737 assets	9,902,193.48
National Jet Express (NJE)	12,000,000.00
79-83 Baxter Road, Mascot (Head Office)	14,351,867.19
Asset realisations	119,417,864.35
PAG administration funding	20,000,000.00
Commonwealth administration funding	69,926,027.40
Administration receipts	89,926,027.40
Total receipts	**572,439,652.31**
Payments	
Port costs	(32,164,528.97)
Flight costs	(57,130,384.54)
Engineering costs	(102,498,831.21)
Manpower costs	(135,494,894.56)
Manpower related costs	(7,902,641.17)
Other operating costs	(30,138,733.25)
Other payments	(14,922,539.99)
GST payments	(13,218,353.12)
Operating payments	(393,470,906.81)
Employee Entitlements - REX (Separated)	(3,575,480.74)
Administration costs - EY fees and disbursements	(35,421,697.47)
Administration costs - Legal fees	(11,678,763.95)
Administration costs - Sale advisor fees	(5,811,482.48)
PAG distribution	(98,299,880.59)
Commonwealth distribution	(8,300,451.00)
Administration payments	(163,087,756.23)
Total payments	**(556,558,663.04)**

REX	Amount $
Cash at bank at 26 October 2025	15,880,989.27

RIH	Amount $
Receipts	
Intercompany transfers	2,396,607.40
Interest received	14,341.30
Sale of aircraft	11,407,141.19
Total receipts	**13,818,089.89**
Payments	
EY appointee fees	2,396,607.40
Costs of asset realisations – sales commissions to broker	342,214.24
Costs of asset realisations – escrow fees	5,953.59
Secured creditor distribution – PAG (inclusive of PAG legal costs)	11,058,973.36
Total payments	**13,803,748.59**
Cash at bank at 24 October 2025	14,341.30

REPL	Amount $
Receipts	
Intercompany transfers	757,832.90
Total receipts	757,832.90
Payments	
EY appointee fees	757,832.90
Total payments	757,832.90
Cash at bank at 24 October 2025	0.00

AP	Amount $
Receipts	
Intercompany transfers	2,247,135.00
Sale of shares in associated company	12,000,000.00
Total receipts	**14,247,135.00**
Payments	
EY appointee fees	2,247,135.00
Secured creditor distribution – PAG	12,000,000.00
Total payments	**14,247,135.00**
Cash at bank at 24 October 2025	0.00

AAPA	Amount $
Receipts	
Pre-appointment bank account balance transfer	679,836.57
Pre-appointment debtors	63,379.90
Total receipts	**743,216.47**
Payments	
Payroll	4,311.68
RTO consultant payment	24,200.00
Total payments	**28,511.68**
Cash at bank at 31 October 2025	714,704.79

AAPAV	Amount $
Receipts	
Pre-appointment bank account balance transfer	1,361,073.94
Pre-appointment debtors	2.712.65
Total receipts	**1,363,786.59**
Payments	
Payroll	21,931.51
Exam/Test Fee	224.61
Property costs	600.00
Total payments	**22,756.12**
Cash at bank at 31 October 2025	1,341,030.47

AAPM	Amount $
Receipts	
Pre-appointment bank account	110,510.49
Pre-appointment debtors	38,315.08
Total receipts	**148,825.57**
Payments	
Payroll	35,442.58
Servicing expenses	17,941.00
Parts purchases	19,776.01
Office expenses	352.00
Total payments	**73,511.59**
Cash at bank at 31 October 2025	75,313.98

Rex Flyer	Amount $
Receipts	
Total receipts	**0.00**
Payments	
Total payments	**0.00**
Cash at bank at 31 October 2025	0.00

RAL	Amount $
Receipts	
Bank Interest	289,237.28
Cadet Loans	10,000.00
Excess Baggage (Commission/Fees/Sales)	54,630.39
Expense Claim Reimbursement	32.06
Food and Beverage Sales	787,386.22
Freight Handling Services	2,604.91
Insurance Claim	136,963.27
Novated Lease Refund	2,577.36
Payroll Tax Refunds	6,380.03
Personal Expense Reimbursement	338.55
Superannuation Bounceback	787.98
Ticket Sales / Merchant Receipt	224,675,493.75
Workers Compensation	24,628.80
Cash at Bank - Pre-Appointment Westpac (CHQ)	1,668,742.79
Cash at Bank - Pre-Appointment Westpac (CIA)	751.52
Cash at Bank - Pre-Appointment Westpac (USD)	294.54
Engineering Inventory	60,000.00
GST Control: GST Paid (Received)	151,982.00
Interest Income	7,136.92
Internal Transfer	224,133,108.65
Non-Reportable - Asset Sale Reported Separately	491,120.68
Other (Not Reportable)	96,536.60
Plant and Equipment	9,998,513.84
Total receipts	**462,599,248.14**
Payments	
Ticket Sales / Merchant Receipt (contra-account for chargebacks/refunds)	1,001,370.43
Bank Charges	1,003.49
Bank Fee	74.92
Commission	611,172.92
Departmental Expense	246,237.97
Engineering Costs	7,909.81
Fees: Appointee's Remuneration	2,146,430.00

RAL	Amount $
Intercompany Transfer	373,626,808.00
Internal Transfer	775,467.76
Manpower Costs	18,925.20
Merchant Fees	320,233.26
Non-Trading Payment	79,640,096.95
Port Costs	40,935.68
Total payments	**458,436,666,39**
Cash at bank at 24 October 2025	4,162,581.75
Note: RAL is the contractual counterparty to the Rex Group's merchant facilities. All merchant receipts represent flying related revenue for the Rex Regional business	

Appendix C Notice of meeting of creditors

Notice of meeting of creditors

Insolvency Practice Rules (Corporations) 2016 (IPR), Section 75-225

Regional Express Holdings Limited	**ACN 099 547 270**
Rex Investment Holdings Pty Ltd	**ACN 101 317 677**
Regional Express Pty Ltd	**ACN 101 325 642**
Air Partners Pty Ltd	**ACN 065 221 356**
Australian Airline Pilot Academy Pty Ltd	**ACN 128 392 469**
AAPA Victoria Pty Ltd	**ACN 118 837 586**
Australian Aero Propeller Maintenance Pty Ltd	**ACN 131 278 889**
Rex Flyer Pty Ltd	**ACN 671 816 621**
(Administrators Appointed) (together, the Rex Group and the Subsidiaries)	
Rex Airlines Pty Ltd (Administrators Appointed) (RAL)	**ACN 642 400 048**
(all together, the Companies)	

NOTICE is given that a concurrent meeting of creditors of the Companies will be held by Microsoft Live Teams platform on **11 November 2025 at 2pm (AEDT)**.

Agenda

1. To consider a statement by the Directors about the business, property, affairs and financial circumstances of the Companies.

2. To consider the circumstances leading to the appointment of the Administrators to the Companies, details of the proposed Deed of Company Arrangement for the Rex Group and the Subsidiaries and the various options available to creditors.

3. To consider the report of the Administrators.

4. To resolve that:

   - The Companies execute a Deed of Company Arrangement, or
   - The Administration should end, or
   - The Companies be wound up.

5. If it is resolved that the Companies be wound up, and an alternate Liquidator is proposed, consider whether creditors wish to appoint the alternate Liquidator.

6. If it is resolved that the Rex Group and the Subsidiaries execute a Deed of Company Arrangement, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee.

7. If it is resolved that the Companies be wound up, consider whether, pursuant to Section 477(2A) of the Corporations Act 2001 (**the Act**), creditors authorise the Liquidators to compromise a debt owed to the Company up to a maximum limit of $200,000.

8. If it is resolved that the Companies be wound up, consider whether, pursuant to Section 477(2B) of the Corporations Act 2001, creditors authorise the Liquidators to enter into any agreement on behalf of the Companies where:

   - the term of the agreement may end; or

- obligations of a party to the agreement may, according to the terms of the agreement, be discharged by performance; more than three months after the agreement is entered into.

9. If it is resolved that the Companies be wound up, consider whether, subject to obtaining the approval of the Australian Securities & Investments Commission (**ASIC**) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Companies and of the Liquidators may be disposed of by the Liquidators 12 months after the dissolution of the Companies or earlier at the discretion of ASIC.

10. Any other business that may be lawfully brought forward.

Creditors wishing to vote at the meeting, who will not be attending virtually or are a company, must complete and return a Proxy Form (and lodge a Proof of Debt on the Creditors' Portal if one has not already been lodged) by no later than **12pm on 7 November 2025** by email to rex.creditors@au.ey.com or by post to GPO Box 2646, Sydney NSW 2001, Australia. A Proxy Form is enclosed.

If you wish to vote or participate, you must attend virtually in person or by proxy. Creditors are not entitled to vote at the meeting unless they lodge particulars of the debt or claim on the Creditors' Portal before the meeting. Please register at this link Second Meetings Registration Link by **12pm on 7 November 2025** to advise that you will be attending the meeting. A Microsoft Teams Live Events link will be emailed on the last business day prior to the meeting. You will be required to dial into the meeting using the Microsoft Teams Live Events link.

Creditors who wish to ask questions, request information, make comments or propose other resolutions must submit these to the Administrators by 12pm on 7 November 2025 by email to rex.creditors@au.ey.com.

We will be using the Creditors' Portal to vote for all resolutions at the meeting of creditors. Creditors who will be attending will be required to log into the Creditors' Portal and attend the meeting via the Microsoft Teams Live Events link. Please refer to **section 2.6** of the Report and **Appendix K** for instructions on how to attend, register your claim and vote at the meeting.

The Administrators will answer or address questions at the meeting (for at least 2 hours) that have been received from creditors on or before 12 pm on 7 November 2025.

Dated this 3rd day of November 2025

Samuel Freeman, Adam Nikitins, Justin Walsh
Joint and Several Administrators of the Rex Group, the Subsidiaries and RAL

Note: In accordance with IPR Section 75-15(1)(c) please see effect of IPR Section 75-85 Entitlement to vote at meetings of creditors on the following page.

Effect of IPR Section 75-85 – Entitlement to vote at meetings of creditors

1. A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.

2. Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.

3. A person is not entitled to vote as a creditor at a meeting of creditors unless:

    a. his or her debt or claim has been admitted wholly or in part by the external administrator; or

    b. he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:

        i. those particulars; or

        ii. if required—a formal proof of the debt or claim.

4. A creditor must not vote in respect of:

    a. an unliquidated debt; or

    b. a contingent debt; or

    c. an unliquidated or a contingent claim; or

    d. a debt the value of which is not established;

    unless a just estimate of its value has been made.

5. A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:

    a. treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;

    b. estimate its value;

    c. for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.

6. A person is covered by this subsection if:

    a. the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and

    b. the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and

    c. the person is not an insolvent under administration or a person against whom a winding up order is in force.

Appendix D Statutory information

Source: Equifax company searches undertaken on 29 July 2024

REX

Location	Address
Incorporation date	12 February 2002
Registered office	81-83 Baxter Road, Mascot NSW 2020
Principal place of business	81-83 Baxter Road, Mascot NSW 2020

REX's directors over the 3 years prior to the VA were:

Office held	Name	Date appointed	Date ceased
Director	Lim Kim Hai	27-Jun-2003	
Director	James Richard Davis	26-Aug-2004	
Director	Ronald Bartsch	23-Nov-2010	
Director	Lee Thian Soo	27-Jun-2003	
Director	John Sharp	14-Apr-2005	
Director	Lincoln Lin Feng Pan	15-Mar-2021	
Director	Siddharth Dilip Khotkar	15-Mar-2021	21-Apr-2024
Director	Neville George Howell	01-Jul-2014	08-Mar-2024
Director	Christopher Peter Hine	01-Mar-2011	29-Nov-2023
Secretary	Benjamin Ng	10-Oct-2007	-
Secretary	Richard Wing Chun Kwan	26-Sep-2016	-
Secretary	Irwin Kuan Joo Tan	07-Sep-2005	-

Shareholder[1]	Class of shares	No. of shares held	Fully paid (Y/N)	% issued capital
Kim Hai Lim	Ordinary	18,998,346	Yes	16.87%
BNP Paribas Nominees Pty Ltd	Ordinary	17,092,002	Yes	15.18%
Thian Soo Lee	Ordinary	7,722,181	Yes	6.86%
Joo Chye Chua	Ordinary	7,454,362	Yes	6.62%
Citicorp Nominees Pty Limited	Ordinary	6,362,967	Yes	5.65%
Hui Ling Tjoa	Ordinary	5,755,513	Yes	5.11%

1 List of substantial shareholders. Source: FY23 Annual report as at 29 September 2023

RIH

Location	Address
Incorporation date	10 July 2002
Registered office	81-83 Baxter Road, Mascot NSW 2020
Principal place of business	81-83 Baxter Road, Mascot NSW 2020

RIH's directors over the 3 years prior to the VA were:

Office held	Name	Date appointed	Date ceased
Director	Benjamin Ng	01-Mar-2011	-
Director	Irwin Kuan Joo Tan	14-Nov-2007	-
Director	John Sharp	15-Nov-2019	04-Apr-2024
Secretary	Benjamin Ng	27-Jul-2007	
Secretary	Richard Wing Chun Kwan	26-Sep-2016	

Shareholder	Class of shares	No. of shares held	Fully paid (Y/N)	% issued capital
Regional Express Holdings Limited	Ordinary	2	Yes	100

REPL

Location	Address
Incorporation date	11 July 2002
Registered office	81-83 Baxter Road, Mascot NSW 2020
Principal place of business	81-83 Baxter Road, Mascot NSW 2020

REPL's directors over the 3 years prior to the VA were:

Office held	Name	Date appointed	Date ceased
Director	James Richard Davis	14-Apr-2005	-
Director	Ronald Bartsch	23-Nov-2010	-
Director	Lee Thian Soo	07-Mar-2006	-
Director	John Sharp	07-Mar-2006	-
Director	Lim Kai Hai	07-Mar-2006	06-June-2024
Director	Neville George Howell	01-Jul-2024	08-Mar-2024
Director	Christopher Peter Hine	01-Mar-2011	15-Dec-2023
Secretary	Benjamin Ng	27-Jul-2007	-
Secretary	Richard Wing Chun Kwan	26-Sep-2016	-
Secretary	Irwin Kuan Joo Tan	07-Mar-2006	-

Shareholder	Class of shares	No. of shares held	Fully paid (Y/N)	% issued capital
Regional Express Holdings Limited	Ordinary	2	Yes	100

AP

Location	Address
Incorporation date	22 June 1994
Registered office	81-83 Baxter Road, Mascot NSW 2020
Principal place of business	81-83 Baxter Road, Mascot NSW 2020

AP's directors over the 3 years prior to the VA were:

Office held	Name	Date appointed	Date ceased
Director	Benjamin Ng	15-Jun-2011	-
Director	Irwin Kuan Joo Tan	01-Mar-2011	-
Secretary	Benjamin Ng	27-Jul-2007	-
Secretary	Richard Wing Chun Kwan	26-Sep-2016	-
Secretary	Irwin Kuan Joo Tan	14-Nov-2007	-

Shareholder	Class of shares	No. of shares held	Fully paid (Y/N)	% issued capital
Regional Express Holdings Limited	Ordinary	2	Yes	100

AAPA

Location	Address
Incorporation date	9 November 2007
Registered office	81-83 Baxter Road, Mascot NSW 2020
Principal place of business	81-83 Baxter Road, Mascot NSW 2020

AAPA's directors over the 3 years prior to the VA were:

Office held	Name	Date appointed	Date ceased
Director	Mayooran Thanabalasingham	01-Mar-2012	-
Director	Paul Fisher	15-Dec-2023	-
Director	Neville Howell	01-Jul-2014	08-Mar-2024
Director	Christopher Hine	04-Jan-2016	15-Dec-2023
Secretary	Benjamin Ng	13-Jan-2012	-
Secretary	Richard Kwan	26-Sep-2016	-

Shareholder	Class of shares	No. of shares held	Fully paid (Y/N)	% issued capital
Rex Investment Holdings Pty Ltd	Ordinary	8	Yes	100

AAPAV

Location	Address
Incorporation date	16 March 2006
Registered office	81-83 Baxter Road, Mascot NSW 2020
Principal place of business	2 Bowral Place, Mitchell Park VIC 3355

AAPAV's directors over the 3 years prior to the VA were:

Office held	Name	Date appointed	Date ceased
Director	Irwin Tan	19-Nov-2019	-
Director	Paul Fisher	15-Dec-2023	-
Director	Neville Howell	19-Nov-2019	08-Mar-2024
Director	Christopher Hine	19-Nov-2019	15-Dec-2023
Secretary	Richard Kwan	19-Nov-2019	-

Shareholder	Class of shares	No. of shares held	Fully paid (Y/N)	% issued capital
Rex Investment Holdings Pty Ltd	Ordinary	200	Yes	100

AAPM

Location	Address
Incorporation date	26 May 2008
Registered office	81-83 Baxter Road, Mascot NSW 2020
Principal place of business	7 Plane Tree Avenue, Dingley Village VIC 3172

AAPM's directors over the 3 years prior to the VA were:

Office held	Name	Date appointed	Date ceased
Director	Richard Kwan	31-Jan-2022	-
Director	Dale Hall	04-Apr-2024	-
Director	Irwin Tan	31-Jan-2022	04-Apr-2024
Secretary	Richard Kwan	31-Jan-2022	-

Shareholder	Class of shares	No. of shares held	Fully paid (Y/N)	% issued capital
Rex Investment Holdings Pty Ltd	Ordinary	100	Yes	100

Rex Flyer

Location	Address
Incorporation date	26 September 2023
Registered office	81-83 Baxter Road, Mascot NSW 2020
Principal place of business	81-83 Baxter Road, Mascot NSW 2020

Rex Flyer's directors over the 3 years prior to the VA were:

Office held	Name	Date appointed	Date ceased
Director	Richard Kwan	29-Sep-2023	-
Director	Mayooran Thanabalasingham	04-Apr-2024	-
Director	Irwin Tan	29-Sep-2023	04-Apr-2024
Secretary	Richard Kwan	29-Sep-2023	-
Secretary	Irwin Tan	29-Sep-2023	

Shareholder	Class of shares	No. of shares held	Fully paid (Y/N)	% issued capital
Air Partners Pty Ltd	Ordinary	1	Yes	100

RAL

Location	Address
Incorporation date	6 July 2020
Registered office	81 Baxter Road, Mascot NSW 2020
Principal place of business	81 Baxter Road, Mascot NSW 2020

RAL's directors over the 3 years prior to the VA were:

Office held	Name	Date appointed	Date ceased
Director	John Sharp	20-Nov-2020	-
Director	Lincoln Lin Feng Pan	15-Mar-2021	-
Director	Kim Hai Lim	04-Apr-2024	06-Jun-2024
Director	Neville George Howell	30-Sep-2020	08-Mar-2024
Secretary	Richard Wing Chun Kwan	06-Jul-2020	-
Secretary	Irwin Kuan Joo Tan	20-Nov-2020	-

Shareholder	Class of shares	No. of shares held	Fully paid (Y/N)	% issued capital
Regional Express Pty Ltd	Ordinary	100	Yes	100

Appendix E PPSR registrations by company

Source: Equifax PPSR searches undertaken on 29 July 2024

REX

Collateral class	Secured party	Number of registrations
AllPAAP - No Exceptions	Metcash Trading Limited	1
AllPAAP - No Exceptions	Jet Aviation Australia Pty Ltd	1
AllPAAP - With Exceptions	AWAS 39604 Trust	2
AllPAAP - With Exceptions	BOQ Credit Pty Limited	1
AllPAAP - With Exceptions	PAGAC Regulus Holding Pte. Ltd.	1
AllPAAP - With Exceptions	Canberra Airport Pty Limited	1
Motor Vehicle	Pepper Asset Finance Pty Ltd	10
Motor Vehicle	Motomech Mobile Mechanics Pty Ltd	1
Motor Vehicle	Adapt-A-Lift Group Pty Ltd	1
Motor Vehicle	Eem Solution Pty Ltd	1
Motor Vehicle	Macquarie Leasing Pty Ltd	1
Motor Vehicle	BOQ Credit Pty Limited	1
Other Goods	Cub Pty Ltd	2
Other Goods	FPA Australia Pty Ltd	1
Other Goods	Coopers Brewery Limited	1
Other Goods	SMYBB Pty Ltd	1
Other Goods	Cleanaway Equipment Services Pty Ltd	1
Other Goods	Tasco Inland Australia Pty Ltd	1
Other Goods	TMA Group of Companies Limited	1
Other Goods	Adapt-A-Lift Group Pty Ltd	1
Other Goods	Eem Solution Pty Ltd	1
Other Goods	Michelin Australia Pty Ltd	2
Other Goods	Metcash Trading Limited	2
Other Goods	Samuel Smith & Son Pty. Ltd.	1
Other Goods	Data#3 Limited.	1
Other Goods	The Trustee for The A G Firth Family Trust	1
Other Goods	Bidfood Australia Limited	1
Other Goods	Lion-Beer, Spirits & Wine Pty Ltd	1
Other Goods	Q.W.S. Pty.	1
Other Goods	P. & R. Electrical Wholesalers Pty. Ltd.	1
Other Goods	OJI Foodservice Packaging Solutions (Aus) Pty Ltd	2
Other Goods	Laminex Group Pty Limited	1
Other Goods	Goodyear & Dunlop Tyres (Aust) Pty Ltd	1
Other Goods	Fonterra Brands (Australia) Pty Ltd	1
Other Goods	BOC Limited	1
Other Goods	Fujifilm Upstream Solutions Pty Ltd	1
Other Goods	Hanes Australia Pty Ltd	1
Aircraft Engine	PAGAC Regulus Holding Pte. Ltd.	44
Airframe	PAGAC Regulus Holding Pte. Ltd.	22
Total		117

RIH

Collateral class	Secured party	Number of registrations
AllPAAP - With Exceptions	PAGAC Regulus Holding Pte. Ltd.	1
AllPAAP - With Exceptions	Westpac Banking Corporation	1
General Intangible	Westpac Banking Corporation	1
Investment Instrument	Westpac Banking Corporation	1
Aircraft Engine	PAGAC Regulus Holding Pte. Ltd.	68
Airframe	PAGAC Regulus Holding Pte. Ltd.	35
Total		107

REPL

Collateral class	Secured party	Number of registrations
AllPAAP - With Exceptions	PAGAC Regulus Holding Pte. Ltd.	1
AllPAAP - With Exceptions	SASOF V (C) Aviation Ireland Designated Activity Company	1
AllPAAP - With Exceptions	AWAS 39604 Trust	1
AllPAAP - With Exceptions	Rex Investment Holdings Pty Ltd	1
AllPAAP - With Exceptions	Rex Airlines Pty Ltd	10
Motor Vehicle	Access Rentals Australia Pty Ltd	2
Other Goods	Killick Aerospace Limited	1
Other Goods	Goodyear & Dunlop Tyres (Aust) Pty Ltd	2
Other Goods	Killick Aerospace Pty Ltd	1
Aircraft Engine	SASOF V (C) Aviation Ireland Designated Activity Company	2
Aircraft Engine	UMB Bank, National Association, as Trustee	20
Aircraft Engine	Rex Airlines Pty Ltd	36
Aircraft Engine	AWAS 39604 Trust	3
Airframe	UMB Bank, National Association, as Trustee	10
Airframe	SASOF V (C) Aviation Ireland Designated Activity Company	1
Airframe	Rex Airlines Pty Ltd	18
Airframe [1]	Sydney Airport Corporation Limited	2
Airframe [1]	Gold Coast Airport Pty Limited	4
Airframe [1]	Townsville Airport Pty Ltd	57
Airframe [1]	Mount Isa Airport Pty Ltd	57
Total		230

1 Security interests were registered on 30 July 2024 and are not considered to be valid

AP

Collateral class	Secured party	Number of registrations
AllPAAP - With Exceptions	PAGAC Regulus Holding Pte. Ltd.	1
Total		1

AAPA

Collateral class	Secured party	Number of registrations
AllPAAP - With Exceptions	Department Of Infrastructure, Transport, Regional Development, Communications and the Arts	1
Small Aircraft	Department Of Infrastructure, Transport, Regional Development, Communications and the Arts	21
Other Goods	Bidfood Australia Limited	1
Total		23

AAPAV

Collateral class	Secured party	Number of registrations
AllPAAP - With Exceptions	Department Of Infrastructure, Transport, Regional Development, Communications and the Arts	1
Small Aircraft	Department Of Infrastructure, Transport, Regional Development, Communications and the Arts	20
Total		21

AAPM

Collateral class	Secured party	Number of registrations
Other Goods	Canon Finance Australia Pty Ltd	1
Total		21

Rex Flyer

Collateral class	Secured party	Number of registrations
N/A	N/A	N/A
Total		N/A

RAL

Collateral class	Secured party	Number of registrations
AllPAAP - With Exceptions	Aircraft Leasing VII Limited	5
AllPAAP - With Exceptions	AWAS 39604 Trust	1
AllPAAP - With Exceptions	Fuyo Aviation Australia Limited	1
AllPAAP - With Exceptions	NR Holdings Corporation	1
AllPAAP - With Exceptions	PAGAC Regulus Holding Pte. Ltd.	1
AllPAAP - With Exceptions	Rex Airlines Pty Ltd	1
AllPAAP - With Exceptions	SASOF V (C) Aviation Ireland Designated Activity Company	1
Motor Vehicle	Meteorfield Pty. Ltd.	4
Motor Vehicle	Pepper Asset Finance Pty Ltd	5
Other Goods	National Plastics & Rubber Pty. Ltd.	1
Other Goods	Snap-On Tools (Australia) Pty. Ltd.	1
Aircraft Engine	Aircraft Leasing VII Limited	20
Aircraft Engine	AWAS 39604 Trust	4
Aircraft Engine	Fuyo Aviation Australia Limited	4
Aircraft Engine	NR Holdings Corporation	4
Aircraft Engine	Rex Airlines Pty Ltd	4
Aircraft Engine	SASOF V (C) Aviation Ireland Designated Activity Company	4
Aircraft Engine	UMB Bank, National Association, as Trustee	20
Airframe	Aircraft Leasing VII Limited	10
Airframe	AWAS 39604 Trust	2

Collateral class	Secured party	Number of registrations
Airframe	Fuyo Aviation Australia Limited	2
Airframe	NR Holdings Corporation	2
Airframe	Rex Airlines Pty Ltd	2
Airframe	SASOF V (C) Aviation Ireland Designated Activity Company	2
Airframe	UMB Bank, National Association, as Trustee	10
Total		112

Appendix F Historical financial information

Profit & Loss Statements

REX

AUD: $M	FY22A	FY23A	FY24A
Passenger revenue	161.8	285.3	270.5
Freight revenue	1.6	1.8	1.8
Other passenger services and amenities	2.3	4.5	3.8
Government grants and subsidies	32.7	14.5	13.4
Other income	(8.3)	(24.0)	(26.5)
Revenue	**190.1**	**282.1**	**263.0**
Port costs	(22.3)	(30.6)	(30.1)
Flight costs	(34.1)	(58.9)	(46.8)
Marketing, advertising & lounge costs	0.4	(0.4)	(2.4)
Selling costs	(4.4)	(7.1)	(6.2)
Engineering costs	(37.3)	(27.1)	(39.2)
Manpower costs	(94.0)	(113.9)	(119.9)
Manpower related costs	(6.0)	(11.0)	(13.6)
Directors' expenses	(0.5)	(0.5)	(0.5)
Departmental expenses	(11.5)	(10.9)	(11.5)
Operating expenses	**(209.7)**	**(260.4)**	**(270.2)**
Reported EBITDA	(19.6)	21.7	(7.2)
Interest & lease	(17.6)	(11.4)	(1.8)
Depreciation	25.9	(21.6)	(22.9)
FX	10.0	(0.5)	23.8
PBT	**(1.5)**	**(11.8)**	**(8.2)**
Income tax	2.1	1.8	3.3
NPAT	**0.7**	**(10.0)**	**(4.9)**

Key observations:

- Increased passenger revenue between FY22A to FY23A largely reflects the return of travel post COVID-19 lockdowns. The decrease between FY23A to FY24A largely reflects the impact of increased cost of living pressures
- Decreases in Government grants and subsidies between FY22A to FY23A was largely due to a $20.5m decrease in the Regional Airline Network Support Program which was provided to support airlines to maintain a basic level of connectivity across their network of regional routes during COVID-19 from 28 March 2020 to 30 June 2022. FY23A and FY24A Government funding reflects normalised funding levels
- Other income should be reclassified and largely reflects tax expenses
- Fluctuations in port and flight costs reflect flight activity
- Cost of labour has increased year on year which is consistent across the industry
- EBITDA margins between FY23A and FY24A have been impacted by a reduction in passenger revenue and an increase in operating expenses (predominantly engineering and labour costs)

RIH

AUD: $M	FY22A	FY23A	FY24A
Other income	10.3	5.4	0.4
Revenue	**10.3**	**5.4**	**0.4**
Departmental expenses	(0.0)	0.0	(0.0)
Operating expenses	**(0.0)**	**0.0**	**(0.0)**
Reported EBITDA	10.3	5.4	0.4
Interest & lease	(0.2)	0.6	0.4
Depreciation	(2.1)	(2.6)	(0.1)
FX	(0.1)	0.1	0.0
PBT	**7.8**	**3.5**	**0.7**
Income tax	(2.3)	(1.1)	(0.2)
NPAT	**5.5**	**2.5**	**0.5**

Key observations:

- Other income in FY22A and FY23A primarily consists of rental income from aircraft leasing ($10m and $5m respectively). The Saab aircraft fleet was transferred to REX during FY23 and no further aircraft leasing revenue was derived
- The remaining income relates to property rental income

REPL

REPL is not an operating entity. It only holds shares in RAL and the Air Operator's Certificate for Rex Domestic.

AP

AUD: $M	FY22A	FY23A	FY24A
Other income	-	44.5	4.3
Revenue	**-**	**44.5**	**4.3**
Operating expenses	**-**	**-**	**-**
Reported EBITDA	-	44.5	4.3
Interest & lease	-	(0.5)	(0.9)
PBT	**-**	**44.0**	**3.4**
Income tax	-	(6.1)	(5.7)
NPAT	**-**	**37.9**	**(2.3)**

Key observations:

- Revenue in FY23A relates to the gain on investment in NJE
- Interest relates to interest on intercompany loans

AAPA

AUD: $M	FY23A	FY24A	FY25A	YTD Aug25A
Other income	7.7	5.5	3.8	
Revenue	**7.7**	**5.5**	**3.8**	-
Port costs	(0.7)	(0.7)	(0.5)	
Flight costs	(1.7)	(1.3)	(0.6)	
Marketing, advertising & lounge costs	(0.0)	(0.0)	-	
Engineering costs	(1.6)	(1.8)	(0.9)	
Manpower costs	(2.9)	(2.8)	(2.2)	
Manpower related costs	(0.2)	(0.2)	(0.1)	
Directors' expenses	(0.0)	(0.0)	(0.0)	
Departmental expenses	(0.8)	(0.8)	(0.6)	
Operating expenses	**(7.8)**	**(7.6)**	**(4.9)**	-
Reported EBITDA	(0.1)	(2.1)	(1.1)	-
Interest & lease	(0.4)	(0.7)	(0.9)	
Depreciation	(0.6)	(0.6)	(0.6)	
FX	0.0	(0.0)	(0.0)	
PBT	**(1.1)**	**(3.4)**	**(2.6)**	-
Income tax	0.3	1.0	0.8	
NPAT	**(0.8)**	**(2.4)**	**(1.8)**	-

Key observations:

- Other income comprises training revenue
- Fluctuations in port and flight costs reflect flight activity
- Cost of labour has increased year on year which is consistent across the industry

AAPAV

AUD: $M	FY23A	FY24A	FY25A	YTD Aug25A
Other income	0.5	7.0	7.1	0.3
Revenue	**0.5**	**7.0**	**7.1**	**0.3**
Port costs	(0.1)	(0.1)	(0.1)	(0.0)
Flight costs	(0.1)	(1.4)	(2.1)	(0.1)
Marketing, advertising & lounge costs	(0.1)	(0.6)	(0.6)	(0.0)
Engineering costs	(0.4)	(2.2)	(1.6)	0.3
Manpower costs	(0.7)	(1.9)	(2.2)	(0.2)
Manpower related costs	(0.0)	(0.4)	(0.2)	(0.0)
Departmental expenses	(0.6)	(0.9)	(0.7)	(0.1)
Operating expenses	**(1.9)**	**(7.5)**	**(7.6)**	**(0.1)**
Reported EBITDA	(1.4)	(0.5)	(0.5)	0.2
Interest & lease	(0.5)	(0.7)	(1.1)	(0.2)
Depreciation	(0.8)	(0.7)	(0.8)	(0.2)
FX	0.0	(0.0)	(0.0)	0.0
PBT	**(2.8)**	**(1.9)**	**(2.4)**	**(0.2)**
Income tax	0.8	0.6	0.7	0.1
NPAT	**(2.0)**	**(1.3)**	**(1.7)**	**(0.1)**

Key observations:

- Other income comprises training revenue
- Fluctuations in port and flight costs reflect flight activity

- Cost of labour has increased year on year which is consistent across the industry

AAPM

AUD: $M	FY23A	FY24A	FY25A	YTD Aug25A
Other income	2.9	3.1	3.3	0.6
Revenue	**2.9**	**3.1**	**3.3**	**0.6**
Engineering costs	(1.5)	(1.2)	(1.6)	(0.3)
Manpower costs	(0.9)	(1.2)	(1.3)	(0.3)
Manpower related costs	(0.1)	(0.1)	(0.1)	(0.0)
Departmental expenses	(0.3)	(0.2)	(0.3)	(0.0)
Operating expenses	**(2.8)**	**(2.7)**	**(3.3)**	**(0.6)**
Reported EBITDA	0.1	0.4	0.0	0.1
Interest & lease	(0.0)	(0.0)	(0.0)	(0.0)
Depreciation	(0.1)	(0.1)	(0.1)	(0.0)
FX	(0.0)	(0.0)	(0.0)	(0.0)
PBT	**(0.1)**	**0.2**	**(0.1)**	**0.0**
Income tax	0.0	(0.1)	0.0	(0.0)
NPAT	**(0.1)**	**0.1**	**(0.1)**	**0.0**

Key observations:

- Other income generally comprises revenue from the provision of engineering services and sales of parts to the Rex Group and third-party customers
- Cost of labour has increased year on year which is consistent across the industry

Rex Flyer

Rex Flyer is not an operating entity. It only administers the REX loyalty program.

RAL

AUD: $M	FY22A	FY23A	FY24A
Passenger revenue	53.0	215.9	267.1
Other passenger services and amenities	0.3	1.0	2.2
Government grants and subsidies	0.1	0.1	-
Other income	(4.3)	3.4	4.9
Revenue	**49.1**	**220.5**	**274.2**
Port costs	(14.6)	(39.0)	(55.0)
Flight costs	(27.3)	(71.9)	(87.8)
Marketing, advertising & lounge costs	(2.6)		
Selling costs	(3.5)	(18.9)	(25.7)
Engineering costs	(15.7)	(35.7)	(52.1)
Manpower costs	(27.6)	(44.3)	(62.9)
Manpower related costs	(3.4)	(5.9)	(5.8)
Directors' expenses	(0.1)		
Departmental expenses	(5.1)	(7.0)	(7.7)
Other operating costs	-	(2.1)	(1.5)
Operating expenses	**(99.9)**	**(224.8)**	**(298.5)**
Reported EBITDA	(50.8)	(4.2)	(24.3)
Interest & lease	(5.4)	(5.7)	(9.9)
Depreciation	(11.9)	(15.2)	(24.4)

AUD: $M	FY22A	FY23A	FY24A
FX	(6.5)	(3.2)	(0.2)
PBT	**(74.6)**	**(28.3)**	**(58.9)**
Income tax	22.4	8.5	17.7
NPAT	**(52.2)**	**(19.8)**	**(41.2)**

Key observations:

- Passenger revenue reflects significant growth in major city routes post COVID-19
- Other income should be reclassified and largely reflects tax expenses
- Fluctuations in port and flight costs reflect flight activity
- The significant improvement in reported EBITDA between FY22A and FY23A has not been maintained into FY24A with a reduction of $22.5m largely attributed to increased operating expenses, particularly those relating to port, flight, engineering and labour costs

Balance Sheets

REX

AUD: $M	Jun22A	Jun23A	Jun24A
Cash and bank balances	5.5	2.2	1.7
Receivables	8.7	10.1	8.6
Tax Accrual	11.2	-	12.2
Inventories	7.4	20.6	20.2
Current assets	**32.8**	**33.0**	**42.7**
Aircraft	184.2	197.7	249.8
Other PPE	93.7	89.9	86.0
Other intangible assets	6.7	12.0	12.7
Non-current assets	**284.6**	**299.6**	**348.6**
Assets	**317.4**	**332.6**	**391.3**
Payables	(32.7)	(29.9)	(50.5)
Unearned revenue	(28.0)	(31.4)	(29.9)
Lease liabilities	(1.1)	(1.1)	(1.4)
Provisions	(11.0)	(11.4)	(13.6)
Other financial liabilities	7.3	3.7	3.3
Current liabilities	**(65.6)**	**(70.1)**	**(92.1)**
Interest bearing liabilities	(68.2)	(85.1)	(92.1)
Lease liabilities	(6.2)	(11.6)	(11.8)
Provisions	(2.7)	(2.8)	(2.9)
Fin Liab, CF	14.6	11.7	9.6
Non-current liabilities	**(62.4)**	**(87.7)**	**(97.2)**
Liabilities	**(128.0)**	**(157.8)**	**(189.3)**
Net assets	189.4	174.7	202.0

Key observations:

- Inventories increased by $12.8m between Jun22A and Jun23A primarily due to a build-up in engineering stocks
- Aircraft assets largely comprise the Saab fleet consisting of 56 aircraft, intercompany loans and deferred tax assets
- Trade creditors at Jun24A represents ~73% of total payables and have increased from Jun23A balances by $13.9m (60%)

RIH

AUD: $M	Jun22A	Jun23A	Jun24A
Current assets	0.4	0.2	-
Non-current assets	46.0	6.2	6.1
Assets	**46.3**	**6.4**	**6.1**
Current liabilities	(2.1)	(0.3)	(0.0)
Non-current liabilities	(8.7)	31.5	(1.8)
Liabilities	**(10.8)**	**31.2**	**(1.8)**
Net assets	35.5	37.6	4.3

Key observations:

- Non-current assets at Jun22A largely represent part of the Saab aircraft fleet which were transferred to REX during FY23
- Non-current liabilities largely reflect fluctuations in the intercompany loan account with REX as a result of the transfer of the aircraft to REX in FY23. On 1 October 2023, RIH declared a dividend in favour of REX for $33.8m which all but eliminated the REX intercompany loan

REPL

REPL is not an operating entity. It only holds shares in RAL and the Air Operator's Certificate for Rex Domestic.

AP

AUD: $M	Jun22A	Jun23A	Jun24A
Current assets	-	-	-
Non-current assets	32.9	99.8	93.9
Assets	**32.9**	**99.8**	**93.9**
Current liabilities	-	(8.2)	(4.4)
Non-current liabilities	-	(20.8)	(20.9)
Liabilities	**-**	**(28.9)**	**(25.3)**
Net assets	32.9	70.8	68.6

Key observations:

- Non-current asset movements relate to the acquisition of the 50% interest in NJE in July 2022. Other non-current assets relate to the 100% investment in Pel-Air
- Current liabilities reflect a loan facility with NJE while non-current liabilities relate primarily to an intercompany loan from REX

AAPA

AUD: $M	FY23A	FY24A	FY25A	Aug25A
Cash and bank balances	0.2	0.1	0.7	0.8
Receivables	0.3	0.3	0.0	0.1
Prepayments	0.2	0.1	0.1	0.1
Inventories	-	-	-	0.8
Current assets	**0.7**	**0.5**	**0.7**	**1.7**
Aircraft	4.9	4.4	3.9	3.8
Other PPE	0.2	0.4	0.3	0.8
Other intangible assets	0.0	0.1	0.0	0.0

AUD: $M	FY23A	FY24A	FY25A	Aug25A
Non-current assets	5.1	4.8	4.2	4.6
Assets	**5.8**	**5.3**	**4.9**	**6.3**
Payables	(0.4)	(0.2)	(0.0)	(0.1)
Unearned revenue	(2.1)	(0.0)	(0.1)	(0.2)
Provisions	(0.2)	(0.2)	(0.0)	(0.0)
Current liabilities	**(2.7)**	**(0.4)**	**(0.1)**	**(0.3)**
Intercompany payables	(12.2)	(16.4)	(18.7)	(19.9)
Provisions	(0.1)	(0.0)	-	-
Non-current liabilities	**(12.3)**	**(16.5)**	**(18.7)**	**(19.9)**
Liabilities	**(15.0)**	**(16.9)**	**(18.8)**	**(20.2)**
Net assets	(9.2)	(11.6)	(13.9)	(13.9)

Key observations:

- Aircraft assets represent the aircraft and flight simulators used for pilot training
- Intercompany payables comprise non-current debts due to REX (18.2M), Pel-Air ($700k) and AAPAV ($1M) reflecting the financial support provided by the Rex Group to assist with operations

AAPAV

AUD: $M	FY23A	FY24A	FY25A	Aug25A
Cash and bank balances	0.0	0.0	0.9	1.7
Receivables	0.1	3.0	0.8	0.0
Tax Accrual	-	-	-	0.1
Prepayments	0.1	0.3	0.1	0.1
Inventories	-	-	-	0.2
Current assets	**0.3**	**3.3**	**1.9**	**2.1**
Aircraft	5.5	4.9	5.6	5.4
Other PPE	1.8	2.0	1.9	2.1
Other intangible assets	1.3	1.3	0.5	0.5
Non-current assets	8.6	8.2	8.0	8.1
Assets	**8.8**	**11.5**	**9.8**	**10.2**
Payables	(0.5)	(1.4)	(0.4)	(0.5)
Unearned revenue	(0.2)	(0.2)	0.1	-
Provisions	(0.0)	(0.1)	(0.1)	(0.1)
Current liabilities	**(0.8)**	**(1.7)**	**(0.4)**	**(0.6)**
Intercompany payables	(13.5)	(16.6)	(18.7)	(19.0)
Provisions	(0.0)	(0.0)	(0.0)	(0.0)
Deferred tax liability	(0.8)	(0.8)	-	-
Non-current liabilities	**(14.4)**	**(17.4)**	**(18.7)**	**(19.0)**
Liabilities	**(15.2)**	**(19.1)**	**(19.1)**	**(19.6)**
Net assets	(6.4)	(7.6)	(9.3)	(9.4)

Key observations:

- Aircraft assets represent the aircraft and flight simulators used for pilot training
- Intercompany payables comprise non-current debts due to REX (19.6M), Pel-Air ($400k) reduced by a loan receivable from AAPA ($1M) reflecting the financial support provided by the Rex Group to assist with operations

AAPM

AUD: $M	FY23A	FY24A	FY25A	Aug25A
Cash and bank balances	0.2	0.2	0.2	0.1
Receivables	0.1	0.4	0.5	0.6
Prepayments	0.0	0.0	0.0	0.0
Inventories	0.1	0.2	0.1	0.0
Current assets	**0.5**	**0.8**	**0.8**	**0.7**
Other PPE	0.9	0.9	0.7	0.7
Other intangible assets	0.2	0.2	0.2	0.2
Non-current assets	1.1	1.1	1.0	1.0
Assets	**1.6**	**1.9**	**1.8**	**1.6**
Payables	(0.2)	(0.2)	(0.3)	(0.2)
Lease liabilities	(0.1)	(0.1)	(0.1)	(0.1)
Provisions	(0.2)	(0.3)	(0.3)	(0.3)
Current liabilities	**(0.5)**	**(0.6)**	**(0.7)**	**(0.6)**
Intercompany payables	-	(0.1)	(0.1)	(0.1)
Lease liabilities	(0.8)	(0.8)	(0.7)	(0.7)
Non-current liabilities	**(0.9)**	**(0.9)**	**(0.7)**	**(0.8)**
Liabilities	**(1.4)**	**(1.5)**	**(1.5)**	**(1.3)**
Net assets	0.3	0.4	0.3	0.3

Key observations:

- Intercompany payables comprise non-current debts due to REX ($100k)
- Other PPE includes $66k of right of use assets

Rex Flyer

Rex Flyer is not an operating entity. It only administers the REX loyalty program and has no assets or liabilities other than the obligations owed to the loyalty program members.

RAL

AUD: $M	Jun22A	Jun23A	Jun24A
Cash and bank balances	2.2	2.7	1.7
Receivables	8.0	12.4	12.5
Inventories	2.1	3.6	3.3
Current assets	**12.3**	**18.7**	**17.5**
Intercompany receivables	(65.5)	(62.9)	(102.8)
Receivables (non-current)	4.1	5.1	6.4
Deferred tax	2.4	1.1	1.8
Aircraft	0.5	0.5	0.8
Other PPE	12.3	11.4	28.0
AASB16	53.3	61.4	123.1
Other intangible assets	0.6	0.5	0.4
Non-current assets	**7.8**	**17.1**	**57.6**
Assets	**20.1**	**35.8**	**75.2**
Payables	(14.8)	(29.5)	(47.2)
Unearned revenue	(13.9)	(26.1)	(28.5)
Lease liabilities	(11.6)	(15.1)	(20.4)
Provisions	(1.3)	(1.9)	(3.2)

AUD: $M	Jun22A	Jun23A	Jun24A
Current liabilities	**(41.7)**	**(72.7)**	**(99.3)**
Lease liabilities	(54.0)	(61.1)	(117.5)
Provisions	(0.0)	(0.1)	(0.3)
Non-current liabilities	**(54.0)**	**(61.3)**	**(117.8)**
Liabilities	**(95.7)**	**(134.0)**	**(217.1)**
Net assets	(75.6)	(98.2)	(141.9)

Key observations:

- Intercompany receivables should be reclassified as liabilities. At Jun24A loans include loans from REX ($39.6m) and PAG ($47.7m). The loan from REX has increased from $2.5m at Jun22A to $39.6m at Jun24A reflecting an increasing reliance on support from REX
- AASB16 assets predominately relate to the right of use leased aircraft assets, the value of which has increased from $65.7m at Jun22A to $164.7m at Jun24A, reflecting the growth of the 737 fleet of leased aircraft
- Trade creditors at Jun24A represents ~75% of total payables. Trade creditors have increased from $11.5m at Jun22A to $37.6m at Jun24A
- Current and non-current lease liabilities relate to aircraft leases and reflect the increase in the aircraft fleet to scale up served on major city routes

Appendix G Financial position of the Companies - ROCAPs

Financial position - REX

$000s	Ref	ROCAP ERV
Assets		
Cash and cash equivalents	1	233
Debtors	2	159,036
Inventory	3	21,183
Property, plant & equipment	4	128,137
Other assets	5	12,733
Total Assets		**321,322**
Liabilities		
Secured creditor - AIIPAAP	6	(120,000)
Secured creditors - other	7	-
Preferred creditors (employees)	8	(13,760)
Unsecured creditors	9	(24,763)
Related party creditors	10	(904)
Contingent claims	11	-
Total Liabilities		**(159,427)**
Estimated (deficiency) / surplus		**161,895**

Estimate excludes professional and trading costs

Notes

1. Cash and cash equivalents

REX conducted five bank accounts which had a total balance of $233kstanding to the credit of those accounts at the date of our appointment.

2. Debtors

The ROCAP disclosed debtors owing to REX with an ERV of $159M summarised as follows:

$000s	ROCAP ERV
Trade debtors	1,659
Related party receivables	157,377
Total	**159,036**

Debts due by related parties are summarised below:

$000s	ROCAP ERV
RAL - PAG Fund	47,700
RAL	32,979
AP	20,852
AAPAV	16,558
AAPA	16,442
Vectis clearing: REX / RAL	12,118
NAA	10,294
Pel-Air	306
AAPM	128
Total	157,377

The Administrators have written to debtors to recover outstanding debts owed to REX in the ordinary course of trading where possible.

3. Inventory

The ROCAP disclosed inventory with a value of $21M which largely relates to engineering spare parts.

4. Property, plant & equipment (PPE)

The ROCAP disclosed PPE with an ERV of $128M. The PPE is summarised in the table below:

$000s	ROCAP ERV
Buildings	48,322
Aircraft	42,143
Rotable Assets - General	23,335
Engines	6,313
Land	4,011
Plant and Equipment	2,145
Computer Equipment	818
Furniture & Fittings	581
Motor Vehicles	412
Leasehold Improvements	57
Total	128,137

5. Other asset enquiries

REX held other assets with an ERV of $12.7M as set out below:

$000s	ROCAP ERV
Right of use assets - leased premises	11,696
Computer software	1,037
Total	12,733

6. Secured creditors - AIIPAAP

As summarised at **section 3.5** and **Appendix E**, REX is the borrower under the PAG facility that was in place at the date of our appointment. The Commonwealth has now replaced PAG as the largest secured creditor of the Rex Group (see further details of the Commonwealth funding at **section 5.2.2.1** of this Report).

The PPSR discloses five other creditors holding AIIPAAP security interests.

7. Secured creditors - other

As outlined at **section 3.6** and **Appendix E**, there were 117 registered security interests on the PPSR, 43 of which had a PMSI component. Redundant security interests have been discharged.

Remaining PMSI creditors have either collected stock or specified property or we have paid for stock that we have used. Any remaining balance outstanding will rank as an unsecured claim.

8. Preferred creditors (employees)

We estimate claims by employees at the date of appointment to be $14,767,648.04 comprised of:

$000s	ROCAP ERV	VAs' ERV
Wages, RDO's and allowances	1,179	2,522
Annual leave including loading	6,561	6,753
Long service leave	5,114	4,037
Superannuation	-	1,456
Total	12,854	14,768

Employee claims are afforded a priority of repayment pursuant to Section 556 of the Act, ahead of any return to unsecured creditors.

The Act provides that excluded employees (including directors and their spouses) are each restricted to a total maximum priority claim of $2,000 for unpaid wages and superannuation entitlements and $1,500 for leave entitlements. Amounts owing to excluded employees that exceed the statutory limit, and all amounts owing in respect of redundancy and payment in lieu of notice for excluded employees will rank as an ordinary unsecured claim.

A requirement of the Commonwealth funding package announced on 12 November 2024, was that the Administrators were able to pay the leave, notice and redundancy entitlements of REX employees who had left or been terminated prior to 12 November 2024. As a result, the following pre-appointment entitlements have since been paid to eligible employees:

	$000s
Wages and allowances	1,350
Annual leave including loading	1,217
Long service leave	318
Total	2,885

Under the terms of the DOCA proposal, the entitlements of continuing employees will be remain payable for the Rex Group and the Subsidiaries in full by the Proponent and the entitlements of terminated employees will be paid in full under sections 556, 560 and 561 of the Act.

9. Unsecured creditors

The ROCAP records unsecured claims totalling $24.8m. A summary of the unsecured creditors is below:

$000s	ROCAP ERV	VAs' ERV
Trade creditors	23,763	54,167
Statutory creditors	1,000	7,471
Total	24,763	61,638

To date, the Administrators estimate unsecured claims to be in the order of $61.6M. As the Administrators are yet to be provided with particulars of debt or claim forms from all unsecured creditors, we are unable to provide a final calculation of the current estimated position of unsecured creditors.

10. Related party creditors

The ROCAP records unsecured related party claims of $904k. To date, the Administrators estimate related party claims to be in the order of $1.2M. A summary of the related party creditors is below:

$000s	ROCAP ERV	VAs' ERV
RIH	118	112
Australian Aero Propeller Maintenance Pty Ltd (**AAPM**)	182	-
Pel-Air	136	308
NJE	468	784
Total	904	1,204

Related party claims relate to an intercompany loan from RIH and trade payable accounts for AAPM, NJE and Pel-Air for services provided by those companies to REX.

11. Contingent claims

Lease liabilities

The ROCAP disclosed leases held by REX in respect of the following properties:

- Adelaide Airport (L01-A98b)
- Adelaide Airport (RE1 Offices, RE Office & Security Screening Area)
- Canberra Airport (Office in landside terminal building)
- Esperance Airport (Portion of terminal building – 19.4m3)
- Melbourne Airport (Admin office B6401)
- Melbourne Airport (Airside catering storage B6402)
- Melbourne Airport (Operations office T4PF13)
- Melbourne Airport (Terminal 4 Arrivals T4G022)
- Perth Airport (RGL30, Terminal 2)
- Perth Airport (Site RG.LC.33, Terminal 2)
- Perth Airport (Site RGL14, Terminal 2)
- Perth Airport (Site RGL31)
- Perth Airport (Site SLC8, Terminal 2)
- Sydney Airport (Site 07008, Eleventh Street, North East Sector)
- Sydney Airport (Site 3B-004, T2 Level3 Pier B North lounge premises)

The Administrators have continued to use the properties leased by REX during the administration.

The ROCAP did not disclose any amounts outstanding to the lessors of these properties and the obligations of REX under those leases will continue in the ordinary course after completion of the DOCA.

Jet Midwest, Inc. (JMW)

REX was a defendant in a proceeding filed by JMW in the Supreme Court of NSW involving four SAAB 340B aircraft and their component parts (**JMW Property**) which REX had taken possession of but for which the relevant sale and purchase agreement was purportedly not completed (**Dispute**).

The following chronology summarises the JMW claim to date:

Primary Application

Prior to the appointment of Administrators to the Companies, on 18 July 2024 JMW filed a Summons and Commercial List Statement in the Equity Division of the Supreme Court of New South Wales. JMW claimed conversion or trespass of goods in relation to four SAAB 340 aircraft that it alleges were taken without payment to or consent from JMW. JMW sought damages of USD$7.2M (**Primary Application**).

Following REX entering into VA, JMW sought leave pursuant to section 440D(1)(b) of the Act to proceed in its claim against REX during the administration and by notice of motion on 6 September 2024 to file an amended summons seeking to join RIH to the Primary Application and for an order for delivery up of any components or parts from the aircraft.

Judgment was received on 25 October 2024, refusing JMW leave to proceed pursuant to section 440D(1)(b) of the Act (**Primary Judgment**). The notice of motion to file an amended summons was dismissed on 10 January 2025. Costs were awarded in favour of REX.

Appeal Application

On 4 December 2024, JMW filed a summons seeking leave to appeal the Primary Judgment in the Supreme Court of New South Wales Court of Appeal (**Appeal Application**). On 16 May 2025, the Court of Appeal delivered reasons for judgment whereby leave to appeal the Primary Judgment was granted, but the Appeal Application was dismissed with costs awarded in favour of REX (**Appeal Judgment**).

Special Leave Application

On 13 June 2025, JMW filed an application for special leave to appeal to the High Court of Australia seeking special leave to appeal the Appeal Judgment (Special Leave Application). On 4 September 2025, the Special Leave Application was refused with costs in favour of REX.

Settlement of Dispute

Given the protracted nature of the Dispute and the importance of the JMW Property to the Rex Regional business, the Administrators intended to seek orders pursuant to section 442C of the Act to facilitate the ongoing use by the Rex Regional business of the JMW Property, so that this property could form part of the transaction for the Rex Regional business (**Section 442C Application**).

On 11 September 2025, the Administrators entered into a settlement agreement with JMW to settle the Dispute whereby REX acquired certain of the JMW Property for a value which was agreed between the parties.
The Administrators formed a view that the entry into this settlement arrangement was in the best interests of creditors of the Companies in circumstances where the Court would have likely ascribed a similar value to the JMW Property acquired by REX under the Section 444C Application, meaning that the settlement not only achieved a comparable commercial outcome but also avoided the significant legal costs, delays, and risks associated with continued litigation, thereby preserving value for creditors.

12. Omissions from ROCAP – cadet loans

The only omission we have identified from the ROCAP is the cadet loans which were likely omitted on the basis that they would be repaid by the cadet pilot employees throughout the course of their employment. The cadet loans outstanding at the date of the Administrators' appointment are summarised below:

$000s	ROCAP ERV	VAs' ERV
Cadet loans – current	-	847
Cadet loans – non current	-	4,067
Total	-	4,914

In relation to cadet loans we make the following comments:

- At the time of the Administrators' appointment, records of the company recorded various amounts owing by cadet pilots to REX under various loan agreements (**Loan Agreements**) entered into between the cadets and REX to pay for their AAPA pilot training course fees.
- The current loan balance of $847k relates to outstanding cadet loans from former employees yet to be fully repaid. The non-current loan balance is $4.2m represents cadet loans for

current employees which are subject to an established repayment schedule. This amount will only become repayable in full if cadets terminate their employment.

- In relation to outstanding cadet loans from former employees, the Administrators have received correspondence from solicitors representing some of these former employees alleging various claims in relation to the amounts owed by the clients. To date, the Administrators have continued to reserve REX and the Administrators' rights in relation to amounts owed by these employees under the Loan Agreements.

- The Administrators have continued to reserve REX and the Administrators' rights in relation to amounts owed by these employees under the Loan Agreements

Please also refer to comments on contingent claims in relation to payments to cadets in the financial position of AAPA in this **Appendix G**.

Financial position - RIH

$000s	Ref	ROCAP ERV
Assets		
Cash and cash equivalents	1	-
Debtors	2	86
Property, plant & equipment	3	2,024
Other assets	4	1,570
Total Assets		**3,680**
Liabilities		
Secured creditor - AIIPAAP	5	-
Secured creditors - other	6	-
Unsecured creditors	7	-
Total Liabilities		-
Estimated (deficiency) / surplus		3,680

Estimate excludes professional and trading costs

Notes

1. Cash and cash equivalents

RIH conducted one bank account with Westpac which had a $Nil balance at the date of our appointment.

2. Debtors

The ROCAP disclosed an intercompany debt due by REX to RIH in the sum of $85,540.

3. Property, plant & equipment (PPE)

The ROCAP disclosed PPE with an ERV of $2,024,543. Details of PPE owned by RIH are set out in the table below:

$000	ROCAP ERV
Buildings	2,024
Total	2,024

4. Other asset enquiries

The ROCAP disclosed the following other assets owned by RIH:

$000s	ROCAP ERV
Investment in AAPM	646
Investment in REX	356
Other reserves	132
Other investments	9
Investment in AAPAV	-
Investment in NAA	-
Investment in AAPA	-
Total investments	**1,143**
Right of use assets - leased premises	**427**
Total	1,570

5. Secured creditors - AIIPAAP

As summarised at **section 3.5** and **Appendix E**, RIH is a guarantor under the PAG facility. The Commonwealth has now replaced PAG as the largest secured creditor of the Rex Group (see further details of the Commonwealth funding at **section 5.2.2.1** of this Report).

The PPSR discloses one other creditor holding an AIIPAAP security interest.

6. Secured creditors - other

As outlined at **section 3.6** and **Appendix E**, there were two parties holding 105 registered security interests on the PPSR, none of which had a PMSI component.

7. Unsecured creditors

The ROCAP did not disclose any unsecured claims. To date, the Administrators have received one proof of debt totalling $406. As the Administrators are yet to be provided with particulars of debt or claim forms from all unsecured creditors, we are unable to provide a final calculation of the current estimated position of unsecured creditors.

8. Omissions from ROCAP

We have not identified any material omissions from the ROCAP.

Financial position - REPL

$000s	Ref	ROCAP ERV
Assets		
Other assets	1	-
Total Assets		-
Liabilities		
Secured creditor - AIIPAAP	2	-
Secured creditors - other	3	-
Unsecured creditors	4	-
Related party creditors	5	-
Total Liabilities		-
Estimated (deficiency) / surplus		-

Estimate excludes professional and trading costs

Notes

1. Other asset enquiries

The ROCAP discloses REPL's investment in RAL at $100. REPL owns all the issued capital in RAL.

2. Secured creditors - AIIPAAP

As summarised at **section 3.5** and **Appendix E**, REPL is a guarantor under the PAG facility. The PPSR discloses one other creditor holding an AIIPAAP security interest.

The PPSR discloses four other creditors holding an AIIPAAP security interest, two of which are related entities.

3. Secured creditors - other

As outlined at **section 3.6** and **Appendix E**, there were seven parties holding 96 registered security interests, 45 of which had a PMSI component. Redundant PMSI's have been discharged and the remaining PMSI claims have either collected stock or specified property, or we have paid for stock that we have used. Any remaining balance outstanding will rank as an unsecured claim.

4. Unsecured creditors

The ROCAP did not disclose any unsecured claims. The Administrators estimate unsecured trade creditor claims at $4,220,897. As the Administrators are yet to be provided with particulars of debt or claim forms from all unsecured creditors, we are unable to provide a final calculation of the current estimated position of unsecured creditors.

5. Related party creditors

The ROCAP did not disclose any related party claims. The Administrators estimate related party claims at $795,257 relating to a debt due to NJE.

6. Omissions from ROCAP

We have not identified any material omissions from the ROCAP.

Financial position - AP

$'000s	Ref	ROCAP ERV
Assets		
Other assets	1	-
Total Assets		-
Liabilities		
Secured creditor - AIIPAAP	2	-
Unsecured creditors	3	-
Related party creditors	4	(20,852)
Total Liabilities		**(20,852)**
Estimated (deficiency) / surplus		**(20,852)**

Estimate excludes professional and trading costs

Notes

1. Other asset enquiries

The Directors have not attributed any value to AP's investments in NJE or Pel-Air.

The Administrators have completed the sale of the:

- Aeromedical business conducted by Pel-Air to an entity owned by Toll Holdings Limited
- Shares in NJE

2. Secured creditors - AIIPAAP

As summarised at **section 3.5** and **Appendix E**, AP is a guarantor under the PAG facility. The Commonwealth has now replaced PAG as the largest secured creditor of the Rex Group (see further details of the Commonwealth funding at **section 5.2.2.1** of this Report).

Other than the PAG security interest, there were no other AIIPAAP security interests registered on the PPSR.

3. Unsecured creditors

The ROCAP did not disclose any unsecured claims. To date, the Administrators have received one proof of debt totalling $406. As the Administrators are yet to be provided with particulars of debt or claim forms from all unsecured creditors, we are unable to provide a final calculation of the current estimated position of unsecured creditors.

4. Related party creditors

The ROCAP records unsecured related party claims totalling $20,852,168. A summary of the related party creditors is below:

$000s	ROCAP ERV	VAs' ERV
REX	20,852	20,916
NJE	-	12,096
Total	20,852	33,012

5. Omissions from ROCAP

We have not identified any material omissions from the ROCAP.

Financial position – AAPA

$'000s	Ref	ROCAP ERV
Assets		
Cash and cash equivalents	1	680
Debtors	2	7
Property, plant & equipment	3	4,488
Total Assets		**5,175**
Liabilities		
Secured creditor - AIIPAAP	4	-
Preferred creditors (employees)	5	(34)
Unsecured creditors	6	(1)
Related party creditors	7	(19,931)

$'000s	Ref	ROCAP ERV
Total Liabilities		(19,966)
Estimated (deficiency) / surplus		(14,791)

Estimate excludes professional and trading costs

Notes

1. Cash and cash equivalents

AAPA conducted four bank accounts with Westpac which had a balance of $679,839.57 standing to the credit of those accounts at the date of our appointment.

2. Debtors

The ROCAP disclosed debts due to AAPA of $7,036.80 by REX. The debt due by REX was paid in full on 23 October 2025.

3. Property, plant & equipment (PPE)

The ROCAP discloses PPE with an ERV of $4,487,836.99 comprised as follows:

$000s	ROCAP ERV
Aircraft	3,727
Rotable Assets	477
Computer Equipment	18
Furniture & Fittings	36
Plant and Equipment	230
Total	4,488

4. Secured creditors - AIIPAAP

The ROCAP did not disclose any secured creditor claims.

As summarised at **section 3.5** and **Appendix E**, AAPA is a guarantor under the PAG facility. The Commonwealth has now replaced PAG as the largest secured creditor of the Companies (see further details of the Commonwealth funding at **section 5.2.2.1** of this Report).

Other than the PAG security interest, there were no other AIIPAAP security interests registered on the PPSR.

5. Preferred creditors (employees)

The ROCAP discloses claims by employees at the date of appointment to be $33,818.86 comprised of:

$000s	ROCAP ERV
Annual leave including loading	25
Long service leave	9
Superannuation	-
Total	34

Employee claims are afforded a priority of repayment pursuant to Section 556 of the Act, ahead of any return to unsecured creditors.

The Act provides that excluded employees (including directors and their spouses) are each restricted to a total maximum priority claim of $2,000 for unpaid wages and superannuation entitlements and $1,500 for leave entitlements. Amounts owing to excluded employees that

exceed the statutory limit, and all amounts owing in respect of redundancy and payment in lieu of notice for excluded employees will rank as an ordinary unsecured claim.

Under the terms of the DOCA proposal, the entitlements of continuing employees will remain payable by Rex Group and the Subsidiaries and the entitlements of terminated employees (if any) will be paid in full.

6. Unsecured creditors

The ROCAP disclosed unsecured creditors of $1,125.94. Trade creditors were current at the date of appointment of the Administrators. There will likely be some additional trade creditor claims for those who have provided services that had not been invoiced prior to the Administrators' appointment but these are expected to be immaterial.

7. Related party creditors

The ROCAP disclosed a debt due to REX in the sum of $19,931,026.56.

8. Contingent claims

AAPA and REX have received correspondence on behalf of a group of current and former Rex pilots (**Cadets**) asserting that while the Cadets were engaged as cadets under their respective 'AAPA Student Agreements' (being agreements entered into between each cadet and AAPA), the Cadets performed tasks of an employee, which they ought to have been paid for during the program.

Clayton Utz as legal advisers to AAPA prior to our appointment, has been managing this issue and has advised AAPA historically.

9. Omissions from ROCAP

We have not identified any material omissions from the ROCAP.

Financial position – AAPAV

$'000s	Ref	ROCAP ERV
Assets		
Cash and cash equivalents	1	1,361
Debtors	2	235
Property, plant & equipment	3	7,439
Total Assets		**9,035**
Liabilities		
Secured creditor - AIIPAAP	5	-
Preferred creditors (employees)		(82)
Unsecured creditors	6	(8)
Related party creditors	7	(19,094)
Total Liabilities		**(19,184)**
Estimated (deficiency) / surplus		**(10,149)**

Estimate excludes professional and trading costs

Notes

1. Cash and cash equivalents

AAPAV conducted two bank accounts with Westpac which had a balance of $1,361,073.94 standing to the credit of those accounts at the date of our appointment.

2. Debtors

The ROCAP disclosed debts due to AAPAV of $235,387.82 comprising debts due by REX ($2,712.65) and Air China Ltd for training of cadet pilots ($232,675.17). The debt due by REX was paid in full on 23 October 2025.

3. Property, plant & equipment (PPE)

The ROCAP discloses PPE with an ERV of $7,439,385.38 comprised as follows:

$000s	ROCAP ERV
Land & buildings – 2 Bowral Place, Mitchell Park VIC	1,256
Aircraft	5,363
Rotable Assets	274
Computer Equipment/Software	25
Engines	152
Furniture & Fittings	43
Leasehold Improvements	8
Motor Vehicles	43
Plant and Equipment	275
Total	7,439

4. Secured creditors - AIIPAAP

The ROCAP did not disclose any secured creditor claims.

As summarised at **section 3.5** and **Appendix E**, AAPAV is a guarantor under the PAG facility. The Commonwealth has now replaced PAG as the largest secured creditor of the Companies (see further details of the Commonwealth funding at **section 5.2.2.1** of this Report).

Other than the PAG security interest, there were no other AIIPAAP security interests registered on the PPSR.

5. Preferred creditors (employees)

The ROCAP discloses claims by employees at the date of appointment to be $82,440.22 comprised of:

$000s	ROCAP ERV
Annual leave including loading	64
Long service leave	18
Superannuation	-
Total	82

Employee claims are afforded a priority of repayment pursuant to Section 556 of the Act, ahead of any return to unsecured creditors.

The Act provides that excluded employees (including directors and their spouses) are each restricted to a total maximum priority claim of $2,000 for unpaid wages and superannuation entitlements and $1,500 for leave entitlements. Amounts owing to excluded employees that exceed the statutory limit, and all amounts owing in respect of redundancy and payment in lieu of notice for excluded employees will rank as an ordinary unsecured claim.

Under the terms of the DOCA proposal, the entitlements of continuing employees will be in full be Rex Group and the Subsidiaries and the entitlements of terminated employees (if any) will be paid in full.

6. Unsecured creditors

The ROCAP disclosed unsecured creditors of $8,124.69. Trade creditors were current at the date of appointment of the Administrators. There will likely be some additional trade creditor claims for those who have provided services that had not been invoiced prior to the Administrators' appointment but these are expected to be immaterial.

7. Related party creditors

The ROCAP disclosed a debt due to REX in the sum of $19.7M. The Company's financial statements also disclose a debt due to Pel-Air and a debt due by AAPA as follows:

$000s	ROCAP ERV	VAs' ERV
REX	19,665	19,665
Pel-Air	-	400
AAPA	-	(971)
Total	19,665	19,094

Financial position – AAPM

$'000s	Ref	ROCAP ERV
Assets		
Cash and cash equivalents	1	111
Debtors	2	598
Property, plant & equipment	3	707
Total Assets		**1,416**
Liabilities		
Preferred creditors (employees)	4	(248)
Unsecured creditors	5	-
Related party creditors	6	(102)
Total Liabilities		**(350)**
Estimated (deficiency) / surplus		1,066

Estimate excludes professional and trading costs

Notes

1. Cash and cash equivalents

AAPM conducted one bank account with Westpac which had a balance of $110,510.49 standing to the credit of that account at the date of our appointment.

2. Debtors

The ROCAP disclosed debts due to AAPM of $597,626.48 including debts due by:

- REX - $484,859.38 – including debts due by REX as at the date that REX was placed into administration in the sum of $192,491.07
- Pel-Air - $4,720.14

3. Property, plant & equipment (PPE)

The ROCAP discloses PPE with an ERV of $706,545.48 comprised as follows:

$000s	ROCAP ERV
Computer Equipment	1
Plant and Equipment	55
Right of use assets	647
Motor Vehicles	4
Total	707

4. Preferred creditors (employees)

The ROCAP discloses claims by employees at the date of appointment to be $248,217.22 comprised of:

$000s	ROCAP ERV
Annual leave including loading	75
Long service leave	173
Superannuation	-
Total	248

Employee claims are afforded a priority of repayment pursuant to Section 556 of the Act, ahead of any return to unsecured creditors.

The Act provides that excluded employees (including directors and their spouses) are each restricted to a total maximum priority claim of $2,000 for unpaid wages and superannuation entitlements and $1,500 for leave entitlements. Amounts owing to excluded employees that exceed the statutory limit, and all amounts owing in respect of redundancy and payment in lieu of notice for excluded employees will rank as an ordinary unsecured claim.

Under the terms of the DOCA proposal, the entitlements of continuing employees will be paid in full by Rex Group and the Subsidiaries and the entitlements of terminated employees (if any) will be paid in full.

5. Unsecured creditors

The ROCAP did not disclose any unsecured creditors. Trade creditors were current at the date of appointment of the Administrators. There will likely be some additional trade creditor claims for those who have provided services that had not been invoiced prior to the Administrators' appointment but these are expected to be immaterial.

6. Related party creditors

The ROCAP records unsecured related party claims totalling $101,640.87. A summary of the related party creditors is below:

$000s	ROCAP ERV	VAs' ERV
REX	102	102
Total	102	102

7. Omissions from ROCAP

We have not identified any material omissions from the ROCAP.

Financial position – Rex Flyer

$'000s	Ref	ROCAP ERV
Assets		-
Total Assets		-
Liabilities		
Unsecured creditors		-
Related party creditors		-
Total Liabilities		-
Estimated (deficiency) / surplus		-

Estimate excludes professional and trading costs

Rex Flyer is not an operating entity. It only administers the REX loyalty program.

No assets or liabilities have been disclosed on the ROCAP.

Our enquiries to date have not identified any omissions from the ROCAP other than the recognition of any potential obligations arising out of, or in connection with, the REX loyalty program including the accrual of Rex Points by members of the loyalty program, the provision of reward flights or other member benefits, the administration and maintenance of member accounts and status tiers and any contractual or promotional commitments to program partners that may be in the nature of debts.

Financial position – RAL

$000s	Ref	ROCAP ERV
Assets		
Cash and cash equivalents	1	38
Debtors	2	15,862
Inventory	3	3,867
Property, plant & equipment	4	28,722
Other assets	5	123,572
Total Assets		**172,061**
Liabilities		
Secured creditor - AIIPAAP	6	(120,000)
Secured creditors - other	7	-
Preferred creditors (employees)	8	(6,768)
Unsecured creditors	9	(31,329)
Related party creditors	10	(103,847)
Contingent claims	11	Unknown
Total Liabilities		**(261,944)**
Estimated (deficiency) / surplus		**(89,883)**

Estimate excludes professional and trading costs

Notes

1. Cash and cash equivalents

RAL conducted three bank accounts with Westpac which had a balance of $38,244 standing to the credit of those accounts at the date of our appointment.

2. Debtors

The ROCAP disclosed debtors owing to RAL with a book value of $15.9M at the date of appointment which the Directors considered to be recoverable in full. Debtors principally comprise receivables due from credit card providers, travel agencies, airlines and airports in relation to the ticket sales.

3. Inventory

The ROCAP disclosed inventory with an ERV of $3.9M. Inventory consists primarily of engineering spare parts. Inventory has been progressively sold throughout the administration.

4. Property, plant & equipment (PPE)

The ROCAP disclosed PPE with an ERV of $28.7M comprised of the following:

$000s	ROCAP ERV
Aircraft	754
Rotable Assets	6,339
Computer Equipment	79
Engines	17,104
Furniture & Fittings	129
Leasehold Improvements	21
Motor Vehicles	158
Plant and Equipment	4,138
Total	28,722

The balance of the PPE is being realised as part of the Sale Process.

5. Other asset enquiries

RAL held other assets with an ERV of $123.6M as set out below:

$000s	ROCAP ERV
Right of Use Assets - Leased Aircraft	122,420
Right of Use Assets - Leased Premises	183
Right of Use Assets - Leased Motor Vehicle	520
Computer Software	449
Total	123,572

These assets are subject to lease arrangements, with $122.4M representing the nine Boeing 737s that had been operated by RAL.

The RAL business was grounded at the commencement of the administration. On 4 August 2024, the Administrators issued notices to the aircraft lessors that they did not intend to exercise any rights over those assets on the basis that there was no equity available in the aircraft for the benefit of the creditors of RAL. The 737 fleet have been returned to the lessors for realisation.

6. Secured creditors - AIIPAAP

As summarised at **section 3.5** and **Appendix E**, RAL is a guarantor under the PAG facility that was in place at the date of our appointment. The Commonwealth has now replaced PAG as the largest secured creditor of the Rex Group (see further details of the Commonwealth funding at **section 5.2.2.1** of this Report).

The PPSR discloses six other creditors holding AIIPAAP security interests.

7. Secured creditors - other

As outlined at **section 3.6** and **Appendix E**, there were 112 registered security interests on the PPSR, 59 of which had a PMSI component. Redundant PMSIs have been discharged. Remaining PMSI creditors have either collected stock or specified property or we have paid for stock that we have used. Any remaining balance outstanding will rank as an unsecured claim.

8. Preferred creditors (employees)

We estimate claims by employees to be $11.2M at the date of our appointment comprised of:

$000s	ROCAP ERV	VAs' ERV
Wages and allowances	873	1,260
Superannuation	118	786
Annual leave and long service leave	5,777	2,710
PILN and redundancy	-	6,476
Total	6,768	11,232

Notwithstanding that RAL is still in voluntary administration, given financial hardship for terminated employees and the protracted timeline for the administration process, FEG agreed to provide early access to the RAL employees for financial assistance under the Fair Entitlements Guarantee Act 2012. To date, FEG has paid a total of $7,426,749.54 to former employees as follows:

$000s	FEG payments
Wages and allowances	480
Superannuation	-
Annual leave and long service leave	2,085
PILN and redundancy	4,862
Total	7,427

Employee claims (including claims paid by FEG) are afforded a priority of repayment pursuant to Section 556 of the Act, ahead of any return to unsecured creditors.

The Act provides that excluded employees (including directors and their spouses) are each restricted to a total maximum priority claim of $2,000 for unpaid wages and superannuation entitlements and $1,500 for leave entitlements. Amounts owing to excluded employees that exceed the statutory limit, and all amounts owing in respect of redundancy and payment in lieu of notice for excluded employees will rank as an ordinary unsecured claim.

9. Unsecured creditors

The ROCAP records unsecured claims totalling $31.3M. A summary of the unsecured creditors is set out below:

$000s	ROCAP ERV	VAs' ERV
Trade creditors	31,215	45,702
Statutory creditors	114	77
Total	31,329	45,779

As the Administrators are yet to be provided with particulars of debt or claim forms from all unsecured creditors, we are unable to provide a final calculation of the current estimated position of unsecured creditors.

10. Related party creditors

The ROCAP records unsecured related party claims totalling $103.8M. A summary of the related party creditors is below:

$000s	ROCAP ERV	VAs' ERV
REX	33,889	-
REX - Vectis clearing	21,614	-
REX - PAG fund	47,700	47,698

$000s	ROCAP ERV	VAs' ERV
NJE	644	644
Total	103,847	48,342

11. Contingent claims

11.1 Property leases

The ROCAP disclosed leases held by RAL in respect of the following properties:

- REPL Group Head Office, 101 Baxter Road, Mascot NSW 2020
- REPL Group Melbourne office, Unit 4, 7-11 Lindon Court, Tullamarine VIC 3043
- REPL Group Brisbane office, Brisbane Domestic Terminal Building Site 1Q-26
- REPL Group Brisbane Lounge, Brisbane Domestic Terminal Building Site 2J-18
- REPL Engineering site, Brisbane Domestic Terminal Building Site 1Q-04
- REPL Airport Lounge, Adelaide Airport Office L01-A98b
- Site RS-0225 RAMP Level, Sydney Kingsford Smith Airport
- The lease of the Head Office in Sydney was novated to REX during the administration.
- Site A13, Gold Coast Airport

The Administrators have continued to use these properties during the administration.

The ROCAP did not disclose any amounts outstanding to the lessors of these properties and the obligations of RAL under relevant leases will be progressively novated to REX and will continue in the ordinary course after completion of the DOCA.

11.2 Aircraft leases

Following the appointment of the Administrators, the Rex Domestic routes between major capital cities were grounded and the aircraft leases for the nine Boeing 737's were terminated. The nine aircraft were leased from four parties, each of whom have an obligation to mitigate any claim in relation to the termination of their leases.

Our enquiries have confirmed that all nine aircraft have either been re-leased or sold by the lessors. Only two of the lessors have lodged a claim in the administration of RAL. The most material and uncertain element of the expected claims is entitlement to "recovery costs" under contract. Only one lessor has provided any direction on these costs to date.

The ROCAP did not disclose any amounts outstanding to the aircraft lessors. Using the information available to us, we estimate the total claim by the aircraft lessors will be in the order of $68.864M.

12. Omissions from ROCAP

It has become apparent through the course of our investigations that the Directors failed to disclose the Boeing 737 flight simulator. We understand that the simulator was originally acquired by REX and was subsequently transferred to RAL, however the Company's management accounts were not updated to reflect the change in ownership.

We do not consider this omission to be deliberate or an issue as the ownership of the simulator was subsequently discussed and confirmed with the Directors.

The simulator and the associated property at 72-76 Robey Street, Mascot (owned by REX) were sold on 13 March 2025.

Appendix H DOCA term sheet

Private & Confidential
Dated: 21 October 2025

WHITE & CASE

Proposal for Deed of Company Arrangement in relation to Regional Express Holdings Limited (Administrators Appointed) (ACN 099 547 270) and certain of its subsidiaries as listed in Schedule 1

Made by Air T, Inc.

Capitalised terms used in this proposal have the meaning as set out in the Definitions at the end of this proposal, unless defined otherwise. This proposal is final (and subject to the terms of an executed DOCA).

1.	**Companies**	Regional Express Holdings Limited (Administrators Appointed) (ACN 099 547 270) ("**Rex**") and certain of its subsidiaries as listed in Schedule 1 (together, the "**Companies**") are the entities that are proposed to be the subject of the DOCA.
2.	**Proponent**	The proponent of the DOCA is Air T, Inc ("**Proponent**").
3.	**Administrators**	Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several voluntary administrators of the Companies ("**Administrators**").
4.	**Appointment Date**	The date upon which the Administrators are appointed to a Company, which, in the case of the Companies listed in items 1 – 4 of Schedule 1, is 30 July 2024.
5.	**Purpose**	The purpose of this proposal is to outline the material terms of the DOCA that the Proponent proposes in respect of the Companies and which the Proponent requests the Administrators present to the second meetings of Creditors of the Companies that are convened and held pursuant to Part 5.3A of the Corporations Act. The proposed DOCA is intended to satisfy the objects of Part 5.3A of the Corporations Act, including to achieve better outcomes for the respective Creditors of the Companies, compared to the expected outcome were the Companies to be wound up, and to maximise the chances of the Companies, or as much as possible of their operations, continuing in existence.
6.	**Excluded Companies**	It is proposed that Rex Airlines Pty Ltd (Administrators Appointed) (ACN 642 400 048) ("**737 Entity**") will not form part of the DOCA.
7.	**Key Terms**	In accordance with this proposal, the DOCA will contain the following key terms: (a) acquisition of 100% of the Shares in Rex by the Proponent or its nominee; (b) provision of the DOCA Consideration on account of the Claims of Creditors of the Companies; (c) discharge in full of all Claims against the Companies with the exception of the Preserved Claims;

		(d) on Completion, the Companies to be released from all Claims (with the exception of the Preserved Claims) and control to be given to the Incoming Directors; and (e) all other provisions which are customary in a DOCA of this nature.
8.	**Deed Administrators**	Samuel Freeman, Justin Walsh and Adam Nikitins of Ernst & Young.
9.	**Commencement Date**	The date of execution of the DOCA contemplated by this proposal.
10.	**DOCA Consideration**	The DOCA Consideration will comprise: (a) assumption of all Claims of the Secured Lender, on restructured terms to be agreed between the Proponent and the Secured Lender in the Secured Lender Finance Documents; (b) assumption of all employee entitlement liabilities of the Continuing Employees; (c) assumption of certain debts as designated by the Proponent as Excluded Claims; and (d) the Agreed Asset Contribution; and (e) the Employee Contribution.
11.	**Conditions Precedent**	The DOCA will contain the following conditions precedent, which may not be waived without the written approval of the Proponent and the Administrators: (a) execution of the DOCA by all relevant parties; (b) execution of the Creditors' Trust Deed in respect of the Creditors' Trust by all relevant parties; (c) consent of the Secured Lender; (d) the Administrators, on behalf of Rex, obtaining the Orders; (e) the Administrators, on behalf of Rex, obtaining the ASIC Relief; (f) execution of all documents in respect of and satisfaction of all conditions to financial close under the Air T Facility; and (g) the Implementation Deed has not been terminated.
12.	**Creditors' Trust**	A creditors' trust will be established on Completion of the DOCA ("**Creditors' Trust**"). The Deed Administrators will be the trustees of the Creditors' Trust ("**Trustees**"). The terms of the trust deed for the Creditors' Trust will be agreed between the Deed Administrators and the Proponent and will include provisions relating to:

		• the adjudication of Claims, incorporating the provisions of the Corporations Act and applicable regulations relating to the determination of Claims; • the Trustees' powers, obligations, rights and indemnities, which will contain market standard provisions, including that the Trustees shall not be personally liable for any liabilities incurred by them in acting as trustees of the Creditors' Trust, that they will be indemnified out of the assets of the Creditors' Trust Fund for their fees, expenses and liabilities properly incurred by them and that they will have a lien over the assets of the Creditors' Trust Fund to secure their right of indemnity; • variation of the Creditors' Trust Deed, which may only occur: o with the consent of the Proponent (not to be unreasonably withheld or delayed) following distribution of the Employee Pool in full; or o by order of a Court. Sections 444DA and 444DB of the Corporations Act will apply to the Creditors' Trust.
13.	**Assets of the Creditors' Trust**	The assets of the Creditors' Trust Fund will comprise of the following assets: (a) the Cash Contribution; (b) the Employee Contribution; and (c) the Agreed Asset Contribution. The Cash Contribution will be paid to the Creditors' Trust by the Deed Administrators on Completion from the Companies' cash at bank. The Employee Contribution and the Agreed Asset Contribution will be paid to the Creditors' Trust on Completion from the proceeds of a drawing under the Air T Facility. Any further contributions to the Creditors' Trust to be paid, or caused to be paid by, the Proponent in accordance with Clause 14 of this proposal will be funded from the proceeds of a drawing under the Air T Facility.
14.	**Calculation of Contributions and Adjustments**	(a) It is intended that the Trustees will be responsible for the discharge of the Accrued Expenses for the period up to (and including) Completion and the Creditors' Trust will be funded with the Agreed Asset Contribution and the Expenses Cash Contribution for payment of such Accrued Expenses. (b) As the value of the Agreed Assets and Accrued Expenses will not be known as at Completion, the following adjustments are contemplated.

(c) The Deed Administrators will prepare and deliver to the Proponent no later than 5 Business Days before Completion a statement setting out the Deed Administrators' calculation of their best estimate of the following ("**Completion Statement**") along with sufficient supporting evidence:

(i) Agreed Assets as at Completion (this amount will be the Agreed Asset Contribution);

(ii) Accrued Expenses as at Completion ("**Accrued Expense Amount**").

(d) On Completion:

(i) the Proponent will pay or cause to be paid the Agreed Asset Contribution to the Creditors' Trust Fund; and

(ii) the Accrued Expenses will transfer to and become Claims against the Creditors Trust.

(e) For a period of 6 months following Completion, the Agreed Asset Contribution and the Accrued Expense Amount will be reviewed by the Trustees and the Proponent on a rolling basis as part of a true-up as follows ("**True-Up**"):

(i) the True-Up of the Agreed Asset Contribution and the Accrued Expense Amount will commence on the date that is 2 weeks after Completion and occur thereafter every month. The Trustees will prepare and deliver to the Proponent on each of these dates a statement setting out the Trustees' calculations referable to the True-Up along with sufficient supporting evidence; (each a "**Draft True-Up Statement**");

(ii) if the Proponent disagrees with any aspect of the Draft True-Up Statement, the Proponent may deliver a notice ("**Dispute Notice**") to the Trustees on or before the 5th Business Day after the date of receipt of a Draft True-Up Statement ("**Final Objection Date**") setting out (1) a reasonable description of, and the grounds for, the dispute (which may include inadequacy of supporting information), and (2) its proposed adjustments to the Draft True-Up Statement with supporting calculations;

(iii) if the Proponent does not give a Dispute Notice to the Trustees on or before the relevant Final Objection Date, the Draft True-Up Statement will be taken to be final and binding upon the parties (then a "**Final True-Up Statement**");

(iv) if the Proponent does give a Dispute Notice on or before the Final Objection Date, the dispute will be determined by the procedure described in sub-clauses (v), (vi) and (vii) below;

(v) the Proponent and Trustees must enter into good faith negotiations and use reasonable endeavours to resolve the dispute within 5 Business Days after delivery of the Dispute Notice by the Proponent, including by the provision of all relevant information regarding the matters which are the subject of the Dispute Notice, failing which the procedure described in (vii) below applies;

(vi) the Proponent or Trustees may refer the matter for final determination to an independent expert selected by agreement between the parties (failing which, selected by the Chair of the Resolution Institute at the request of the Proponent and/or the Trustees) in accordance with the rules and procedures determined by agreement between the parties, or failing which determined by the independent expert (including as to costs), and the Proponent and Trustees agree that the Draft True-Up Statement as confirmed or varied by the independent expert's final determination will be deemed to be the Final True-Up Statement;

(vii) the True-Up (including a Final True-Up Statement) in relation to the Agreed Asset Contribution will confirm whether there are any additional Agreed Assets not included in the Completion Statement ("**Additional Agreed Asset Contribution**").

To the extent there are any such additional Agreed Assets, the Proponent will pay or cause to be paid an amount (in cleared funds) equal to the Additional Agreed Asset Contribution to the Creditors' Trust Fund (as directed by the Deed Administrators) as a contribution to the Agreed Assets Pool as contemplated by Clause 15 of this proposal in each case within 5 Business Days of the relevant Final True-Up Statement being finalised as referred to in Clause 14(e)(iii) of this proposal, provided that the aggregate amount of the Agreed Asset Contribution and any Additional Agreed Asset Contribution shall not exceed the Agreed Asset Cap. To the extent that the Agreed Assets are less than the position in the Completion Statement, the

Trustees will, within 5 Business Days of a Final True-Up Statement being finalised, make a distribution from the Agreed Assets Pool to or at the direction of the Proponent; and

(viii) the True-Up (including a Final True-Up Statement) in relation to the Accrued Expense Amount will confirm what amounts listed in the Completion Statement have become due for payment and should be paid. To the extent that:

(A) a Company has discharged all or part of an Accrued Expense, the Trustees will make a distribution to that Company from the Agreed Asset Pool by way of reimbursement; and

(B) an Accrued Expense is due and payable but not yet paid, the Trustees will discharge the liability from the Agreed Asset Pool.

15. Distribution of Creditors' Trust Fund

(a) The Creditors' Trust Fund will comprise three separate pools as follows:

(i) the "Employee Pool", to which the Employee Contribution will be applied;

(ii) the "Agreed Assets Pool", to which the Agreed Asset Contribution and the Expense Cash Contribution will be applied; and

(iii) the "General Pool", to which the Costs Cash Contribution will be applied.

(b) The pools of the Creditors' Trust Fund are to be distributed as follows:

(i) the Employee Pool will be distributed in the following order of priority:

(A) first, in satisfaction of any Claim of an eligible employee creditor (as that term is defined in the Corporations Act) of the Companies (other than a Preserved Claim) that would have been entitled to be paid in priority to the payment of other unsecured Claims under sections 556, 560 or 561 of the Corporations Act if each of the Companies is taken to be in liquidation on the relevant

		Appointment Date (**Entitlements**); and (B) next, to the extent there is any surplus in the Employee Pool, that surplus is to be applied to the General Pool; (ii) the Agreed Assets Pool will be distributed for the following purposes: (A) as and when determined by the Trustees in their sole discretion, on account of payment of Accrued Expenses which are due and payable and which have not otherwise been paid by a Company; (B) to the Companies on account of any adjustments they are entitled to in accordance with Clause 14 of this proposal; (C) once the True-Up process referable to the Agreed Assets in Clause 14 of this proposal is finalised, the balance in the Agreed Assets Pool will be repaid to Rex; (iii) the General Pool will be distributed in the following order of priority: (A) first, to the Administrators and Deed Administrators for any amount which the Administrators or Deed Administrators are entitled to be paid or indemnified for under the DOCA, including all debts and liabilities incurred by them during the administration and deed administration of the Companies which remain outstanding; (B) next, to the Trustees of the Creditors' Trust in satisfaction of their remuneration and costs; (C) next, to the extent of any surplus in the General Pool following the above distributions, the Trustees will make a distribution to the Secured Lender on account of its Claim.
16.	**Moratorium**	During the period of operation of the DOCA, the moratoria in sections 440A, 440B, 440D, 440F and 444E of the Corporations Act will apply to all Creditors and members of the Companies.

17.	**Released Claims**	Except for the Preserved Claims, the DOCA will release all debts and Claims. In return for the releases, Creditors (excluding Creditors that have a Related Party Claim) will receive an entitlement to receive a distribution from the Creditors' Trust Fund in accordance with Clause 15 of this proposal. Subject to the terms of the DOCA and section 444D of the Corporations Act, the DOCA may be pleaded by a Company against any Creditor in bar to any Claim.
18.	**Preserved Claims**	Claims against a Company that will not be released under the DOCA (and which will be continuing obligations of that Company post Completion) will be limited to: (a) the Secured Lender's Claims (as such Claims are restructured under the Secured Lender Finance Documents); (b) the Excluded Claims; (c) liabilities in respect of Continuing Employees; and (d) insured Claims.
19.	**Insurance proceeds**	Subject to the terms of this proposal, section 562 of the Corporations Act is to be incorporated into the DOCA as if references to a liquidator were references to the Deed Administrators and with any other amendments as necessary in the context of the DOCA, including the provision of an indemnity to the Companies if a creditor wishes to pursue an insured Claim or take any other action against the Companies in connection with an insured Claim.
20.	**Deed Period**	During the Deed Period, the Deed Administrators must: (a) manage and conduct the business of the Companies in the ordinary and usual course consistent with their usual business practices, having regard to the nature of the business of those Companies and their past practice; and (b) without prejudice to the wording in paragraph (a) above, not undertake any of the acts or matters listed in Schedule 2 without the prior written consent of the Proponent (not to be unreasonably withheld or delayed).
21.	**Termination of DOCA**	The DOCA will continue in operation until the DOCA is terminated: (a) upon its effectuation as set out in this proposal; (b) by an order of the Court under section 445D of the Corporations Act;

		(c) by a resolution of the Creditors at a meeting convened under Division 75 of Schedule 2 to the Corporations Act (Insolvency Practice Schedule); or (d) if a Condition Precedent is not satisfied (or becomes incapable of being satisfied) or waived by the parties by the CP Satisfaction Date.
22.	**Prescribed Provisions**	Except to the extent that they are inconsistent with the terms of the DOCA, the provisions of Schedule 8A of the Regulations will be incorporated in or apply to the DOCA.
23.	**Employees**	The continuing employees will be those employees who are employed by a Company as at the date of the DOCA and who remain employees as at Completion ("**Continuing Employees**").
24.	**444DA employee priority**	For the avoidance of doubt, eligible employee creditors (which may include the Continuing Employees in respect of any unpaid pre-appointment superannuation Claims) will be entitled to a priority at least equal to priority under Section 556, 560 and 561 of the Corporations Act.
25.	**Secured creditors, and owners / lessors of property**	Other than as expressly provided for under the DOCA, the DOCA will not release: (a) any Security held by a Creditor in respect of any Claim; and (b) any Security validly and effectively held by an owner or lessor in property of a Company, who does not vote in favour of the DOCA. The Secured Lender's Claims and Security will be restructured in accordance with the terms of the Secured Lender Finance Documents.
26.	**Control of the Companies**	During the period of operation of the DOCA, the Deed Administrators will have stewardship of each Company and will continue to manage the operations of each Company. The Proponent will not take part in the management or operations of the Companies, except as expressly consented to by the Deed Administrators in writing. Stewardship of the Companies will be given to the Incoming Directors upon Completion.
27.	**Administrators', Deed Administrators' and Trustees' remuneration**	The Administrators, the Deed Administrators and the Trustees of the Creditors' Trust will be remunerated out of the Creditors' Trust Fund for their services at their usual hourly rates in accordance with Division 60 of Schedule 2 to the Corporations Act.
28.	**GST**	The DOCA shall include customary GST provisions.

29.	**Duty**	The Proponent (or its nominee, as applicable) will be responsible for the payment of all Duty payable in respect of or in accordance with the transactions described in the DOCA, including the transfer of all of the Shares in Rex to the Proponent or its nominee.
30.	**Company records**	The Deed Administrators and Trustees will be entitled to retain copies of (or to retain access to) each Company's records following Completion, as is necessary or reasonably desirable for them to properly complete their roles.
31.	**Variation of DOCA**	The DOCA may only be varied by: (a) a resolution passed at a meeting of the Creditors of each Company convened in accordance with Division 75 of Schedule 2 to the Corporations Act, but only if the variation is not materially different from a proposed variation set out in a notice of meeting; or (b) order of a Court.
32.	**Acknowledgement**	The parties acknowledge that the terms set out in this proposal are subject to the obligations the Administrators and Deed Administrators have to Creditors under law and statute.
33.	**Governing law**	This proposal and any DOCA entered into pursuant to it is governed by the laws of the State of New South Wales.
34.	**Definitions**	In this proposal: **737 Entity Creditor Claims** means: (a) a Claim of the 737 Entity (including any Claim of a liquidator of the 737 Entity); and (b) a Claim of any Creditor against a Company which arises from a guarantee, indemnity or similar arrangement by a Company of a 737 Entity Debtor Claim, including the Deed of Cross Guarantee. **737 Entity Debtor Claim** has the same meaning as Claim, but as against the 737 Entity rather than a Company. **Accrued Expenses** means all trading and related expenses incurred by the Administrators or the Companies from the Appointment Date (as applicable for each Company) up to (and including) Completion, but which are not yet paid (or payable) as at Completion. For the avoidance of doubt, any remuneration of the Administrators or expenses paid to legal, financial or other professional advisors do not constitute Accrued Expenses. **Agreed Asset Cap** means A$18,000,000, which amount can be increased by the Deed Administrators with the consent of the Proponent (such consent not to be unreasonably withheld or delayed, and which will be deemed provided if no response

is received by the Deed Administrators within 48 hours of the request for consent).

Agreed Asset Contribution means a cash contribution in an amount calculated by the Deed Administrators 5 Business Days before Completion as representing the value of the Agreed Assets as at Completion, which amount will not exceed the Agreed Asset Cap.

Agreed Assets means the following categories of assets of the Companies less the Deductions as at Completion:

(a) term deposit balances;

(b) cash at bank and bank balances other than the Cash Contribution;

(c) cash collateral provided in respect of contractual arrangements between the Companies and Worldpay;

(d) cash collateral provided in respect of contractual arrangements between the Companies and American Express;

(e) receivables related to customer bookings owed by merchants and not paid as at Completion in the ordinary course of business of the Companies;

(f) outstanding amounts invoiced to customers and not paid at Completion;

(g) Government grants and subsidies accrued for services delivered prior to Completion but not yet invoiced at Completion;

(h) Deposits paid in respect of goods and/or services prior to Completion but not delivered or provided prior to Completion;

(i) employee loans as at Completion;

(j) receivables payable by other airlines;

(k) prepayments for goods and/or services not yet delivered and/or received at Completion;

(l) insurance and related prepayments paid for prior to Completion;

(m) security deposit paid to Sydney Airport in respect of Hangar 390; and

(n) any other agreed assets of the Companies as at Completion as otherwise agreed in writing between the Proponent and the Administrators.

Agreed Assets Pool has the meaning given in Clause 15 of this proposal.

Air T Facility means the syndicated loan note subscription agreement of A$50m to be made available by an entity related to the Proponent to the Companies.

Appointment Date has the same meaning as defined in Clause 4 of this proposal.

ASIC Relief means such exemptions and modifications from Chapter 6 of the Corporations Act granted by ASIC pursuant to section 655A of the Corporations Act as are necessary to permit the transfer of all of the Shares in Rex to the Proponent or its nominee.

Business means the businesses carried on by the Companies as at the date of this proposal and all associated and incidental activities.

Business Day means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Sydney, New South Wales, Australia and New York, New York, United States of America.

Cash Contribution means the Costs Cash Contribution and the Expenses Cash Contribution.

Claim means any claim, cost, damages, debt, income, expense, tax, royalty, liability, loss, obligation, allegation, suit, action, demand, cause of action, proceedings, penalty (civil, criminal or otherwise), order or judgment of any kind however calculated or caused, howsoever arising in law or equity or under statute against a Company, and whether direct or indirect, future, contingent, consequential, incidental or economic, the circumstances giving rise to which occurred or arose before the Appointment Date (**Circumstances**), notwithstanding any contingent event provided for or contemplated by the Circumstances occurred on or after the Appointment Date, whether or not they would be admissible to prove in the event of winding up of a Company, and includes (without limitation):

(a) any claim that in a winding up of a Company would be a subordinated claim for purposes of section 563A of the Corporations Act;

(b) contingent claims (including Claims pursuant to the Deed of Cross Guarantee) and Related Party Claims; and

(c) to the extent permissible by law, any fine or penalty that would be provable but for section 553B of the Corporations Act;

(d) without limiting the rights of Secured Creditors under section 444D(2) of the Corporations Act, the Claims of Secured Creditors;

(e) without limiting the rights of lessors under section 444D(3) of the Corporations Act, the Claims of lessors;

(f) any residual unsecured claim held by a Secured Creditor following realisation of its Security; and

(g) any warrant, option or similar instrument issued by a Company in respect of any of its Shares.

Completion means the date that is within 5 Business Days after the date upon which each Condition Precedent (as outlined in Clause 11 of this proposal) has been satisfied or waived in accordance with the terms of the DOCA, or such other date as the Deed Administrators and the Proponent agree in writing.

Continuing Employees has the same meaning as defined in Clause 23 of this proposal.

Corporations Act means the *Corporations Act 2001* (Cth).

Costs Cash Contribution means a cash contribution of A$3,825,000.

Court means the Federal Court of Australia or the Supreme Court of New South Wales.

CP Satisfaction Date means 60 days after the date of execution of the DOCA, unless otherwise extended by agreement of the Proponent and the Administrators.

Creditor means a person who has a Claim against a Company.

Creditors' Trust Fund means the fund to be established pursuant to Clause 12 of this proposal.

Deductions means the following as at Completion:

(a) liabilities of the Companies in relation to tickets sold up to Completion for flights scheduled to be flown after Completion;

(b) any amount prepaid to Saab Aircraft AB in relation to the Aircraft Collision Avoidance System upgrade for the Companies' aircraft;

(c) trade receivables and other loan balances aged more than 60 days or otherwise not collectable; and

(d) any other agreed assets or liabilities of the Companies as at Completion as otherwise agreed in writing between the Proponent and the Administrators.

Deed of Cross Guarantee means the Deed of Cross Guarantee dated 30 June 2011 between certain of the Companies as acceded to by the 737 Entity and certain Subsidiary Companies by Assumption Deeds dated 3 January 2020, 2 November 2020, 18 February 2022 and 23 October 2023.

Deed Period means the period commencing on the Commencement Date and ending on the earlier of the Termination Date or Completion.

DOCA means a Deed of Company Arrangement for each Company in accordance with Part 5.3A of the Corporations

Act to be entered into between each Company, the Proponent and the Deed Administrators.

Duty means any stamp, transaction or registration duty or similar charge imposed by any government agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them.

Excluded Claim means:

(a) the Claims listed in Schedule 3; and

(b) any other Claim that the Proponent nominates in writing to the Deed Administrators as an Excluded Claim prior to Completion.

For the avoidance of doubt, a Claim listed in Schedule 3 cannot be withdrawn or reclassified and will otherwise remain as an Excluded Claim for all purposes.

Employee Contribution means a cash contribution in an amount determined by the Deed Administrators as being the amount of the Entitlements.

Employee Pool has the meaning given in Clause 15 of this proposal.

Entitlements has the meaning given in Clause 15 of this proposal.

Expense Cash Contribution means an amount equal to the Accrued Expenses *less* the Agreed Asset Contribution, each as detailed in the Completion Statement.

General Pool has the meaning given in Clause 15 of this proposal.

GST means the goods and services tax levied under the GST Act.

GST Act means *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Implementation Deed means the document titled "*Project Mustang – Sale and Implementation Deed*" dated on or about the date of this proposal.

Incoming Directors means the Proponent's director nominees.

Orders means an order of the Court granting approval to the transfer of the Shares in Rex to the Proponent or its nominee pursuant to section 444GA of the Corporations Act.

Regulations means *Corporations Regulations 2001* (Cth).

Related Party means a "related body corporate" or "related entity" (as those terms are defined in the Corporations Act) of a Company.

Related Party Claim means a Claim of a Related Party against any of the Companies.

Secured Creditor means any Creditor who has valid and effective Security from a Company for its Claim against a Company.

Secured Lender means the Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (ABN 86 267 354 017).

Secured Lender Finance Documents means:

(a) the amended and restated loan facility made available by the Secured Lender to the Companies, to be amended with effect from Completion to restructure existing Claims and outstanding liabilities owed by the Companies;

(b) the post-Completion finance documents to be made available by the Secured Lender to the Companies, as agreed between the Proponent and the Secured Lender; and

(c) any additional finance or security documents associated with or related to the documents referred to in (a) or (b) above.

Security means any security interest or encumbrance of any kind whatsoever, howsoever arising, and includes (without limitation) a security interest registrable under the *Personal Property Securities Act 2009* (Cth).

Shares means all shares in the Companies of any kind whatsoever (and includes any preference shares, ordinary shares or otherwise).

Subsidiary Companies means those companies listed in Part B of Schedule 1.

Termination Date means the date that the DOCA is terminated pursuant to Clause 21 of this proposal.

Schedule 1 Companies

Part A – Regional Companies

1. Regional Express Holdings Limited (Administrators Appointed) (ACN 099 547 270)
2. Air Partners Pty Ltd (Administrators Appointed) (ACN 065 221 356)
3. Rex Investment Holdings Pty Ltd (Administrators Appointed) (ACN 101 317 677)
4. Regional Express Pty Ltd (Administrators Appointed) (ACN 101 325 642)

Part B – Subsidiary Companies

5. Rex Flyer Pty Ltd (ACN 671 816 621)
6. Australian Aero Propeller Maintenance Pty Ltd (ACN 131 278 889)
7. Australian Airline Pilot Academy Pty Ltd (ACN 128 392 469)
8. AAPA Victoria Pty Ltd (ACN 118 837 586)

Schedule 2 Prohibited actions

The acts and matters for the purposes of Clause 20(b) of this proposal are as follows:

(a) grant, issue or redeem any mortgage, charge, debenture, right to acquire, pledge, lien or other form of security or encumbrance or equity on, over or affecting the whole or any part of its undertaking or assets or any of the shares of the Companies or give any guarantee, indemnity or other assurance for the obligations of any person; or

(b) incur any capital expenditure or make any capital commitment which individually or together with linked expenditures or commitments in respect of any of the Companies exceeds $100,000 or which, taken together with all other capital expenditures and capital commitments entered into by that Company in the Deed Period exceeds $1 million in aggregate (other than costs and expenses which are reasonably considered necessary for the operation, maintenance and care of the aircraft, engines and other related equipment required to operate the Business); or

(c) acquire or dispose of any assets (other than in the ordinary course of the business) of a Company which have an aggregate book value exceeding $100,000 other than in the ordinary course of business; or

(d) acquire or dispose of or create any encumbrance in respect of any part of a Company's assets (whether by one transaction or a series of related transactions) except in the ordinary course of trading of business of that Company or where, in the case of an acquisition or disposal, the transaction is on arm's length terms for consideration of less than $100,000; or

(e) amend, assign, terminate or fail to observe or perform any term or condition of or waive any rights under, any contract, arrangement or obligation to which a Company is a party which:

  (i) whether by reason of its nature, scope, price or otherwise, is or is likely to be of material importance to the business, profits, assets or liabilities of the Company; or

  (ii) requires an aggregate consideration payable by the Company or involves supply of goods and or services the aggregate value of which is in excess of $100,000;

(f) make any change to the terms and conditions of employment of any of a Company's directors or employees of or consultants engaged by a Company with a salary or fee (on a full-time employment or consultancy basis) of more than $300,000 per annum; or

(g) offer to engage any new employee, officer, director, consultant or secondee, except for any employee, officer, director, consultant or secondee with a salary or fee (on the basis of full-time employment or consultancy) that is less than $300,000 per annum, provided that the aggregate per annum salaries and fees so offered do not exceed $300,000; or

(h) dismiss or terminate the employment of any employee, officer, director, consultant or secondee, except where such dismissal is for good cause; or in the ordinary course of business and the person in question is not a person referred to in item (f); or

(i) permit any of a Company's insurances to lapse, do anything which would make any policy of insurance void or voidable, effect any change to the terms of level of cover of any of its insurances or fail to notify and pursue any potential claim under any insurance policy.

Schedule 3 Excluded Claims

1. All Claims against a Subsidiary Company other than 737 Entity Creditor Claims.

Appendix I Creditors' Trust key considerations

The following table addresses the additional information required by ASIC's Regulatory Guide 82 to be disclosed to creditors where a DOCA proposal includes the use of a Creditors' Trust.

	Item	Information for creditors
1.	Reasons for use of a Creditors' Trust	▪ The purpose of the Creditors' Trust will be to enable certain tasks ordinarily undertaken by deed administrators (including, but not limited to, the calling for and adjudication upon the claims of unsecured creditors) to be performed by the Trustees, in order to facilitate the early termination of the DOCA and the return to ordinary operations (absent the burden of an external administrator overseeing the process). ▪ The use of a creditors trust provides a mechanism where all the assets available to creditors and creditors' claims are transferred across from a company to the trust which allows the company to no longer be subject to an external administration.
2.	Key events of the DOCA and Creditors' Trust	▪ The key events of the establishment of a Creditors' Trust through to its ultimate distribution are discussed in detail in **sections 9 and 10** of this Report.
3.	Return to creditors / beneficiaries	▪ At **section 11** of this Report we have provided an estimated return to creditors under the proposed DOCA and a Liquidation scenario. ▪ The DOCA provides for ongoing employment for the continuing employees of the Rex Group and the Subsidiaries, ongoing trading with suppliers and the continuation of the important Rex Regional business enabling it to continue to serve its regional customers. The employee entitlements for those employees whose employment will not continue with the Rex Group and the Subsidiaries will be paid in full. The secured claims owed to the Commonwealth will be assumed by the Proponent together with the debts due to critical suppliers that are essential to the Rex Regional business. Ordinary Unsecured creditors will not receive a return. Some unsecured creditors may have the commercial benefit of providing goods and services to the Rex Group and the Subsidiaries which will continue to operate the Rex Regional business, the pilot training schools, the maintenance operations and the frequent flyer program. ▪ For the avoidance of doubt, the estimated DOCA returns are the same as the estimated returns for the Creditors' Trust as it is proposed under the DOCA that the Creditors' Trustee will facilitate the payment of claims.
4.	Trustee particulars	▪ The Trustees of the Creditors' Trust under the DOCA proposal would be the Administrators. The Administrators have detailed knowledge of the background of the Rex Group and the Subsidiaries and are properly skilled and resourced to act in this position. ▪ Under a DOCA, creditors may apply to the Court for orders in relation to the Deed Administrators' performance of their duties under the Act. A beneficiary under the Creditors' Trust could apply to the Court under the Trustee Act 1925 (NSW) in relation to the Trustees' performance of its duties. ▪ If one of the Trustees needs to be replaced (due to ill health, etc.), the Creditors' Trust Deed will provide that any replacement Trustee must be a qualified Trustee. Such a person must be a Registered Liquidator with the necessary skills and experience to carry out the role of Trustee. ▪ In terms of ASIC's supervisory role, ASIC's position is that ASIC has certain supervisory powers under IPS Div 40 over conduct by the trustee where the DOCA and trust deed provide that the trustee is a registered liquidator. ▪ The Administrators have no conflict in acting in their respective roles. ▪ The Administrators will have sufficient professional indemnity and fidelity insurance that will cover conduct by them in their capacity as Trustees of the Creditors' Trust. In this regard, the Trustees are insured for an aggregate amount of $30m.

	Item	Information for creditors
5.	Remuneration of the Deed Administrators and the Trustees	▪ The remuneration of the Deed Administrators and the Trustees will be calculated in accordance with the Initial Remuneration Notice provided to creditors with the initial notice to creditors issued for the 2024 Administrations and the 2025 Administrations. The COI will consider and approve the remuneration of the Deed Administrators and the Trustees on a retrospective basis throughout those administrations.
6.	Indemnities provided to the Trustees	▪ The Administrators are entitled to be indemnified out of and will have a lien over the assets held by the Trust.
7.	Powers of the Trustees	▪ Without limiting the powers that the Trustees have by operation of the Trustee Act 1925 (NSW), for the purposes of administering the Trust created by the Creditors' Trust Deed, the Trustees are expected to have broadly similar powers. ▪ It is not anticipated that there would be any deficiencies in the powers of the Trustees to perform the functions envisaged under the Creditors' Trust Deed which may lead to a need for applications to be made to the court (and the associated costs) which would not be necessary for a Deed Administrator.
8.	Claims	▪ Creditors' claims during the period of the DOCA will be dealt with in accordance with the priority order specified in **sections 9 and 11** of this Report. ▪ Section 556 of the Act will be applicable and determine the priority of payments to employees under the terms of the DOCA and Trust. ▪ Upon creditors becoming beneficiaries of the Creditors' Trust, their entitlement as a beneficiary will be determined on the same basis as if they were a creditor of the Company (except as detailed at point 9 below). ▪ For the purposes of adjudicating creditors' Claims, the substance of the provisions of Division 6 of Part 5.6 of the Act and the provisions of the Regulations 5.6.39 to 5.6.72 of the Corporations Regulations 2001 will be incorporated in the Creditor's Trust Deed and apply except where they are inconsistent with the express terms of the proposed DOCA and Creditors' Trust Deed.
9.	Other creditor/ beneficiary differences	▪ Although the substance of many of the provisions of the Act will be incorporated into the Creditors' Trust Deed, as explained in this Report, the rights of creditors under the Creditors' Trust Deed will not be "statutory rights" under the Act but will instead be rights under the Creditors' Trust Deed, the Trustee Act 1925 (NSW) and in equity. ▪ The object of the Creditors' Trust is to facilitate payment to creditors. However, the rights of creditors are being fundamentally transformed (as explained below) and creditors should take this into account in assessing the resolutions being proposed. Creditors should consider the impact that the execution of a DOCA will have on their rights as a creditor as presented in **points 9.1 to 9.4 below**.
9.1	Release of claims	▪ Upon the termination of the proposed DOCA (except as expressly provided for in the DOCA), claims against the Rex Group and the Subsidiaries will be extinguished and creditors will become beneficiaries under the Creditors' Trust.
9.2	Surrendering assets of unknown value	▪ The DOCA prescribes value to all identifiable assets of the Rex Group and the Subsidiaries, and in this regard, based on information available as at the date of this Report the Administrators believe that there are no assets of unknown value being surrendered in respect of the DOCA proposal (given the Trustees retain the right to pursue debtors and trading receipts accrued during the Administration and DOCA trading periods).
9.3	Liquidation actions are preserved	▪ The execution of the DOCA does not mean that all potential recovery actions which would have been available to only the Liquidators of the Rex Group and the Subsidiaries would also be extinguished. The DOCA seeks to preserve any and all of the third-party claims and actions. However, claims such as insolvent trading that can only be brought by a liquidator may not be available in the DOCA or Creditors' Trust.
9.4	Creditor rights under the Act will no longer be available	Creditors of a company under a DOCA have rights under the Act to seek the assistance of the Court. This includes the right to apply for orders: ▪ To terminate a DOCA in certain circumstances

	Item	Information for creditors
		▪ Regarding the validity of a DOCA or any of its provisions ▪ Declaring a DOCA or a provision of a DOCA to be void or not void ▪ To protect creditors' interests ▪ Regarding the actual or proposed conduct of a deed administrator that they consider prejudicial to the interests of all or some of the company's creditors or members ▪ Regarding the validity of the appointment of a deed administrator ▪ To remove the existing deed administrator in certain circumstances ▪ To appoint a new deed administrator in certain circumstances ▪ To appeal the deed administrators' valuation of a claim against a company. **These rights will no longer be available to creditors upon termination of the DOCA.** However, as beneficiaries under the Creditors' Trust, they will have rights enforceable under the general law and the Trustee Act 1925 (NSW). Under the general law and the Trustee Act 1925 (NSW), trustees, as fiduciaries, are under strict duties, including among other things, the duty to: ▪ Act in accordance with the terms of the trust and in the best interests of all beneficiaries ▪ Not to exercise discretion except in accordance with the terms of the trust. This also includes a duty to act impartially with respect to multiple beneficiaries, unless the trust provides for absolute discretion ▪ Invest the contents of the trust and to do so responsibly ▪ Keep the assets of the trust separate from the trustee's own assets ▪ Exercise powers in accordance with the trust. This means the trustee cannot refuse to make a decision or make a decision ahead of time ▪ Not delegate the responsibilities to others (including to other trustees), except in accordance with the terms of the trust ▪ Keep accurate trust accounts and to account to beneficiaries (and to allow beneficiaries to inspect the trust) when required and/or asked ▪ Perform the duties of trustee without payment or compensation, unless the trust instrument provides for such payment ▪ Not purchase trust assets, unless the trust instrument provides otherwise. In the latter case, any sale must be in the best interest of the beneficiaries Beneficiaries have a right under the general law to apply to the court for relief if a trustee breaches one of these duties or the terms of the trust itself.
9.5	Process of appealing the adjudication of a claim of a creditor / beneficiary	▪ It is expected that the terms of the Creditors' Trust Deed will set out the process to be followed, should a beneficiary wish to appeal the adjudication of their entitlement against the Trust Fund. ▪ This process of appealing an adjudication of a proof of debt will be the same process that would apply in a liquidation scenario as set out in the IPS and the IPR.
10.	FEG	▪ Employees are not eligible for FEG assistance.
11.	Compliance opinion and completion risk	▪ We consider the risk of non-completion to be low given the terms of the DOCA contemplate a completion of the sale of the shares in REX and the contemporaneous payment of the DOCA consideration by the Proponent and does not include funds being provided following future profit generation.
12.	Solvency statement	▪ All creditor claims will be transferred into the Creditors' Trust and the Proponent of the DOCA will ensure that the Rex Group and the Subsidiaries have sufficient working capital to be placed in a position of solvency. ▪ Accordingly, when the DOCA is effectuated, the Rex Group and the Subsidiaries are expected to have no unsecured creditors. ▪ Ultimately, the director(s) appointed as at the date of effectuation will have a duty to ensure that the Rex Group and the Subsidiaries are and remain solvent.

	Item	Information for creditors
13.	Tax implications (company / trust)	▪ Creditors should note that there may be income tax and duty implications for the Rex Group, the Subsidiaries and the Creditors' Trust associated with the DOCA proposals. ▪ The Creditors' Trust may be required to register for GST purposes and apply for a new Tax File Number. In addition, the Trustees may also be responsible for lodging income tax returns for the Creditors' Trust with the ATO. ▪ It should be noted that any carried forward income or capital losses in the Rex Group and the Subsidiaries will be unavailable for offset against any assessable income made by the Creditors' Trust. We do not anticipate any substantial income receipts during the Creditors' Trust period. We do not anticipate any adverse taxation implications with respect to the above proposals based on our investigations to date. It should be noted that this view is not free from doubt and there is always the potential that adverse taxation consequences may arise.
14.	Tax implications (creditor/ beneficiary)	▪ As noted previously, all creditors' claims against the Rex Group and the Subsidiaries will be extinguished upon termination of the proposed DOCAs and creditors will have the right to participate as beneficiaries in distributions out of the Creditors' Trust. It is not anticipated that this arrangement will give rise to any adverse taxation implications for creditors, however creditors are encouraged to seek their own tax advice in this regard. ▪ The extinguishment of a creditors' claim against the Rex Group and the Subsidiaries may give rise to a bad debt deduction or capital loss for income tax purposes. In addition, a decreasing adjustment may be available for GST purposes. Creditors are encouraged to consult their taxation advisers about their individual circumstances. The proposed DOCAs and Creditors' Trust also enables the Trustee to make distributions to the beneficiaries of the Trust. Under this scenario however, the Trustee may be required to withhold tax from distributions to non-resident beneficiaries at the applicable tax rates.
15.	Other	Creditors should seek their own legal advice as to their rights and the effects of their position in entering into the proposed DOCA. Creditors can obtain further information from the ASIC website at Insolvency for creditors | ASIC

Appendix J Statement of Administrators' opinion

Statement of Administrators' Opinion Pursuant to 75-225(3)(b) of the *Insolvency Practice Rules (Corporations) 2016*

Regional Express Holdings Limited	**ACN 099 547 270**
Rex Investment Holdings Pty Ltd	**ACN 101 317 677**
Regional Express Pty Ltd	**ACN 101 325 642**
Air Partners Pty Ltd	**ACN 065 221 356**
Australian Airline Pilot Academy Pty Ltd	**ACN 128 392 469**
AAPA Victoria Pty Ltd	**ACN 118 837 586**
Australian Aero Propeller Maintenance Pty Ltd	**ACN 131 278 889**
Rex Flyer Pty Ltd	**ACN 671 816 621**
(Administrators Appointed) (together, the Rex Group and the Subsidiaries)	
Rex Airlines Pty Ltd (Administrators Appointed) (RAL)	**ACN 642 400 048**
(all together, the Companies)	

This statement sets out the Administrators' opinion in relation to the alternatives which the creditors of the Companies may consider at the Second Meetings to be held by Microsoft Teams Live Events platform on 11 November 2025 at 2pm (AEDT).

1. It would not be in the creditors' interests to resolve to end the Administrations of the Companies and return control of the Companies to the Directors at the Second Meeting. Our reason for this opinion is that the Companies are insolvent.

2. It is our opinion that it is in the best interests of creditors of the Rex Group and the Subsidiaries to resolve that the Rex Group and the Subsidiaries execute a DOCA on the terms proposed by Proponent at the Second Meetings. The Administrators have formed this view as it provides ongoing employment for the continuing employees of the Rex Group and the Subsidiaries and the continuation of the Rex Regional business enabling it to continue to provide services connecting Australia's regional and remote communities.

The DOCA also provides a return to secured creditors and payment in full of employee entitlements to non-continuing employees. The DOCA will also result in a continuing business relationship for many unsecured creditors and in any event unsecured creditors of the Rex Group would be no worse off than in a liquidation scenario. Unsecured creditors of the Subsidiaries are immaterial and will be paid in full.

No DOCA has been proposed for RAL.

3. It would not be in the creditors' interests to resolve to wind up the Rex Group and the Subsidiaries. The reason for our opinion is that the liquidation of the Rex Group and the Subsidiaries would result in significant job losses, trigger crystallization of employee entitlements and significantly impact the continuation of the Rex Regional business.

4. It is our opinion that it is in the interests of creditors to resolve that RAL be wound up at the Second Meeting. Our reason for this opinion is that RAL is insolvent and will require the formal mechanism of liquidation to undertake investigations and distribute the available recoveries (if any) to creditors.

Dated this 3rd day of November 2025

Samuel Freeman, Adam Nikitins and Justin Walsh
Joint and Several Administrators of the Rex Group, the Subsidiaries and RAL

Appendix K Estimated outcome statement

K.1 Estimated outcome statement – DOCA proposed by the Proponent

	DOCA proposed from the Proponent								Excluded	
$AUD ('Millions) ex GST	REX	REXPL	RIH	AP	AAPA	AAPAV	AAPM	Rex Flyer	RAL	Rex Group
Non-circulating assets										
Real Property	44.5	-	3.6	-	-	-	-	-	-	48.2
Fixed Assets (Regional)	58.3	1.5	30.9	-	-	-	-	-	-	90.7
Fixed Assets (Domestic)	-	-	-	-	-	-	-	-	13.1	13.1
Shareholdings:										
Rex Investment Holdings (RIH)	-	-	-	-	-	-	-	-	-	-
Pel-Air	-	-	42.4	31.5	-	-	-	-	-	73.9
AAPM	-	-	0.9	-	-	-	-	-	-	0.9
AAPA	-	-	27.6	-	-	-	-	-	-	27.6
National Jet Express (NJE)	-	-	-	12.0	-	-	-	-	-	12.0
Total non-circulating assets (before costs)	**102.8**	**1.5**	**105.4**	**43.5**	**-**	**-**	**-**	**-**	**13.1**	**266.4**
Administration funding	97.6	-	-	-	-	-	-	-	-	97.6
Administration costs	(47.9)	-	(11.4)	-	-	-	-	-	-	(59.4)
Liquidation costs	-	-	-	-	-	-	-	-	-	-
Distribution to secured creditors	**152.5**	**1.5**	**94.0**	**43.5**	**-**	**-**	**-**	**-**	**13.1**	**304.7**
Secured creditors:										
PAG	(148.3)	(148.3)	(148.3)	(148.3)	-	-	-	-	(148.3)	(148.3)
Commonwealth	(156.4)	(156.4)	(156.4)	(156.4)	-	-	-	-	(156.4)	(156.4)
Total secured creditors	**(304.7)**	**(304.7)**	**(304.7)**	**(304.7)**	**-**	**-**	**-**	**-**	**(304.7)**	**(304.7)**
Distribution to secured creditors:										
PAG	69.3	-	29.3	38.8	-	-	-	-	11.0	148.3
Commonwealth	83.3	1.5	64.7	4.8	-	-	-	-	2.2	156.4
Surplus / (deficit) to secured creditors	-	-	-	-	-	-	-	-	-	-
Circulating assets										
Cash	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Total circulating assets (before costs)	-	-	-	-	-	-	-	-	-	-
Administration funding	3.9	-	-	-	-	-	-	-	-	3.9
DOCA consideration - Employee Contribution	2.0	-	-	-	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-	-	-	-	-
Liquidation costs	-	-	-	-	-	-	-	-	-	-
Surplus / (deficit) to realisation costs	**5.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.9**
Surplus to secured creditor from non-circulating assets (if any)	-	-	-	-	-	-	-	-	-	-
Amount available to priority (employee) creditors	**5.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.9**
Priority (employee) creditors	(5.9)	-	-	-	-	-	-	-	(11.1)	(15.0)
Surplus / (deficit) to priority (employee) creditors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(11.1)**	**(11.1)**
Amount available to secured creditor	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deficit to secured creditor after non-circulating assets (if any)	-	-	-	-	-	-	-	-	-	-
Distribution to unsecured creditors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Unsecured creditors:	(320.9)	(5.0)	(0.0)	(33.0)	-	-	-	-	(210.7)	(320.9)
Return (cents in $)	-	-	-	-	-	-	-	-	-	-
Surplus / (deficit) to shareholders	**(320.9)**	**(5.0)**	**(0.0)**	**(33.0)**	**-**	**-**	**-**	**-**	**(210.7)**	**(320.9)**
Amount available to shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Estimated returns (cents in $)										
Secured creditors - PAG	*100c*	*100c*	*100c*	*100c*	*100c*	*100c*	*100c*	*100c*	*100c*	*100c*
Secured creditors - Commonwealth	*Secured debt to be assumed by Proponent under terms of the proposed DOCA*									
Priority employee creditors - continuing	*100c*				*100c*	*100c*	*100c*			*100c*
Priority employee creditors - terminating/terminated	*100c*								*0c*	*26c*
Unsecured creditors	*0c*	*0c*	*0c*	*0c*	*100c*	*100c*	*100c*	*100c*	*0c*	*0c*
Contingent liabilities - DXG	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*

1 – Please note that ~$16M of REX customers holding pre-paid tickets at the date of our appointment have effectively received a return of 100 cents in the dollar because of the ability of REX to continue to operate and deliver services on a business as usual basis throughout the VA.

The above EOS under the DOCA proposed by the Proponent assumes:

- A total estimated value of consideration under the proposed transaction of $172.5M as detailed at **section 9.2**. The estimated value has been allocated amongst the entities within the Rex Group based on a notional purchase price allocation referrable to the underlying value of assets held by each entity
- An estimated return to secured creditors as detailed at **Appendix K.1.2** below, including both realisations and distributions occurring during the administration and also as contemplated by the DOCA
- As a result of a going concern sale, estimated contingent priority employee claims of the Rex Group's continuing employees of between $37M and $40M do not crystallise, noting that these employees would otherwise be made redundant if the Rex Group were to be placed into liquidation)

K.1.2 EOS for secured creditors under the DOCA proposed by the Proponent

$AUD ('Millions) ex GST	PAG	Commonwealth	Total
Opening debt position	(121.3)	-	(121.3)
Add: Administration funding	(20.0)	(94.9)	(114.9)
Less: Funding allocated to REX separated employees	3.9	-	3.9
Add: Interest, costs and expenses	(10.9)	(11.4)	(22.3)
Debt position before refinance	**(148.3)**	**(106.4)**	**(254.7)**
Commonwealth refinance	50.0	(50.0)	-
Debt position after refinance	**(98.3)**	**(156.4)**	**(254.7)**
Less: Asset realisations applied to secured debt			
Pel-Air (including VAA and NAA)	53.3	-	53.3
Pel-Air (Beechcraft Super King Air B350)	2.8	8.3	11.1
37 Robey Street, Mascot (Rex House)	2.5	-	2.5
79-83 Baxter Road, Mascot (Head Office)	13.0	-	13.0
B737 Simulator + Property	6.1	-	6.1
National Jet Express (NJE)	12.0	-	12.0
Other non-core assets	8.6	-	8.6
Total asset realisations applied to secured debt	*98.3*	*8.3*	*106.6*
Residual debt position before DOCA	**-**	**(148.1)**	**(148.1)**
Indicative debt repaid at the date of completion	-	8.1	8.1
Residual debt position assumed by Proponent	**-**	**(140.0)**	**(140.0)**

The above EOS for secured creditors identifies:

- A repayment of PAG's initial debt position of approximately $120M from asset realisations during the administration to date together with the refinance by the Commonwealth of $50M of the PAG secured debt on 23 January 2025
- The estimated debt position of the Commonwealth as at the date of completion of approximately $148M to be repaid from an estimated distribution of surplus cash assets of the Rex Group of $8M at completion (subject to an agreed completion mechanism, and accounting for the Proponent's contribution of an amount representing certain cash and receivables assets to be retained by the Rex Group less allowable deductions for debt like items including prepaid tickets sold for flight scheduled to be flown after completion) and the assumption of the residual debt position of $140M by the Proponent under the DOCA

K.2 Estimated outcome statement – Liquidation

K.2.1 Rex Group – EOS in a Liquidation

	REX		REXPL		RIH		AP	
$AUD ('Millions) ex GST	High	Low	High	Low	High	Low	High	Low
Non-circulating assets								
Real Property	33.9	30.0	-	-	2.2	1.7	-	-
Fixed Assets (Regional)	44.8	35.3	1.1	0.6	23.8	11.9	-	-
Fixed Assets (Domestic)	-	-	-	-	-	-	-	-
Shareholdings:								
Rex Investment Holdings (RIH)	-	-	-	-	-	-	-	-
Pel-Air	-	-	-	-	42.4	42.4	31.5	31.5
AAPM	-	-	-	-	0.7	-	-	-
AAPA	-	-	-	-	21.2	12.7	-	-
National Jet Express (NJE)	-	-	-	-	-	-	12.0	12.0
Total non-circulating assets (before costs)	**78.7**	**65.3**	**1.1**	**0.6**	**90.3**	**68.7**	**43.5**	**43.5**
Administration funding	95.5	95.5	-	-	-	-	-	-
Administration costs	(47.9)	(47.9)	-	-	(11.4)	(11.4)	-	-
Liquidation costs	(7.8)	(9.6)	(0.3)	(0.3)	(2.6)	(2.7)	(0.2)	(0.3)
Distribution to secured creditors	**118.6**	**103.4**	**0.9**	**0.2**	**76.2**	**54.5**	**43.3**	**43.2**
Secured creditors:								
PAG	(148.3)	(148.3)	(148.3)	(148.3)	(148.3)	(148.3)	(148.3)	(148.3)
Commonwealth	(165.3)	(183.0)	(165.3)	(183.0)	(165.3)	(183.0)	(165.3)	(183.0)
Total secured creditors	**(313.6)**	**(331.3)**	**(313.6)**	**(331.3)**	**(313.6)**	**(331.3)**	**(313.6)**	**(331.3)**
Distribution to secured creditors:								
PAG	69.3	69.3	-	-	29.3	29.3	38.8	38.8
Commonwealth	49.3	34.1	0.9	0.2	46.9	25.2	4.6	4.5
Surplus / (deficit) to secured creditors	-	-	-	-	-	-	-	-
Circulating assets								
Cash	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Total circulating assets (before costs)	-	-	-	-	-	-	-	-
Administration funding	3.9	3.9	-	-	-	-	-	-
DOCA consideration - Employee Contribution	-	-	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-	-	-
Liquidation costs	-	-	-	-	-	-	-	-
Surplus / (deficit) to realisation costs	**3.9**	**3.9**	-	-	-	-	-	-
Surplus to secured creditor from non-circulating assets (if any)	-	-	-	-	-	-	-	-
Amount available to priority (employee) creditors	**3.9**	**3.9**	-	-	-	-	-	-
Priority (employee) creditors	(36.9)	(40.2)	-	-	-	-	-	-
Surplus / (deficit) to priority (employee) creditors	**(33.0)**	**(36.3)**	-	-	-	-	-	-
Amount available to secured creditor	-	-	-	-	-	-	-	-
Deficit to secured creditor after non-circulating assets (if any)	-	-	-	-	-	-	-	-
Distribution to unsecured creditors	-	-	-	-	-	-	-	-
Unsecured creditors:	(353.9)	(391.3)	(5.0)	(5.5)	(0.0)	(0.0)	(33.0)	(36.3)
Return (cents in $)	-	-	-	-	-	-	-	-
Surplus / (deficit) to shareholders	**(353.9)**	**(391.3)**	**(5.0)**	**(5.5)**	**(0.0)**	**(0.0)**	**(33.0)**	**(36.3)**
Amount available to shareholders	-	-	-	-	-	-	-	-
Estimated returns (cents in $)								
Secured creditors - PAG	*100c*	*100c*	*100c*	*100c*	*100c*	*100c*	*100c*	*100c*
Secured creditors - Commonwealth	*63c*	*35c*	*63c*	*35c*	*63c*	*35c*	*63c*	*35c*
Priority employee creditors - continuing								
Priority employee creditors - terminating/terminated	*11c*	*10c*						
Unsecured creditors	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*
Contingent liabilities - DXG	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*	*0c*

The above EOS in a liquidation of the Rex Group assumes:

- The Rex Regional business ceasing to operate on the appointment of liquidators and all remaining employees of the Rex Group being made redundant and crystallising additional priority employee claims of between $37M and $40M
- Liquidators undertaking an orderly realisation for the sale of the assets of the Rex Group in a piece-meal fashion
- The value of the existing aviation assets of the Rex Group, including its Saab aircraft fleet and associated spare parts, is based on third party independent valuations undertaken on a liquidation basis as defined by the International Valuation Standards

K.2.2 Subsidiaries – EOS in a Liquidation

	AAPA		AAPAV		AAPM		Rex Flyer	
$AUD ('Millions) ex GST	High	Low	High	Low	High	Low	High	Low
Non-circulating assets								
Real Property	-	-	1.20	0.68	-	-	-	-
Fixed Assets (Regional)	-	-	-	-	-	-	-	-
Fixed Assets	8.08	4.85	13.10	7.86	0.71	0.35	-	-
Shareholdings:	-	-	-	-	-	-	-	-
Rex Investment Holdings (RIH)	-	-	-	-	-	-	-	-
Pel-Air	-	-	-	-	-	-	-	-
AAPM	-	-	-	-	-	-	-	-
AAPA	-	-	-	-	-	-	-	-
National Jet Express (NJE)	-	-	-	-	-	-	-	-
Total non-circulating assets (before costs)	**8.08**	**4.85**	**14.30**	**8.54**	**0.71**	**0.35**	-	-
Administration funding	-	-	-	-	-	-	0.03	0.03
Administration costs	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	(0.03)	(0.03)
Liquidation costs	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.01)	(0.01)
Distribution to secured creditors	**7.96**	**4.72**	**14.18**	**8.41**	**0.58**	**0.23**	-	-
Secured creditors:	-	-	-	-	-	-	-	-
PAG	-	-	-	-	-	-	-	-
Commonwealth	(165.26)	(183.03)	(165.26)	(183.03)	(165.26)	(183.03)	(165.26)	(183.03)
Total secured creditors	**(165.26)**	**(183.03)**	**(165.26)**	**(183.03)**	**(165.26)**	**(183.03)**	**(165.26)**	**(183.03)**
Distribution to secured creditors:	-	-	-	-	-	-	-	-
PAG	-	-	-	-	-	-	-	-
Commonwealth	2.72	0.74	5.65	1.90	0.41	0.07	-	-
Surplus / (deficit) to secured creditors	**(162.54)**	**(182.29)**	**(159.61)**	**(181.12)**	**(164.85)**	**(182.96)**	**(165.26)**	**(183.03)**
Circulating assets								
Cash	0.68	0.68	1.36	1.36	0.11	0.11	-	-
Inventory	-	-	0.19	0.05	0.11	-	-	-
Receivables	0.33	0.14	0.19	0.08	-	-	-	-
Total circulating assets (before costs)	**1.01**	**0.82**	**1.74**	**1.49**	**0.22**	**0.11**	-	-
Administration funding	-	-	-	-	0.10	0.10	0.03	0.03
DOCA consideration - Employee Contribution	-	-	-	-	-	-	-	-
Liquidation costs	(0.03)	(0.05)	(0.02)	(0.04)	(0.03)	(0.04)	(0.03)	(0.03)
Liquidation costs	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Surplus / (deficit) to realisation costs	**0.95**	**0.71**	**1.69**	**1.39**	**0.25**	**0.11**	**(0.03)**	**(0.03)**
Surplus to secured creditor from non-circulating assets (if any)	-	-	-	-	-	-	-	-
Amount available to priority (employee) creditors	**0.95**	**0.71**	**1.69**	**1.39**	**0.25**	**0.11**	-	-
Priority (employee) creditors	(0.05)	(0.10)	(0.24)	(0.27)	(0.62)	(0.50)	-	-
Surplus / (deficit) to priority (employee) creditors	**0.90**	**0.61**	**1.45**	**1.13**	**(0.37)**	**(0.38)**	-	-
Amount available to secured creditor	**0.90**	**0.61**	**1.45**	**1.13**	-	-	-	-
Deficit to secured creditor after non-circulating assets (if any)	(161.64)	(181.68)	(158.16)	(180.00)	(164.85)	(182.96)	(165.26)	(183.03)
Distribution to unsecured creditors	-	-	-	-	-	-	-	-
Unsecured creditors:	(19.93)	(19.93)	(19.83)	(0.40)	(0.40)	(0.60)	-	-
Return (cents in $)	-	-	-	-	-	-	-	-
Surplus / (deficit) to shareholders	**(181.57)**	**(201.61)**	**(177.99)**	**(180.40)**	**(165.25)**	**(183.56)**	**(165.26)**	**(183.03)**
Amount available to shareholders	-	-	-	-	-	-	-	-
Estimated returns (cents in $)								
Secured creditors - PAG		*100c*		*100c*		*100c*		*100c*
Secured creditors - Commonwealth		*35c*		*35c*		*35c*		*35c*
Priority employee creditors - continuing								
Priority employee creditors - terminating/terminated		*0c*		*0c*		*0c*		
Unsecured creditors		*0c*		*0c*		*0c*		*0c*
Contingent liabilities - DXG		*0c*		*0c*		*0c*		*0c*

The above EOS in a liquidation of the Subsidiaries assumes:

- In a liquidation scenario, employees of the Subsidiaries may be eligible for payment from FEG
- There will be insufficient funds available to distribute to unsecured creditors in a liquidation scenario

K.2.2 RAL – EOS in a Liquidation

	RAL	
$AUD ('Millions) ex GST	High	Low
Non-circulating assets		
Real Property	-	-
Fixed Assets (Regional)	-	-
Fixed Assets (Domestic)	13.1	11.6
Shareholdings:		
Rex Investment Holdings (RIH)	-	-
Pel-Air	-	-
AAPM	-	-
AAPA	-	-
National Jet Express (NJE)	-	-
Total non-circulating assets (before costs)	**13.1**	**11.6**
Administration funding	-	-
Administration costs	-	-
Liquidation costs	(0.2)	(0.3)
Distribution to secured creditors	**12.9**	**11.3**
Secured creditors:		
PAG	(148.3)	(148.3)
Commonwealth	(165.3)	(183.0)
Total secured creditors	**(313.6)**	**(331.3)**
Distribution to secured creditors:		
PAG	11.0	11.0
Commonwealth	2.0	0.4
Surplus / (deficit) to secured creditors	-	-
Circulating assets		
Cash	-	-
Receivables	-	-
Total circulating assets (before costs)	-	-
Administration funding	-	-
DOCA consideration - Employee Contribution	-	-
Administration costs	-	-
Liquidation costs	-	-
Surplus / (deficit) to realisation costs	-	-
Surplus to secured creditor from non-circulating assets (if any)	-	-
Amount available to priority (employee) creditors	-	-
Priority (employee) creditors	(11.1)	(12.3)
Surplus / (deficit) to priority (employee) creditors	**(11.1)**	**(12.3)**
Amount available to secured creditor	-	-
Deficit to secured creditor after non-circulating assets (if any)	-	-
Distribution to unsecured creditors	-	-
Unsecured creditors:	(210.7)	(232.7)
Return (cents in $)	-	-
Surplus / (deficit) to shareholders	**(210.7)**	**(232.7)**
Amount available to shareholders	-	-
Estimated returns (cents in $)		
Secured creditors - PAG	*100c*	*100c*
Secured creditors - Commonwealth	*63c*	*35c*
Priority employee creditors - continuing		
Priority employee creditors - terminating/terminated	*0c*	*0c*
Unsecured creditors	*0c*	*0c*
Contingent liabilities - DXG	*0c*	*0c*

The above EOS in a liquidation of RAL assumes:

- Available assets are limited to surplus non-core assets which have already substantially been realised by the Administrators and applied towards repayment of secured debt, as detailed at **Appendix K.1.2** above
- As the date of this report, an immaterial amount of various Boeing 737 aircraft spare parts and rotables owned by RAL continue to be sold progressively by the Administrators' agent, C&L Aerospace. Future realisations from remaining fixed assets occurring during a liquidation of RAL will continue to be applied towards repayment of the Commonwealth's secured debt position
- FEG has already paid entitlements to eligible employees of RAL
- There will be no dividend paid to employee creditors or unsecured creditors in a liquidation scenario

Appendix L Administrators' Approved Remuneration

Rex Group and RAL – approved by COI

Meeting date	Remuneration period	Company	Amount ($ ex GST)
13 November 2024	30 July 2024 to 1 November 2024	REX	6,142,420
		RAL	1,231,974
		RIH	1,226,184
		REPL	211,810
		AP	1,129,100
		Sub-total	**9,941,488**
21 February 2025	1 November 2024 to 31 January 2025	REX	5,997,341
		RAL	374,186
		RIH	864,297
		REPL	89,360
		AP	854,759
		Sub-total	**8,180,103**
15 May 2025	1 February 2025 to 30 April 2025	REX	5,397,128
		RAL Note 1	236,897 (originally $38,564)
		RIH Note 1	73,336 (originally $359,913)
		REPL Note 1	359,913 (originally $236,897)
		AP Note 1	38,564 (originally $73,336)
		Sub-total	**6,105,838**
17 June 2025	1 May 2025 to 31 May 2025	REX	2,018,726
		RAL	108,243
		RIH	14,917
		REPL	27,856
		AP	20,427
		Sub-total	**2,190,169**
10 September 2025	1 June 2025 to 31 August 2025	REX	4,271,776
		RAL	249,638
		RIH	34,088
		REPL	96,081
		AP	49,390

Meeting date	Remuneration period	Company	Amount ($ ex GST)
		Sub-total	**4,700,973**
23 October 2025	1 September 2025 to 10 October 2025	REX	2,071,868
		RAL	70,943
		RIH	22,708
		REPL	25,747
		AP	29,842
		Sub-total	2,221,108
Total			**33,339,679**

Note 1 - After the meeting of the COI held on 15 May 2025, some irregularities were identified with respect to the application of remuneration amounts against the incorrect Rex Group company which were then rectified at the COI meeting on 17 June 2025 to approve the correct remuneration for the period 1 February 2025 to 30 April 2025 for RAL, RIH, REPL and AP

Subsidiaries – approved by creditors

Meeting date	Remuneration period	Company	Amount ($ ex GST)
28 October 2025	20 October 2025 to 11 November 2025	AAPA	100,000
		AAPAV	100,000
		AAPM	100,000
		Rex Flyer	50,000
Total			**350,000**

Appendix M Creditors' Portal Instructions

We are using the Creditors' Portal to communicate with creditors, manage creditor claims and vote on resolutions at the Second Meeting.

Creditors will be required to log into the Creditors' Portal to vote on resolutions for the Second Meeting. Creditors will be able to vote on resolutions in advance of the Second Meetings from **2pm (AEDT) on 7 November 2025** up to the time the Chairperson closes the voting on resolutions during the Second Meeting. **To facilitate the efficient conduct of the Second Meetings, creditors are asked to vote on the resolutions prior to the commencement of the Second Meetings where possible.**

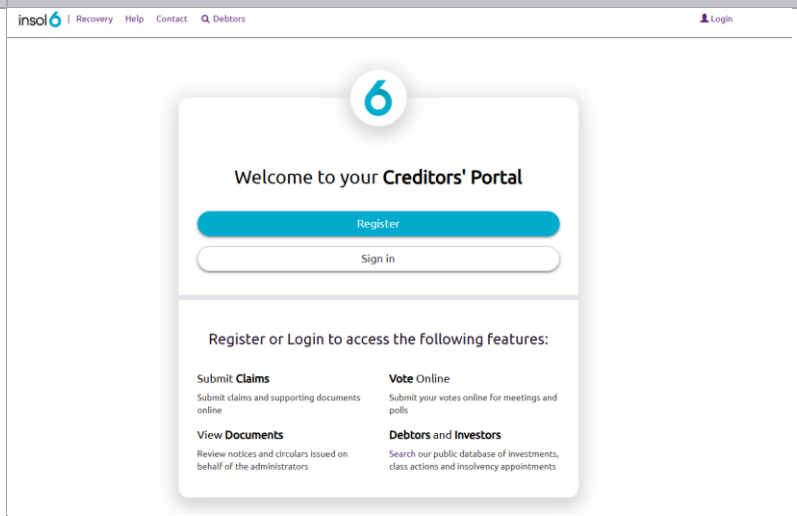
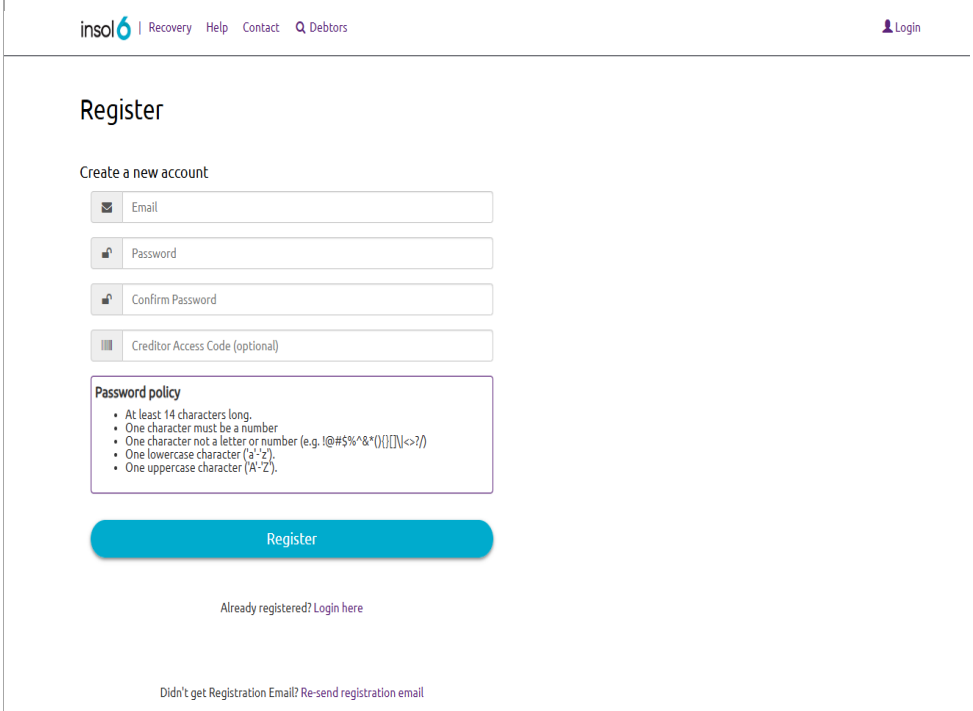
We have prepared this guide to assist you as a creditor to understand the steps that must occur to ensure are appropriately registered and can submit your vote on the Creditors' Portal.

Please note:

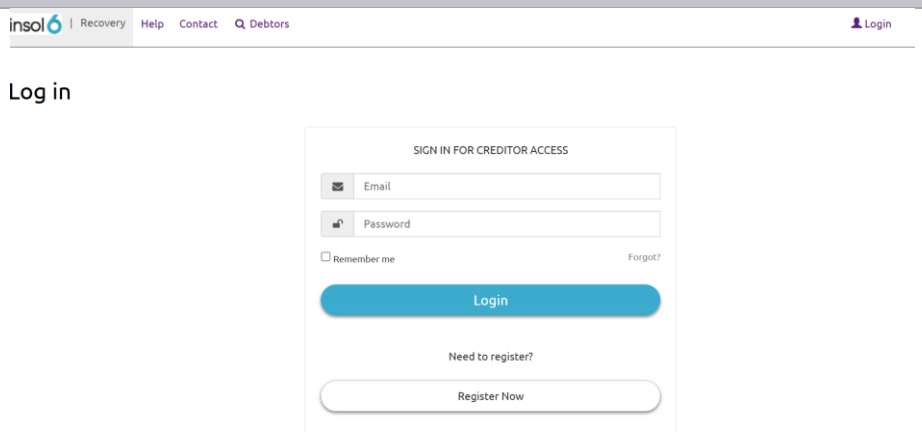
- You should have already received an email containing your unique creditor code from the Administrators to assist with your registration process
- You will only need to register as a user once using your relevant email address
- If you have already registered, please proceed to *Step 3*
- The email used to register a claim on the Creditors' Portal will receive all notifications including circulars and reports issued by the Administrators
- If you are a creditor of multiple companies the following steps will be required to be completed for each company.
- If you are an employee creditor of the Companies, your proof of debt will be pre-populated with an estimate of your outstanding employee entitlements as at the date of appointment and you will only need complete Step 1, 2, 3, 4, 6,7 to vote ahead or during the Second Meetings.

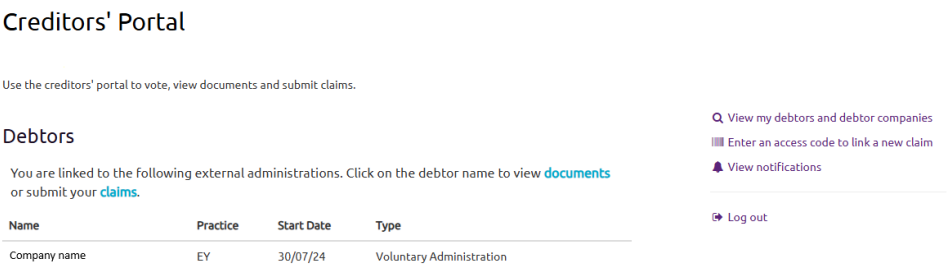
Please refer to the following link for further instructions on how to register, submit and manage a claim: Help for the EY Creditors' Portal

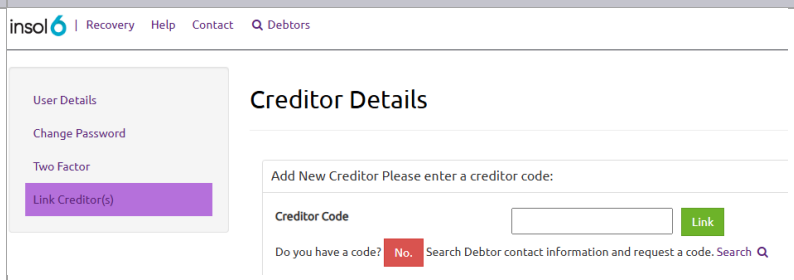
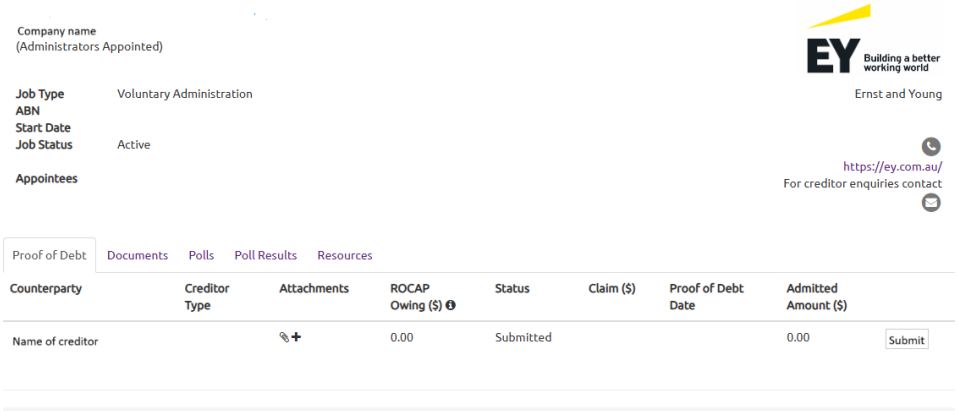
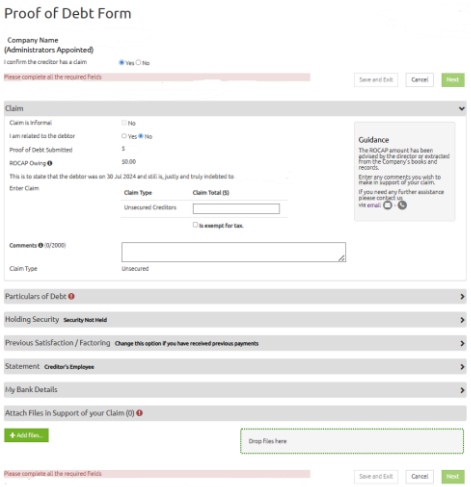
Step	Description
1. Register	▪ Using chrome, edge or firefox, register as a user at this link: Log in - EY Creditors Portal

Step	Description
	 ▶ Please ensure you register using the unique creditor code provided to you (if provided).  ▪ Already registered: Please go to Step 3.
2. Verification	▪ A confirmation email will be sent to the email you have registered with (verify within 24 hours). ▪ Once verified, you will be able to login. Continue to Step 3.
3. Log in	▪ Log in using your username and password

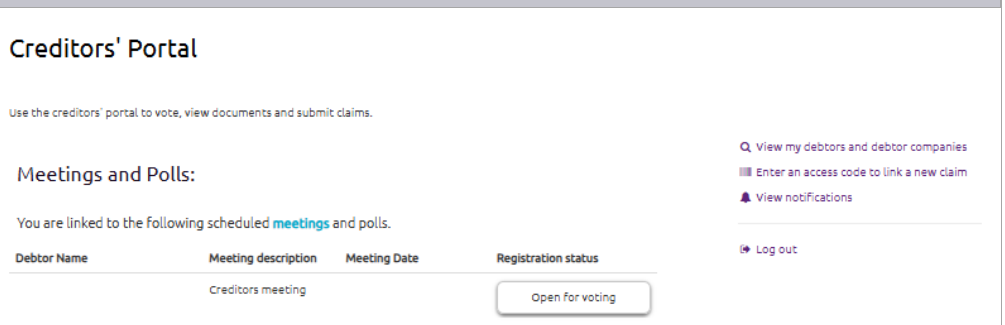
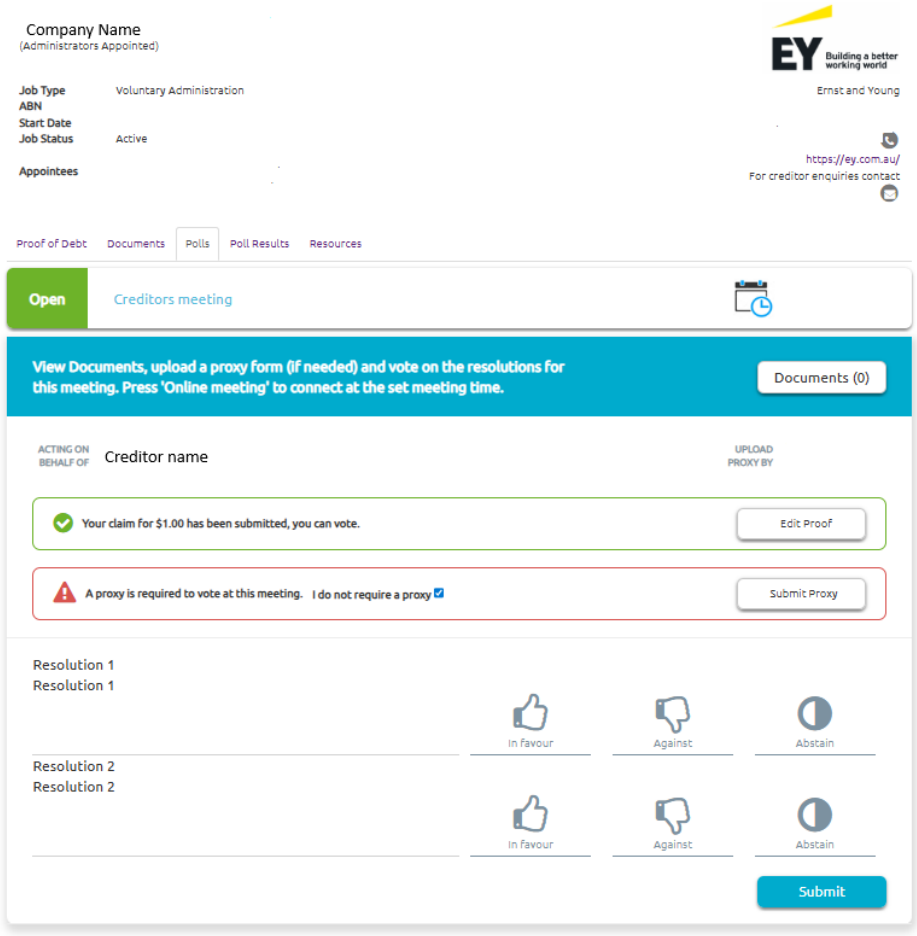
Step	Description

	
	▪ You will be prompted to:
	  ▪ Individual creditor – input first and last name
	  ▪ Company creditor – insert ABN
	▪ You will be redirected to a screen make a declaration to confirm that you are authorised to act on behalf of the company or individual and agree on how you wish to receive future correspondence.

4. Link claim	▪ Once you login, you should be able to view the Company under "*Debtors*" on your landing page or click "*Debtors*" at the top and the Company should be under "*My Debtors*".  ▪ If you are unable to view the Company on the above, you will need a unique creditor code to link your claim. You should have already received your unique creditor code. If you have not received your unique creditor code please contact rex.creditors@au.ey.com ▪ Once you receive your creditor code, log in and click on your username in the top right-hand side and click on "*Creditor Admin*" and input your code and click "Link".

Step	Description
	 ▪ There will be an option to provide an ABN (if relevant) for company creditors, click "I do not have an ABN" (individuals) and then click "continue". ▪ Follow the prompts.
5. Submit your claim	▪ You will be able to view the Company on the landing page or under the "*Debtors*" tab and click "*My Debtors*". Click on the "*Company*" or "*Details*" to be directed to the company. ▪ Click on the "*Proof of Debt*" ("POD") tab. ▪ Click on the "*Submit*" button and start completing the POD form.  ▪ Tick "No" to the question "Is your proof of debt informal". If you are an employee creditor, this will not be an option. 

Step	Description
	▪ Upload any supporting documentation for consideration. ▪ Press "*Next*" and "*Submit*".
6. Submit a proxy (if relevant)	You are required to submit a proxy if you are a company creditor or an individual nominating another person to attend the meeting on your behalf. ▪ General proxies **must be in favour of an Administrator or the Chairperson**. ▪ Special proxies – you must nominate a proxy to attend on your behalf. You must also indicate how you wish to vote for each resolution. We will record those votes on the Creditors' Portal before the Second Meetings commence. Proxies must be lodged with the Administrators by **12pm (AEDT) on 7 November 2025**
7. Voting	▪ Voting for the Second Meetings will occur electronically by poll. All poll votes will be counted by the Administrators regardless of whether those creditors (or their proxy or attorney) were present at the Second Meeting. Voting will be available via the following options: **Option A –** By lodging a special proxy form before the meeting, or **Option B** – By logging in and voting on the Creditors' Portal before (preferred) or during the meeting **Option A** ▪ The Administrators can enter your votes ahead of the Second Meetings and you will not be required to log into the Creditors' Portal to cast your votes ▪ Please complete the proxy form in favour of your nominated person (which can be the Administrator or Chairperson) and vote on the resolutions as a "special proxy", by **12pm (AEDT) on 7 November 2025**. The Administrators will enter your votes in the Creditors' Portal before the Second Meetings commence. ▪ If you are a creditor of multiple companies, you will be required to complete the proxy forms relevant to each company you are a creditor of. **Option B** ▪ The Creditor' Portal will open for you to from **2pm (AEDT) on 7 November 2025** up to the time the Chairperson closes the voting on the resolutions during the Second Meeting. ▪ Log into the Portal from **2pm (AEDT) on 7 November 2025** and click on "Open for voting" on the landing page or the "Debtors" tab and then click on "My Debtors" and click on the relevant company.

Step	Description
	 ▪ You will be able to view the online meeting under the "*Polls*" tab. ▪ If you are a company creditor, tick "I do not require a proxy" – you can only do this if you have already lodged your proxy form with the Administrators (refer Step 6)  ▪ You will be able to access voting from **2pm (AEDT) on 7 November 2025** up to the time the Chairperson closes the voting during the Second Meetings. ▪ You will be able to cast your votes before the Second Meetings or during the Second Meetings. The chairperson will read the resolutions and allow time to vote prior to locking the resolutions.

Step	Description
	▪ Please ensure you click "*Submit*" after placing your votes.

Appendix N Forms to be completed

Creditors should review the contents of this report and complete the following forms by **12pm (AEDT) on 7 November 2025**:

Form / voting	Instructions
Appointment of proxy - (form 532) (**Appendix N1 – Rex Group and Subsidiaries**) (**Appendix N2 - RAL**)	▪ General proxies **must be** in favour of an Administrator or the Chairperson ▪ For the efficient conduct of the Second Meeting, creditors are encouraged to submit a special proxy indicating how they wish to vote on the resolutions – these votes will be recorded in the Creditors' Portal prior to the Second Meeting. ▪ Creditors are encouraged to Completed proxy forms are to be returned by **12pm (AEDT) on 7 November 2025** to: **Email:** rex.creditors@au.ey.com , or **Post:** GPO Box 2646, Sydney NSW 2001, Australia Proxy forms submitted after **12pm (AEDT) on 7 November 2025** will be disregarded.
Proof of debt - (form 535)	Lodge on the Creditors' Portal by **12pm (AEDT) on 7 November 2025** Log in - EY Creditors Portal
Register to attend the Second Meeting	Register **by 12pm (AEDT) on 7 November 2025** to attend the meeting at this link: Please click on this Second Meetings Registration Link to register to attend the Second Meeting. Please contact this office by email to rex.creditors@au.ey.com if you have any difficulty completing the form. A conference link will be emailed on the last business day prior to the meeting. You will be required to dial into the meeting using teleconference link.
Online voting for the Second Meeting	Voting for the Second Meetings will occur electronically by poll. All poll votes will be counted by the Administrators regardless of whether those creditors (or their proxy or attorney) were present at the Second Meeting. For the efficient conduct of the Second Meeting, creditors who do not wish to lodge a special proxy, are requested to log onto the Creditor' Portal before the meeting to cast their votes. To vote on the resolutions for the Second Meetings creditors must: ▪ Lodge their proxy form with the Administrators by **12pm (AEDT) on 7 November 2025** ▪ Lodge their proof of debt on the Creditors' Portal by **12pm (AEDT) on 7 November 2025** ▪ Log into the Creditors' Portal at any time after **2pm (AEDT) on 7 November 2025** and click on the meeting for the relevant company that you are a creditor for – it will say "open for voting" and you should be able to view the resolutions for the meeting ▪ If you have submitted your proxy form, or if you are an individual creditor, place a tick in the box "I do not need a proxy". Please note you should not tick this box if you are representing a corporate creditor without ensuring you have submitted your proxy form to the Administrators first or your votes will not be valid ▪ Ensure you click "submit" after you vote for each resolution to ensure your votes are submitted ▪ If you are a creditor of more than one company, you will need to go back to the home page to click on the relevant company meeting **to submit your votes for each company**

Appendix N1 – Appointment of proxy – Rex Group and the Subsidiaries

Form 532 - Appointment of Proxy *Insolvency Practice Rules (Corporations) 2016, Section 75-25*	Return to no later than **12pm (AEDT) on 7 November 2025** to: Ernst & Young: GPO Box 2646, Sydney NSW 2001, Australia Tel: +61 2 9248 5555 Email: rex.creditors@au.ey.com

Date of Appointment: 30/07/2024

Indebted Company (all Administrators Appointed)	Please tick relevant Company(ies)
Regional Express Holdings Limited ACN 099 547 270	☐
Rex Investment Holdings Pty Ltd ACN 101 317 677	☐
Regional Express Pty Ltd ACN 101 325 642	☐
Air Partners Pty Ltd ACN 065 221 356	☐
Australian Airline Pilot Academy Pty Ltd ACN 128 392 469	☐
AAPA Victoria Pty Ltd ACN 118 837 586	☐
Australian Aero Propeller Maintenance Pty Ltd ACN 131 278 889	☐
Rex Flyer Pty Ltd ACN 671 816 621	☐

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

[1]

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

[2] of

(address)

[3] Tel: [4] Email:

B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

[1] I/We, as named in section A above, a creditor/employee/contributory/member of the Company, appoint

[2]

(name of person appointed as proxy)

[3] [4] or in his / her absence

(address of person appointed as proxy)

[5]

(name of person appointed as alternate proxy)

[6] [7] as *my / *our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on 11 November 2025 at 2pm (**AEDT**) via Microsoft Live Teams platform, or at any adjournment of that meeting in accordance with the instructions in section C below.

C. Voting Instructions

[1] *My / *Our proxy, as named in section B above, is entitled to act as *my / *our :

☐ [2] **general proxy**, to vote on *my / *our behalf **and / or**

☐ [3] **special proxy,** to vote on *my / *our behalf specifically as follows:

Resolution	For	Against	Abstain
Resolutions - DOCA			
1. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), Regional Express Holdings Limited, Rex Investment Holdings Pty Ltd, Regional Express Pty Ltd, Air Partners Pty Ltd, Australian Airline Pilot Academy Pty Ltd, AAPA Victoria Pty Ltd, Australian Aero Propeller Maintenance Pty Ltd and Rex Flyer Pty Ltd execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting).	☐	☐	☐
2. That a Committee of Inspection be formed for the Deed of Company Arrangement comprising Noel McCoy or in his absence Scott Atkins, both of Norton Rose Fullbright (Commonwealth), Archie Ramsay (WBC), Henry Carr (DEWR), Simon Lutton (AFAP Union), Teri O'Toole (FAAA Union), Edward Knell (TWU), Michael Gilderdale (Australian Pacific Airports (Melbourne) Pty Ltd), Cameron Hoffman (Maranoa Regional Council), Stuart Richardson (Aus Flight Handling Pty Ltd), Troy Troiani (Sabre Asia Pacific Pte Ltd/Sabre GLBL Inc), Justin Cheng Kim Chuen (The Branksome Residences Pty Ltd) and Sam Hardy (National Jet Express Pty Ltd).	☐	☐	☐
Resolutions – Creditors' Trust (if you voted for a DOCA – PLEASE COMPLETE this section)			
3. That a Committee of Inspection be formed for the Creditors Trust comprising Noel McCoy or in his absence Scott Atkins, both of Norton Rose Fullbright (Commonwealth), Archie Ramsay (WBC), Henry Carr (DEWR), Simon Lutton (AFAP Union), Teri O'Toole (FAAA Union), Edward Knell (TWU), Michael Gilderdale (Australian Pacific Airports (Melbourne) Pty Ltd), Cameron Hoffman (Maranoa Regional Council), Stuart Richardson (Aus Flight Handling Pty Ltd), Troy Troiani (Sabre Asia Pacific Pte Ltd/Sabre GLBL Inc), Justin Cheng Kim Chuen (The Branksome Residences Pty Ltd) and Sam Hardy (National Jet Express Pty Ltd).	☐	☐	☐
Resolutions – Liquidation (if you voted for a DOCA - PLEASE DO NOT COMPLETE this section)			
4. That the Company be wound up.	☐	☐	☐
5. If the Company is wound up and an alternate Liquidator is proposed, a resolution will be put to the meeting to consider any alternative appointee (if applicable).	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting
6. That a Committee of Inspection be formed for the Liquidation comprising Noel McCoy or in his absence Scott Atkins, both of Norton Rose Fullbright (Commonwealth), Archie Ramsay (WBC), Henry Carr (DEWR), Simon Lutton (AFAP Union), Teri O'Toole (FAAA Union), Edward Knell (TWU), Michael Gilderdale (Australian Pacific Airports	☐	☐	☐

Resolution	For	Against	Abstain
(Melbourne) Pty Ltd), Cameron Hoffman (Maranoa Regional Council), Stuart Richardson (Aus Flight Handling Pty Ltd), Troy Troiani (Sabre Asia Pacific Pte Ltd/Sabre GLBL Inc), Justin Cheng Kim Chuen (The Branksome Residences Pty Ltd) and Sam Hardy (National Jet Express Pty Ltd).			
7. That, pursuant to Section 477(2A) of the Corporations Act 2001, creditors authorise the Liquidators to compromise a debt owed to the Company up to a maximum limit of $200,000.	☐	☐	☐
8. That, pursuant to Section 477(2B) of the Corporations Act 2001, creditors authorise the Liquidators to enter into any agreement on the Company's behalf where: a) the term of the agreement may end; or b) obligations of a party to the agreement may, according to the terms of the agreement, be discharged by performance; more than three months after the agreement is entered into.	☐	☐	☐
9. That, subject to obtaining the approval of the Australian Securities & Investments Commission (**ASIC**) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Company and of the Liquidators be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.	☐	☐	☐
Resolutions – Administration should end (if you voted for a DOCA or liquidation PLEASE DO NOT COMPLETE this section)			
10. That the Administration should end.	☐	☐	☐

D. Signature

[1] Dated:

[2] Signature:

[3] Name / Capacity:

Appendix N2 – Appointment of proxy – RAL

Form 532 - Appointment of Proxy *Insolvency Practice Rules (Corporations) 2016, Section 75-25*	Return to no later than **12pm (AEDT) on 7 November 2025** to: Ernst & Young: GPO Box 2646, Sydney NSW 2001, Australia Tel: +61 2 9248 5555 Email: rex.creditors@au.ey.com

Indebted Company: Rex Airlines Pty Ltd (Administrators Appointed) ACN 099 547 270
Date of Appointment: 30/07/2024

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

1

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

2 of

(address)

3 Tel: 4 Email:

B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

1 I/We, as named in section A above, a creditor/employee/contributory/member of the Company, appoint

2

(name of person appointed as proxy)

3 4 or in his / her absence

(address of person appointed as proxy)

5

(name of person appointed as alternate proxy)

6 7 as *my / *our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on **11 November 2025 at 2pm** (**AEDT**) via Microsoft Live Teams platform, or at any adjournment of that meeting in accordance with the instructions in section C below.

C. Voting Instructions

1 *My / *Our proxy, as named in section B above, is entitled to act as *my / *our :

☐ 2 **general proxy**, to vote on *my / *our behalf **and / or**

☐ 3 **special proxy,** to vote on *my / *our behalf specifically as follows:

Resolution	For	Against	Abstain
Resolutions – Liquidation			
1. That the Company be wound up.	☐	☐	☐

Resolution	For	Against	Abstain
2. If the Company is wound up and an alternate Liquidator is proposed, a resolution will be put to the meeting to consider any alternative appointee (if applicable).	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting
3. That, pursuant to Section 477(2A) of the Corporations Act 2001, creditors authorise the Liquidators to compromise a debt owed to the Company up to a maximum limit of $200,000.	☐	☐	☐
4. That, pursuant to Section 477(2B) of the Corporations Act 2001, creditors authorise the Liquidators to enter into any agreement on the Company's behalf where: c) the term of the agreement may end; or d) obligations of a party to the agreement may, according to the terms of the agreement, be discharged by performance; more than three months after the agreement is entered into.	☐	☐	☐
5. That, subject to obtaining the approval of the Australian Securities & Investments Commission (**ASIC**) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Company and of the Liquidators be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.	☐	☐	☐
Resolutions – Administration should end (if you voted for liquidation PLEASE DO NOT COMPLETE this section)			
6. That the Administration should end.	☐	☐	☐

D. Signature

[1] Dated:

[2] Signature:

[3] Name / Capacity:

Creditor Assistance Sheet: Completing a Proxy Form

Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership, or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership, or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership, or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership, or company that the debt is owed to.

Section B – Appointment of Person to Act as Proxy

1. Cross out any wording that is not applicable. For example, if the employee/individual/sole trader/partnership/company is a creditor, cross out '*eligible employee creditor', '*contributory', '*debenture holder' and '*member'.
2. Insert the name of the person who will be exercising the creditor's vote at the meeting. If someone is attending the meeting in person, that person's name should be inserted. Alternatively, if someone is unable to attend, but you still want to cast a vote at the meeting, then you can appoint the Chairperson of the meeting to vote on your behalf by inserting the words 'the Chairperson' here.
3. Insert the address of the person nominated at (2) that will be attending the meeting as proxy. If you have elected 'the Chairperson' because no one is attending in person, leave this row blank.
4. Cross out any wording that is not applicable.
5. If the person you have elected to attend is unavailable on the day, you may nominate a second person to attend in their absence. Alternatively, you can appoint the Chairperson of the meeting to vote on your behalf by inserting 'the Chairperson'.
6. Insert the address of the second person here. If you have elected 'the Chairperson', leave this row blank.
7. Cross out any wording that is not applicable.

Section C – Voting Instructions

1. Cross out any wording that is not applicable.
2. Insert an 'X' in this box if you want the person who is attending the meeting to vote as they see fit on each of the resolutions in the 'Resolution' table. If you select this option, proceed to Section D, unless you wish to vote specifically on certain resolutions, in which case you also insert an 'X' in the special proxy box and select 'For', 'Against' or 'Abstain' on the resolutions. The person voting at the meeting will have discretion to vote as they see fit on any resolutions where you have not selected 'For', 'Against' or 'Abstain'.
3. Insert an 'X' in this box if you want the person who is attending the meeting, to vote exactly in accordance with your instructions. If you select this option, you must select 'For', 'Against' or 'Abstain' for each of the resolutions in the 'Resolution' table. Do not tick more than one box for each resolution.

Section D – Signature Instructions

1. Insert the date that the proxy form is being signed.
2. The form should be signed by one of the following persons:
3. If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
4. If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
5. If the debt is owed to a partnership, then one of the partners of the partnership; or
6. If the debt is owed to a company, then a duly authorised office of the company (normally a director or secretary of the company).
7. Insert the name of the person signing the form, and note their capacity (that is, their role):
8. If the debt is owed to a sole trader, note their capacity as proprietor, eg: "[Full name], proprietor"; or
9. If the debt is owed to a partnership, note their capacity as partner, eg: "[Full name], partner of the firm named in Section A above"; or
10. If the debt is owed to a company, note their capacity as director or secretary, eg: "[Full name], director/secretary of the company named in Section A above"]

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Our report may be relied upon for the purpose of providing information to creditors of Regional Express Group of Companies (Administrators Appointed). We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party.

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Attachment 5 – Interlocutory Process filed by the Deed Administrators in relation to the Section 444GA Application

NOTICE OF FILING AND HEARING

Filing and Hearing Details

Document Lodged**:**	Interlocutory process (Rule 2.2): Federal Court (Corporations) Rules 2000 form 3
Court of Filing:	FEDERAL COURT OF AUSTRALIA (FCA)
Date of Lodgment:	19/11/2025 10:20:20 PM AEDT
Date Accepted for Filing:	20/11/2025 9:17:17 AM AEDT
File Number:	NSD1050/2024
File Title:	IN THE MATTER OF REGIONAL EXPRESS HOLDINGS LIMITED ACN 099 547 270 (ADMINISTRATORS APPOINTED) & ORS
Registry:	NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA
Reason for Listing:	To Be Advised
Time and date for hearing:	To Be Advised
Place:	To Be Advised

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.

Form 3 Interlocutory process

(rules 2.2, 15A.4, 15A.8 and 15A.9)

No. NSD1050 of 2024

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations

IN THE MATTER OF REGIONAL EXPRESS HOLDINGS LIMITED (ACN 099 547 270) (ADMINISTRATORS APPOINTED) AND OTHERS

SAMUEL FREEMAN, JUSTIN WALSH AND ADAM NIKITINS IN THEIR CAPACITY AS JOINT AND SEVERAL ADMINISTRATORS OF EACH OF REGIONAL EXPRESS HOLDINGS LIMITED (ACN 099 547 270) (ADMINISTRATORS APPOINTED) AND THE THIRD TO SIXTH PLAINTIFFS NAMED IN THE SCHEDULE

First Plaintiffs / First Applicants

AND OTHERS NAMED IN THE SCHEDULE

A. DETAILS OF APPLICATION

This application is made under sections 444GA, 447A and 477(2B) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and section 90-15 of the *Insolvency Practice Schedule (Corporations)*, being Schedule 2 to the Corporations Act, and sections 37AF and 37AG of the *Federal Court of Australia Act 1976* (Cth), for orders that the First Plaintiffs, Samuel Freeman, Justin Walsh and Adam Nikitins, in their capacities as joint and several deed administrators of the Second to Fifth Plaintiffs, be granted leave to transfer all of the existing shares in the Second Plaintiff, Regional Express Holdings Limited (Subject to Deed of Company Arrangement) (ACN 099 547 270) to Air T Rex Acquisition, Inc.

On the facts stated in the supporting affidavit of Samuel John Freeman affirmed 19 November 2025 (**Freeman Affidavit**), the First Plaintiffs apply for the following relief:

Procedural orders (to be made at the first return date of the Interlocutory Process)

1. Pursuant to section 23 of the *Federal Court of Australia Act 1976* (Cth) (**Federal Court Act**), the name of each of the Plaintiffs in the proceeding be amended as follows:

Filed on behalf of (name and role of party) First to Sixth Plaintiffs
Prepared by (name of person/lawyer) Jillian McAleese
Law firm (if applicable) White & Case LLP
Tel + 61 2 8249 6602 Fax + 61 2 8249 2699
Email jillian.mcaleese@whitecase.com
Address for service (include state and postcode) Level 50, Governor Phillip Tower, 1 Farrer Place Sydney NSW 2000

(a) in respect of the First Plaintiffs: Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several deed administrators of each of Regional Express Holdings Limited (Subject to Deed of Company Arrangement) (ACN 099 547 270) and the third to fifth plaintiffs named in the schedule, and in their capacity as joint and several liquidators of Rex Airlines Pty Ltd (In Liquidation) (ACN 642 400 048);

(b) in respect of the Second Plaintiff: Regional Express Holdings Limited (Subject to Deed of Company Arrangement) (ACN 099 547 270);

(c) in respect of the Third Plaintiff: Air Partners Pty Ltd (Subject to Deed of Company Arrangement) (ACN 065 221 356);

(d) in respect of the Fourth Plaintiff: Rex Investment Holdings Pty Limited (Subject to Deed of Company Arrangement) (ACN 101 317 677);

(e) in respect of the Fifth Plaintiff: Regional Express Pty Limited (Subject to Deed of Company Arrangement) (ACN 101 325 642); and

(f) in respect of the Sixth Plaintiff: Rex Airlines Pty Ltd (In Liquidation) (ACN 642 400 048).

2. The First Plaintiffs (**Deed Administrators**) give notice to the creditors, Instrument Beneficiaries (as that term is defined in the Freeman Affidavit) and members of the Second Plaintiff (**Company**) of the Interlocutory Process, the hearing date of this application, the Explanatory Statement and the availability of the independent expert's report of KPMG Financial Advisory Services (Australia) Pty Ltd dated 5 November 2025 (**Notice**), within 2 business days of the date of the orders, by the following methods:

(a) where the Deed Administrators have an email address for a creditor (including persons or entities claiming to be creditors), Instrument Beneficiary or member (including from the books and records maintained by the Company), by notifying each such creditor, Instrument Beneficiary or member, via email;

(b) where the Deed Administrators do not have an email address for a creditor, Instrument Beneficiary or member (or have received notification of non-delivery of a notice sent by email in accordance with paragraph 2(a) above), but the Deed Administrators have a postal address for that creditor, Instrument Beneficiary or member (including from the books and records maintained by the Company), by posting the materials to each such creditor, Instrument Beneficiary or member; and

(c) by placing scanned, sealed copies on the website maintained by the Deed Administrators (on behalf of the Company) at www.rex.com.au.

3. Any person who is entitled to oppose this application pursuant to section 444GA(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and who wishes to oppose this application is to file and serve on the Plaintiffs and the Australian Securities and Investments Commission a Notice of Appearance in the prescribed form and indicating the grounds of opposition by 4pm on 1 December 2025.

4. Any interested person who is entitled to oppose this application pursuant to section 444GA(2) of the Corporations Act and who has complied with order 3 may apply to be joined as a respondent to this application by no later than 4pm on 5 December 2025 and is to file and serve any evidence in opposition to the application by 4pm on 5 December 2025.

5. The Plaintiffs file any further evidence upon which they intend to rely on the application, including any supplementary affidavits deposing as to any correspondence or communications received by the Deed Administrators from any interested person who is entitled to oppose this application pursuant to section 444GA(2) of the Corporations Act and any responsive correspondence or communication from the Deed Administrators, by 4pm on 9 December 2025.

6. The Plaintiffs, and any person who has entered an appearance and wishes to oppose the application, are to file and serve written submissions by midday on 10 December 2025.

7. This application be listed for hearing on 11 December 2025 at 11am or such other date as the Court considers appropriate.

Substantive Orders

8. Pursuant to section 444GA(1)(b) of the Corporations Act, the Deed Administrators be granted leave to transfer all of the existing shares in the capital of the Company (**Shares**) from the members (as defined in the Corporations Act) of the Company to Air T Rex Acquisition, Inc., (**Air T**), in accordance with clause 8.5(f) of the deed of company arrangement dated 14 November 2025 entered into by, amongst others, the Deed Administrators, Air T, Inc. and the Company (**DOCA**).

9. An order pursuant to section 447A(1) of the Corporations Act and section 90-15(1) of the *Insolvency Practice Schedule (Corporations)*, being Schedule 2 to the Corporations Act (**IPSC**) that any of the Deed Administrators may, jointly or severally, in their capacity as Deed Administrators of the Company:

    (a) execute share transfer forms and any other documents ancillary or incidental to effecting the transfer of the Shares referred to in Order 8; and

    (b) enter or procure the entry of the name of Air T into the share register of the Company in respect of all Shares transferred to Air T in accordance with Order 8.

10. Pursuant to section 447A(1) of the Corporations Act and section 90-15(1) of the IPSC:

    (a) Part 5.3A of the Corporations Act is to operate in relation to the Company as if the reference to the word “shares” in section 444GA(1) of the Corporations Act includes:

        (i) all vested or unvested share options, warrants or shares in the Company offered pursuant to a Gift Offer (as that term is defined in the Freeman Affidavit); and

(ii) other instruments convertible into securities in the Company, including any shares or options the Instrument Beneficiaries are entitled to,

(together the **Options**) and as if the reference to the phrase "members of the company" in s 444GA(3) of the Corporations Act includes the holders of the Options; and

(b) the Deed Administrators be granted leave to transfer all of the existing Options from the holders of the Options to Air T, in accordance with clause 8.5(f) of the DOCA.

11. Pursuant to section 447A(1) of the Corporations Act and section 90-15(1) of the IPSC, any of the Deed Administrators may, jointly or severally, in their capacity as Deed Administrators of the Company:

(a) execute share transfer forms and any other documents ancillary or incidental to effecting the transfer of the Options referred to in Order 10; and

(b) enter or procure the entry of the name of Air T into the share register of the Company in respect of all Options transferred to Air T in accordance with Order 10.

CFA Initial Amendment Agreement

12. Pursuant to section 477(2B) of the Corporations Act, approval is granted to the First Plaintiffs (in their capacity as joint and several liquidators (**Liquidators**) of the Sixth Plaintiff (**Rex Airlines**)) to enter into and perform (and cause Rex Airlines to enter into and perform) the CFA Initial Amendment Agreement (as that term is defined in the Freeman Affidavit) in substantively the form of the agreement exhibited to the Freeman Affidavit.

13. Until the conclusion of the liquidation of RAL or further order of the Court, pursuant to section 37AF(1)(b)(i) of the Federal Court Act, on the ground stated in section 37AG(1)(a) of the Federal Court Act, being that the order is necessary to prevent prejudice to the proper administration of justice, Confidential Exhibit SJF-17 exhibited to the Freeman Affidavit, be kept confidential and be prohibited from disclosure to any person other than to:

(a) a Judge of the Court and that Judge's personal staff and assistants;

(b) the Plaintiffs and their legal representatives; and

(c) the Commonwealth of Australia and its legal representatives.

14. The Plaintiffs' costs:

(a) of and incidental to the relief in prayers 1-11 of this application be costs and expenses in the deed administration of the Company; and

(b) of and incidental to the relief in prayers 12-13 of this application be costs and expenses in the liquidation of Rex Airlines.

15. The Plaintiffs, and any interested person, have liberty to apply on 1 business day's notice.

16. Such further or other orders or directions as the Court considers appropriate.

Date: 19 November 2025

. . . . . .

Jillian Kate McAleese
Solicitor for the Plaintiffs

This application will be heard by . . . . . at the Federal Court of Australia, Law Courts Building, 184 Phillip Street, Sydney NSW 2000 at . . . . . *am/*pm on . . . .

B. NOTICE TO RESPONDENT(S) (IF ANY)

Not applicable.

C. FILING

This interlocutory process is filed by White & Case, solicitors for the Plaintiffs.

D. SERVICE

The plaintiff's address for service is

Attention: Jillian McAleese
C/- White & Case
Level 50, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

It is intended that a copy of this interlocutory process will be provided to each of the persons listed below:

Australian Securities and Investments Commission

Creditors of the Company

Instrument Beneficiaries

Members of the Company

Creditors of Rex Airlines

SCHEDULE

No. NSD1050 of 2024

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

IN THE MATTER OF REGIONAL EXPRESS HOLDINGS LIMITED (ACN 099 547 270) (ADMINISTRATORS APPOINTED) AND OTHERS

First Plaintiffs	Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several administrators of each of the Second to Sixth Plaintiffs
Second Plaintiff	Regional Express Holdings Limited (Administrators Appointed) (ACN 099 547 270)
Third Plaintiff	Air Partners Pty Ltd (Administrators Appointed) (ACN 065 221 356)
Fourth Plaintiff	Rex Investment Holdings Pty Limited (Administrators Appointed) (ACN 101 317 677)
Fifth Plaintiff	Regional Express Pty Limited (Administrators Appointed) (ACN 101 325 642)
Sixth Plaintiff	Rex Airlines Pty Ltd (Administrators Appointed) (ACN 642 400 048)

Attachment 6 – Procedural Orders

Federal Court of Australia

District Registry: New South Wales Registry

Division: General No: NSD1050/2024

SAMUEL FREEMAN, JUSTIN WALSH AND ADAM NIKITINS IN THEIR CAPACITY AS JOINT AND SEVERAL ADMINISTRATORS OF REGIONAL EXPRESS HOLDINGS LIMITED (ACN 099 547 270) (ADMINISTRATORS APPOINTED) AND THE THIRD TO SIXTH PLAINTIFFS and others named in the schedule
Plaintiff

ORDER

JUDGE: Justice Stewart

DATE OF ORDER: 24 November 2025

WHERE MADE: Sydney

THE COURT ORDERS THAT:

Procedural Orders

1. Pursuant to s 23 of the *Federal Court of Australia Act 1976* (Cth), the name of each of the plaintiffs in the proceeding be amended as follows:
   (a) in respect of the first plaintiffs: Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several deed administrators of each of Regional Express Holdings Ltd (Subject to Deed of Company Arrangement) (ACN 099 547 270) and the third to fifth plaintiffs named in the schedule, and in their capacity as joint and several liquidators of Rex Airlines Pty Ltd (In Liquidation) (ACN 642 400 048);
   (b) in respect of the second plaintiff: Regional Express Holdings Ltd (Subject to Deed of Company Arrangement) (ACN 099 547 270);
   (c) in respect of the third plaintiff: Air Partners Pty Ltd (Subject to Deed of Company Arrangement) (ACN 065 221 356);
   (d) in respect of the fourth plaintiff: Rex Investment Holdings Pty Limited (Subject to Deed of Company Arrangement) (ACN 101 317 677);
   (e) in respect of the fifth plaintiff: Regional Express Pty Ltd (Subject to Deed of Company Arrangement) (ACN 101 325 642); and

(f) in respect of the sixth plaintiff: Rex Airlines Pty Ltd (In Liquidation) (ACN 642 400 048).

2. The first plaintiffs (**Deed Administrators**) give notice to the creditors, Instrument Beneficiaries (as defined in the affidavit of Samuel John Freeman affirmed 19 November 2025) and members of the second plaintiff (**Company**) of the interlocutory process, the hearing date of this application, the explanatory statement and the availability of the independent expert's report of KPMG Financial Advisory Services (Australia) Pty Ltd dated 5 November 2025 (**Notice**), within 2 business days of the date of the orders, by the following methods:

(a) where the Deed Administrators have an email address for a creditor (including persons or entities claiming to be creditors), Instrument Beneficiary or member (including from the books and records maintained by the Company), by notifying each such creditor, Instrument Beneficiary or member, via email;

(b) where the Deed Administrators do not have an email address for a creditor, Instrument Beneficiary or member (or have received notification of non-delivery of a notice sent by email in accordance with order 2(a) above), but the Deed Administrators have a postal address for that creditor, Instrument Beneficiary or member (including from the books and records maintained by the Company), by posting the materials to each such creditor, Instrument Beneficiary or member; and

(c) by placing scanned, sealed copies on the website maintained by the Deed Administrators (on behalf of the Company) at www.rex.com.au.

3. Any person who is entitled to oppose this application pursuant to s 444GA(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and who wishes to oppose this application file and serve on the plaintiffs and the Australian Securities and Investments Commission a notice of appearance in the prescribed form and indicating the grounds of opposition by **4pm** on **1 December 2025**.

4. Any interested person who is entitled to oppose this application pursuant to s 444GA(2) of the Corporations Act and who has complied with order 3 above file and serve any evidence in opposition to the application by **4pm** on **5 December 2025**.

5. The Deed Administrators file any further evidence upon which they intend to rely on the application, including any supplementary affidavits deposing as to any

correspondence or communications received by the Deed Administrators from any interested person who is entitled to oppose this application pursuant to s 444GA(2) of the Corporations Act and any responsive correspondence or communication from the Deed Administrators, and written submissions in support of the application, by **midday** on **9 December 2025**.

6. Any person who has entered an appearance and wishes to oppose the application, file and serve written submissions by **midday** on **10 December 2025**.
7. The Deed Administrators provide to the Associate to Justice Stewart an electronic bundle of authorities prepared in accordance with Format 1 of the eBooks Practice Note (GPN-eBOOKS) by **4pm** on **10 December 2025**.
8. Any written submissions by the Deed Administrators and Air T Inc in response to the submissions referred to in order 6 above be filed and served by **8.30am** on **11 December 2025**.
9. The application be listed for hearing on **11 December 2025** at **11am**.
10. The plaintiffs, and any interested person, have liberty to apply on 1 business day's notice.

Date orders authenticated: **24 November 2025**

Registrar

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.

Schedule

No: NSD1050/2024

Federal Court of Australia

District Registry: New South Wales Registry

Division: General

Second Plaintiff	REGIONAL EXPRESS HOLDINGS LIMITED (ACN 099 547 270) (ADMINISTRATORS APPOINTED)
Third Plaintiff	AIR PARTNERS PTY LTD (ADMINISTRATORS APPOINTED) (ACN 065 221 356)
Fourth Plaintiff	REX INVESTMENT HOLDINGS PTY LIMITED (ADMINISTRATORS APPOINTED) (ACN 101 317 677)
Fifth Plaintiff	REGIONAL EXPRESS PTY LIMITED (ADMINISTRATORS APPOINTED) (ACN 101 325 642)
Sixth Plaintiff	REX AIRLINES PTY LTD (ADMINISTRATORS APPOINTED) (ACN 642 400 048)
Interested Person	TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS, SPORT AND THE ARTS DEPARTMENT OF INFRASTRUCTURE
Interested Person	AIR T, INC.