

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**ANNOUNCEMENT**

The Board of Directors of Capital A Berhad (formerly known as AirAsia Group Berhad) (“Capital A” or “the Company”) hereby announces the following unaudited consolidated results of Capital A and its subsidiaries (collectively known as “the Group”) for the third quarter ended 30 September 2022.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Year ended	Year ended
		30/09/2022 RM'000	30/09/2021 RM'000 (Restated)	30/09/2022 RM'000	30/09/2021 RM'000 (Restated)
Revenue:	<b>10</b>				
- Aviation		1,725,802	106,156	3,618,773	498,908
- Logistic		110,255	157,863	356,041	411,969
- Digital and others		124,795	31,875	263,257	104,271
		<b>1,960,851</b>	<b>295,894</b>	<b>4,238,070</b>	<b>1,015,148</b>
Operating expenses:					
- Staff costs		(333,581)	(184,839)	(883,674)	(574,370)
- Aircraft fuel expenses		(943,803)	(32,697)	(1,992,970)	(175,886)
- Fuel swap losses		-	-	-	(30,160)
- Maintenance and overhaul		(345,686)	(55,947)	(668,944)	(163,071)
- User charges and other related expenses		(273,301)	(60,509)	(535,964)	(338,382)
- Logistic expenses		(84,886)	(131,705)	(324,189)	(199,515)
- Technology and IT related expenses		(63,321)	(76,678)	(163,377)	(169,696)
- Other operating expenses	<b>11(i)</b>	132,211	(41,520)	159,973	(109,292)
Other income	<b>11(ii)</b>	23,768	12,399	43,357	70,370
<b>EBITDA</b>		<b>72,252</b>	<b>(275,602)</b>	<b>(127,719)</b>	<b>(674,854)</b>
Depreciation and amortisation		(40,893)	(40,997)	(104,718)	(109,871)
Depreciation on right of use asset	<b>12(i)</b>	(346,001)	(416,989)	(1,035,010)	(1,249,678)
Finance income	<b>13</b>	15,238	5,840	48,039	18,801
Finance costs - lease liabilities	<b>12(ii)</b>	(165,754)	(115,333)	(497,357)	(343,242)
Finance costs	<b>13</b>	(98,731)	(49,917)	(249,652)	(120,211)
<b>Net operating loss</b>		<b>(563,889)</b>	<b>(892,998)</b>	<b>(1,966,417)</b>	<b>(2,479,055)</b>
Foreign exchange loss	<b>13</b>	(363,873)	(216,949)	(761,998)	(314,792)
Fair value gain on derivatives		708	4,114	45,021	20,623
Share of results of associates/joint venture		(226,770)	(5,680)	(661,367)	(30,808)
<b>Loss before taxation</b>		<b>(1,153,824)</b>	<b>(1,111,513)</b>	<b>(3,344,761)</b>	<b>(2,804,032)</b>
Tax expense	<b>14</b>	(4,239)	(1,473)	(11,361)	(4,744)
Deferred taxation	<b>14</b>	14,682	2,698	14,682	2,698
<b>Net loss for the financial period</b>		<b>(1,143,381)</b>	<b>(1,110,288)</b>	<b>(3,341,440)</b>	<b>(2,806,078)</b>
Attributable to:					
- Owners of the company		(901,313)	(887,003)	(2,736,329)	(2,234,484)
- Non-controlling interests		(242,068)	(223,285)	(605,111)	(571,594)
		<b>(1,143,381)</b>	<b>(1,110,288)</b>	<b>(3,341,440)</b>	<b>(2,806,078)</b>

*The Condensed Income Statement in compliance with MFRS 134.*

*The comparative figures have been restated due to reclassification of Revenue and Other Income.*

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended	Quarter ended	Year ended	Year ended
	30/09/2022 RM'000	30/09/2021 RM'000	30/09/2022 RM'000	30/09/2021 RM'000
<b>Net loss for the financial period</b>	(1,143,381)	(1,110,288)	(3,341,440)	(2,806,078)
Other comprehensive income/(loss)				
Remeasurement loss on employee benefits liability, net of tax	63	15,400	3,893	15,207
Fair value reserve	(16,351)	121,391	(31,269)	114,371
Cash flow hedges	1	30,058	(3,861)	35,609
Foreign currency translation differences	(682,141)	(87,478)	(1,215,606)	(198,570)
<b>Total comprehensive loss</b>	<b>(1,841,809)</b>	<b>(1,030,917)</b>	<b>(4,588,283)</b>	<b>(2,839,461)</b>
Total comprehensive income attributable to:				
Owners of the Company	(1,599,741)	(725,723)	(3,983,172)	(2,272,081)
Non-controlling interests	(242,068)	(305,194)	(605,111)	(567,380)
	<b>(1,841,809)</b>	<b>(1,030,917)</b>	<b>(4,588,283)</b>	<b>(2,839,461)</b>

The condensed consolidated income statement and consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	AS AT 30/09/2022 RM'000	AS AT 31/12/2021 RM'000
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	15	907,665	933,474
Right of use assets	15	9,718,014	9,750,711
Finance lease receivables	15	246,819	266,233
Investment in associates	17	539,422	438,004
Investment in joint venture		491	878
Investment securities	16	224,374	243,323
Intangible assets		834,247	833,450
Deferred tax assets		739,078	738,760
Receivables and prepayments	18	3,363,244	3,599,414
Deposits on aircraft purchase		694,401	610,489
Derivative financial instruments	23	165,397	165,397
		17,433,152	17,580,133
<b>CURRENT ASSETS</b>			
Inventories		189,964	153,600
Receivables and prepayments	18	911,334	608,405
Finance lease receivables	15	166,580	224,144
Amounts due from associates		95,105	67,285
Amounts due from related parties		129,058	134,153
Derivative financial instruments	23	-	-
Tax recoverable		6,914	5,408
Deposits, bank and cash balances		415,403	1,256,753
		1,914,358	2,449,748
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	3,431,425	2,308,897
Aircraft maintenance provisions and liabilities	20	1,679,805	976,633
Sales in advance		1,333,958	930,510
Amounts due to associates		146,931	43,297
Amounts due to related parties		193,941	129,717
Borrowings	21	564,546	887,228
Lease liabilities	22	4,428,061	3,905,769
Provision of taxation		25,463	21,873
		11,804,130	9,203,924
<b>NET CURRENT LIABILITIES</b>		<b>(9,889,772)</b>	<b>(6,754,176)</b>

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Note	AS AT 30/09/2022 RM'000	AS AT 31/12/2021 RM'000
<b>NON CURRENT LIABILITIES</b>		
Trade and other payables	297,640	292,691
Aircraft maintenance provisions and liabilities	5,003,556	4,860,637
Borrowings	2,232,657	1,422,661
Lease liabilities	10,565,315	10,389,525
Deferred tax liabilities	155,049	169,477
Derivative financial instruments	-	32,785
Provision for retirement benefits	90,178	81,084
	<b>18,344,395</b>	<b>17,248,860</b>
	<b>(10,801,015)</b>	<b>(6,422,903)</b>
<b>CAPITAL AND RESERVES</b>		
Share capital	8,654,977	8,457,172
Merger deficit	(5,507,594)	(5,507,594)
Other reserves	137,934	161,321
Foreign exchange reserve	(1,334,045)	(118,439)
Retained earnings	(9,022,492)	(6,374,760)
	<b>(7,071,220)</b>	<b>(3,382,300)</b>
Non-controlling interests	(3,729,795)	(3,040,603)
Total equity	<b>(10,801,015)</b>	<b>(6,422,903)</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<b>(1.70)</b>	<b>(0.87)</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company											Non-controlling interests RM'000	Total equity RM'000	
	Number of shares '000	Share Capital RM'000	Merger Deficit RM'000	Foreign exchange reserve RM'000	Share-based payments RM'000	RCUIDS - equity RM'000	Warrant reserve RM'000	Cash flow hedge reserve RM'000	Fair value and other reserves RM'000	Remeasurement loss on employee benefits liability RM'000	Retained earnings RM'000			Total RM'000
<b>At 1 January 2022</b>	3,898,053	8,457,172	(5,507,594)	(118,439)	5,968	154,360	112,736	(68,499)	(29,914)	(13,330)	(6,374,760)	(3,382,300)	(3,040,603)	(6,422,903)
Net profit for the financial period	-	-	-	-	-	-	-	-	-	-	(2,736,329)	(2,736,329)	(605,111)	(3,341,440)
Other comprehensive income	-	-	-	(1,215,606)	-	-	-	(3,861)	(31,269)	3,893	-	(1,246,843)	-	(1,246,843)
Issuance of new shares	263,740	197,805	-	-	-	-	-	-	-	-	197,805	-	-	197,805
Dilution of interest in subsidiary	-	-	-	-	-	-	-	-	-	-	88,597	-	(84,081)	4,516
Share-based payment expensed	-	-	-	-	7,850	-	-	-	-	-	-	7,850	-	7,850
<b>At 30 September 2022</b>	<b>4,161,793</b>	<b>8,654,977</b>	<b>(5,507,594)</b>	<b>(1,334,045)</b>	<b>13,818</b>	<b>154,360</b>	<b>112,736</b>	<b>(72,360)</b>	<b>(61,183)</b>	<b>(9,437)</b>	<b>(9,022,492)</b>	<b>(7,071,220)</b>	<b>(3,729,795)</b>	<b>(10,801,015)</b>
<b>At 1 January 2021</b>	<b>3,341,974</b>	<b>8,023,268</b>	<b>(5,507,594)</b>	<b>(573,778)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(101,222)</b>	<b>(105,506)</b>	<b>(18,640)</b>	<b>(3,447,215)</b>	<b>(1,214,287)</b>	<b>(2,355,507)</b>	<b>(3,569,794)</b>
Net profit for the financial period	-	-	-	-	-	-	-	-	-	-	(2,234,484)	(2,234,484)	(571,594)	(2,806,078)
Other comprehensive income	-	-	-	(199,609)	-	-	-	32,723	114,371	14,918	-	(37,597)	4,214	(33,383)
Issuance of new shares	470,214	336,464	-	-	-	-	-	-	-	-	-	336,464	-	336,464
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	166,000	166,000
Dilution of interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	1,206	1,206
Acquisition of non-controlling interests in a subsidiary	85,865	103,038	-	-	-	-	-	-	-	-	(108,691)	(5,653)	5,653	-
Transfer of fair value reserve of disposed investment securities to retained earnings	-	-	-	-	-	-	-	-	(27,213)	-	27,213	-	-	-
Share-based payment expensed	-	-	-	-	2,116	-	-	-	-	-	-	2,116	-	2,116
<b>At 30 September 2021</b>	<b>3,898,053</b>	<b>8,462,770</b>	<b>(5,507,594)</b>	<b>(256,987)</b>	<b>2,116</b>	<b>-</b>	<b>-</b>	<b>(68,499)</b>	<b>(18,348)</b>	<b>(3,722)</b>	<b>(5,763,177)</b>	<b>(3,153,441)</b>	<b>(2,750,028)</b>	<b>(5,903,469)</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	PERIOD ENDED	PERIOD ENDED
	30/09/2022	30/09/2021
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(3,344,761)	(2,804,032)
Adjustments:		
Property, plant and equipment		
- Depreciation	102,863	109,871
- Gain on disposal	(159)	(37,288)
- Write Off	1,223	3,129
Rights of Use Asset		
- Depreciation	1,035,010	1,249,678
Intangible assets		
- Amortisation	1,855	-
Provision for retirement benefit	14,648	3,579
Aircraft maintenance provisions	282,697	-
Impairment of receivables, related parties, joint ventures and investment securities	(52,599)	-
Reversal of impairment on intercompany	-	(2,839)
Reversal of impairment loss on right of use asset	(390,738)	-
Fair value gain on derivative financial instruments	(45,021)	(20,623)
Share of results of associates and joint venture	661,367	30,808
Net unrealised foreign exchange losses	729,093	292,424
Share-based payments	7,850	-
Interest expense	170,202	113,207
Interest on lease liabilities	497,357	343,242
Interest income	(48,039)	(18,801)
	(377,152)	(737,645)
<b>Changes in working capital</b>		
Inventories	(36,364)	(16,997)
Receivables and prepayments	(68,741)	(53,640)
Trade and other payables and provisions	(69,178)	286,826
Sales in advance	403,448	(34,590)
Intercompany balances	196,339	(37,791)
<b>Cash used in operations</b>	48,353	(593,837)
Interest paid	(141,504)	(49,644)
Interest received	1,932	1,570
Tax paid, net	(4,467)	(4,158)
Retirement benefit paid	(5,848)	(7,218)
<b>Net cash used in operating activities</b>	<b>(101,534)</b>	<b>(653,287)</b>

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>PERIOD ENDED</b>	<b>PERIOD ENDED</b>
	<b>30/09/2022</b>	<b>30/09/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- Additions	(30,740)	(15,907)
- Proceeds from disposal	1,040	44,620
Acquisition of		
- subsidiaries, net of cash acquired	-	26,528
Net movement other investments	-	289,356
Additional subscription of shares in associates	-	(6)
Additional investment in an associate	(176,280)	-
Acquisition of other investments	(4,402)	-
Deposit paid for aircraft purchased	(15,332)	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(225,714)</b>	<b>344,591</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	336,464
Proceeds from borrowings	944,396	355,602
Repayment of borrowings and lease liabilities	(1,439,911)	(512,037)
<b>Net cash (used in)/generated from financing activities</b>	<b>(495,515)</b>	<b>180,029</b>
<b>NET DECREASE FOR THE FINANCIAL PERIOD</b>	<b>(822,763)</b>	<b>(128,667)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,256,753</b>	<b>533,278</b>
<b>CURRENCY TRANSLATION DIFFERENCES</b>	<b>(18,587)</b>	<b>(3,874)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>415,403</b>	<b>400,737</b>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE QUARTERLY REPORT**

**1. Basis of preparation**

The Interim Financial Report is unaudited and has been prepared in accordance with paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Listing Requirements.

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2021.

**2. Summary of significant accounting policies**

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the Audited Financial Statements for the financial year ended 31 December 2021. Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2021 or later are provided in the notes to the financial statements in the Audited Financial Statements of the Group for the financial year ended 31 December 2021. The Group did not early adopt any new standards, amendments to published standards and interpretation to existing standards.

For the beginning of the financial year 1 January 2022, the standards that become effective do not have any material impact on the financial statements of the Group and the Company for the year.

**3. Auditors' report on preceding annual financial statements**

The auditors have expressed an unqualified opinion on the Group and the Company's audited financial statements for the financial year ended 31 December 2021 in their report dated 29 April 2022.

**4. Seasonality of operations**

The Group's air transportation business is subject to the seasonal demand for air travel. This segment of the Group's business has been severely affected by travel restrictions due to the Covid-19 pandemic.

**5. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period-to-date except for that from the Covid-19 outbreak.



**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**6. Changes in composition of the Group**

On 21 October 2021, the Company announced that its 45% held associate, Thai AirAsia Co. Ltd (“TAA”) via its listed holding company, Asia Aviation Public Company Limited (“AAV”) had announced a restructuring and recapitalisation plan (“AAV Restructuring”). Upon completion of AAV Restructuring, the Company vide its wholly-owned subsidiary AirAsia Aviation Group Limited (formerly known as AirAsia Investment Limited) (“AAA”) will dispose its shareholding in TAA and subscribe for equivalent percentage of shareholding in AAV.

On 2 November 2022, the Company announced the signing of the share purchase agreement to sell the remaining 16.33% equity shares held in AAI by AAAGL to Air India Limited, an affiliate of Tata Sons Private Limited, India. There will be no gain or loss on the disposal as Capital A has marked the remaining 16.33% in AAI to its fair value.

**7. Changes in estimates**

There were no changes in estimates that have had a material effect on the results of the current quarter and financial period-to-date.

**8. Issues, Repurchases and Repayment of Debt and Equity Securities**

During the financial period to date, the Company issued 263,740,340 new ordinary shares at a total value of RM 197,805,255 under the conversion of RCUIDS.

Apart from the above, there are no other issuances, cancellation, repurchase, resale and repayment of debt and equity securities for the period ended 30 September 2022.

**9. Dividends paid and proposed**

No dividend has been proposed during the period ended 30 September 2022.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**10. Revenue**

	<b>Quarter ended 30/09/2022 RM million</b>	<b>Quarter ended 30/09/2021 RM million</b>
<u>Aviation revenue</u>		
Passenger revenue		
- seat sales	1,453.3	81.6
- others	259.5	15.1
Aircraft operating lease income	13.0	9.4
	<hr/> 1,725.8	<hr/> 106.1
Logistic	110.4	157.9
	<hr/>	<hr/>
<u>Digital &amp; Others revenue</u>		
- airasia Super App	67.7	13.7
- BigPay	8.5	5.4
- Others	48.5	12.9
	<hr/> 1,960.9	<hr/> 296.0

**11. (i) Other operating expenses**

Included in the other operating expenses was a reversal of impairment on ROU assets previously provided, which amounted to RM 161.8 million for the quarter ended 30 September 2022. (quarter ended 30 September 2021: nil).

**(ii) Other income**

Other income mainly includes commission and advertising income, forfeited revenue, insurance claims and management fee for provision of shared services to associates.

**12. (i) Depreciation on right of use asset**

	<b>Quarter ended 30/09/2022 RM million</b>	<b>Quarter ended 30/09/2021 RM million</b>
Operating aircraft	185.7	96.1
Non-operating aircraft	158.7	319.6
Others	1.6	1.3
	<hr/> 346.0	<hr/> 417.0

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**12. (ii) Finance costs - lease liabilities**

	<b>Quarter ended 30/09/2022 RM million</b>	<b>Quarter ended 30/09/2021 RM million</b>
Operating aircraft	85.8	26.4
Non-operating aircraft	80.0	88.9
	<u>165.8</u>	<u>115.3</u>

**13. Finance income/(costs) and foreign exchange losses**

	<b>Quarter ended 30/09/2022 RM million</b>	<b>Quarter ended 30/09/2021 RM million</b>	<b>Year ended 30/09/2022 RM million</b>	<b>Year ended 30/09/2021 RM million</b>
<b>(a) Finance income</b>				
Interest income from:				
- deposits with licensed banks	0.5	0.2	1.3	1.2
- from associates	-	4.3	3.0	5.4
- finance lease receivables	14.7	1.4	43.1	11.8
Discounting effect on financial instruments and others	0.0	-	0.7	0.4
	<u>15.2</u>	<u>5.9</u>	<u>48.0</u>	<u>18.8</u>
<b>(b) Finance costs</b>				
Bank borrowings	(24.7)	(11.0)	(80.9)	(37.6)
Amortisation of premiums for interest rate caps	-	(0.0)	-	(0.1)
RCUIDS profit payment	(15.7)	-	(46.4)	-
Discounting effect on financial instruments, bank facilities and other charges	(58.4)	(38.9)	(122.4)	(82.5)
	<u>(98.7)</u>	<u>(49.9)</u>	<u>(249.7)</u>	<u>(120.2)</u>
<b>(c) Foreign exchange (loss)/gain</b>				
- realized	(14.7)	5.5	(32.9)	(22.4)
- unrealized	(349.2)	(222.4)	(729.1)	(292.4)
	<u>(363.9)</u>	<u>(216.9)</u>	<u>(762.0)</u>	<u>(314.8)</u>

**14. Income tax and Deferred tax**

**Income tax expense**

The current taxation charge for the period to date mainly relates to the corporate income taxes for the subsidiaries in Malaysia.

**Deferred taxation**

No deferred tax recognised for the period ended 30 September 2022.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**15. Property, plant and equipment, ROU and Finance Lease receivables**

(a) acquisition and disposals

During the period ended 30 September 2022, the Group acquired property, plant and equipment with a total cost of RM30.7 million (period ended 30 September 2021: RM15.9 million).

During the period ended 30 September 2022, proceeds from the disposal of property, plant and equipment amounted to RM1.0 million (year ended 30 September 2021: RM44.6 million).

(b) revaluation

There was no revaluation of property, plant and equipment in the quarter under review or in the same quarter of the prior year.

(c) impairment

There was no impairment of property, plant and equipment and ROU assets in the quarter under review or in the same quarter of the prior year.

During the period ended 30 September 2022, there was a reversal of impairment on ROU assets previously provided, which amounted to RM390.7 million for period ended 30 September 2022 (period ended 30 September 2021: nil).

**16. Quoted investments and properties**

There was no purchase or disposal of quoted securities for the quarter under review and financial period-to-date.

**17. Investments in associates**

	<b>As at 30/09/2022 RM million</b>	<b>As at 31/12/2021 RM million</b>
<b>Cost</b>		
Investment	1,857.4	1,087.9
Share of results and reserves	(1,258.8)	(590.7)
Impairment loss	(59.2)	(59.2)
	<u>539.4</u>	<u>438.0</u>

MFRS128 provides that entities discontinue recognising their share of further losses when its share of the losses equals to or exceeds its interest in the associate. As at 30 September 2022, the Group has recognised all losses in these associates.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**18. Receivables and prepayments**

	<b>As at 30/09/2022 RM million</b>	<b>As at 31/12/2021 RM million</b>
<u>Non-current</u>		
Prepayments	3,082.4	3,185.2
Deposits and other receivables	280.9	414.2
	<u>3,363.3</u>	<u>3,599.4</u>
<u>Current</u>		
Trade and other receivables	763.7	438.6
Prepayments	67.5	54.5
Deposits	80.1	115.3
	<u>911.3</u>	<u>608.4</u>

Prepayments include advances for the purchase of fuel as well as prepaid engine maintenance costs to the service provider.

**19. Trade and other payables**

	<b>As at 30/09/2022 RM million</b>	<b>As at 31/12/2021 RM million</b>
<u>Non-current</u>		
Other payables	297.6	292.7
	<u>297.6</u>	<u>292.7</u>
<u>Current</u>		
Trade payables	2,012.0	1,306.4
Other payables	332.7	119.8
Accruals for fuel	201.0	77.2
Others	885.7	805.4
	<u>3,431.4</u>	<u>2,308.8</u>

Other payables and accruals include accruals for operational expenses and passenger service charges payable to airport authorities

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**20. Aircraft maintenance provision/ payables**

	<b>As at 30/09/2022 RM million</b>	<b>As at 31/12/2021 RM million</b>
Aircraft maintenance provision	1,643.2	1,480.2
Aircraft maintenance payables	2,549.8	2,502.0
Aircraft maintenance reserves	2,490.3	1,855.1
	<u>6,683.3</u>	<u>5,837.3</u>
Current	1,679.8	976.7
Non Current	5,003.5	4,860.6
	<u>6,683.3</u>	<u>5,837.3</u>

- (i) Aircraft maintenance provision relates to contractual obligations by the Group to maintain the aircraft during the lease period until redelivery, based on pre-agreed conditions.
- (ii) Aircraft maintenance payables relate to provision for the Group's contractual obligations, in a sales and leaseback agreement, to incur on the return of an aircraft in a pre-agreed conditions.
- (iii) Aircraft maintenance reserve relates to payments made by the lessee subscribing to the engine maintenance programme for agreed maintenance work that has yet to be carried out.

The liabilities of the aircraft provisions/ payables are covered through the Group's prepaid engine maintenance cost to a service provider as disclosed in Note 18.

**21. Borrowings**

	<b>As at 30/09/2022 RM million</b>	<b>As at 31/12/2021 RM million</b>
<u>Short term</u>		
Term loans	206.8	332.3
Term loans (Deferred fuel hedge settlements)	26.4	219.9
Revolving credit	44.3	85.0
Convertible loan note	287.0	250.0
	<u>564.5</u>	<u>887.2</u>
<u>Long term</u>		
Term loans	1,173.4	600.2
Other facility	434.7	-
RCUIDS	624.6	822.4
	<u>2,232.7</u>	<u>1,422.6</u>
Total	<u>2,797.2</u>	<u>2,309.8</u>

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

	<b>As at 30/09/2022 RM million</b>	<b>As at 31/12/2021 RM million</b>
The currency profile of borrowings are as follows:		
Ringgit Malaysia	892.1	1,063.1
US Dollar	1,603.9	1,120.2
Philippine Peso	88.5	79.7
Thai Baht	165.2	-
Indonesian Rupiah	47.5	46.8
	<u>2,797.2</u>	<u>2,309.8</u>

On 10th Jan 2022, AirAsia Aviation Group Limited, a wholly owned subsidiary of the Company secured a term loan facility of THB 1,354 million from a financial institution.

On 5th May 2022, AirAsia Berhad, a wholly owned subsidiary of the Company secured a PDP financing at a net borrowing amount of USD 102.5 million from a non-financial institution.

On 9th May 2022, AirAsia Capital Limited, a wholly owned subsidiary of the Company secured a term loan facility of USD 75 million from a non-financial institution.

As of 30 September 2022, a total of RM 197.8 million RCUIDS converted into ordinary shares. Further details of RCUIDS as disclosed in Note 24.

**22. Lease liabilities**

The lease liabilities amounting to RM15.0 billion includes deferred aircraft leases of approximately RM2.7 billion. The lease liabilities are supported by ROU assets of RM9.7 billion (net of impairment) and finance lease receivables of RM0.4 billion (net of impairment).

The Group had completed the restructuring of a total of 107 aircraft leases up to the date of this report including the waiver of lease rentals in arrears, as well as reducing future lease rates with a corresponding longer lease term, where necessary, and return of aircraft.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**23. Derivative financial instruments**

(a) Forward Foreign Exchange Contracts

As at 30 September 2022, there is no outstanding amount for forward foreign exchange contracts.

(b) Interest Rate Hedging.

As at 30 September 2022, there is no outstanding amount for interest rate swaps.

(c) Fuel Hedging

As at 30 September 2022, there are no outstanding fuel derivative contracts.

(d) Early redemption option

The RCUIDS issued by the Group, as disclosed in Note 24 below, allows for an option of refinancing the debt at a price of 105% of the principal.



**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**24. Status of corporate proposals announced**

**Renounceable Rights Issue of Redeemable Convertible Unsecured Islamic Debt Securities (“RCUIDS”)**

On 12 July 2021, the Company announced that it proposed to undertake a renounceable rights issue of up to RM1,024,058,370 in nominal value of a 7 year RCUIDS of RM0.75 on the basis of 2 RCUIDS, together with 1 free detachable warrant, for every 6 ordinary shares in the Company. Based on the nominal value of the RCUIDS of RM0.75 each, the Proposed Rights Issue will result in the issuance of up to 1,365,411,160 RCUIDS, together with up to 682,705,580 new warrants.

The above proposal was approved by shareholders at an Extraordinary General Meeting held on 11 November 2021.

The salient features of the RCUIDS are as follows:

- (a) The profit rate of the RCUIDS is 8% per annum, computed based on the nominal value of the outstanding RCUIDS, and payable quarterly in arrears. Total profit payment paid in the quarter is as disclosed in Note 13.
- (b) The Company shall redeem annually 25% of the outstanding RCUIDS, which has not been converted or redeemed, commencing on the 4th anniversary from the issue date of the RCUIDS. Therefore, the RCUIDS is classified as long term liabilities as indicated in Note 21.

The proposed utilisation of the proceeds received of RM974.5 million are as follows:

Utilisation of Proceeds	Expected timeframe	Proposed Utilisation RM m	Actual Utilisation RM m	Unutilised Amounts RM m
Fuel Hedging Settlement	5 months	226.7	202.0	24.7
Aircraft lease and maintenance	Within 12 months	202.8	202.8	-
AirAsia Digital Sdn. Bhd. business units	Within 12 months	73.7	73.7	-
General working capital expenses	Within 12 months	451.0	451.0	-
Estimated expenses	Within 3 months	20.3	20.3	-
		974.5	949.8	24.7

**25. Contingent assets**

As at the date of this report, the Group does not have any contingent assets.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**26. Changes in contingent liabilities since the last annual balance sheet date**

There were no material changes in contingent liabilities since the audited financial statements of the Group for the financial year ended 31 December 2021.

**27. Capital commitments outstanding not provided for in the interim financial report**

Capital commitments for property, plant and equipment:

	<b>As at 30/09/2022 RM million</b>	<b>As at 31/12/2021 RM million</b>
Approved and contracted for	107,921	97,123.8

**28. Material related party transactions**

Significant related party transactions which were entered into on agreed terms and conditions for the quarter ended 30 September 2022 are set out below:

	<b>Quarter ended 30/09/2022 RM million</b>	<b>Quarter ended 30/09/2021 RM million</b>
1. Transaction of the Group with associates of a subsidiary		
a. Purchase of cargo transportation capacity		
- Thai AirAsia	2.2	1.2
b. Commission charged		
- Thai AirAsia	19.5	0.3
c. Management fees		
- Thai AirAsia	0.1	15.5
2. Transaction of the Group with companies with common directors and shareholders		
a. Purchase of cargo transportation capacity		
- AirAsia X	18.7	66.7
- Thai AirAsia X	0.9	45.0
b. Management fees		
- AirAsia X	-	0.3
c. Wet lease payment		
- AirAsia X	9.6	-

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**29. Review of Group Performance**

The segmental information for the reportable segments for the quarters ended 30 September 2022 and 30 September 2021 are as follows:

	<b>Aviation</b>	<b>Engineering</b>	<b>Teleport</b>	<b>SuperApp</b>	<b>BigPay</b>	<b>Others</b>	<b>Total</b>	<b>E limination</b>	<b>Total</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>Segments</b>	<b>adjustments</b>	<b>RM '000</b>
							<b>RM '000</b>	<b>RM '000</b>	
<b>QTD</b>									
<b>30/09/2022</b>									
Revenue	1,836,538	79,610	110,384	101,749	8,513	2,757	2,139,551	(178,700)	1,960,851
Staff costs	(227,699)	(29,034)	(13,449)	(35,600)	(16,263)	(11,322)	(333,367)	(214)	(333,581)
Fuel costs	(943,803)	-	-	-	-	-	(943,803)	-	(943,803)
Maintenance and overhaul	(416,346)	(22,522)	(224)	(793)	-	-	(439,885)	94,199	(345,686)
User charges and other related expenses	(307,029)	-	(84,886)	(31,751)	3,281	(29)	(420,414)	62,227	(358,187)
Other operating expenses	142,369	(8,347)	(6,722)	(17,914)	(28,585)	(6,776)	74,025	(5,135)	68,890
Other income	23,403	-	34	130	93	12	23,672	96	23,768
<b>EBITDA</b>	<b>107,433</b>	<b>19,707</b>	<b>5,137</b>	<b>15,821</b>	<b>(32,961)</b>	<b>(15,358)</b>	<b>99,779</b>	<b>(27,527)</b>	<b>72,252</b>
Depreciation & amortisation									(386,894)
Interest expense									(264,485)
Interest income									15,238
Derivative gain									708
Share of results of associates/joint venture									(226,770)
<b>Segment results</b>									<b>(789,951)</b>
Foreign exchange loss									(363,873)
Loss before taxation									<b>(1,153,824)</b>

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**29. Review of Group Performance (cont'd.)**

The segmental information for the reportable segments for the periods ended 30 September 2022 and 30 September 2021 are as follows: (cont'd.)

	<b>Aviation</b>	<b>Engineering</b>	<b>Teleport</b>	<b>SuperApp</b>	<b>BigPay</b>	<b>Others</b>	<b>Total</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Segments</b>	<b>adjustments</b>	<b>RM'000</b>
<b>QTD</b>									
<b>30/09/2021</b>									
Revenue	233,952	25,080	157,763	13,255	5,450	1,002	436,502	(140,608)	295,894
Staff costs	(108,782)	(16,909)	(9,741)	(30,428)	(7,578)	(11,146)	(184,584)	(255)	(184,839)
Fuel costs	(32,652)	-	-	-	-	-	(32,652)	(45)	(32,697)
Maintenance and overhaul	(122,822)	340	1,299	413	-	-	(120,770)	64,823	(55,947)
User charges and other related expenses	(27,422)	-	(164,264)	(9,993)	-	9	(201,670)	9,456	(192,214)
Other operating expenses	(88,139)	(2,512)	(2,412)	(43,502)	(30,733)	(6,178)	(173,476)	55,278	(118,198)
Other income	1,334	-	1	(9,012)	-	-	(7,677)	20,076	12,399
<b>EBITDA</b>	<b>(144,531)</b>	<b>5,999</b>	<b>(17,354)</b>	<b>(79,267)</b>	<b>(32,861)</b>	<b>(16,313)</b>	<b>(284,327)</b>	<b>8,725</b>	<b>(275,602)</b>
Depreciation & amortisation									(457,986)
Interest expense									(165,250)
Interest income									5,840
Derivative loss									4,114
Share of results of associates/ joint venture									(5,680)
<b>Segment results</b>									<b>(894,564)</b>
Foreign exchange gain									(216,949)
Loss before tax									<b>(1,111,513)</b>

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**29. Review of Group Performance (cont'd.)**

***Consolidated Group Performance***

Driven by the revival of air travel during the period, the Group reported a revenue of RM1,960.9 million for 3Q2022 and RM4,238.1 million for year-to-date (“YTD”) 2022, respectively. The reported revenue was more than double the revenue in the same periods of 2021. The increase was mainly attributed to the relaxation of travel restrictions, including testing, quarantine and entry requirements.

In the third quarter, 86% of the Group’s revenue was attributed to the aviation segment while 5% of revenue was derived from the logistics business, 5.2% from the digital and other businesses and the remaining 4.8% was contributed by the engineering business. The revenue of Super App and Engineering was more than three times higher than the 3Q2021 revenue, while Teleport saw a decrease in revenue by 30%, mainly due to lower contribution from the cargo-only flying model.

The Group reported an EBITDA of RM 72.3 million in 3Q2022 as compared to negative EBITDA of RM 275.6 million in 3Q2021, following the reversal of impairment on ROU of RM 161.8 million that was related to operating aircraft and improvement in the overall performance of the aviation segment. The Group reported a net loss of RM 1,143.4 million in 3Q2022 as compared to RM 1,110.3 million in 3Q2021. The current quarter recorded a share of loss of RM 226.8 million from associates. The Group was severely affected by foreign exchange losses of RM 531.2 million, including THB 2,885.1 million recorded by our associated company, Asia Aviation Public Company Limited (“AAV”) due to the depreciation of local currencies against the USD during the quarter. Additionally, RM 1,215.6 million was recorded in Other Comprehensive Income due to translation losses for YTD Sept 2022. For YTD Sept 2022, the Group reported a net loss of RM 3,341.4 million, 19% higher compared to a loss of RM2,806.1 million in 3Q2021, mainly due to share of loss from associates and foreign exchange loss.

**Cashflow commentary for current quarter against corresponding quarter**

<b>Net Cash Flow</b>	<b>Period ended 30/09/2022 RM million</b>	<b>Period ended 30/09/2021 RM million</b>
Cash from/(to) Operating activities	(101.5)	(653.3)
Cash from/(to) Investing activities	(225.7)	344.6
Cash from/(to) Financing activities	(495.5)	180.0
Net cash flow for the Period	(822.8)	(128.7)

Operating Cash outflow was negative due to higher fuel cost and higher expenses for maintenance. Cash flow from investing activities included the additional investment into AAV and utilisation of the proceeds from a term loan as disclosed in Note 21. The cash flow from financing activities for the current period included proceeds of term loan and other facility, net off payment of debt and aircraft leases.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**29. Review of Group Performance (cont'd.)**

**(a) Aviation**

**Performance indicators**

	Jul to Sep 2022	Jul to Sep 2021	Change %	YTD 2022	YTD 2021	Change %
Passengers Carried	7,128,274	351,971	1925%	16,435,636	2,087,685	687%
Capacity	8,286,341	528,850	1467%	19,820,425	3,106,564	538%
Seat Load Factor	86%	67%	19	83%	67%	16
RPK (million)	7,323	292	2408%	15,831	1,954	710%
ASK (million)	8,554	460	1760%	19,222	2,938	554%
Average Fare (RM)	233	231	1%	203	184	11%
Unit Passenger Revenue (RM)	274	285	-4%	241	231	4%
Revenue / ASK (sen)	22.80	21.83	4%	20.57	16.45	25%
Revenue / ASK (US cents)	5.26	5.21	1%	4.71	3.98	18%
Cost / ASK (sen)	29.20	187.16	-84%	30.44	92.13	-67%
Cost / ASK (US cents)	6.73	44.68	-85%	6.97	22.28	-69%
Cost / ASK-ex Fuel (sen)	18.18	180.16	-90%	20.08	85.11	-76%
Cost / ASK-ex Fuel (US cents)	4.19	43.01	-90%	4.60	20.59	-78%
Aircraft (end of period)	153	155	-1%	153	155	-1%
Average Stage Length (km)	1,022	871	17%	962	943	2%
Number of Flights	44,876	2,876	1460%	107,462	17,026	531%
Operating Aircraft (aircrafts)	68	20	48	125	49	76
Fuel Consumed (Barrels)	1,437,102	85,518	1580%	3,227,433	506,358	537%
Average Fuel Price (US\$ / Barrel)	151	90	68%	141	84	68%

\*CASK excludes reversal of impairment.

The Aviation Group reported a revenue of RM1,836.5 million for 3Q2022, up 685% compared to the same period last year, in tandem with the upsurge of domestic and international travels. The strong rebound catapulted the revenue, achieving 62% of pre covid period with 44% of current capacity.

Operating costs rose to RM1,752.5 mil for 3Q2022, up by 361% compared to the same period last year, in line with the higher number of flights. Total flights flown was close to 45,000 flights in the quarter, up 1460% YoY from fewer than 3,000 flights flown in the same period last year. Staff costs and maintenance costs continue to increase in tandem with the restoration of flying aircraft and the corresponding flying and ground crews. Included in maintenance costs is RM43 million one-off heavier maintenance cost and return of aircraft to service costs. The high fuel costs and the weakening of currency against the US Dollar has further impacted the overall operating costs of the Aviation Group.

Overall, Aviation Group reported a EBITDA of RM107.4 million compared to a negative EBITDA of RM 144.5 million in the same period last year, backed by the higher passengers carried and capacity in tandem with the higher number of operational aircraft, 68 aircraft (3Q2021: 20 aircraft). The 107% increase in international seats sold, which garnered better yield, corresponded to the improved average fare, RM233 (3Q2021: RM194).

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**29. Review of Group Performance (cont'd.)**

Malaysia reported stronger load factor of 86%. 35 operating aircraft were added to support the strong travel rebound for both domestic and international flights. Nonetheless, increases in load factor were driven by added frequencies of flights in line with increased demand.

Similarly, Indonesia has also rebounded strongly with loads of 82% in 3Q2022. Passengers carried and capacity improved by 6872% YoY and 3264% YoY, respectively in tandem with the resumption of international flights. As at 3Q2022, 12 operating aircrafts are operational covering 17 domestic routes and 12 international routes. The number of flight frequencies increased significantly to 7,267 from 216 in the same period last year

Philippines posted the highest load factor amongst all the AOCs of 89%. The increase was contributed by leisure routes, mainly due to easing of travel restrictions, of which international flights delivered a healthy load factor at 76% while domestic flights remained strong at 90%.

AirAsia Thailand reported an increase in the number of passengers carried of 3354% along with an increase in ASK by 2792% and seat capacity of by 2263% driven by the recovery of domestic demand and commencement of international capacity. In 3Q2022, AirAsia Thailand was operating 29 international routes.

**(b) Asia Digital Engineering (ADE)**

Asia Digital Engineering (“ADE”) reported a revenue of RM79.6 million in 3Q2022, an increase of 217% YoY, as travel resumption and increased flights drove the demand up for MRO services. ADE provides a comprehensive suite of aviation MRO services, including line and base maintenance services, spare parts, workshop services, engineering maintenance services, component warehousing and digital and innovation services.

ADE reported a positive EBITDA of RM19.7 million in 3Q2022, primarily driven by the increase in revenues and its lean and efficient cost structure. The revenue is expected to grow in the coming quarters as ADE secures additional aircraft hangars to support the upcoming base maintenance demand.

**(c) Digital**

	Jul to Sept 2022	Jul to Sept 2021	change %
<b>SuperApp</b>			
Monthly Active Users (MAU)(’000)	9,537	3,653	161%
No. of Transactions (’000)	11,667	568	1953%
Gross Booking Value (RM) (’000)	2,837,332	127,501	2125%
<b>BigPay</b>			
Total Users (cumulative)	3,535,886	2,019,173	75%
Carded Users (cumulative)	1,262,523	853,564	48%
<b>Teleport</b>			
Tonnage (tonnes)	26,667	26,664	0%
Yield (RM/kg)	2.96	4.71	-37%
No. of Delivery (’000)	2,717	310	776%

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**29. Review of Group Performance (cont'd.)**

**(i) airasia Super App (cont'd.)**

Airasia Super App's revenue for the quarter was RM101.7 million, a significant 668% increase YoY, driven by the strong revival of domestic travel demand and resumption of international travel in the Asean region as well as contribution from airasia Rewards. Accordingly, airasia Super App also posted an improved EBITDA of RM15.8 million in 3Q2022 which was due to higher margins from optimisation of key operating expenses.

Airasia Super App's Online Travel Agency (OTA) platform recorded a thirteenfold increase YoY in average daily bookings in light of the resurgence of travel demand as it continues to strengthen its position as one of Asean's top OTA. In August 2022, airasia Super App's OTA hosted its second regional SUPER Travel Fest with more than 700 international airlines flying to over 3,000 destinations and promoting 200,000 hotels Asean-wide on its various travel platforms over a week-long period.

Airasia Superapp's delivery services continue to build on momentum with its e-hailing service, airasia Ride completing over half a million rides in 3Q2022, while airasia Food, the food delivery arm, recorded its strongest performance so far with a 108% increase QoQ in number of transactions and 69% increase in Gross Merchandise Value (GMV) QoQ. In September 2022, airasia Ride also officially launched its services in Kota Kinabalu, Sabah, marking its expansion into East Malaysia. Both airasia Ride and Food became the first in Asia to provide gig drivers and riders with full-time employment, as part of its commitment in giving the riders a better working environment and job stability, while enhancing income opportunities for them.

In terms of Monthly Active Users ("MAU"), airasia Super App achieved 9.5 million average MAU during the quarter, an increase of 161% YoY. This was primarily due to the strong return of travel and increased user acquisition on the mobile app. Additionally, the number of transactions increased 139% for QoQ comparison and climbed 19 times compared to the second quarter last year. These were driven primarily by increasing transactions from Flights, airasia ride, FlyBeyond, and SUPER+.



**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**29. Review of Group Performance (cont'd.)**

**(ii) BigPay Group**

With a 48% YoY growth in carded users, BigPay's user base increased to 1.26 million as at 30 Sep 2022. This kept pace with higher travel recovery momentum and traction enabled by the launch of more products such as Stashes, a budgeting and savings tool.

Revenue grew at a faster pace of 56% YoY and 18% QoQ from a confluence of a larger user base, higher spend per user, and an improvement of take rates in both the payments and remittance businesses. The payments business was boosted by an improvement in mix towards higher take rate volumes in international payments and AirAsia flight volume, as well as improving monetization per user. With the expansion of 35 new remittance corridors into Europe and the UK, this helped to further improve volume as well as take rates. Optimising top up options for users aided the increased spend per user in a cost effective manner, with overall unit economics continuing the trend of improvement this quarter.

Combined with a stronger focus on efficiency, operating expenses stabilised through the quarter. EBITDA overall remained stable vs. 2Q2022, keeping flat after excluding other income related to a one-off government grant in the previous quarter.

**(iii) Teleport**

AirAsia's passenger network has been recovering throughout 2022 which has seen the return of high margin belly cargo for Teleport. This has replaced the low margin passenger planes for cargo-only flying (P2C) deployed throughout 2021 and the first half of 2022. Whilst revenues have reduced by 30% YoY, EBITDA has improved to RM5.1mil QTD from RM17.4 mil loss for the same period last year.

The Delivery segment continues to grow rapidly with 776% growth YoY and 136% QoQ with 2.7m deliveries in 3Q2022 (equating to an average of 30k daily) . Unit economics also improved QoQ as Teleport increased the proportion of deliveries utilising air cargo from 92% to 95%. Growth in this sector is expected to continue as we deepen our engagement with key Marketplaces and 3PL operators in the region.

**30. Variation of results against preceding quarter**

The Group recorded a EBITDA of RM72.3 million for the quarter under review, against the EBITDA of RM108.6 million in the preceding quarter ended 30 June 2022 primarily due to reversal of impairment loss on ROU of RM 229.0 million in the preceding quarter. The Group recorded a net loss of RM1,143.4 million for the quarter under review, against the net loss of RM1,120.9 million in the immediately preceding quarter mainly due to the lower share of loss from associates offset with lower reversal of impairment loss on ROU.

**31. Profit forecast**

No profit forecast has been issued.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**32. Commentary on prospects**

The outlook of the Group for the forthcoming year is positive, supported by robust momentum in sales and the lifting of travel restrictions. Our strategy remains to strengthen our ecosystem of travel, e-commerce, logistics and fintech to achieve long-term sustainable growth.

Most of the countries in the region have removed cross-border travel restrictions including Japan, Korea, Hong Kong and Taiwan in recent months. China, the outlier, continues to pursue a Zero-Covid strategy and this will be a key factor that causes flights to and from Asia Pacific to lag those of other regions globally. Asean market will continue to be our core focus as we are committed to connecting and building tourism in Asean countries.

The airline industry is benefiting from the removal of travel restrictions as countries transition into the endemic phase. This has allowed us to resume flying to our existing destinations, on top of offering new routes to our passengers. As of end November 2022, we would have resumed 86% and 60% of pre-pandemic domestic and international capacity respectively, by utilising 124 aircraft. We anticipate stronger air passenger traffic in conjunction with GE15, festive seasons and school holidays in the next quarter. Henceforth, the Group is taking all measures possible to return the grounded fleet back into service, with a projection of 140 operational aircraft by end of this year, and full operations by second quarter of 2023.

We remain conscious of jet fuel price and foreign currency impact due to the prolonged depreciation of currencies of Asean countries against the US Dollar. We are mitigating these risks as the high yield market is expected to still continue, due to strong pent up demand from revenge travel, as signalled by our strong load factor of 86% in the third quarter of 2022, a rationale competitive landscape and strong take-up rate in ancillary products from the reinstatement of international flights.

Despite global travel disruptions caused by labour shortages and strikes, the Group has not experienced any manpower shortages. The Group continues to maintain pilot and engineer licences active and redeployed some groups of people to support our growing digital businesses. Hence, we were able to quickly restore them to service as we resumed more flights. On top of that, we have received assurance from our airport partners of their ability to support our service resumption.

Consequently, demand for the Group's maintenance, repair and overhaul (MRO) business, Asia Digital Engineering (ADE) is expected to continue to ramp up as more fleets are required to reactivate to keep up with the resurgence of air travel demand. ADE will continue to secure additional hangars to ensure more MRO slots are available for AirAsia and regional third party airlines. ADE remains committed to attract non-AirAsia group airlines as its customer base and ultimately to have half of its source of revenue to be made up from providing engineering services to third party airlines.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**32. Commentary on prospects (cont'd.)**

The Group's logistics business, Teleport, expects to achieve double-digit regional market share on the back of increased utilisation of belly capacity and induction of freighter capacity. Delivery volume is foreseen to be on an upward trend from continuously securing new marketplace partners alongside with the launching of wide-body cargo from Kuala Lumpur to cities in Australia, Middle East, Asia and Europe to drive the connectivity between major e-commerce growth markets.

For the Group's digital businesses, airasia Super App has officially launched in Indonesia, completing its Asean expansion plan in the four core operating countries before the end of the year. The presence of airasia Super App is expected to grow strongly as the market has embarked on a return to pre-pandemic normality and recovery of the tourism industry is well underway. With the strong ecosystem within the group and revival of the travel industry, airasia Super App is confident its Flights and Hotel OTA market shares as well as food delivery and ride-hailing business to increase incrementally in 2023.

The Group is exploring to increase its commercial synergies between airasia Super App and BigPay to offer a more comprehensive and exclusive suite of products to the users in the not too distant future through leveraging on the strong travel segment and customer base.

Returning to being one of the World's lowest airline cost producers, and applying the same low cost mantra to our digital business, we remain committed to deliver positive cash flow generative businesses as we navigate out of the pandemic.

In terms of sustainability, the Group has formalised its net zero strategy by 2050, which covers 4 main approaches that consist of fleet management, operational eco-efficiencies, carbon offsetting and utilisation of sustainable aviation fuel (SAF). We are presently exploring the feasibility of adding SAF to our fuel mix by 2023. Concurrently, we are also developing our carbon offset strategy. Further complementing this is AirAsia's appointment as chair of the Malaysia Task Force on CORSIA Implementation by the Civil Aviation Authority of Malaysia. This will enable us to align our strategy with national carbon reduction aspirations. We have also built capacity to meet the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) framework as a new supporter. In 2021, we undertook the first disclosure of our climate-related risk and opportunities. This year, we successfully computed our internal carbon price which will enable us to further identify investment opportunities to strengthen our decarbonisation agenda. This will continue in 2023 with our climate scenario analysis.

Based on the above, the Board is optimistic that the Group will perform better in the coming years.

**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2022**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**33. Material Litigation**

On 11 December 2018, 23 January 2019, 18 July 2019, 10 September 2019, 8 March 2022 and 5 April 2022, Malaysia Airports (Sepang) Sdn. Bhd. (“MASSB”), a wholly-owned subsidiary of Malaysia Airport Holdings Berhad (“MAHB”), filed the suits against the Company's wholly-owned subsidiary, AirAsia Berhad (“AAB”), together with an affiliate of the Company, AirAsia X Berhad (“AAX”), in relation to MASSB’s claim for Passenger Services Charges.

Through a series of communications between AAB, AAX and MAHB, the parties agreed to discontinue all civil suits between AirAsia and MAHB, which was effected by appropriate filings in court on 9 August 2022. Save for the mutual agreement to discontinue the legal proceedings, there was no other settlement agreement entered into by the parties.

**34. Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended	Quarter ended	Year ended	Year ended
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Net loss attributable to owners of the Company (RM'000)	(901,313)	(887,003)	(2,736,329)	(2,234,484)
Weighted average number of ordinary shares in issue ('000)	4,049,410	3,813,142	4,039,078	3,688,657
Basic earnings per share (sen)	(22.3)	(22.8)	(67.7)	(59.4)

**35. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors.

By order of the Board

HARMINDER SINGH A/L JAILA SINGH  
(P.C Reg No: 201908001591)(LS0009855)  
COMPANY SECRETARY  
29 NOVEMBER 2022