

2021



rex.

31 December 2021

HALF-YEAR FINANCIAL REPORT

REGIONAL EXPRESS HOLDINGS LIMITED ACN 099547270 (ASX CODE: REX)



REGIONAL EXPRESS HOLDINGS LIMITED

ACN 099 547 270 (ASX Code: REX)

Appendix 4D: Results For Announcement To The Market & Half-Year Financial
Report For The Half-Year Ended 31 December 2021

ASX APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 2021 \$M	31 Dec 2020 \$M	Change \$M	Change %
Revenue excluding government grants and subsidies	88.4	65.6	22.8	34.8
(Loss) / profit from ordinary activities, government grants and subsidies, after tax attributable to members	(36.7)	9.9	(46.6)	(470.7)
Net (loss) / profit for the period attributable to members	(36.7)	9.9	(46.6)	(470.7)

No dividends were paid during the half year period ended 31 December 2021 and the Board advises that it does not intend to declare a final dividend given the uncertain and challenging conditions arising from the COVID-19 crisis.

	31 Dec 2021 \$	31 Dec 2020 \$	Change %
Net tangible assets per ordinary share	1.29	1.68	(23.2)

This report is based on the condensed consolidated financial statements which have been reviewed by BDO Audit Pty Ltd. The review report is included in the attached half year financial report.

EXPLANATION OF RESULTS

An explanation of the above figures is contained in the "Operating and financial review" included within the attached directors' report.

Revenue excluding government grants for the period improved by 34.8% against the same period last year. Government grants and subsidies declined by 53% to \$28M.

During the period, Rex received the Regional Airline Network Support (RANS) grant, which underwrote a skeleton service to all regional and rural cities within our network to ensure a minimum level of air services to the regional communities. This allowed Rex to keep its network essentially intact albeit at a much reduced service level. Over this reporting period, Rex also received the Domestic Airline Network Support grant (DANS), the Tourism and aviation network support (TANS) as well as the Retaining Domestic Airline Capability grant (RDAC).

Rex recommenced inter-capital city (domestic) operations in November 21 as state border restrictions eased. This was after 4 months of ceasing domestic operations due border closures brought about by the upsurge in Delta cases.

Rex ended the reporting period with an operating loss of \$36.7M after tax.



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DIRECTORS' REPORT

The directors of Regional Express Holdings Limited ('Rex') submit herewith the financial report for the half-year ended 31 December 2021.

The names and details of the Company's directors in office during the half-year and until the date of this report are as below:

Name	Title
Lim Kim Hai	Executive Chairman
The Hon. John Sharp AM	Deputy Chairman and Independent Director
Neville Howell	Chief Operating Officer and Executive Director
Chris Hine	Executive Director
James Davis	Independent Director
Lee Thian Soo	Non-Executive Director
Prof Ron Bartsch AM	Independent Director
Lincoln Pan	Non-Executive Director
Sid Khotkar	Non-Executive Director

REVIEW OF OPERATIONS

SUMMARY REVIEW

The first half Financial Year 2022 (1H FY22) represents the first full reporting period which includes trunk domestic services operated by Boeing 737-800 Next Generation (NG) jet aircraft on seven routes, and services between Sydney and Canberra, Coffs Harbour and Port Macquarie operated by the Saab 340. However, network capacity adjustments were required for most of the half year due to lengthy COVID-19 travel restrictions and border closures.

Network capacity overall increased, with Available Seat Kilometres (ASKs) increasing by 128% against the same period last year. Passenger numbers increased by 82%. The load factor also decreased by 7.3% points to 53.4% for the period.

During the reporting period, Rex continued to receive the Regional Airline Network Support (RANS) grant, which supports critical air corridors to regional and rural communities; and was also a recipient of the Tourism Aviation Network Support (TANS) Program, which promotes domestic tourism to destinations heavily impacted by the downturn in tourism through subsidised air fares; and the Domestic Aviation Network Support program (DANS) which supports the top 50 domestic routes to ensure connectivity and tourism outcomes (Rex received DANS for the Sydney/Ballina route only). Eligible full-time staff stood down also received income support from the Federal Government of \$750 a week gross under the Retaining Domestic Airline Capability (RDAC) Assistance program.

KEY PERFORMANCE INDICATORS TABLE

	1H FY 2022	1H FY 2021	Change
Passengers	345,974	190,033	82.1%
ASKs (M)	329.4	144.6	127.8%
Load Factor	53.4%	60.7%	(7.3%) pts

DIRECTORS' REPORT

GOVERNMENT ASSISTANCE

The ongoing impact of the COVID-19 pandemic has resulted in the Federal Government extending its financial support for the aviation industry.

During 1H FY22, Rex received the following support:

Regional Airline Network Support (RANS) Program – this program underwrites a minimum schedule (either two returns or three return services a week) to ensure essential services are maintained to regional and rural communities.

Domestic Airline Network Support (DANS) Program – this program was available to airlines flying on any of the top 50 busiest domestic routes in Australia and worked on similar principles as RANS, but was designed to maintain connectivity on major domestic air routes. Rex was a minor recipient of this program and received assistance for the Sydney – Ballina route only.

Tourism and Aviation Network Support (TANS) Program – this program allows airlines to provide discounted fares to passengers to promote travel to tourist dependent regions in Australia.

Retaining Domestic Airline Capability (RDAC) Program – Designed to retain critical airline skills and preserves aviation jobs. When extensive stay-at-home public health orders resulted in the reduction of operations and staff stand downs, eligible full-time staff stood down remained employed and received income support from the Federal Government under the RDAC program.

Rex also received targeted assistance from the State Governments in South Australia.

ROUTE NETWORK DEVELOPMENTS

Preceding the reporting period, Rex launched domestic services with Boeing 737-800NG jet aircraft, on 1 March 2021, on the Melbourne - Sydney route.

Rex then progressively launched another four Boeing 737-800NG routes (Melbourne to Adelaide, Canberra and the Gold Coast, and Sydney to the Gold Coast) and three Saab 340 routes (Sydney to Canberra, Coffs Harbour and Port Macquarie).

At the commencement of this reporting period, Greater Sydney was in the midst of a government mandated lockdown, which had commenced on 26 June 2021 to combat community transmission of the Delta variant of COVID-19. On 16 July 2021, Greater Melbourne entered its fifth lockdown. Victoria and New South Wales remained in lockdown until mid-October when target vaccination rates were achieved. This resulted in a substantial decline in traveller demand between July and October 2021.

By late July, with the country recording increasing case numbers, Rex was forced to implement capacity reductions due to COVID-19 restrictions. Domestic and regional routes on Rex's network in New South Wales, Victoria, South Australia, Queensland and Tasmania were either temporarily suspended or greatly reduced.

Rex has been vocal on the importance of a competitive and fair aviation industry, and in August appointed a legal team to pursue remedies against Qantas for anti-competitive behaviour. Market-leading litigation law firm, Clayton Utz, was appointed to pursue all legal remedies in response to Qantas' predatory and anti-competitive behaviour. Clayton Utz are exploring all legal avenues to stop Qantas from abusing its market position in order to hurt its competitors through anti-competitive behaviour in the form of capacity dumping and predatory practices.

Since Rex's announcement in June 2020 to launch domestic routes, Qantas has tried to intimidate Rex by commencing services on nine regional routes in competition against Rex. The routes are marginal for one carrier and certainly too small for two airline operators.

With protracted lockdown conditions, in mid-August, Rex revised its profit guidance, and announced a temporary adjustment to employment numbers to protect long term job security. Approximately 500 frontline workers including pilots, cabin crew, engineers, airport customer service officers, call centre consultants, ground staff and head office staff were stood down.

Following an increase in vaccination rates in NSW and VIC resulting in the easing of restrictions, Rex announced on 25 October 2021, the resumption of 737-800NG domestic services and restoration of regional flights in the NSW network. As part of the network restart, Rex launched a 'Reconnect Sale', releasing a raft of fares on sale with no Christmas blackout period.



DIRECTORS' REPORT

On 23 November, Rex announced it had won a competitive tender to service the Central 1 Route which connects the communities of Roma and Charleville to Brisbane. The Central 1 route is one of seven regulated routes released for tender by the Queensland Department of Transport and Main Roads (TMR). Rex won the Central 1 route from incumbent operator QantasLink.

TMR also announced Rex had been re-awarded five regulated routes already in operation, being the Gulf, Western 1, Western 2, Northern 1 and Northern 2 routes, which encompasses 23 destinations across regional, rural and outback Queensland. The new contracts commenced on 1 January 2022, for a period of five years.

On 17 December, Rex launched double-daily flights between Melbourne and Brisbane, which became the fifth capital city destination in the Rex domestic network. One week after the Queensland border had reopened, the inaugural domestic Rex flight from Brisbane took off, with a commemorative cake and traditional water-cannon salute marking the occasion.

On 20 December, Rex's dreams of servicing the so-called 'Golden Triangle' of travel, being Sydney- Melbourne –Brisbane, were realised with the inaugural Brisbane-Sydney taking flight.

FLEET CHANGES

By 1HFY22, subsidiary Pel-Air Aviation remained on track to commence Fixed Wing Air Ambulance Service for NSW Ambulance (as awarded to Pel-Air in February 2020 following a competitive tender), with a new fleet of five King Air B350C aircraft delivered in-country on time despite the challenges of COVID. During the reporting period, Pel-Air announced that from 1HFY24, two new Pilatus PC-24 jets would be added to the NSW Fixed Wing air ambulance services contract, replacing two of the King Air B350C aircraft.

Rex revealed a new livery for its Saab 340 aircraft in September. The new livery now features the airline's slogan, 'Our heart is in the country' above the forward window belt and the Rex logo prominently displayed on the underside of the fuselage.

In September, AAPA Victoria relinquished two Piper Seminole training aircraft.

On 20 December, at the inaugural Sydney-Brisbane launch, Rex formally unveiled an aircraft dedicated to Rex Ambassador and former Federal MP for Riverina, Kay Hull AO, a long-time champion of regional aviation, whose caricature adorns the fuselage of the aircraft, VH-REX.



DIRECTORS' REPORT

COMMUNITY, ENVIRONMENT AND SERVICE STANDARDS

The travel restrictions in place during the reporting period caused a high number of consumers to cancel travel plans. In an unprecedented initiative, Rex created a dedicated online refund portal where passengers with eligible tickets could request a refund via the Rex website with a refund actioned within seven days of request.

The streamlined process is unique in the industry, with other airlines utilising sneaky tactics to avoid or delay refunds. In July 2021, Rex publically backed calls from Australia's leading consumer advocacy group, Choice, advocating for legal reforms after a survey of more than 4,000 travellers revealed few had received refunds, those offered credits or vouchers instead were unlikely to be able to use them while the handful who succeeded in getting a refund were forced to wait several months to get their money back.

In mid-August, Rex announced it had signed an agreement with the Flight Centre Travel Group (FLT) which significantly extended the airline's consumer reach and commercial footprint in the aviation industry. The preferred partnership agreement with FLT enables Rex to sell and promote Rex to its large leisure and corporate travel customer-base throughout Australia and around the world.

In 1H FY22, more than 75,000 passengers travelling on the Rex regional network purchased a Community Fare. The 'Rex Community Fare Scheme' offers a heavily discounted fare if booked at least 30 days prior to departure (subject to Community Fare availability), in addition to all remaining unsold seats within 24 hours before departure. The Scheme aims to make fares more affordable and foster passenger growth. The Scheme continues to stimulate demand, which is particularly important in the current climate, and thus benefits the socio-economic landscape of regional Australia.

In addition to the Community Fare Scheme, Rex also had promotional fares across selected regional routes in New South Wales on sale during the reporting period to boost demand, with fares starting at a never-before seen \$99.

With vaccination being the primary weapon against COVID-19 transmission and avoiding lockdowns, on 1 November, Rex became the first Australian airline to achieve a fully vaccinated front-line workforce. Passengers on Rex flights can be reassured that the compulsory staff vaccination policy means that they are travelling in the safest possible environment while Rex's staff are further protected from infections.

Rex announced the latest enhancement to the customer experience in November, with the progressive rollout of inflight entertainment and Wi-Fi on the airline's fleet of Boeing 737-800NG aircraft. Four 737 jets now utilise Intelsat's 2Ku Wi-Fi system. Rex passengers have access to a new Inflight Entertainment (IFE) portal featuring inflight information, weather and a variety of free-of-charge TV shows and movies which are refreshed on a regular basis. Business class travellers can enjoy complimentary internet Wi-Fi throughout their journey and passengers in the economy cabin can access Wi-Fi for a small fee.

In accordance with the requirements of the Workplace Gender Equality Act 2012 (Act), Regional Express Holdings Limited submits an annual public report with the Workplace Gender Equality Agency (Agency) for every financial year. The Agency has certified Rex as being compliant with the Act for 2021.

Rex registered for the National Greenhouse Energy Reporting Act 2007 (NGER) programme in 2009 and has since submitted NGER reports since FY 2009. Rex submitted its 12th NGER report to the Clean Energy Regulator in October 2021.



DIRECTORS' REPORT

The measure for on-time performance is extracted from the Bureau of Infrastructure, Transport and Regional Economics (BITRE). In 1H FY22, Rex's On Time Departure rate of 89.4% was ranked second in comparison with all carriers (major and regional) in Australia according to BITRE.

Rex's cancellation rate of 4.15% was also ranked second of all carriers, only bettered by Virgin Australia Regional Airlines, which operated 2,152 sectors in comparison to 18,347 sectors flown by Rex.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 10 of the half-year report.

ROUNDING OFF OF AMOUNTS

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the rounding off of amounts in the directors' report and financial statements, amounts in the directors' report and financial statements have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the Corporations Act 2001.

On behalf of the Directors



Neville Howell
Director
Sydney, 25 February 2022



AUDITOR'S INDEPENDENCE DECLARATION



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DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF REGIONAL EXPRESS HOLDINGS LIMITED

As lead auditor for the review of Regional Express Holdings Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Regional Express Holdings Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'John Bresolin'. The signature is written in a cursive, flowing style.

John Bresolin
Director

BDO Audit Pty Ltd

Sydney, 25 February 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Regional Express Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Regional Express Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REVIEW REPORT



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'John Bresolin'. Above the signature, the letters 'BDO' are written in a stylized, cursive font.

John Bresolin
Director

Sydney, 25 February 2022

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Half-year ended	
		31 Dec 2021 \$'000	31 Dec 2020 \$'000
Passenger revenue		68,709	42,809
Freight revenue		692	507
Charter revenue		15,437	15,847
Other passenger services and amenities		37	11
Other revenue		3,479	6,442
Revenue from contracts with customers		88,354	65,616
Government grants and subsidies		28,128	59,434
Total revenue, government grants and subsidies		116,482	125,050
Finance income		160	47
Other gains / (losses)	13	(7,271)	793
Flight and port operation costs		(24,816)	(16,875)
Fuel costs		(15,860)	(7,044)
De-recognition of fuel hedges		-	(3,474)
Salaries and employee-related costs		(64,719)	(44,391)
Selling and marketing costs		(3,189)	(2,021)
Engineering and maintenance costs		(28,385)	(20,367)
General administration costs		(5,518)	(6,927)
Finance costs		(3,647)	(656)
Depreciation and amortisation		(15,587)	(6,513)
Imputed facility fee amortisation	12	(4,030)	-
Asset impairment	11	3,401	(3,401)
Total costs and expenses		(162,350)	(111,669)
(Loss) / profit before tax		(52,979)	14,221
Tax benefit / (expense)		16,321	(4,298)
(Loss) / profit after tax		(36,658)	9,923
(Loss) / profit attributable to:			
Members of the parent		(36,658)	9,923
		(36,658)	9,923
(Loss) / earnings per share		cents per share	cents per share
Basic		(32.9)	9.0
Diluted		(32.9)	9.0

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OR LOSS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Half-year ended	
		31 Dec 2021 \$'000	31 Dec 2020 \$'000
(Loss) / profit after tax		(36,658)	9,923
Other comprehensive income			
Revaluation of cash flow hedges		3,650	1,662
Revaluation of financial instruments	4	2,521	-
Income tax effect		(1,096)	(498)
Other comprehensive income, net of tax	7	5,075	1,164
Total comprehensive (loss) / income for the period		(31,583)	11,087

The accompanying notes form part of these financial statements.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Half-year ended	
		31 Dec 2021 \$'000	30 Jun 2021 \$'000
Current assets			
Cash and bank balances		30,767	30,112
Receivables		34,828	17,391
Inventories		11,985	11,590
Income tax receivable		11,197	9,114
Other financial assets	12	7,994	7,994
Total current assets		96,771	76,201
Non-current assets			
Receivables		7,942	9,926
Inventories		3,641	8,658
Investments - fair value through equity		9	9
Deferred tax assets		21,257	18,535
Other financial assets	12	12,272	13,279
Property, plant and equipment			
Aircraft		145,995	139,650
Other property, plant and equipment		87,376	82,512
Right-of-use assets	3	64,682	65,386
Other intangible assets		714	791
Total non-current assets		343,888	338,746
Total assets		440,659	414,947
Current liabilities			
Payables		39,223	26,792
Unearned revenue		25,986	30,279
Interest bearing liabilities	4	14,491	10,228
Lease liabilities	3	10,831	8,156
Provisions		13,399	12,014
Other financial liabilities	12	-	627
Total current liabilities		103,930	88,096
Non-current liabilities			
Interest bearing liabilities	4	111,457	72,733
Lease liabilities	3	63,373	61,609
Provisions		2,846	3,022
Other financial liabilities	12	14,962	15,079
Total non-current liabilities		192,638	152,443
Total liabilities		296,568	240,539
Net assets		144,091	174,408
Equity			
Issued capital	6	73,689	72,024
Reserved shares	6	(57)	188
Retained earnings		62,143	98,801
Share-based payments reserve	7	1,655	1,809
Other reserves	7	6,661	1,586
Total equity		144,091	174,408

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Half-year ended	
		31 Dec 2021 \$'000	31 Dec 2020 \$'000
Receipts from customers		77,443	61,220
Proceeds from government grants and subsidies		24,915	49,861
Payments to suppliers, employees and others		(128,023)	(97,304)
Interest paid		(2,116)	(610)
Income tax received / (paid)		10,420	(10,885)
Net cash flows from operating activities, government grants and subsidies		(17,361)	2,282
Interest received		160	47
Proceeds from disposal of property, plant and equipment		-	1
Payments for aircraft under construction		(210)	(11,268)
Payments for property, plant and equipment - aircraft and other		(18,005)	(6,588)
Payments for property, plant and equipment - software		(40)	(93)
Net cash flows used in investing activities		(18,095)	(17,901)
Shares purchased as reserve shares		-	(446)
Salary sacrifice - payment for shares		-	4
Lease liabilities paid		(5,733)	(64)
Repayment of interest bearing liabilities - non-related parties	4	(6,419)	(7,337)
Proceeds from interest bearing liabilities - non-related parties	4	48,263	21,668
Net cash flows from financing activities		36,111	13,825
Net increase / (decrease) in cash held		655	(1,794)
Cash at the beginning of the period		30,112	11,198
Cash at the end of the period		30,767	9,404

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Attributable to equity holders of the Company						
	Issued capital	Reserved shares	Retained earnings	Share-based payments reserve	Revaluation reserve	General reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2020	72,024	(628)	102,660	1,383	(3,371)	1,590	173,658
Profit for the period	-	-	9,923	-	-	-	9,923
Other comprehensive income, net of tax	-	-	-	-	1,164	-	1,164
Total comprehensive income for the period	-	-	9,923	-	1,164	-	11,087
Shares purchased as reserve shares	-	(446)	-	-	-	-	(446)
Share gift issued - gift	-	1,262	-	(1,262)	-	-	-
Share gift issued - salary sacrifice	-	-	-	4	-	-	4
Share gift plan provision	-	-	-	599	-	-	599
At 31 December 2020	72,024	188	112,583	724	(2,207)	1,590	184,902
At 1 July 2021	72,024	188	98,801	1,809	(4)	1,590	174,408
Loss for the period	-	-	(36,658)	-	-	-	(36,658)
Other comprehensive income, net of tax	-	-	-	-	5,075	-	5,075
Total comprehensive income / (loss) for the period	-	-	(36,658)	-	5,075	-	(31,583)
New shares issued	1,665	-	-	-	-	-	1,665
Shares purchased as reserve shares	-	(1,665)	-	-	-	-	(1,665)
Share gift issued - gift	-	1,420	-	(1,420)	-	-	-
Share gift plan provision	-	-	-	677	-	-	677
Share options provision	-	-	-	589	-	-	589
At 31 December 2021	73,689	(57)	62,143	1,655	5,071	1,590	144,091

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the rounding off the amounts in the financial statements, amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

The condensed consolidated financial statements have been prepared on a going concern basis. In preparing the condensed consolidated financial statements, the directors note that the Group and Company are in a net current asset deficiency position, due to the nature of the operations whereby customers make payment for booked flights prior to the flights being taken. The directors are aware that financial support by government (related to RANS) potentially ceases at the end of March 2022 and have prepared a cash flow forecast that indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. The Group expects future positive cash flows in the second half of FY22 from the domestic routes that only recommenced operations in November 21. In addition to this, our charter business unit continues to generate positive cash flows. Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

The Board has also taken into account the uncertainties posed by the COVID-19 pandemic. Management is of the opinion that while the situation with COVID is rather unpredictable it is unlikely that Governments will resort to border closures in the future. As such management expects trading conditions to improve for the airline industry in general in the next 12 months.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2021 annual financial report for the financial year ended 30 June 2021. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRERATIONS ADOPTED

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted.

2. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Executive Chairman ('CODM') for the purposes of resource allocation and assessment of performance is more specifically focused on the category of customer for each type of service.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Group's reportable segments under AASB 8 are as follows:

- Regular public transport
- Charter and other
- Training

The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the period under review:

	Revenue		Segment result	
	Half-year ended		Half-year ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Continuing operations				
Regular public transport	71,013	43,605	(65,653)	(37,684)
Charter and other	15,459	15,900	(224)	3,884
Training	1,882	6,111	1,046	(4,670)
	88,354	65,616	(64,831)	(38,470)
Government grants and subsidies	28,128	59,434	28,128	59,434
Finance income			160	47
Other gains / (losses)			(7,271)	793
Central administration costs			(5,518)	(6,927)
Finance costs			(3,647)	(656)
(Loss) / profit before tax			(52,979)	14,221
Tax benefit / (expense)			16,321	(4,298)
Consolidated segment revenue and (loss) / profit	116,482	125,050	(36,658)	9,923

The revenue reported above represents revenue generated from external customers. There were no intersegment sales.

Segment result represents the profit earned or loss incurred by each segment without allocation of central administration costs.

The following is an analysis of the Group's assets and liabilities by reportable operating segment as at the end of period:

	Assets		Liabilities	
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000
Continuing operations				
Regular public transport	308,287	296,826	158,999	118,131
Charter and other	114,767	103,714	108,832	96,598
Training	17,605	14,407	28,737	25,810
Total assets and liabilities	440,659	414,947	296,568	240,539

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases aircraft and buildings, with lease terms varying from 3 to 40 years.

	Leased aircraft \$'000	Leased premises \$'000	Total \$'000
At 1 July 2021	63,263	2,123	65,386
Additions	-	6,273	6,273
Foreign exchange rate adjustment	(959)	-	(959)
Depreciation	(5,060)	(958)	(6,018)
At 31 December 2021	57,244	7,438	64,682
At 1 July 2020	-	1,283	1,283
Additions	9,655	-	9,655
Depreciation	(313)	(46)	(359)
At 31 December 2020	9,342	1,237	10,579

Lease liabilities were recorded in accordance with AASB 16 *Leases* for aircraft and property leases used for operations.

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Current	10,831	8,156
Non-current	63,373	61,609
	74,204	69,765
Amounts recognised in profit and loss		
Depreciation expense on right-of use assets	6,018	4,127
Interest expense on lease liabilities	1,531	1,018

4. INTEREST BEARING LIABILITIES

	31 Dec 2021		30 Jun 2021	
	Borrowing rate %	\$'000	Borrowing rate %	\$'000
Current				
Advance	0.15%	6,074	0.15%	6,419
Loan facility	2.11%	8,417	2.11%	3,809
Interest bearing liabilities		14,491		10,228
Lease liabilities		10,831		8,156
		25,322		18,384
Non-current				
Advance		-	0.15%	6,073
Loan facility	2.11%	40,903	2.11%	22,249
Convertible notes	4.00%	70,554	4.00%	44,411
Interest bearing liabilities		111,457		72,733
Lease liabilities		63,373		61,609
		174,830		134,342

The advance is a short-term emergency cash flow advance provided to the Group by NSW Air Ambulance to assist the Group in meeting part of the capital expenditure for a number of aircraft assets in preparation for the NSW medical evacuation contract. The advance is repayable from December 2020 to November 2022.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Westpac loan facility relates to the acquisition of a number of airplanes to operate the NSW Air Ambulance contract. This facility is drawn down as the airplanes are constructed and delivered, up to a limit of \$77,775 thousand for the initial stage. On commencement of the NSW Air Ambulance operations in January 2022, this construction loan would be converted into an amortising facility, which is repayable over the life of the NSW Air Ambulance contract, being 10 years. The facility is secured by the aircraft and a guarantee by the Group.

The Group's debt facilities include the following:

	31 Dec 2021		30 Jun 2021	
	Used \$'000	Limit \$'000	Used \$'000	Limit \$'000
Westpac	49,320	77,775	26,058	77,775
PAG	75,000	150,000	50,000	150,000

On 29 January 2021, the Group entered into an agreement with PAGAC Regulus Holding Pte Ltd ("PAG") to issue up to \$150m first-ranking senior secured convertible notes. In addition to the notes, the Group has agreed to issue rights to warrants to PAG on the notes for an amount equal to the undrawn balance commensurate with the convertible note drawing limit.

The initial tranche of \$50m was drawn down in March 2021. Subsequently, the Group made three additional drawings against the convertible notes as set out below:

Date	Drawn amount \$'000	Total drawn amount \$'000
Opening balance	-	50,000
26 Jul 2021	9,000	59,000
26 Aug 2021	8,000	67,000
24 Sep 2021	8,000	75,000

The convertible note drawings during the period have been made under the same terms as the initial draw date drawings. The terms are set out below.

- The loan entitles holders to 4% interest p.a. (payable quarterly in arrears)
- The conversion price is \$1.50 per share (subject to anti-dilution adjustments)
- Each share is a fully paid ordinary share in Rex
- Either PAG or Rex may elect to extend the convertible notes by one year by giving notice at least 20 business days prior to the end of the Initial Term. The following applies in relation to the payment of interest:
 - o If PAG extends, no interest is payable by Rex for the extended term
 - o If Rex extends, interest will continue to be payable at the existing rate (4% p.a.)
- If the Group has not utilised the entire commitment by the final draw date (three years from the first draw date), it shall issue warrants to PAG on the final draw date in an amount equal to the undrawn balance of the commitment

The Group has classified the convertible notes entirely as a financial liability and designated the whole instrument as at fair value through profit or loss. These convertible notes have been fair valued by independent valuation experts using a binomial model which forecasts Rex's share price movements to the expiry date of the right to warrants.

The fair value movement of the convertible notes is \$1,143 thousand, and reported as follows:

- A fair value increase through profit or loss of \$3,664 thousand is attributed to the increase in share price of the Group's shares, and
- A fair value decrease through other comprehensive income of \$2,521 thousand is attributed to the change of the Group's credit profile.

	30 Dec 2021 \$'000	30 Jun 2021 \$'000
Opening balance	44,411	-
Proceeds from issue of convertible notes	25,000	50,000
Fair value changes through profit or loss	3,664	(5,589)
	73,075	44,411
Fair value changes through other comprehensive income	(2,521)	-
Fair value	70,554	44,411

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. DIVIDENDS

Given the uncertain and challenging conditions arising from the COVID-19 crisis, the directors have recommended no dividends to be paid for the financial year ended 30 June 2021 (FY2021) and for the period under review (2020: nil).

6. ISSUED CAPITAL AND RESERVED SHARES

	31 Dec 2021		30 Jun 2021	
	No. '000	\$'000	No. '000	\$'000
Fully paid ordinary shares				
Opening balance	110,155	73,689	110,155	72,024
New shares issued	1,022	1,665	-	-
Closing balance	111,177	75,354	110,155	72,024
Reserved shares	-	(57)	(152)	188

	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Reserved shares		
At the beginning of the year	188	(628)
Shares purchased as reserved shares	(1,665)	(446)
Share gift issued	1,420	1,262
At the end of the period	(57)	188

Reserved shares account represents shares owned by the Group, which are eventually granted to employees under the Employee Share Gift Scheme.

7. SHARE-BASED PAYMENTS RESERVE AND OTHER RESERVES

	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Share-based payments reserve		
At the beginning of the year	1,809	1,383
Share gift issued	(1,420)	(1,262)
Share gift plan - salary sacrifice	-	4
Share gift plan provision	677	1,502
Share options provision	589	182
At the end of the period	1,655	1,809
Revaluation reserve		
At the beginning of the year	(4)	(3,371)
Revaluation of cash flow hedges, net of tax	2,554	3,367
Revaluation of financial instruments	2,521	-
At the end of the period	5,071	(4)
General reserve		
At the beginning of the year	1,590	1,590
Movement during the period	-	-
At the end of the period	1,590	1,590
Total other reserves	6,661	1,586

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The cash flow hedge reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

8. ISSUANCES, REPURCHASES AND REPAYMENTS OF EQUITY SECURITIES

Under the Employee Share Gift Scheme, the Group issued 1,022 thousand (2020: nil) fully paid up shares, and gifted 1,174 thousand shares to employees (2020: 1,127 thousand).

During FY2008, the Group executed a publicly announced share buy-back programme. All shares purchased under the programme are cancelled. During the current reporting period, no shares were bought back.

9. CONTINGENCIES AND COMMITMENTS

CAPITAL EXPENDITURE COMMITMENTS

There are no commitments for the acquisition of property, plant and equipment as at 31 December 2021 (2020: nil).

LEASE COMMITMENTS

As at 31 December 2021 there are no lease commitments apart from those reported in FY21.

10. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

On the 5 February 2022, Rex was awarded a multi-million dollar assistance package by the New South Wales State Government to support the creation of over 2,500 direct and indirect new jobs in NSW under the State's Jobs Plus program.

On 21 February 2022, Rex subsidiary Pel-Air was awarded a 12-year Fixed Wing Air Ambulance Services contract by Ambulance Victoria. The contract is worth more than \$300 million with a operational phase beginning in January 2024. Pel-Air has been the incumbent operator for this service contract since July 2011.

11. ASSET IMPAIRMENT

The Group's Cash Generating Units (CGUs) for assessing the carrying value of the Group's assets are as follows:

- Regional Express Holdings Limited (Rex)
- Australian Airline Pilot Academy Pty Ltd and AAPA Victoria Pty Ltd (Training)
- Rex Airlines Pty Ltd (Domestic)
- Pel-Air Aviation Pty Limited (Pel-Air)

(A) REX CGU

The recoverable amount of the Rex CGU has been determined based on a value-in-use valuation model.

COVID-19 pandemic restrictions imposed by Australia and other countries since March 2020 continued to adversely impact the Rex CGU during the half-year. The value-in-use calculation of the Rex CGU uses cash flow projections which are based on a COVID-19 recovery period over which Available Seat Kilometres (ASKs) and passenger numbers are forecast to return to historical levels as seen in FY19 by the second half of FY24.

Key assumptions used in the valuation model are noted below:

During COVID-19 recovery period (FY22 – FY24)

Recovery in ASKs and passengers	Based on expected activity levels over the FY22-24 period. These forecasts are based on the current run rate of passenger numbers and ASKs to December 2021, after which passenger and ASK growth is forecast to gradually return to FY19 historical levels. The forecasts consider the recoveries by state where there are differences in recovery rates.
Fixed & variable costs	Costs which vary with activity are allocated on a per-ASK basis. Fixed costs are forecast based on FY19 actuals adjusted for current year run rates as appropriate.
Fuel costs	Fuel costs are based on the prevailing fuel swap rates, after which they are projected using the long term brent crude curve.
Capital expenditure	Capital expenditure during the recovery period is based on per-ASK maintenance capex.

Subsequent to COVID-19 recovery period

Revenue growth	2.00%
Fuel cost escalation	Based on forward brent crude curve
Operating cost escalation	2.00%
Fleet life	15.5 years

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Cash flows in the valuation model are projected based on the expected fleet life (15.5 years). No terminal value has been included in the value-in-use valuation model. Cash flows are discounted by a post-tax discount rate of 11.00% (FY2021: 11.00%).

When comparing the recoverable value and carrying value of the Rex CGU, it was deemed that the impairment as at 30 June 2020 remains appropriate and no further impairment nor reversal of impairment was required as at 31 December 2021.

(B) Training CGU

During December 2020 a separate CGU consisting of two training academies, The Australian Airline Pilot Academy (primarily training Rex cadets to support the airline's pilot requirements) and AAPA Victoria Pty Ltd (training pilots from other airlines), was formed. The recoverable value of the newly established Training CGU, calculated using fair value of assets less cost of disposal (FVLCD), was lower than the carrying value and as such, an impairment of \$3,401 thousand was applied. The impaired assets included in the Training CGU are considered Level 1 of the fair value hierarchy.

As at 31 December 2021 the FVLCD of the Training CGU was re-assessed, and when compared to the carrying value of the Training CGU, it was deemed that the impairment as at 31 December 2020 of \$3,401 thousand should be reversed. The fair value was determined using the aircraft blue book value guide.

(C) Domestic CGU

The recoverable amount of the Domestic CGU has been determined based on a value-in-use valuation model.

The value-in-use calculation of the Domestic CGU uses cash flow projections based on financial budgets approved by the Board covering a 5-year forecast period. The cash flows are based on management's expectations regarding the market, fleet plans including the leasing of aircraft and operating costs. The discount rate applied reflects the weighted average cost of capital based on the risk-free rate for ten-year Australia government bonds adjusted for a risk premium to reflect the risk of the CGU.

KEY ASSUMPTIONS

The following key assumptions were used in determining the value-in-use valuation model for the Domestic CGU:

Discount rate	10.75% (FY2021: 10.75%)
Average fares	\$110 - \$140 (incl. head tax)
Load factor	50.0% - 77.5%
ASK	1.5 million – 2.0 million
Fuel cost	Based on prevailing fuel swap rates, after which they are projected using the long term brent crude curve
Other operating costs	Costs which vary with activity are allocated based on ASKs, passenger numbers, flight time or number of aircraft.
Operating cost escalation	2.0% to 2.5%

Reasonable changes in these assumptions are not expected to result in an impairment of the Domestic CGU.

(D) Pel-Air CGU

The recoverable value for the Pel-Air CGU was calculated using a fair value less cost of disposal model (FVLCD). This value was higher than the Pel-Air carrying value and as such no impairments were deemed necessary as at 31 December 2021. The fair value was determined using the aircraft blue book value guide.

12. FINANCIAL INSTRUMENTS

The Group has entered into a facility agreement to acquire aircraft to operate the NSW Air Ambulance contract. This facility is not fully drawn as at 31 December 2021. To hedge against exposures to interest rate risk, the Group has entered into interest rate swap (IRS) contracts with the financier to fix interest rates over the facility term. The Group enters into foreign exchange contracts (FEC) to partially mitigate against fluctuations in foreign currency purchases. These derivatives (IRS and FEC) have been classified as cash flow hedges and the fair value at 31 December 2021 has been recognised in other comprehensive gains and losses.

The Group uses jet fuel swap contracts to hedge exposure to movements in the price of aviation fuel. Jet fuel swaps are taken out from time to time to hedge exposures to a maximum of 12 months in accordance with the Group's risk management policies. The Group uses fuel swaps linked to the Platts Singapore Kerosene benchmark. There were no outstanding jet fuel swap hedges as at 30 June 2021, and as at 31 December 2021.

FAIR VALUE OF DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The fair value of fuel swap contracts and foreign exchange derivative contracts are determined using a generally accepted pricing model based on discounted cash flow analysis using assumptions supported by observing market rates.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FAIR VALUE HIERARCHY

In analysing the fair value of material financial instruments, the hierarchy level under which they belong determines the valuation method:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Fuel swap hedging contracts and foreign exchange derivative contracts are financial instruments that use valuation techniques with only observable market inputs and are included in Level 2. Future cash flows are estimated based on forward rates (from observable forward rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

The convertible notes and rights to warrants have been valued based on observable market inputs as outlined in Note 4 and are also included in Level 2. These convertible notes represent a revaluation from 30 June 2021.

The Group does not have any material Level 1 or Level 3 financial instruments.

The following table represents material financial assets and liabilities that were measured and recognised at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31-Dec-21				
Financial assets carried at fair value				
Derivative asset – interest rate swap	-	1,786	-	1,786
Derivative asset – FECs	-	1,857	-	1,857
Financial liabilities carried at fair value				
Derivative liability – rights to warrants	-	14,491	-	14,491
Financial liability – convertible notes	-	70,554	-	70,554
30-Jun-21				
Financial assets carried at fair value				
Derivative asset – interest rate swap	-	100	-	100
Derivative asset – FECs	-	520	-	520
Financial liabilities carried at fair value				
Derivative liability – interest rate swap	-	593	-	593
Derivative liability – FECs	-	34	-	34
Derivative liability – rights to warrants	-	15,079	-	15,079
Financial liability – convertible notes	-	44,411	-	44,411

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

RIGHTS TO WARRANTS

The convertible notes issued by the Group (refer to Note 4) are accompanied by rights to warrants which entitle PAGAC Regulus Holdings Pte Ltd ("PAG") to notes on the undrawn convertible note loan balance. The rights to warrants and convertible notes are accounted for separately. The rights to warrants have been recognized as a derivative financial liability and are subsequently measured at fair value through profit or loss.

Movement of the fair values at the beginning and end of the current financial year is set out below:

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Opening Balance	15,079	-
Rights to Warrants as at Inception Date	-	23,982
Fair value changes through profit or loss	(117)	(8,903)
Rights to Warrants	14,962	15,079

IMPUTED FACILITY FEE

Rights to Warrants at inception date of 15 Mar 2021, was valued at the fair value of \$23,982 thousand, and resulted in a non-cash imputed facility fee of \$23,982 thousand. The fee is amortised over the term of the warrant provision of the convertible notes wherein if the entire commitment is not drawn by three years after the first draw date, the Group shall issue PAG with rights to warrants for the undrawn amount. \$4,030 thousand has been amortised during the period. Imputed facility fee is presented as other financial asset.

Movement of the imputed facility fee is set out below:

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Opening balance	20,653	-
Facility fee imputed at Inception Date	-	23,982
Facility fee amortised through profit or loss	(4,030)	(3,329)
	16,623	20,653
Current facility fee imputed	7,994	7,994
Non-current facility fee imputed	8,629	12,659
	16,623	20,653

13. OTHER GAINS / (LOSSES)

	Note	Half-year ended	
		31 Dec 2021 \$'000	31 Dec 2020 \$'000
Fair value loss on convertible notes	4	(3,664)	-
Fair value gain on warrants	12	117	-
Unrealised foreign currency loss		(2,220)	728
Realised foreign currency loss		(1,499)	64
Disposal of property, plant and equipment		(5)	1
		(7,271)	793

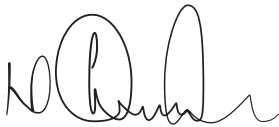
DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Neville Howell
Director
Sydney, 25 February 2022





REX GROUP OF COMPANIES:

