

**CAPITAL A BERHAD FOURTH QUARTER 2021 FINANCIAL RESULTS****AIRLINE MOVING IN POSITIVE DIRECTION BUT SLOWER THAN EXPECTED  
BY VIRTUE OF UNNECESSARY FRICTION DUE TO BORDER CONTROLS****DIGITAL GAINS TRACTION****POSITIVE CASH FLOW ACHIEVED FOR 2021**

**SEPANG, 28 February 2022** – Capital A Berhad (formerly known as AirAsia Group Berhad) (“Capital A” or the “Group”) today reported its financial results for the quarter ended 31 December 2021 (“4Q2021”) and the full financial year ended 31 December 2021 (“FY2021”).

**Unaudited Consolidated Fourth Quarter 2021 Results of Capital A**

The Consolidated Group<sup>1</sup> posted 4Q2021 revenue of RM717 million, up 118% year-on-year (“YoY”) and 142% quarter-on-quarter (“QoQ”). Aviation revenue increased significantly by 108% YoY and 292% QoQ to RM463 million as domestic travel demand was strong on the back of easing travel restrictions and by the introduction of quarantine free travel bubbles in 4Q2021. Digital businesses reported robust revenue growth of 141% YoY led by contributions from Teleport and airasia Super App. The aviation business contributed 64% of the total revenue while 36% was derived from digital business in 4Q2021.

EBITDA loss was RM366 million for the quarter, which trimmed by 84% YoY. Aviation fixed costs increased by 29% QoQ, lower than the rate of revenue growth QoQ. The QoQ aviation fixed cost increase for the quarter was due to the larger operating fleet size, resulting in higher maintenance costs, other operating expenses and staff costs. The YoY aviation fixed cost increase was 32% for the quarter, mainly from the increase in maintenance costs as the company incurred more flight resumption expenses.

The airasia Super App reported a 51% YoY revenue growth, mainly driven by the recovery of air travel demand, the launch of more products including high demand for the airasia ride e-hailing service, and breakage income at airasia rewards. Teleport’s revenue grew 274% YoY on the back of strong margin improvement in the cargo segment and deliveries volume growing 950% YoY. This translates to a 90% growth QoQ, mainly contributed by the strategic growth of its cargo network to further establish its market presence. BigPay recorded a 29% YoY revenue increase in 4Q2021 due to improvement in payment and international remittance business in tandem with the rise of user base.

The Group posted a 4Q2021 Net Loss Before Tax of RM964 million, which was significantly lower by 57% YoY, against the corresponding quarter of the preceding year when it recorded a one-off impairment write off and losses from fuel hedging. Lower losses for 4Q2021 were achieved from the robust recovery in air travel demand, improved revenue growth from the digital businesses and strict cost control measures. There were no impairments nor fuel swap losses recorded for the quarter.

---

<sup>1</sup>Consolidated Group refers to Malaysia, Indonesia and Philippine airline units and digital subsidiaries. PT Indonesia AirAsia and AirAsia Inc. Group of Companies (Philippines) results were consolidated for financial reporting purposes in accordance with MFRS 10 since 1 January 2017.

**Unaudited Consolidated Full Year Results of Capital A**

For the full financial year 2021, the Consolidated Group posted a revenue of RM1.7 billion, down 47% from the preceding year. Airline revenue declined 65% as the Consolidated Group operated only 36% of capacity compared to 2020. Nonetheless, load factor remained healthy at 74% with strategic management implemented to manage the reimposition of multiple lockdowns in the operating countries. Digital business was, on the other hand, posting a promising revenue growth at 72% YoY, in line with more market share captured through its aggressive expansion through more product launches. The aviation segment contributed 58% of revenue while the 42% balance came from the digital segment.

EBITDA loss was reported at RM1.1 billion, contracted by 68% compared to the EBITDA loss of RM3.4 billion in 2020. The Consolidated Group continued to enforce strict cost control measures and this prudent effort resulted in a reduction of operating costs of 49% YoY.

Net Loss After Tax was RM3.8 billion in FY2021, a 36% decline from the RM5.9 billion loss in the previous year. The revival of the airline industry, particularly with governments in Asean countries gradually easing travel restrictions has contributed to the Group's reported growth in passengers carried and commendable load factor at 80% in the last quarter of 2021. This has helped improve the financial position of the Group.

**Balance Sheet and Cashflow**

The Group ended the quarter with RM1.25 billion in cash balance. This was achieved via, amongst others, the issuance of Redeemable Convertible Unsecured Islamic Debt Securities ("RCUIDS") raising RM974.5 million, the drawdown of a USD100 million term loan and increasing cash inflow from the recovery of the airline business. Importantly, the Group managed to also report its first positive net operating cash flow in 4Q21 since the pandemic, averaging RM106 million operating cash flow gain per month.

**Aviation Operations and Market Share Performance**

The Consolidated Group in 4Q2021 posted the highest quarterly load factor at 80% since the beginning of the Covid-19 pandemic, and increased by 13 percentage points ("ppts") YoY. In FY2021, the Group recorded a steady load factor at 74%, flattish compared to the preceding year attributed to robust capacity management.

Throughout 2021, the Group recorded a V-shape resumption trend in air travel demand with an improved monthly performance of passengers carried on the back of additional capacity being put in.

Revenue per ASK ("RASK") for the Consolidated Group improved by 19% YoY to 16.91 sen during the quarter and up by 11% to 16.67 sen in FY2021 driven by pent up demand in air travel.

**Cost Performance**

Aviation operating expenses for 4Q2021 and FY2021 reduced by 69% YoY and 72% YoY respectively, while Aviation staff costs shrunk by 14% YoY in 4Q2021 and 45% YoY in FY2021, contributed by headcount rationalisation, salary cuts and natural attrition. Other operating expenses reduced by 95% YoY in 4Q2021 and 90% YoY for FY2021 due to the absence of the one-off expenses incurred in previous year.

**On the airline performance results and outlook, President (Airlines) and Group CEO of AirAsia Aviation Group, Bo Lingam said:**

“Load factor for the Group was strong at 80% in 4Q2021 and 74% for FY2021, attributed to launch of travel bubbles, quarantine-free programmes introduced by Asean countries and strategic capacity management. In the last quarter of the year, passengers carried for the Consolidated Group increased by 103% while the operating fleet size increased to 49 by the end of the year 2021.

“AirAsia Aviation Group's performance in the last quarter was encouraging, backed by the festive holiday season and easing travel restrictions. The performance indicated a V-shape resumption of air travel demand in domestic markets in 2021 as compared to the preceding quarter when AirAsia Malaysia, AirAsia Indonesia and AirAsia Thailand experienced a slight setback due to a surge in cases and the reimposition of movement control restrictions. The airlines posted a commendable load factor in 4Q21, with AirAsia Malaysia at 79%, up by 7 pts YoY, AirAsia Indonesia at 81%, up by 22 pts YoY, AirAsia Philippines at 85%, up by 21 pts YoY and AirAsia Thailand at 76%, up by 2 pts YoY.

“The Group observed an overwhelming demand for air travel since the launch of the Langkawi travel bubble and Phuket Sandbox. It also benefited from the introduction of the Malaysia-Singapore Vaccinated Travel Lane (“VTL”) effective 29 November 2021 and the route continues to experience heavy bookings. The Group believes the overwhelming demand will continue with further reopening of international borders and less stringent travel requirements imposed on travellers.

“With the recent positive developments in Asean countries, the Group expects to see international travel to rebound after two years of travel restrictions caused by the covid-19 pandemic. The Philippines government has further relaxed travel protocols for fully vaccinated foreign visitors, Thailand government announced the removal of the second PCR test on day 5 and reduced insurance requirement to encourage travelling, Indonesia eyes lifting all the quarantine requirements in April 2022 and Malaysia is soon expected to announce the finalised Standard Operating Procedure (“SOP”) to reopen international borders. Singapore has also eased travel rules by adding more countries into its VTL list.

“AirAsia Aviation Group announced the name change of the airline holding company in February 2022 to reflect the aviation group's recovery and new growth strategy by focusing on business expansion within the larger ecosystem. The structural changes are aimed at providing a separate, robust and lean platform for the airline operations supporting Capital A's continued focus to become a digital and travel lifestyle group.

“Another exciting development was the signing of a non-binding memorandum of understanding for AirAsia Aviation Group to lease a minimum of 100 VX4 eVTOL aircraft from Avolon, an international aircraft leasing company. These eVTOL aircraft will allow AirAsia to further revolutionise air travel by providing advanced air mobility to a whole new range of passengers, transforming how we all connect more efficiently in our everyday lives. In addition to that, AirAsia will partner with Avolon's affiliate Avolon-e, to commercialise zero-emissions eVTOL aircraft and develop an industry leading urban air mobility (‘UAM’) platform in Southeast Asia.

“The aviation group is moving in a positive direction as we anticipate a stronger rebound, enabling us to grow further with a lean operating structure. It is our hope that governments especially in Asean will continue to ease travel restrictions and reduce or remove onerous entry requirements, for the benefit of the recoverability of the tourism industry.”

**On Asia Digital Engineering (ADE)'s performance and outlook, CEO of ADE, Mahesh Kumar said:**

"In the last quarter, ADE has continued to obtain approvals from more international authorities to conduct maintenance work which include the Directorates General of Civil Aviation in Indonesia and India, the Civil Aviation Authority of the Philippines, and Cambodia's State Secretariat of Civil Aviation. We are working closely to obtain further approvals from other relevant countries to expand our service coverage.

"ADE jointly with Inmarsat, the world leader in global mobile satellite communications, has installed the award-winning GX Aviation inflight broadband solution onboard an AirAsia Airbus A320 aircraft, marking an important milestone in ADE's journey to become the preferred GX Aviation installation partner for all airlines in Southeast Asia.

"At the Singapore Airshow in February 2022, ADE announced plans to build integrated maintenance, repair and overhaul (MRO) facilities spanning over 380,000 sqft at Kuala Lumpur International Airport (KLIA). The development is expected to complete within two years commencing mid 2022. The new facility will be capable of handling both narrowbody and widebody aircraft, and the team is keen to expand our capabilities beyond the current types of aircraft that we perform maintenance on."

**On airasia Super App's performance and outlook, CEO of airasia Super App, Amanda Woo said:**

"Last year was a remarkable year of growth for airasia Super App. We celebrated our one year milestone in October 2021 as a travel and lifestyle platform of choice in Asean, and in the same month we were recognised as one of three Asean Unicorns based in Malaysia by a Credit Suisse report on the back of the accelerated growth momentum in digital verticals.

"In the second half of the year, we entered into multiple strategic acquisitions to expand the line of businesses for our super app. In July 2021, airasia Super App successfully acquired Gojek's business in Thailand for a share swap consideration which valued airasia Super App at US\$1 billion and rolled out our products and services in the Kingdom. We acquired Dacsee in Malaysia and launched airasia ride in Klang Valley, Malaysia. We gained considerable traction and market share as we closed more than 40,000 bookings within the first month from airasia ride. The launch of airasia food and airasia ride expanded to other iconic travelling states in Malaysia namely Langkawi, Penang, Johor Bahru, Ipoh and Melaka.

"In 4Q2021, airasia Super App posted its highest quarterly revenue of RM 95 million with positive EBITDA of RM 8.9 million attributed to pent up demand from air travel bookings in the platform, steady growth from airasia ride and breakage income from its rewards business. Airasia Super App revenue increased more than 51% YoY and contributed a total of 37% to the digital vertical revenue and 13% to the group revenue in 4Q2021. Super app average monthly active users increased by 181% QoQ, driven by airasia ride with 350,000 completed bookings.

"The lifting of travel restrictions and removal of quarantine requirements will continue to help to stimulate the revenue in airasia Super App by encouraging more bookings from flights, hotels and SNAP bundle deals to be made on the platform.

"In 2022, airasia Super App continues its focus to grow the platform and is preparing to launch more products at competitive prices along with a seamless user experience. We expect total users will grow exponentially on the back of more product launches along with expansion in more Asean cities."

**On Teleport's performance and outlook, CEO of Teleport, Pete Chareonwongsak said:**

"Teleport's revenue increased by 274% YoY in 4Q21 mainly attributed to strategic growth in its cargo network. In 4Q2021, Teleport achieved positive EBITDA driven by better cargo yields and margins which benefited from the seasonal upturn in yield. Delivery volume grew 950% YoY and 90% QoQ to nearly 600,000 in the last quarter of 2021. By the end of 2021, Teleport has more than 13,000 delivery partners and onboarded nearly 10,000 delivery partners just this year, an increase of 169% from 2020. The strong momentum in 2021 has led Teleport to deliver more than 1.45 million e-commerce orders domestically and internationally. We foresee high margins will continue to grow in 2022 for the delivery segment as we are adding new international lanes and delivery hubs."

**On BigPay's performance and outlook, CEO of BigPay, Salim Dhanani said:**

"BigPay posted a promising total user base in FY2021 up by 50% YoY. Total new additional cards issued during the year increased substantially by 124% as compared to 2020. Revenue in FY2021 was up by 28% compared to the preceding year. The healthy growth was contributed from BigPay's payment business with higher international spend and better margins achieved. At the same time, international remittance saw improved margins. In addition to continuing investing in talent and technology, BigPay continues its focus to invest in users acquisition, product development and market expansion, as it prepares for key launches in early 2022. On 8 December 2021, BigPay announced it has been selected as the official e-wallet provider for the Geng #SayaDigital-eRezeki program by Malaysia Digital Economy Corporation ("MDEC"), which will support the mission of leading Malaysia's digital economy forward. Alongside with the SK Group partnership, it has further accelerated our growth plan by offering our products to democratise financial services in Asean."

**On the group's outlook, CEO of Capital A, Tan Sri Tony Fernandes said:**

"Despite numerous challenges and uncertainties, the Group recorded so many commendable achievements in 2021. We closed the year with the successful raising of RM974.5 million through the listing exercise of RCUIDS and warrants, signalling strong investor confidence in our airlines recovery and Group strategy to become a digital travel and lifestyle services group. The digital transformation which commenced well before the pandemic, has already received overwhelming support to-date through various fundraising initiatives, raising over RM 2.5 billion through debt and equity financing.

"2021 was an important year for the Group as we celebrated our 20th anniversary in December 2021. Over the past two decades we have revolutionised air travel in the region, reshaped, restructured and expanded the company from just an airline into a digital travel and lifestyle services group. The pandemic enabled the acceleration of our transformation strategy. Marking our new era, we have recently renamed the Group from AirAsia Group to Capital A with shareholders approval obtained on 27 January 2022. The name change better reflects the Group's core business and future undertakings now that we are more than an airline.

"Capital A is an investment company with a broad portfolio of businesses which all deliver the best value at the lowest cost, supported by strong data built up over two decades. The Group also has one of Asia's leading brands to ride on, a strong people-first culture and an underlying promise of remaining committed to serving the underserved in all that we do. Just like what the airline has done from day one, all of the Group's different lines of business will deliver the same strategy that is underscored by doing what we do best - making travel and everyday lifestyle services affordable, accessible and inclusive to all.

"Capital A is also now the holding company for more brands than any other company in Asean, with business verticals comprising AirAsia Aviation Group, airasia Super App, logistics venture Teleport, BigPay fintech services, the airline engineering business Asia Digital Engineering (ADE) and venture arm Redbeat Capital.

“Importantly, the best is yet to come. We have pivoted, we have transformed and with our strategic growth plans we aim to see the digital segment contributing around 50 percent of overall Group revenue by 2026. Once the airlines return to pre-pandemic levels in the near future, all of our other lines of business will benefit significantly and will all soar to new heights.”

\*\*\* END \*\*\*

**For further information please contact:**

**Investor Relations:**

**Azita Nazrene**

Email : [azitanazrene@airasia.com](mailto:azitanazrene@airasia.com)

**Communications:**

**Nik Adina Taty Nik Zainin**

Email: [adinataty@airasia.com](mailto:adinataty@airasia.com)

For further information on Capital A, please visit the Company's website: [capitala.airasia.com](http://capitala.airasia.com)

Statements included herein that are not historical facts are forward-looking statements. Such forward looking statements involve a number of risks and uncertainties and are subject to change at any time. In the event such risks or uncertainties materialize, Capital A's results could be materially affected. The risks and uncertainties include, but are not limited to, risks associated with the inherent uncertainty of airline travel, seasonality issues, volatile jet fuel prices, world terrorism, perceived safe destination for travel, Government regulation changes and approval, including but not limited to the expected landing rights into new destinations.