PRESS RELEASE

CAPITAL A SECOND QUARTER 2023 FINANCIAL RESULTS

AVIATION BUSINESS POSTS EBITDA OF RM462 MILLION DESPITE OPERATING ONLY 146 AIRCRAFT IN A SEASONALLY SLOWER QUARTER

NON-AVIATION BUSINESS DELIVERS A POSITIVE EBITDA OF RM61 MILLION

OPERATING CASH FLOW EXCEEDED RM1 BILLION

- **Aviation**: AirAsia reached 91% of 2022 full year revenue and exceeded 2022 full year EBITDA by 54% in 1H2023, there are remaining 54 aircraft in line to be brought back into operation.
- **Asia Digital Engineering**: ADE showed impressive performance, achieved highest quarterly EBITDA of RM 37 million or 27% EBITDA margin, 1H2023 revenue and EBITDA have already achieved 84% and 90% of the FY2022 entirety performance.
- **Teleport**: Teleport recorded EBITDA of RM 9.2 million, a strong recovery from EBITDA loss of RM25 million in the same quarter last year. Of significance note, achieved market leadership position as it moved 15% of total intra-SEA volume in June.
- **MOVE** (formerly known as airasia Digital): airasia Superapp achieved the highest quarterly EBITDA of RM40 million or 44x higher than last year's same quarter and BigPay successfully narrowed the EBITDA loss by 65% YoY.

SEPANG, 29 August 2023 – Capital A Berhad ("Capital A" or the "Group") today reported its unaudited financial results for the quarter ended 30 June 2023 ("2Q2023").

The Group's relentless efforts have yielded encouraging outcomes demonstrating a steadfast recovery, through the core business operations having generated RM1 billion operating cash flow in this quarter. All four business segments - Aviation, Aviation Services, Logistics and MOVE continue to show strong growth, leading the Group to post Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") of RM462 million in 2Q2023, up 325% Year-on-Year ("YoY") while revenues increased to RM3.2 billion, representing a 115% YoY growth.

CEO of Capital A, Tan Sri Tony Fernandes' comments on the Group's outlook:
"During the quarter, AirAsia Group has increased its effective control of Philippine AirAsia to 100%. I am thrilled that my journey of 21 years of running AirAsia, we have finally brought together the four short-haul airlines under Asia Aviation Public Company Limited ("AAV"), comprising AirAsia Malaysia, AirAsia Thailand, AirAsia Indonesia and AirAsia Philippines (the "Consolidated Airlines") in the 2Q2023 financial performance. This strategic move allows analysts and investors to have a clearer view of our accounts.

With strenuous efforts, Capital A has arrived as a low-cost, high-value, inclusive aviation and travel group delivering value for our non-aviation companies, with all of them being EBITDA positive, with Bigpay on its way. The Group is also in the midst of finalising fundraising efforts for Superapp and Teleport. The core purpose of these funds will be used for business expansion and enhance operational capabilities to create a distinct competitive advantage.

"The Group's ecosystem of travel and lifestyle offerings remains a formidable strategic advantage, fostering mutual growth and synergy among its diverse components.

Highlights of 2Q2023 Aviation:

- Encouraging trend in international travel activity boosted the aviation business segmental revenue to RM2.9 billion and an EBITDA of RM405 million. In 2Q2023, the Group recovered 77% and 74% of 2Q2019 passengers carried and capacity.

- Average fare of RM205, down slightly by 4% YoY as more capacity available in the market, yet remains above 2Q2019 level by 15%. The lower fares are complemented by an increase in ancillary revenue, where ancillary revenue per pax stood at RM49, leading to RASK of USc 4.22, 17% lower YoY.

- CASK and CASK ex-Fuel, which stood at USc 5.01 and USc 3.32, continued their YoY downward trend having record 28% and 26% lower compared to same period in prior year, as the Consolidated Airlines achieve cost efficiency in aircraft maintenance, staff and user charges in tandem with increase in capacity.

- Despite a 95% increase in flight numbers, the overall fuel cost managed to stabilise and increased by only 61%, aligning with a 31% reduction in average fuel prices. However, aviation costs for the quarter have risen driven by 133% YoY increase in maintenance cost. This is attributable to higher aircraft maintenance reserve funds provision, alongside growing consumable cost in tandem with increasing flight frequency.

CEO of AirAsia Aviation Group, Bo Lingam comments on the Aviation business outlook:
"We maintain a confident outlook on aviation prospects, as we now have line of sight on the full reactivation of our fleet. As of today, we have successfully taken 175 aircraft out of storage, expecting to restore into service 180 by the end of Q3. Our target is to reinstate a total of 200 planes back into operations by year-end. In 2Q2023 passenger recovery continued to outpace capacity resulting in a load factor of 87% fares remained 20% higher than pre-Covid levels in 2Q2019, and we anticipate a pick up in the second half to peak in the fourth quarter. We are buoyed by the upward trajectory of ancillary revenue per passenger, which is projected to gain momentum to reach USD358 million in 2H, up 27% compared to the same period pre-Covid, driven by strong new product initiatives and dynamic pricing.

We anticipate cost to continue their downward trend as a result of the consolidation of Asia Aviation Public Company Limited, enabling us to achieve cost efficiency in aircraft maintenance, staff and user charges. Amidst this landscape, the Group's expansion in the Asean region remains dynamic, with the imminent launch of AirAsia Cambodia expected to further contribute to our growth.

"Being voted by guests worldwide as the World's Best Low-Cost Airline for the 14th consecutive time at the Skytrax's World Airline Awards, we are committed to reciprocating this honour by ensuring travel remains accessible and affordable for all our valued guests.

"The aviation arm hosted its first-ever AirAsia Sustainability Day with the theme of *Doing More with Less* as part of a new phase in its efforts to encourage industry collaboration. The event, which took place in June at the Group's headquarters, invited more than 130 attendees from government bodies, regulators, business partners, financial institutions, analysts, media and Allstars. In tandem with Sustainability Day 2023, AirAsia also published a booklet titled AirAsia's Guide to Aviation Sustainability. This booklet aims to demystify aviation jargon and give our stakeholders a clearer understanding of sustainability within the aviation realm, along with its developments. For further details about this booklet, please visit our website at https://www.capitala.com/sustainability.html."

Highlights of 2Q2023 Non-Aviation:

- **Aviation Services (ADE):** Another successful quarter for ADE, posting segmental revenue of RM138 million, up by 83% YoY, and EBITDA of RM36.8 million, up by 37% YoY. This achievement can be attributed to the pent up demand, as well as expanded hangar capacity with two additional lines since early this year. The company is able to service a larger number of aircraft, leading to a notable 100% YoY rise in the volume of base maintenance checks conducted. Notably, all available slots for the seven lines are fully booked until June next year.

- **Teleport:** Quarterly revenue saw a 69% YoY growth to RM167 million, resulting in EBITDA of RM9.2 million, a remarkable improvement from an EBITDA loss last year. Huge reduction of operating cost due to shifting to a more cost efficient passenger belly cargo model in this quarter. Teleport benefits from additional belly capacity available through partnership with third party airlines and proactive deployment of AirAsia fleet and routes, particularly to China. The e-Commerce segment saw an impressive 321% YoY growth in number of deliveries thanks to successful customer acquisition and improving capacity from partnerships allowing expansion into new lanes beyond AirAsia's network.

- **MOVE (Superapp & BigPay):** airasia Superapp posted quarterly revenue of RM170 million, up 107% YoY. EBITDA soared to RM39.7 million, a significant leap from RM0.9 million in 2Q2022. This success was propelled by robust growth in both travel and delivery segments, with revenues of each segment rising 116% and 210% YoY respectively. For the travel segment, the contribution of sales of non AirAsia tickets to total flight revenue increased by two percentage points from the preceding quarter, resulting in a 8% contribution to total flight revenue. Additionally, the delivery segment had an encouraging performance driven by higher completion rate for airasia ride at 58% in 2Q2023, boosted by heightened driver productivity.

  Meanwhile, BigPay's quarterly revenue rose by 53% YoY to RM11.04 million, narrowing its EBITDA loss by 65% YoY to RM11.4 million. The main contributor was revenue improvement across all products, further supported by foreign exchange fee for cross currency payment which was on the rise due to international travels. Moreover, the newly launched prepaid mobile top-ups helped in boosting marketplace revenue by 158% YoY. Simultaneously, the reduction of operational costs were a result of two exercises: the reallocation of manpower to greater cost effective regions, leading to a 16% cost savings compared to a year ago; and a one time audit adjustment due to reversal of bonus accruals was recorded.

CEO of ADE, Mahesh comments on the Aviation Services business outlook:
"With the strong return of air travel, we are witnessing a robust demand for MRO services. Our newly launched digital solution AEROTRADE, an aviation marketplace designed to help airlines procure aircraft parts, is going to be the game changer for aviation supply chain. Our ground handling company, Ground Team Red ("GTR"),inflight catering Santan, irAsia Consulting and AirAsia Shared Services - are creating very strong aviation ecosystem."

CEO of Teleport, Pete comments on the Logistics business outlook:
"Teleport continues to grow its market leadership position in Asean, measured by air cargo volumes (in tonnage). The recent induction of Teleport's first A321 Freighter 'Awan' to Teleport's fleet in July has added additional logistics capabilities and targeted capacity to Teleport's network in Southeast Asia allowing Teleport to connect Southeast Asia to China, Vietnam and India even better. Through the Capital A and AirAsia airline ecosystem, the A321 freighter has best-in-class unit costs that extends of Teleport's value proposition further. Teleport's growth rate will accelerate in the second half of 2023 with the induction of two additional A321 freighters, the continued return to service of AirAsia's fleet and the addition of third-party airline connectivity via strategic partnerships that serve Teleport's 1,500 growing customer base faster, cheaper and simpler than any competitor. "

CEO of MOVE, Colin Currie comments on the Digital businesses outlook:
"airasia Superapp's outlook remains positive, focusing on enhancing user experience through tech and product flows, such as improved overall booking speeds of up to 50% and a new AirAsia flight and ancillary purchase experience. Cross-sell rates between its core travel offerings such as Hotels, Ride, and Flights are expected to continue growing in line with the enhanced user experience plans put in place. Aside from that, several growth initiatives to drive commercial synergies between airasia Superapp and BigPay have begun to show optimistic results, with 40% growth of BigPay user

acquisition converted from the airasia Superapp flow. Integration of BigPay features within the Superapp is also in the pipeline and will offer users seamless access to travel and financial services on one platform. The platform also drives stickiness and engagement through airasia rewards and its loyalty program."

As a concluding highlight, the Group's Practice Note 17 ("PN17") status, with the extension of time of three months until 7 October 2023 granted by Bursa Malaysia, the Group are in the midst of finalising the details of the plan and aim to announce the regularisation plan within the new timeframe. The Group aims to commence the implementation of the plans in the fourth quarter upon obtaining all required approvals from Bursa Malaysia and relevant authorities. AirAsia X's application to exit its PN17 status organically plays a crucial part in the regularisation plan and the Group is confident that both companies, Capital A and AirAsia X will emerge from this turbulent phase stronger and more resilient, armed with valuable insights and a renewed determination to thrive.

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