

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
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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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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	<i>Corporations Act 2001 (Cth)</i>
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	<i>Australian Securities and Investments Commission Act 2001 (Cth)</i>
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
<p>What is the purpose of this report? <i>Refer to section 2</i></p>	<p>The purpose of this Report is to:</p> <ul style="list-style-type: none"> 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 <p>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.</p>
<p>What did the Companies do? <i>Refer to section 3</i></p>	<ul style="list-style-type: none"> 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
<p>What is the current status of the Companies? <i>Refer to Section 5</i></p>	<p>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.</p> <p>The focus of the Administrations has primarily been on:</p> <ul style="list-style-type: none"> 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
<p>What is the ownership structure of the Companies? <i>Refer to Section 3</i></p>	<p>REX is the ultimate holding company for the Rex Group, RAL and the Subsidiaries and operates the Rex Regional business.</p>
<p>Why do the Directors believe the Companies became insolvent? <i>Refer to section 6</i></p>	<p>The Directors provided the following reasons for the failure of the Rex Group and RAL:</p> <ul style="list-style-type: none"> 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 <p>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.</p>
<p>What do the Administrators believe were the causes of the failure of the Companies? <i>Refer to section 6</i></p>	<p>The Administrators agree with the reasons set out by the Directors, but also consider the following factors contributed to the failure of the Companies:</p> <ul style="list-style-type: none"> 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

Question	Response																		
<p>When do the Administrators believe the Companies became insolvent? <i>Refer to section 7</i></p>	<p>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.</p> <p>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).</p> <p>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.</p> <p>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)</p> <p>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.</p>																		
<p>What is the outcome of the Administrators' investigations? <i>Refer to section 8</i></p>	<p>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.</p>																		
<p>What is the estimated return to creditors? <i>Refer to section 11</i></p>	<p>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:</p> <table border="1" data-bbox="481 965 1382 1473"> <thead> <tr> <th data-bbox="481 965 847 1032">Creditor class</th> <th data-bbox="847 965 1118 1032">Est dividend rate (cents in the \$)</th> <th data-bbox="1118 965 1382 1032">Estimated timing</th> </tr> </thead> <tbody> <tr> <td data-bbox="481 1032 847 1178">Secured creditor - Commonwealth</td> <td data-bbox="847 1032 1118 1178">Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA¹</td> <td data-bbox="1118 1032 1382 1178">Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA¹</td> </tr> <tr> <td data-bbox="481 1178 847 1323">Priority employee creditors - continuing</td> <td data-bbox="847 1178 1118 1323">Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA</td> <td data-bbox="1118 1178 1382 1323">Remains payable by Rex Group and the Subsidiaries after the effectuation of the DOCA</td> </tr> <tr> <td data-bbox="481 1323 847 1391">Priority employee creditors - terminating/terminated</td> <td data-bbox="847 1323 1118 1391">100c/\$</td> <td data-bbox="1118 1323 1382 1391">Less than 3 months</td> </tr> <tr> <td data-bbox="481 1391 847 1435">Unsecured creditors - ordinary</td> <td data-bbox="847 1391 1118 1435">0c/\$²</td> <td data-bbox="1118 1391 1382 1435">n/a</td> </tr> <tr> <td data-bbox="481 1435 847 1473">Contingent creditors - DXG</td> <td data-bbox="847 1435 1118 1473">0c/\$</td> <td data-bbox="1118 1435 1382 1473">n/a</td> </tr> </tbody> </table> <p>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.</p> <p>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.</p> <p>These calculations are an estimate only and may change due to:</p> <ul style="list-style-type: none"> ▪ 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 <p>The proposed DOCA provides:</p> <ul style="list-style-type: none"> ▪ ongoing employment for the continuing employees of the Rex Group and the Subsidiaries ▪ ongoing trading with suppliers ▪ the continuation of the Rex Regional business 	Creditor class	Est dividend rate (cents in the \$)	Estimated timing	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/\$	Less than 3 months	Unsecured creditors - ordinary	0c/\$ ²	n/a	Contingent creditors - DXG	0c/\$	n/a
Creditor class	Est dividend rate (cents in the \$)	Estimated timing																	
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																	
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Priority employee creditors - terminating/terminated	100c/\$	Less than 3 months																	
Unsecured creditors - ordinary	0c/\$ ²	n/a																	
Contingent creditors - DXG	0c/\$	n/a																	

Question	Response
	<ul style="list-style-type: none"> ▪ 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 <p>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.</p> <p>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.</p> <p>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.</p>
<p>What is the purpose of the Second Meetings of creditors? <i>Refer to section 2</i></p>	<p>To determine the future of the Companies. The options available include whether:</p> <ul style="list-style-type: none"> ▪ the Companies execute a DOCA, or ▪ the Administrations should end, or ▪ the Companies be wound up <p>If creditors resolve that the Administrations should end, control of the Companies will revert to the Directors.</p>
<p>What do the Administrators recommend creditors should do? <i>Refer to section 12</i></p>	<p>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).</p> <p>The proposed DOCA provides for:</p> <ul style="list-style-type: none"> ▪ 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 <p>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.</p> <p>No DOCA proposal has been received for RAL. Accordingly, we are of the opinion that RAL should be wound up.</p>
<p>What do creditors need to do next? <i>Refer to section 2.6, Appendix M and Appendix N</i></p>	<p>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.</p> <p>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.</p> <p>All creditors are entitled to attend the Second Meeting.</p> <p>Creditors should review the contents of this Report and complete the following forms by 12pm (AEDT) on 7 November 2025:</p>

Question	Response	
	Form / voting	Instructions
	<p>Appointment of proxy - form 532 (Appendix N1 - Rex Group and Subsidiaries) (Appendix N2 - RAL)</p>	<ul style="list-style-type: none"> ▪ 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
	<p>Proof of debt - form 535 (only required if you have not already done so; not required if you are an employee)</p>	<p>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.</p> <p>Log in - EY Creditors Portal</p>
	<p>Register to attend the Second Meeting</p>	<p>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.</p> <p>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.</p>
	<p>Online voting for the Second Meeting</p>	<p>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.</p> <p>To vote on the resolutions for the Second Meetings creditors must:</p> <ul style="list-style-type: none"> ▪ 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:

Question	Response	
		<ul style="list-style-type: none"> ▪ 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.
<p>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.</p>		

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 apprised 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: <ul style="list-style-type: none"> ▪ 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 GBLB 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)	<ul style="list-style-type: none"> ▪ 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
	<p>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.</p> <p>To vote on the resolutions for the Second Meetings creditors must:</p> <ol style="list-style-type: none"> 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.

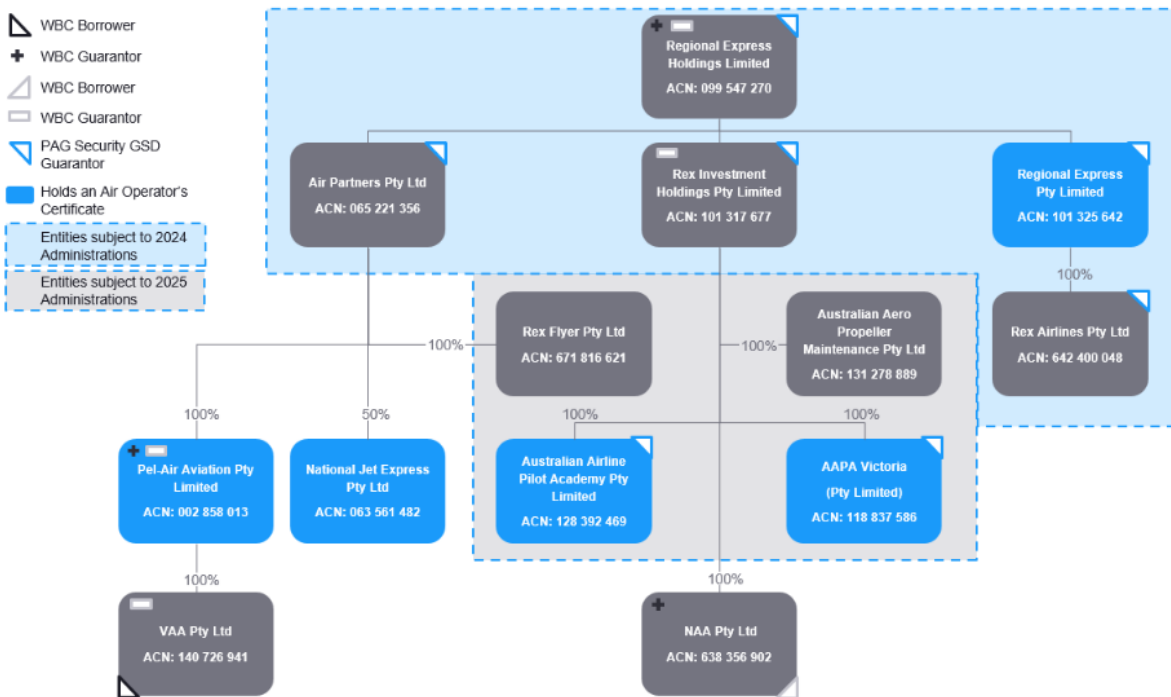
3. Background information

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

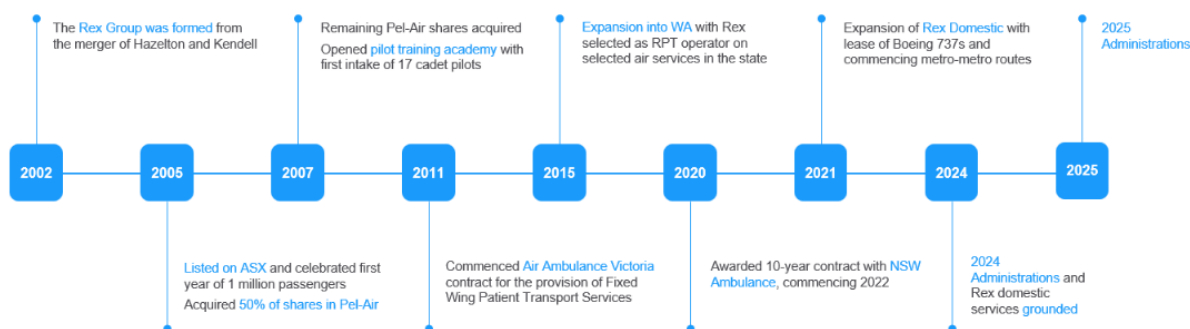
ASIC permits corporate groups that are party to a DXG to lodge their financial statements on a consolidated basis. This simplifies financial reporting for the Companies.

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	-	-
AIIPAAP - No Except	N/A	2	-	-	-	-	-	-	-	-
AIIPAAP - 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	<p>The DOCA consideration will comprise:</p> <ul style="list-style-type: none"> ▪ 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) <p>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.</p> <p>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.</p>	9.2
3	<p>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.</p> <p>The DOCA maximises returns to the Secured Lender as compared to a liquidation.</p> <p>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.</p>	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	<p>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:</p> <p>execution of the DOCA by all relevant parties</p> <p>(a) execution of the Creditors' Trust Deed in respect of the Creditors' Trust by all relevant parties</p> <p>(b) consent of the Secured Lender</p> <p>(c) the Administrators, on behalf of REX, obtaining the Orders and the ASIC Relief</p> <p>(d) execution of all documents in respect of and satisfaction of all conditions to financial close under the Air T Facility</p> <p>(e) the Sale and Implementation Deed has not been terminated</p>
9	Creditors' trust	<p>A creditors' trust will be established on Completion of the DOCA and the Deed Administrators will be the Trustees of the Creditors' Trust.</p> <p>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.</p> <p>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.</p>
10	Assets of the Creditors' Trust	<p>The assets of the Creditors' Trust Fund will comprise:</p> <p>(a) the Employee Contribution</p> <p>(b) the Agreed Asset Contribution</p> <p>(c) the Cash Contribution, being comprised of the Costs Cash Contribution and the Expense Cash Contribution</p> <p>(i)</p> <p>The Cash Contribution will be paid to the Creditors' Trust by the Deed Administrators on Completion from the Companies' cash at bank.</p> <p>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.</p>

Item	Key term / Matter	DOCA proposal
11	Calculation of Contributions and Adjustments	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> (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. <p>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.</p> <p>If the true-up process determines that:</p> <ul style="list-style-type: none"> (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. <p>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.</p>

Item	Key term / Matter	DOCA proposal
12	Distribution of Creditors' Trust Fund	<p>(a) The assets of the Creditors' Trust Fund will comprise three separate pools as follows:</p> <ul style="list-style-type: none"> (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 <p>(b) The pools of the Creditors' Trust Fund are to be distributed as follows:</p> <ul style="list-style-type: none"> (i) The Employee Pool will be distributed as follows: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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
		<ul style="list-style-type: none"> (iii) the General Pool will be distributed in the following order of priority: <ul style="list-style-type: none"> 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	<p>Except for the Preserved Claims, the DOCA will release all debts and Claims of the DOCA Companies.</p> <p>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.</p> <p>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.</p>

Item	Key term / Matter	DOCA proposal
15	Preserved Claims	<p>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:</p> <ul style="list-style-type: none"> (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	<p>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.</p>
17	Termination of DOCA	<p>The DOCA will continue in operation until the DOCA is terminated:</p> <ul style="list-style-type: none"> (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	<p>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).</p>
19	Secured creditors, and owners / lessors of property	<p>Other than as expressly provided for under the DOCA, the DOCA will not release:</p> <ul style="list-style-type: none"> (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, <p>who does not vote in favour of the DOCA.</p> <p>The Secured Lender's Claims and Security will be restructured in accordance with the terms of the Secured Lender Finance Documents.</p>
20	Control of the Companies	<p>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.</p> <p>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.</p> <p>Stewardship of the Companies will return to the Incoming Directors upon Completion.</p>
21	Administrators', Deed Administrators' and Trustees' remuneration	<p>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.</p>
22	Variation of DOCA	<p>The DOCA may only be varied by:</p> <ul style="list-style-type: none"> (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	<p>Refer to full copy of the DOCA proposal, including its relevant definitions at Appendix H.</p>

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



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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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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 Fajla (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)

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; Mayocran 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)
28/07/24	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:

- 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Yes – See Annexure A.1 for a summary of services provided to the Companies.	
The directors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Any associates of the Companies	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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.	<ul style="list-style-type: none"> ▪ 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.

Within the previous two years, have we, or EY, had a relationship with:		
	<p>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.</p>	<ul style="list-style-type: none"> ▪ 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	Nature of relationship	Reasons no impediment or conflict of interest or duty
	N/a	N/a

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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No PAGAC Regulus Holdings Pte. Ltd (PAG)				
	<table border="1"> <thead> <tr> <th>Nature of relationship</th> <th>Reasons no impediment or conflict of interest or duty</th> </tr> </thead> <tbody> <tr> <td> <p>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.</p> <p>PAG's security has been removed as at the date of this DIRRI.</p> <p>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.</p> </td> <td> <p>PAG is no longer a creditor of the Companies.</p> <p>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.</p> <p>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.</p> <p>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.</p> </td> </tr> </tbody> </table>	Nature of relationship	Reasons no impediment or conflict of interest or duty	<p>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.</p> <p>PAG's security has been removed as at the date of this DIRRI.</p> <p>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.</p>	<p>PAG is no longer a creditor of the Companies.</p> <p>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.</p> <p>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.</p> <p>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.</p>
	Nature of relationship	Reasons no impediment or conflict of interest or duty			
	<p>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.</p> <p>PAG's security has been removed as at the date of this DIRRI.</p> <p>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.</p>	<p>PAG is no longer a creditor of the Companies.</p> <p>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.</p> <p>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.</p> <p>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.</p>			
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Commonwealth)					

Within the previous two years, have we, or EY, had a relationship with:	
	<p>On 23 January 2025, the Commonwealth acquired the secured debt owed by the Companies to PAG.</p> <p>The Commonwealth holds security interests over the Companies' property.</p> <p>We and EY have previously undertaken formal and informal assignments on behalf of the Commonwealth for a number of years.</p> <ul style="list-style-type: none"> ▪ 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.

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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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.	<p>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.</p> <p>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.</p> <p>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.</p>

Do we, or EY, have any other relationships that we consider are relevant to creditors assessing our independence?		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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.	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> 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.

	Nature of relationship	Reasons no impediment or conflict of interest or duty
<p>Major unsecured creditors:</p> <p>Australian Commonwealth Government, State Governments (W/NSW/VIC/QLD) and Local Council Bodies (Government Bodies)</p>	<p>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.</p>	<p>We believe that these relationships do not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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.

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)	<p>Independent Business Review and options analysis</p> <p>The scope of works relating to the Review was to:</p> <ul style="list-style-type: none"> ▪ 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. <p>The report was provided to the Companies.</p>	\$520,000	<ul style="list-style-type: none"> ▪ 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.

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
<i>Operating receipts</i>	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
<i>Asset realisations</i>	119,417,864.35
PAG administration funding	20,000,000.00
Commonwealth administration funding	69,926,027.40
<i>Administration receipts</i>	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)
<i>Operating payments</i>	(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)
<i>Administration payments</i>	(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 \$233k standing 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 - AllPAAP

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 AllPAAP 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 - AIPAAP	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 - AllPAAP

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 AllPAAP 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 - AllPAAP	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 - AllPAAP

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 AllPAAP security interest.

The PPSR discloses four other creditors holding an AllPAAP 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 - AllPAAP	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 - AIPAAP	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 - AllPAAP

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 AllPAAP 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.

Regional Express Group of Companies (Administrators Appointed)
Voluntary Administrators' Report

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 - AllPAAP

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 AllPAAP 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	<p>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.</p> <p>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.</p>
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	<p>In accordance with this proposal, the DOCA will contain the following key terms:</p> <ul style="list-style-type: none">(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:
 - with the consent of the Proponent (not to be unreasonably withheld or delayed) following distribution of the Employee Pool in full; or
 - 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.
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- (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**");
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- (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: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (i) the Employee Pool will be distributed in the following order of priority: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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	<p>Except for the Preserved Claims, the DOCA will release all debts and Claims.</p> <p>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.</p> <p>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.</p>
18. Preserved Claims	<p>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:</p> <ul style="list-style-type: none"> (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	<p>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.</p>
20. Deed Period	<p>During the Deed Period, the Deed Administrators must:</p> <ul style="list-style-type: none"> (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	<p>The DOCA will continue in operation until the DOCA is terminated:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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, <p>who does not vote in favour of the DOCA.</p> <p>The Secured Lender’s Claims and Security will be restructured in accordance with the terms of the Secured Lender Finance Documents.</p>
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	<p>The DOCA may only be varied by:</p> <ul style="list-style-type: none"> <li data-bbox="694 645 1393 808">(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 <li data-bbox="694 819 975 853">(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	<p>In this proposal:</p> <p>737 Entity Creditor Claims means:</p> <ul style="list-style-type: none"> <li data-bbox="694 1200 1393 1267">(a) a Claim of the 737 Entity (including any Claim of a liquidator of the 737 Entity); and <li data-bbox="694 1279 1393 1413">(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. <p>737 Entity Debtor Claim has the same meaning as Claim, but as against the 737 Entity rather than a Company.</p> <p>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.</p> <p>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</p>

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

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- (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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. <p>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.</p>
9.1	Release of claims	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<p>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:</p> <ul style="list-style-type: none"> To terminate a DOCA in certain circumstances

	Item	Information for creditors
		<ul style="list-style-type: none"> ▪ 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. <p>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:</p> <ul style="list-style-type: none"> ▪ 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 <p>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.</p>
9.5	Process of appealing the adjudication of a claim of a creditor / beneficiary	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ Employees are not eligible for FEG assistance.
11.	Compliance opinion and completion risk	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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)	<ul style="list-style-type: none"> ▪ 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. <p>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.</p>
14.	Tax implications (creditor/ beneficiary)	<ul style="list-style-type: none"> ▪ 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. <p>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.</p>
15.	Other	<p>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</p>

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

SAUD (Millions) ex GST	DOCA proposed from the Proponent								Excluded	
	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:										
Return (cents in \$)	(320.9)	(5.0)	(0.0)	(33.0)	-	-	-	-	(210.7)	(320.9)
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 referable 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
<i>Total asset realisations applied to secured debt</i>	<i>98.3</i>	<i>8.3</i>	<i>106.6</i>
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

SAUD ('Millions) ex GST	REX		REXPL		RIH		AP	
	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:								
Return (cents in \$)	(353.9)	(391.3)	(5.0)	(5.5)	(0.0)	(0.0)	(33.0)	(36.3)
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

SAUD (Millions) ex GST	AAPA		AAPAV		AAPM		Rex Flyer	
	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

\$AUD ('Millions) ex GST	RAL	
	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.**

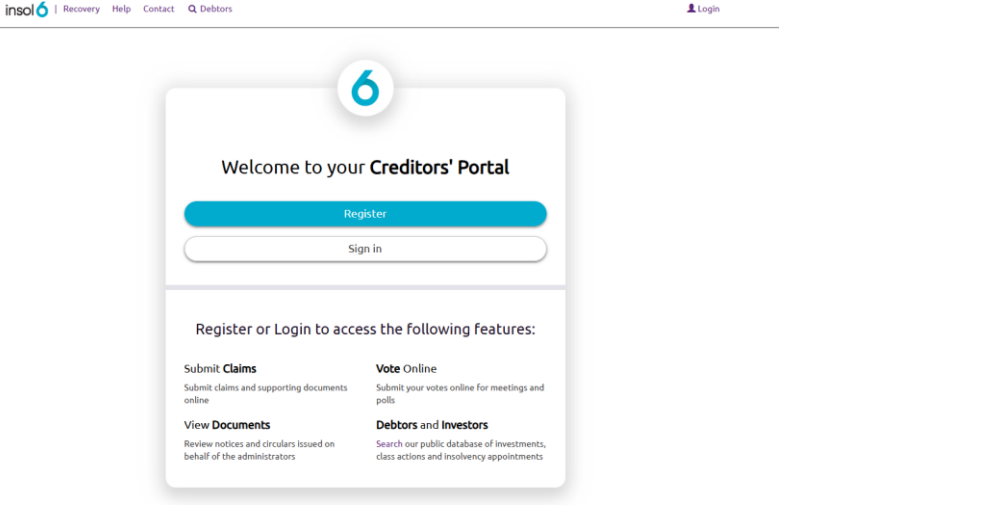
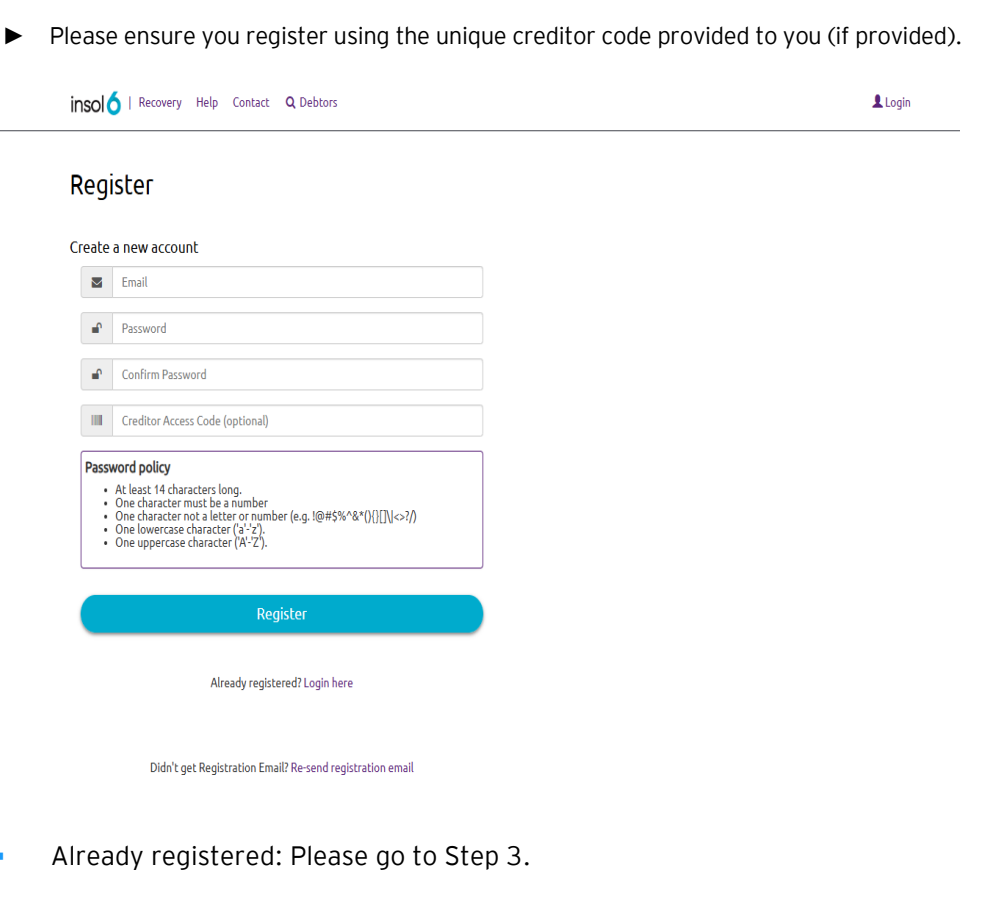
We have prepared this guide to assist you as a creditor to understand the steps that must occur to ensure are appropriately registered and can submit your vote on the Creditors' Portal.

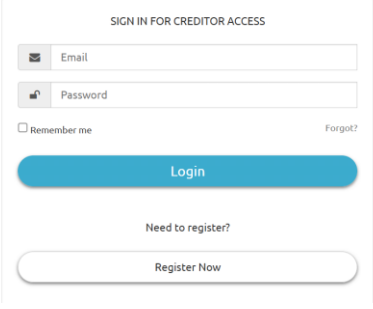
Please note:

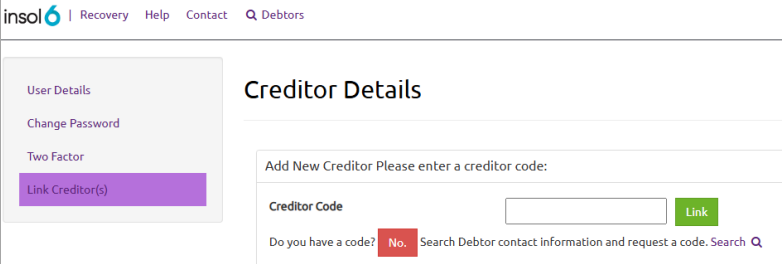
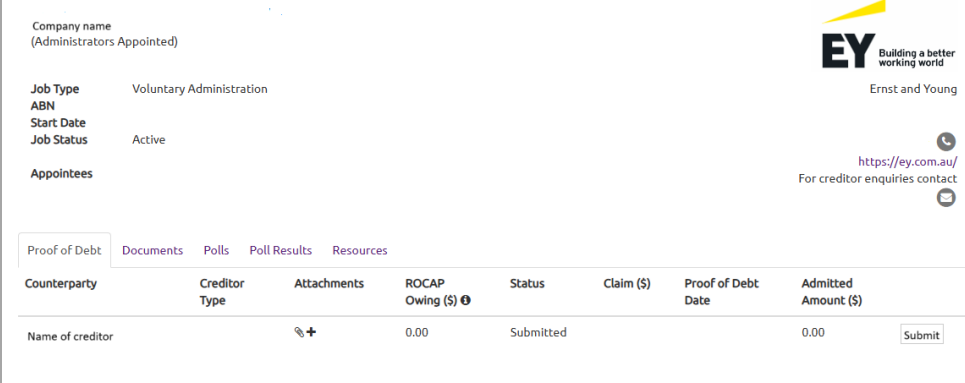
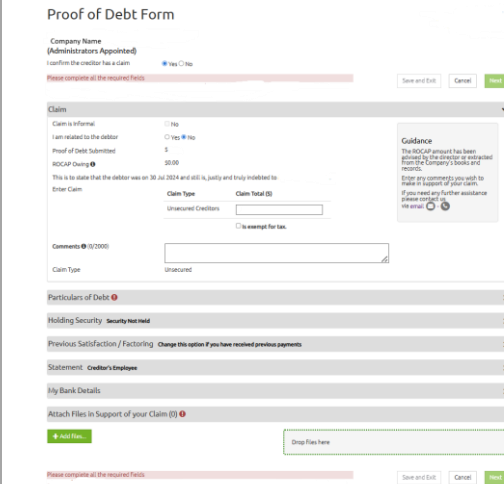
- You should have already received an email containing your unique creditor code from the Administrators to assist with your registration process
- You will only need to register as a user once using your relevant email address
- If you have already registered, please proceed to *Step 3*
- The email 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](#)

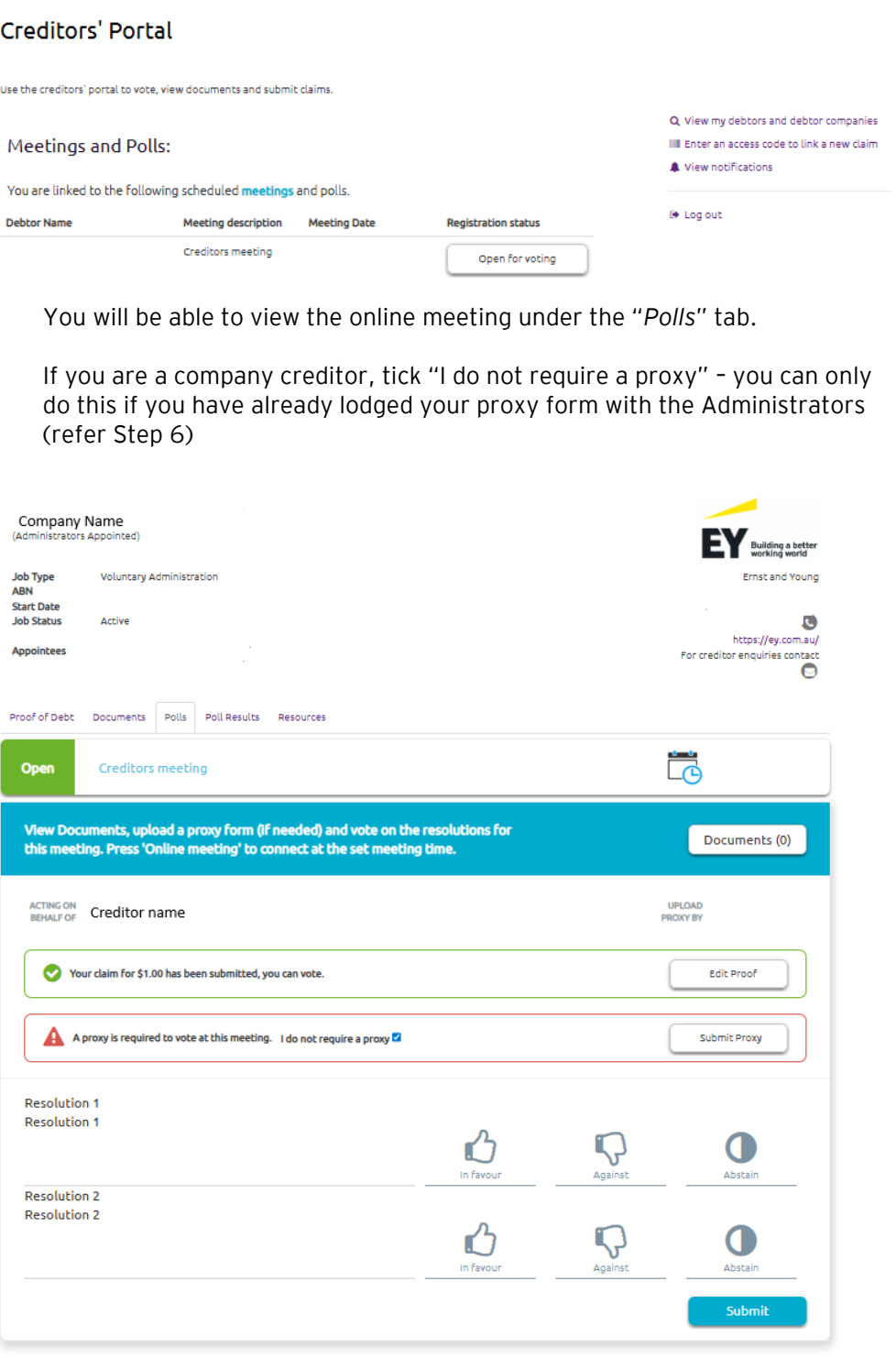
Step	Description
1. Register	▪ Using chrome, edge or firefox, register as a user at this link: Log in - EY Creditors Portal

Step	Description
	 <p>► Please ensure you register using the unique creditor code provided to you (if provided).</p>  <p>■ Already registered: Please go to Step 3.</p>
2. Verification	<p>■ A confirmation email will be sent to the email you have registered with (verify within 24 hours).</p> <p>■ Once verified, you will be able to login. Continue to Step 3.</p>
3. Log in	<p>■ Log in using your username and password</p>

Step	Description								
	<div data-bbox="406 219 1401 645">  </div> <ul style="list-style-type: none"> ■ You will be prompted to: <ul style="list-style-type: none"> ■ 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. 								
<p>4. Link claim</p>	<ul style="list-style-type: none"> ■ 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”. <div data-bbox="406 1144 1401 1413"> <p>Creditors' Portal</p> <p>Use the creditors' portal to vote, view documents and submit claims.</p> <p>Debtors</p> <p>You are linked to the following external administrations. Click on the debtor name to view documents or submit your claims.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Practice</th> <th>Start Date</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Company name</td> <td>EY</td> <td>30/07/24</td> <td>Voluntary Administration</td> </tr> </tbody> </table> </div> <ul style="list-style-type: none"> ■ 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”. 	Name	Practice	Start Date	Type	Company name	EY	30/07/24	Voluntary Administration
Name	Practice	Start Date	Type						
Company name	EY	30/07/24	Voluntary Administration						

Step	Description
	 <p>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".</p> <p>Follow the prompts.</p>
<p>5. Submit your claim</p>	<p>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.</p> <p>Click on the "Proof of Debt" ("POD") tab.</p> <p>Click on the "Submit" button and start completing the POD form.</p>  <p>Tick "No" to the question "Is your proof of debt informal". If you are an employee creditor, this will not be an option.</p> 

Step	Description
	<ul style="list-style-type: none"> ▪ Upload any supporting documentation for consideration. ▪ Press “Next” and “Submit”.
<p>6. Submit a proxy (if relevant)</p>	<p>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.</p> <ul style="list-style-type: none"> ▪ 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. <p>Proxies must be lodged with the Administrators by 12pm (AEDT) on 7 November 2025</p>
<p>7. Voting</p>	<ul style="list-style-type: none"> ▪ 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: <p>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</p> <p>Option A</p> <ul style="list-style-type: none"> ▪ 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. <p>Option B</p> <ul style="list-style-type: none"> ▪ 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								
	<p>Creditors' Portal</p> <p>Use the creditors' portal to vote, view documents and submit claims.</p> <p>Meetings and Polls:</p> <p>You are linked to the following scheduled meetings and polls.</p> <table border="1"> <thead> <tr> <th>Debtor Name</th> <th>Meeting description</th> <th>Meeting Date</th> <th>Registration status</th> </tr> </thead> <tbody> <tr> <td></td> <td>Creditors meeting</td> <td></td> <td>Open for voting</td> </tr> </tbody> </table> <ul style="list-style-type: none"> 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)  <p>The screenshot shows the Creditors' Portal interface. At the top, there's a header with the EY logo and tagline 'Building a better working world'. Below that, there's a navigation menu with 'Proof of Debt', 'Documents', 'Polls', 'Poll Results', and 'Resources'. The 'Polls' tab is active, showing a table with one entry: 'Creditors meeting' with an 'Open for voting' button. Below the table, there's a section for 'View Documents, upload a proxy form (if needed) and vote on the resolutions for this meeting. Press 'Online meeting' to connect at the set meeting time.' This section includes a 'Documents (0)' button and a form for 'ACTING ON BEHALF OF' and 'UPLOAD PROXY BY'. There are two status messages: a green one saying 'Your claim for \$1.00 has been submitted, you can vote.' and a red one saying 'A proxy is required to vote at this meeting. I do not require a proxy'. Below these are two resolutions, each with 'In Favour', 'Against', and 'Abstain' buttons. A 'Submit' button is at the bottom right.</p> <ul style="list-style-type: none"> 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. 	Debtor Name	Meeting description	Meeting Date	Registration status		Creditors meeting		Open for voting
Debtor Name	Meeting description	Meeting Date	Registration status						
	Creditors meeting		Open for voting						

Step	Description
	<ul style="list-style-type: none"><li data-bbox="403 219 1399 253">Please ensure you click "<i>Submit</i>" 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)	<ul style="list-style-type: none"> ▪ 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 <p>Proxy forms submitted after 12pm (AEDT) on 7 November 2025 will be disregarded.</p>
Proof of debt - (form 535)	<p>Lodge on the Creditors' Portal by 12pm (AEDT) on 7 November 2025</p> <p>Log in - EY Creditors Portal</p>
Register to attend the Second Meeting	<p>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.</p> <p>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.</p>
Online voting for the Second Meeting	<p>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.</p> <p>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.</p> <p>To vote on the resolutions for the Second Meetings creditors must:</p> <ul style="list-style-type: none"> ▪ 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	<input type="checkbox"/>
Rex Investment Holdings Pty Ltd ACN 101 317 677	<input type="checkbox"/>
Regional Express Pty Ltd ACN 101 325 642	<input type="checkbox"/>
Air Partners Pty Ltd ACN 065 221 356	<input type="checkbox"/>
Australian Airline Pilot Academy Pty Ltd ACN 128 392 469	<input type="checkbox"/>
AAPA Victoria Pty Ltd ACN 118 837 586	<input type="checkbox"/>
Australian Aero Propeller Maintenance Pty Ltd ACN 131 278 889	<input type="checkbox"/>
Rex Flyer Pty Ltd ACN 671 816 621	<input type="checkbox"/>

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

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).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolutions - Liquidation (if you voted for a DOCA - PLEASE DO NOT COMPLETE this section)			
4. That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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: <ul style="list-style-type: none"> 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. 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolutions - Administration should end (if you voted for a DOCA or liquidation PLEASE DO NOT COMPLETE this section)			
10. That the Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Appendix N2 - Appointment of proxy - RAL

Form 532 - Appointment of Proxy <i>Insolvency Practice Rules (Corporations) 2016, Section 75-25</i>	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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolutions - Administration should end (if you voted for liquidation PLEASE DO NOT COMPLETE this section)			
6. That the Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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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