

17 DECEMBER 2020

## MEDIA RELEASE

### PAG TRANSACTION UPDATE

The Australian Securities and Investments Commission (**ASIC**) issued a media release yesterday indicating that it has restricted Regional Express Holdings Limited (**Rex**) from issuing a reduced content prospectus and using exemptions for reduced disclosure in fundraising documents until 14 December 2021. Rex clarifies that these restrictions only mean that Rex must issue a full prospectus in order to raise funds from certain investors.

ASIC's decision is based on its delegates' view that continuous disclosure obligations required Rex to disclose to ASX that it was considering the feasibility of commencing domestic operations, as reported in an AFR article on 12 May, before sharing that information with AFR.

Rex maintains a different view from ASIC and is considering its position in relation to ASIC's decision.

Rex confirms that these restrictions themselves **do not** impede the proposed transaction with PAGAC Regulus Holding Pte Ltd (**PAG**) for the issue by Rex of up to \$150 million in convertible notes (**Transaction**). Rex does not anticipate any other fundraisings in 2021 that would be affected by the restrictions.

All regulatory approvals from CASA (for the operation of domestic jet operations) and from FIRB (in relation to the Transaction) have been obtained. Detailed documentation seeking shareholder approval has been reviewed by ASIC and is awaiting the completion of review by ASX. Rex is seeking shareholders' approval for the Transaction at its AGM targeted for late January 2021.

**Rex** is Australia's largest independent regional and domestic airline operating a fleet of 60 Saab 340 aircraft (pre-COVID) on 1,500 weekly flights to 59 destinations throughout all states in Australia. Rex will begin its domestic services with six 737-800 aircraft in March 2021. In addition to the airline **Rex**, the **Rex Group** comprises wholly owned subsidiaries **Pel-Air Aviation** (air freight, aeromedical and charter operator) and the two pilot academies **Australian Airline Pilot Academy** in Wagga Wagga and Ballarat.

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