PRESS RELEASE

CAPITAL A FIRST QUARTER 2023 FINANCIAL RESULTS

CAPITAL A's Q1 RESULTS SHOW THE BIRTH OF LOW-COST, VALUE-DRIVEN AVIATION & TRAVEL SERVICES GROUP

PROFITABLE START TO 2023 WITH EBITDA SURGING TO RM502 MILLION DESPITE ONLY OPERATING 69% OF 2019 SEAT CAPACITY

REVENUE OF RM2.5 BILLION SIGNALLING STRONG GROWTH

OPERATING CASH FLOW OF RM529 MILLION - HIGHEST LEVEL SINCE THE ONSET OF PANDEMIC

- Group Revenue : RM2.5 billion
- Group EBITDA & Profit after tax : RM502 million & RM26 million
- RASK, CASK & CASK ex-fuel : USc 4.51, USc 4.49 & USc 2.54
- Activated aircraft[1] : 157 (142 operating and 15 spare aircraft)
- No. of engineering lines : 7 lines for base maintenance
- No. of delivery by Teleport : 5.7 million
- MAU of airasia Superapp : 12.9 million
- BigPay's carded users : 1.4 million

SEPANG, 31 May 2023 – Capital A Berhad[2] ("Capital A" or the "Group") today reported its unaudited financial results for the quarter ended 31 March 2023 ("1Q2023").

The Group has kicked off the year on a strong note, with first-quarter results showing growth for all four companies– Aviation, Aviation Services, Digital and Logistics. As a Group, Capital A posted Profit After Tax of RM26 million as revenue grew 212% Year-on-Year ("YoY") to RM2.5 billion. This achievement marks a significant milestone, as the Group recorded positive EBITDA of RM502 million at levels comparable to the pre-pandemic period.

In addition to boosting the Group's performance in aviation, the strong return of travel had also accelerated the growth trajectory of other portfolio companies in 1Q2023. Teleport now has a larger belly capacity to sell cargo, while the airasia Superapp has an expanded inventory of flight tickets, hotels and rides offerings. Notably, fintech portfolio company BigPay witnessed an increase in usage as more users travelled and made payments using its card. Capital A's engineering and maintenance subsidiary ADE also played a pivotal role in efficiently bringing more AirAsia aircraft back into operation enabling the Group to meet the strong demand across the industry.

Highlights of 1Q2023

In this quarter, the Group's ecosystem of travel and lifestyle offerings proved to be a strategic advantage for the Group to leverage its synergies and unlock growth potential in a rapidly evolving business landscape. In 1Q2023:

- **Aviation:** Driven by a surge in international travel activity, the aviation business posted a segmental revenue of RM2.2 billion and an EBITDA of RM501 million. The robust recovery of

[1] *Activated aircraft include AirAsia Berhad, Asia Aviation Public Company Limited (Thailand), PT Indonesia AirAsia and AirAsia Inc. Group of Companies (Philippines)*

[2] *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.*

international routes is evident as the Group registered a 22% Quarter-on-Quarter ("QoQ") growth in the number of international passengers carried, buoyed by the festive season.

- Achieved overall load factor of 88%, matching the pre-Covid level posted in the same period of 2019, while the recovery of passengers carried and seat capacity now stands at 68% and 69% of pre pandemic metrics respectively.
- Recorded an average fare of RM210 (up 60% YoY), above pre-Covid levels of RM167 for the same quarter and ancillary revenue per pax of RM48 (up 65% YoY). This resulted in RASK to increase 34% from 1Q22 to USc 4.51.
- CASK and CASK ex-Fuel improved tremendously and stood at USc 4.49 (down 43% YoY) and USc 2.54 (down 57% YoY) respectively, as we achieve cost efficiency in aircraft cost, staff cost and user charges in tandem with increase in capacity.
- With the average revenue per operating aircraft of RM24.7 million, the Group will leverage opportunities to capture further revenue and cost upside as it reactivates its remaining 47 aircraft.

- **ADE:** With its focus on value and efficiency, ADE has started the year with another stellar performance, ADE posted segmental revenue of RM103 million, up 84% YoY with EBITDA of RM18.6 million, an improvement of 97% YoY. This sustained success is attributable to the surge in demand for aircraft MRO, on the back of the proactive rollout of AirAsia fleet boosted by an increased travel demand within the Asean region. The recent USD100 million funding from OCP Asia Ltd is a testament to ADE's potential, which enables the company to grow its aircraft servicing capabilities by servicing a larger fleet of aircraft, including those operated by third-party airlines by 2024.

- **Teleport:** Posted a quarterly revenue of RM152 million, up 3% YoY while EBITDA saw a significant YoY improvement by 277%, at RM9.0 million. This is due to additions of third party capacity and regional deals with global freight forwarders under the cargo segment. he e-Commerce segment saw a record growth, reaching a daily average of 63,000 deliveries, from 10,500 daily deliveries in the same period last year, an impressive 502% YoY growth. The scheduled arrival of the first of three A321 freighters in June 2023 will enable Teleport to enhance its network connectivity offering with added skidded capacity, to better serve forwarders and diverse e-commerce needs underpinned by the best value. The continuous improved results in the intra-SEA cargo market is evident as our market share reached a record high at 14% in March 2023 from mere 2% in Jan 2022.

- **MOVE:** airasia Superapp celebrated a historic accomplishment as it registered the highest quarterly revenue and EBITDA since inception, reaching RM159 million and RM24.4 million respectively. This notable performance was attributed to the growth in its travel & delivery verticals, while implementing a prudent cost management strategy. In the travel vertical, sales of non-AirAsia flight tickets are gaining momentum thanks to the rising demand for air travel, growing to contribute 5% of the total flight revenue in 1Q2023 alongside strong sales growth for AirAsia flight tickets. Exceptionally, the Delivery vertical doubled its conversion rate from 14% in the previous quarter to an impressive 28%. This rapid growth is driven by the improved productivity of airasia ride's fleet drivers that enable them to undertake more rides to meet the strong ride-hailing demand and enhanced consumer experience. airasia Superapp also recently entered into a groundbreaking partnership with foodpanda, where foodpanda powers airasia food offerings on the airasia Superapp and Foodpanda users can book airasia rides on the foodpanda app. This partnership aims to leverage each other's strengths and is expected to drive more transactions on each platform moving forward. Overall, the Monthly Active users ("MAU") have grown by 12% QoQ, to 12.9 million in 1Q2023.

Meanwhile, BigPay's quarterly revenue of RM 11 million showed an improvement of 79% YoY, contributing to the narrowing of the EBITDA loss by 13% YoY to RM28 million (USD6.3 million). This was supported by the improved take rate from the payment business and increasing traction of the remittance business, which aligns with the ongoing recovery of the travel industry. The close collaboration with airasia Superapp is beginning to yield favourable results, and this is expected to further drive positive outcomes in the future.

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

"Our strong first-quarter performance shows that our growth strategy in the past several years is now coming together successfully. Within our ecosystem, we have reorganised our businesses into four major verticals all of which are profitable - with the only exception being BigPay which is firmly on its way to being profitable in the near future. It is gratifying to see the resurgence of travel drive the recovery and subsequent growth of our aviation business, while uplifting all our other business segments in tandem. This is a testament to the sustainability and long-term viability of the ecosystem we have built.

"Our aviation business has achieved promising improvement, driven by the stabilisation of operational costs thanks to lower fuel prices and maintenance expenses. Our average fare and RASK have surpassed 2019 levels, while our passenger statistics are fast recovering pre-pandemic levels. These metrics show AirAsia is still the preferred choice for its great value.

"We are also highly optimistic about the future of our aviation services business. Its biggest component, ADE continues to play a vital role in supporting AirAsia's robust plan to reactivate all its aircraft in 3Q2023. Inflight catering Santan, ground-handling Ground Team Red, as well as AirAsia Consulting and AirAsia Shared Services - are also performing well, and we expect to finish fine-tuning their business models and cost efficiencies in the near future. Concluding this process would be the major step towards the end-goal for this pillar: to become the best-value, lowest-cost service provider to other third-party airlines from just serving AirAsia airlines within the Group at present.

"The final pieces of the puzzle are now coming together as we position the airasia Superapp as the leading travel superapp in Asean. The close collaboration between BigPay and airasia Superapp has started to yield positive outcomes to both businesses and holds great potential for further commercial synergies between the two platforms. For airasia Superapp, the financial payments capability from BigPay complements the selection of travel-centric products on offer for users, from flights to 3,000 destinations worldwide through 700 airlines to hassle-free duty-free shopping, great hotel deals, on-ground transportation through airasia rides, travel insurance and more.

"As more aircraft return to service and with the arrival of the first A321 freighter next month, Teleport will benefit from increased belly capacity, driving e-commerce delivery to new record levels.

"On the Group's Practice Note 17 ("PN17") status, we have made the decision to revise the announcement date due to the requirements to incorporate the latest FY2022 audited figure into the plan. The process is essential to ensure that our financial results accurately reflect our performance and strategic direction. We appreciate the understanding and patience of all our stakeholders during this adjustment period. The revised timeline involves full submission in July 2023, with our execution plan commencing in quarter four upon obtaining all required approvals from Bursa Malaysia and relevant authorities. Our investment in AirAsia X is proving fruitful, as the company recently announced its shareholder equity has returned to positive, resulting from the exponential growth and strong operating performance of the company in this recovery phase. We are confident that our investment will continue to yield positive returns."

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For further information please contact:

Investor Relations:
Joanna Ibrahim
Email: **joannaibrahim@airasia.com**

Communications:
Maryanna Kim
Email: **maryannakim@airasia.com**

For further information on Capital A, please visit the Company's website: www.capitala.com

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