

CAPITAL A FOURTH QUARTER 2022 FINANCIAL RESULTS**ALL BUSINESSES THRIVING ON AIR TRAVEL RESURGENCE****CAPITAL A RETURNS TO PROFITABILITY ACHIEVING ALL-TIME HIGH PROFIT AFTER TAX OF RM172 MILLION SINCE 2Q2019**

- Revenue : RM2.4 billion for 4Q2022
- EBITDA : RM489 million for 4Q2022
- Profit after tax : RM172 million for 4Q2022
- RASK : USc 5.18, down 2% QoQ
- CASK ex-fuel : USc 2.83, down 32% QoQ
- Operating aircraft : Expect 150 aircraft end 1Q2023 and entire fleet of 204 end 3Q2023

SEPANG, 28 February 2023 – Capital A Berhad¹ (“Capital A” or the “Group”) today reported its financial results for the quarter ended 31 December 2022 (“4Q2022”) including its full year Financial Results of 2022 (“FY2022”).

Unaudited Consolidated Fourth Quarter 2022 Results of Capital A

After 13 quarters of accumulating losses due to the pandemic, the Group has returned to the black by recording Profit After Tax of RM172 million in 4Q2022. It posted a quarterly revenue of RM2.4 billion, up 188% Year-on-Year (“YoY”) and 21% Quarter-on-Quarter (“QoQ”). In 4Q2022, the Group also recorded its third consecutive quarter of positive EBITDA at RM489 million.

The breakthrough quarterly performance was primarily driven by the aviation business segment i.e. returning aircraft and opening up of key markets, as travel demand continues recovering in Asia alongside rising yield.

For FY2022, the Group delivered a strong turnaround with a revenue of RM6.6 billion (+260% YoY, 58% of FY2019 revenue). Full-year EBITDA is at RM361 million compared to the EBITDA loss of RM1.0 billion in FY2021. This reflects the ongoing momentum of travel recovery - especially in the second half of 2022 - alongside the stabilisation of jet fuel prices towards year end.

Highlights of 4Q2022

Each business segment is thriving and experiencing substantial growth, solidifying their positions in their respective markets. The broad synergistic ecosystem of businesses across the Group has allowed it to take advantage of new opportunities and capitalise on collective success as the travel and tourism industry recovers from the pandemic. In 4Q2022:

- **Aviation:** Recorded a segmental revenue of RM2.1 billion and positive EBITDA of RM598 million. This was mainly attributed to the surge in international travel, which led to the resumption of former existing routes and the introduction of new routes where forecast demand is strongest.
 - Load Factor (“LF”) of 86% in 4Q2022, 4 percentage points (“ppts”) better than 4Q2019. In terms of total number of passengers carried, the Group recovered 75% and 49% of pre-Covid levels for domestic and international sectors respectively.

¹ Capital A or the Group consolidates AirAsia Berhad, PT Indonesia AirAsia and AirAsia Inc. Group of Companies (Philippines), as well as the digital subsidiaries for financial reporting purposes in accordance with MFRS 10 since 1 January 2017. Starting from 2023, the Group will also include Thai AirAsia Co. Ltd in its consolidation

- An average fare of RM247, up 6% QoQ and 76% YoY, surpassed the 4Q2019 average fare of RM190. Ancillary revenue grew 17% QoQ. RASK increased 27% YoY to US\$5.18 due to higher ancillary revenue, average fare growth and passengers carried.
- As of December 2022, the three airlines in the Aviation segment, together with its Thai associate operated a total of 126 aircraft. All four will be consolidated from FY2023.
- The Group sold over 100,000 seats since the sale of China flights started in January 2023, signalling strong pent up demand from and into China. The inaugural Kuala Lumpur - Guangzhou flight commenced in February 2023 with a 100% LF. Anticipate to exceed pre-pandemic capacity levels from November 2023 onwards.
- **ADE:** Extend its profitability streak to a fourth consecutive quarter delivering its maiden profitability on its first full year of operations. Quarterly revenue grew 151% YoY to RM74.6 million while EBITDA was RM5.4 million from having a lean and efficient structure. However, there was a slight increase in staff costs in line with its two new lines of base maintenance expansion in Senai, which will accelerate the AirAsia fleet restoration by the end of 3Q2023. ADE is also obtaining approvals to extend its scope of offerings to serve a wider client base.
- **Teleport:** Quarterly revenue of RM132 million (USD30 million), up 20% QoQ and maintained its quarterly profit at EBITDA of RM3.4 mil. Its e-Commerce logistics segment hit a record high daily average of 34,000 daily deliveries, up 16% QoQ. The segment is poised to benefit further from the earlier-than-expected reopening of China, which is expected to stimulate further trade and cross-border e-Commerce activity in Asean. The coming full recovery of AirAsia's fleet will realise Teleport's expansive network advantage for the first time since the pandemic. Teleport is also expecting the arrival of the first of its three A321 freighters to complement additional capacity expansion with third-party airlines.
- **airasia Super App:** Reported its third consecutive quarter of EBITDA positive at RM0.1 million on the back of RM138 million revenue (+36% QoQ). Monthly Active users ("MAU") grew to 12 million in December 2022, driving higher transactions in 4Q2022 predominantly in travel verticals (AirAsia flights, FlyBeyond and SUPER+) while conversion rate improved to 9% to 11%. The travel vertical remains a key focus in 2023 especially in driving demand and transactions for hotels and rides. As of January 2023, airasia ride has completed more than 3 million rides and expects further growth leveraging the launch of the service in additional key cities in Asean, further expanding its existing market share in the region.
- **BigPay:** Increase quarterly revenue by 80% YoY to RM10 million, backed by a 27% YoY growth in carded users to 1.3 million as well as higher in payment transaction fees and higher international remittance which hit the RM1 billion milestone in 4Q2022. Its EBITDA loss also narrowed 38% YoY to RM29 million. BigPay and airasia Super App are collaborating closely by embedding BigPay features in the airasia Super App, providing a seamless experience across the travel and lifestyle ecosystem paired with best in market low cost financial services for AirAsia and non-AirAsia fliers. BigPay aims to be profitable by 2024.

CEO of Capital A, Tan Sri Tony Fernandes' comments on the Group's outlook:

"We are thrilled to end the year on such a high note. Apart from the aviation group making significant progress towards full recovery, we continue to see encouraging growth momentum and performance from our logistics, aircraft maintenance and digital businesses that were recently established. As our fleet continues returning to the skies, all our businesses can leverage the ecosystem further.

"For our aviation business, China's reopening will further boost the Group's recovery as we return to one of our key markets with 67 flights weekly in March and our aim is to return to our pre-Covid capacity by the year-end. We have brought back all our furloughed staff as we expect to have 150 of

our aircraft operational by March 2023 and our entire fleet of 204 aircraft back in the skies by the end of the third quarter. We have focused on major improvements to our customer service with the recent launch of our enhanced AI chatbot 'Ask Bo', as well as introduced Delay Guarantee Insurance for our customers. Since we launched AskBo, the average wait time has reduced by 40% and the outlook ahead is very promising. We remain committed to delivering the very best in terms of safe, affordable and reliable air travel with great customer experience.

"The travel vertical of our Super App platform witnessed a solid boost in demand, driven by an encouraging upswing in bookings on the platform paired with cross-selling opportunities across business segments. We are also optimistic about the potential commercial benefits that our Super App and BigPay fintech services will bring to the users. With our MRO business, ADE supporting the restoration of our aircraft, we are able to optimise our fleet reactivation timeline and provide Teleport with additional belly space capacity and subsequently, extended network coverage for its delivery segment in 2023. Our fourth quarter results are evidence of the strength of Capital A's ecosystem.

"On the Group's Practice Note 17 ("PN17") status, the Group has been granted a six month time extension from Bursa Malaysia Securities Berhad to submit a remedy plan. We have a robust plan in place and aim to have a full submission of the regularisation plan in April 2023 after finalising the audit and valuation of entities involved. Closing the year with this record profit, our post-Covid performance is a strong testament that the Group is making exceptional progress towards recovery and is well-positioned for further significant growth in 2023. I have full confidence that we will be able to emerge from the PN17 status stronger than ever, and we are highly committed to secure the necessary approvals including from Bursa Malaysia Securities within the required timeframe.

"As part of our commitment to sustainability, we are pleased to share that we participated in the Bloomberg Gender Equality Index ("GEI") 2023 and our GEI score exceeded the 60.00 threshold. This achievement reflects our unwavering support for promoting gender equality in Capital A. We also believe that sustainability initiatives should extend beyond the airline industry, and that it should be an integral part of our overall business strategy. Therefore, we have expanded our sustainability agenda to encompass all of our business segments. We will continue to build and strengthen our sustainability commitments, as we strive to make a positive impact on society and the environment."

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