



**AIRASIA X BERHAD**  
 (Company No. 200601014410)  
 (Incorporated in Malaysia with limited liability under the Companies Act, 2016)  
**FIRST QUARTER REPORT ENDED 31 MARCH 2023**

**ANNOUNCEMENT**

The Board of Directors of AirAsia X Berhad (“AirAsia X” or “the Company”) is pleased to announce the following unaudited consolidated results of AirAsia X and its subsidiaries (collectively known as “the Group”) for the first quarter ended 31 March 2023.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

|  | Note | INDIVIDUAL QUARTER |                   | CUMULATIVE QUARTER |                   |
|--|------|--------------------|-------------------|--------------------|-------------------|
|  |      | Quarter ended      | Quarter ended     | Period Ended       | Period Ended      |
|  |      | 31/03/2023         | 31/03/2022        | 31/03/2023         | 31/03/2022        |
|  |      | RM'000             | RM'000            | RM'000             | RM'000            |
| Revenue                                | 10   | 548,842            | 113,015           | 548,842            | 113,015           |
| Operating Expenses                     |      |                    |                   |                    |                   |
| - Staff costs                          | 11   | (41,080)           | (14,226)          | (41,080)           | (14,226)          |
| - Aircraft fuel expenses               |      | (226,849)          | (54,800)          | (226,849)          | (54,800)          |
| - Maintenance and overhaul             |      | (63,490)           | (27,099)          | (63,490)           | (27,099)          |
| - User charges                         |      | (66,521)           | (13,299)          | (66,521)           | (13,299)          |
| - Aircraft lease expenses              |      | (6,647)            | (9,800)           | (6,647)            | (9,800)           |
| - Other operating expenses             |      | 215,959            | 33,625,172        | 215,959            | 33,625,172        |
| - Provision for termination            |      | -                  | -                 | -                  | -                 |
| Other income                           |      | 108                | 128               | 108                | 128               |
| <b>EBITDA *</b>                        |      | <b>360,322</b>     | <b>33,619,091</b> | <b>360,322</b>     | <b>33,619,091</b> |
| Depreciation                           |      | (35,092)           | -                 | (35,092)           | -                 |
| Finance income                         | 12   | 1,643              | 22                | 1,643              | 22                |
| Finance cost                           | 12   | (18,469)           | (54)              | (18,469)           | (54)              |
| <b>Net Operating profit</b>            |      | <b>308,404</b>     | <b>33,619,059</b> | <b>308,404</b>     | <b>33,619,059</b> |
| Net foreign exchange gain/ (loss)      | 12   | 19,597             | (1,399)           | 19,597             | (1,399)           |
| Share of results of a joint venture    |      | -                  | -                 | -                  | 1                 |
| <b>Profit before taxation</b>          |      | <b>328,001</b>     | <b>33,617,660</b> | <b>328,001</b>     | <b>33,617,661</b> |
| Taxation                               | 13   | (3)                | (2)               | (3)                | (3)               |
| <b>Profit for the financial period</b> |      | <b>327,998</b>     | <b>33,617,658</b> | <b>327,998</b>     | <b>33,617,658</b> |
| Attributable to:                       |      |                    |                   |                    |                   |
| Equity holders of the Company          |      | 327,998            | 33,617,658        | 327,998            | 33,617,658        |
| Non-controlling Interests              |      | -                  | -                 | -                  | -                 |
|  |      | <b>327,998</b>     | <b>33,617,658</b> | <b>327,998</b>     | <b>33,617,658</b> |
| Earnings per share (sen)               |      |                    |                   |                    |                   |
| Basic                                  | 22   | 79.1               | 8,104.3           | 79.1               | 8,104.3           |
| Diluted                                | 22   | 79.1               | 8,104.3           | 79.1               | 8,104.3           |

\* Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")

This unaudited condensed consolidated income statement should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in the interim financial statements.



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FIRST QUARTER REPORT ENDED 31 MARCH 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

|  | INDIVIDUAL QUARTER |               | CUMULATIVE QUARTER |              |
|--|--------------------|---------------|--------------------|--------------|
|  | Quarter ended      | Quarter ended | Period Ended       | Period Ended |
|  | 31/03/2023         | 31/03/2022    | 31/03/2023         | 31/03/2022   |
|  | RM'000             | RM'000        | RM'000             | RM'000       |
| <b>Profit for the financial period</b>                         | 327,998            | 33,617,658    | 327,998            | 33,617,658   |
| Other comprehensive income                                     |                    |               |                    |              |
| Foreign currency translation differences                       | (2,033)            | (89)          | (2,033)            | (89)         |
| <b>Total comprehensive profit<br/>for the financial period</b> | 325,965            | 33,617,569    | 325,965            | 33,617,569   |
| Total comprehensive profit attributable                        |                    |               |                    |              |
| To equity holder of the company                                | 325,965            | 33,617,569    | 325,965            | 33,617,569   |
| Non-controlling interest                                       | -                  | -             | -                  | -            |
| <b>Total comprehensive profit<br/>for the financial period</b> | 325,965            | 33,617,569    | 325,965            | 33,617,569   |
|  |                    |               |                    |              |

This unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION**

|   |      | Unaudited As At      | Audited As At        |
|---|------|----------------------|----------------------|
|   | Note | 31/03/2023<br>RM'000 | 31/12/2022<br>RM'000 |
| <b>NON-CURRENT ASSETS</b>                               |      |                      |                      |
| Property, plant & equipment                             | 14   | 156,305              | 159,037              |
| Right of use assets                                     |      | 1,043,092            | 1,013,394            |
| Deferred tax assets                                     |      | 612,046              | 612,240              |
| Investment in an associate                              | 15   | -                    | -                    |
| Investment in a joint venture                           | 16   | -                    | -                    |
| Trade and other receivables                             | 17   | 128,490              | 117,059              |
|   |      | 1,939,933            | 1,901,730            |
| <b>CURRENT ASSETS</b>                                   |      |                      |                      |
| Inventories   |      | 9,190                | 9,190                |
| Trade and other receivables                             | 17   | 129,221              | 230,634              |
| Amount due from an associate                            |      | -                    | 29                   |
| Amounts due from related parties                        |      | 311,479              | 131,848              |
| Finance lease receivable                                | 16   |                      |                      |
| Tax recoverable   |      | 1,651                | 1,735                |
| Deposits, cash and bank balances                        | 18   | 192,369              | 176,710              |
|   |      | 643,910              | 550,146              |
| <b>CURRENT LIABILITIES</b>                              |      |                      |                      |
| Sales in advance  |      | 266,603              | 391,373              |
| Trade and other payables                                | 19   | 337,431              | 411,047              |
| Amount due to an associate                              |      | 37,799               | 3,380                |
| Amount due to related parties                           |      | 16,262               | 8,469                |
| Lease liabilities                                       | 20   | 20,757               | 57,033               |
| Provision for aircraft maintenance                      |      | 768                  | 28,169               |
|   |      | 679,620              | 899,471              |
| <b>Net Current Liabilities</b>                          |      | (35,710)             | (349,325)            |
| <b>NON-CURRENT LIABILITIES</b>                          |      |                      |                      |
| Sales in advance  |      | 366,436              | 352,139              |
| Lease liabilities                                       | 20   | 1,105,256            | 1,005,449            |
| Provision for aircraft maintenance                      |      | 264,374              | 256,775              |
| Provision for additional loss in the investment in IAAX | 21   | 127,395              | 223,245              |
|   |      | 1,863,461            | 1,837,608            |
|   |      | 40,762               | (285,203)            |
| <b>CAPITAL AND RESERVES</b>                             |      |                      |                      |
| Share capital   |      | 1,534                | 1,534                |
| Currency translation reserve                            |      | (2,019)              | 14                   |
| Accumulated profit/(loss)                               |      | 41,247               | (286,751)            |
| <b>Shareholders' equity</b>                             |      | 40,762               | (285,203)            |

This unaudited condensed consolidated statement of financial position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in the interim financial statements.



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

Issued and fully paid  
ordinary shares

|                                     | Number<br>of shares<br>'000 | Nominal<br>Value<br>RM'000 | Warrant<br>Reserve<br>RM'000 | Cash Flow<br>Hedge<br>Reserve<br>RM'000 | Currency<br>Translation<br>Reserve<br>RM'000 | Accumulated<br>Profit/<br>Loss<br>RM'000 | Total<br>Equity<br>RM'000 |
|-------------------------------------|-----------------------------|----------------------------|------------------------------|---|--|--|---------------------------|
| <b>At 1 January 2023</b>            | 414,815                     | 1,534                      | -                            | -                                       | 14   | (286,751)                                | (285,203)                 |
| Net profit for the financial period | -                           | -                          | -                            | -                                       | -  | 327,998                                  | 327,998                   |
| Other comprehensive loss            | -                           | -                          | -                            | -                                       | (2,033)                                      | -  | (2,033)                   |
| Total comprehensive profit          | -                           | -                          | -                            | -                                       | (2,033)                                      | 327,998                                  | 325,965                   |
| <b>At 31 March 2023</b>             | 414,815                     | 1,534                      | -                            | -                                       | (2,019)                                      | 41,247                                   | 40,762                    |
| <b>At 1 July 2021, restated</b>     | 4,148,149                   | 1,534,044                  | -                            | -                                       | 727  | (35,101,872)                             | (33,567,101)              |
| Net profit for the financial period | -                           | -                          | -                            | -                                       | -  | 33,282,611                               | 33,282,611                |
| Share consolidation                 | (3,733,334)                 | -                          | -                            | -                                       | -  | -  | -                         |
| Share capital reduction             | -                           | (1,532,510)                | -                            | -                                       | -  | 1,532,510                                | -                         |
| Other comprehensive loss            | -                           | -                          | -                            | -                                       | (713)  | -  | (713)                     |
| Total comprehensive loss            | 414,815                     | 1,534                      | -                            | -                                       | 14   | (286,751)                                | (285,203)                 |
| <b>At 31 December 2022</b>          | 414,815                     | 1,534                      | -                            | -                                       | 14   | (286,751)                                | (285,203)                 |

This unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

|   | Note      | Period ended   | Period ended      |
|---|-----------|----------------|-------------------|
|   |           | 31/03/2023     | 31/03/2022        |
|   |           | RM'000         | RM'000            |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                           |           |                |                   |
| Profit before tax   |           | 328,001        | 33,617,661        |
| Adjustments:  |           |                |                   |
| Depreciation  |           | 35,092         | -                 |
| Finance income  |           | (2,016)        | (22)              |
| Finance costs   |           | 19,019         | 54                |
| Reversal of provision additional loss of investment in IAAX           |           | (95,850)       | -                 |
| Net unrealised foreign exchange losses                                |           | (13,461)       | 1,962             |
| <b>Operating profit before working capital changes</b>                |           | <b>270,785</b> | <b>33,619,655</b> |
| Changes in working capital:   |           |                |                   |
| Trade and other receivables   |           | 48,819         | 244,650           |
| Related parties balances  |           | (140,745)      | (212,953)         |
| Trade and other payables  |           | (43,198)       | (33,198,110)      |
| Sales in advance  |           | (110,473)      | (474,720)         |
| <b>Cash flows generated from/ (used in) operations</b>                |           | <b>25,188</b>  | <b>(21,478)</b>   |
| Finance costs paid  |           | (440)          | (54)              |
| Interest received   |           | 650            | 22                |
| <b>Net generated from/ (used in) cash operating activities</b>        |           | <b>25,398</b>  | <b>(21,510)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                           |           |                |                   |
| Repayment of lease liabilities  |           | (7,603)        | -                 |
| Deposits pledged as securities  |           | -              | -                 |
| <b>Net cash used in financing activities</b>                          |           | <b>(7,603)</b> | <b>-</b>          |
| <b>NET INCREASE/ (DECREASE) FOR THE FINANCIAL PERIOD</b>              |           | <b>17,795</b>  | <b>(21,510)</b>   |
| <b>CURRENCY TRANSLATION DIFFERENCES</b>                               |           | <b>(2,136)</b> | <b>(56)</b>       |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b> |           | <b>176,710</b> | <b>68,466</b>     |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>       | <b>18</b> | <b>192,369</b> | <b>46,900</b>     |

This unaudited condensed consolidated cash flow statement should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in the interim financial statements.



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**KEY OPERATING STATISTICS - 31 MARCH 2023**

**Performance indicator for current quarter against the same quarter last year**

The Company commenced operations during the quarter ended 30 June 2022 after 2 years of suspension of scheduled flight and majority of the aircraft fleet remaining grounded. As such, performance indicators comparison quarter for quarter is not meaningful. The tabular presentation of revenue and cost metrics in the quarter is therefore will be presented in comparison to the last quarter in order to reflect the commencement of operation since 30 June 2022.

| <b>Quarter Ended: 31 March</b>             | <b>Jan - Mar 2023</b> | <b>Oct - Dec 2022</b> | <b>Changes Q-O-Q</b> |
|--|-----------------------|-----------------------|----------------------|
| Seat capacity                              | 630,069               | 427,384               | 47%                  |
| Passengers carried                         | 504,476               | 337,638               | 49%                  |
| Load factor                                | 80%                   | 79%                   | 1%                   |
| RPK (millions)                             | 2,312                 | 1,316                 | 76%                  |
| ASK (millions)                             | 2,899                 | 1,700                 | 71%                  |
| Average passenger fare (RM) *              | 785                   | 866                   | -9%                  |
| Average passenger fare of BKI and KCH (RM) | -                     | 229                   | -100%                |
| Ancillary revenue per passenger (RM)       | 244                   | 196                   | 25%                  |
| Revenue per ASK (sen)                      | 18.93                 | 15.49                 | 22%                  |
| Revenue per ASK (USc)                      | 4.31                  | 3.39                  | 27%                  |
| Cost per ASK (sen)                         | 6.50                  | (21.02)               | -131%                |
| Cost per ASK (USc)                         | 1.48                  | (4.60)                | -132%                |
| Aircraft (end of period)                   | 14                    | 14                    | 0%                   |
| Sectors flown                              | 1,721                 | 1,152                 | 49%                  |
| Fuel consumed (Barrels)                    | 445,030               | 255,369               | 74%                  |
| Average fuel price (USD/Barrel)            | 116                   | 126                   | -8%                  |
| Exchange rate                              | 4.39                  | 4.57                  | -4%                  |

**Definitions and calculation methodology**

|                                    |  |
|------------------------------------|--|
| RPK (Revenue Passenger Kilometers) | Number of passengers carried multiplied by distance flown      |
| ASK (Available Seat Kilometers)    | Total available seats multiplied by distance flown             |
| Average passenger fare             | Total schedule flight revenue, divided by number of passengers |

\* Exclude Kota Kinabalu (BKI) and Kuching (KCH)



## **AIRASIA X BERHAD**

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### **NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2023**

#### **1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022. 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 2022.

#### **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 2022. Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2022 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 2022. The Group did not early adopt any new standards, amendments to published standards and interpretation to existing standards.

#### **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 2022 in their report dated 28 April 2022.

#### **4. Seasonality of operations**

AirAsia X is primarily involved in the provision of air transportation services and thus, is subject to seasonal demand for air travel.

#### **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.

#### **6. Changes in estimates**

There were no changes in estimates that have had material effect on the results of current quarter.



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**NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2023**

**7. Capital and reserves**

There was no issuance of shares during the current quarter

**8. Dividends**

No dividends were declared, approved or paid during the quarter ended 31 March 2023.

**9. Segment Reporting**

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker, which is the Chief Executive Officer ("CEO"). The CEO considers the business from a geographical perspective. The operating segments have been identified by each Air Operator Certificate ("AOC") held under the AirAsia brand, and are categorised as Malaysia and Thailand. Indonesia has been dormant and hence not included in the segment reporting.

The CEO assesses the performance of the operating segments based on revenue and net operating profit.

Reconciliation to the reportable segments relates to the elimination of the associate and joint venture companies.

The segment information provided to the CEO for the reportable segments are as follows:

|  | Malaysia<br>RM'000 | Thailand<br>RM'000 | Elimination<br>Adjustments<br>RM'000 | Total<br>RM'000 |
|--|--------------------|--------------------|--------------------------------------|-----------------|
| <b>Quarter/ Period ended 31 March 2023</b> |                    |                    |                                      |                 |
| Revenue                                    | 548,842            | 356,761            | -                                    | 905,603         |
| Operating expenses                         |                    |                    |                                      |                 |
| - Staff costs                              | (41,080)           | (26,478)           | -                                    | (67,558)        |
| - Depreciation                             | (35,092)           | (26,287)           | -                                    | (61,379)        |
| - Aircraft fuel expenses                   | (226,849)          | (128,208)          | -                                    | (355,057)       |
| - Maintenance and overhaul                 | (63,490)           | (34,558)           | -                                    | (98,048)        |
| - User charges                             | (66,521)           | (54,724)           | -                                    | (121,245)       |
| - Aircraft lease expenses                  | (6,647)            | -                  | -                                    | (6,647)         |
| - Other operating expenses                 | 215,959            | (13,749)           | -                                    | 202,210         |
| Other income                               | 108                | 295                | -                                    | 403             |
| <b>Operating profit</b>                    | <b>325,230</b>     | <b>73,052</b>      | <b>-</b>                             | <b>398,282</b>  |
| Finance income                             | 1,643              | 1,968              | -                                    | 3,611           |
| Finance costs                              | (18,469)           | (11,057)           | -                                    | (29,526)        |
| <b>Net operating profit</b>                | <b>308,404</b>     | <b>63,963</b>      | <b>-</b>                             | <b>372,367</b>  |





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**NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2023**

**9. Segment Reporting (contd')**

The segment information provided to the CEO for the reportable segments are as follows: (contd')

|  | Malaysia<br>RM'000 | Thailand<br>RM'000 | Elimination<br>Adjustments<br>RM'000 | Total<br>RM'000 |
|--|--------------------|--------------------|--------------------------------------|-----------------|
| <b>Quarter/ Period ended 31 March 2023</b> |                    |                    |                                      |                 |
| Foreign exchange gains                     | 19,597             | 27,954             | -                                    | 47,551          |
| <b>Profit before taxation</b>              | <b>328,001</b>     | <b>91,917</b>      | <b>-</b>                             | <b>419,918</b>  |

a) Reconciliation of segment revenue to reported revenue:

|  | INDIVIDUAL QUARTER                       |  | CUMULATIVE QUARTER                      |   |
|--|--|--|---|---|
|  | Quarter<br>ended<br>31/03/2023<br>RM'000 | Quarter<br>ended<br>31/03/2022<br>RM'000 | Period<br>ended<br>31/03/2023<br>RM'000 | Period<br>ended<br>31/03/2022<br>RM'000 |
| Segment revenue  | 419,918                                  | 355,936                                  | 419,918                                 | 355,936                                 |
| Add: Inter-segment revenue                                   | -  |  |   |   |
| Less: Revenue from affiliates which were<br>not consolidated | (356,761)                                | (242,921)                                | (356,761)                               | (242,921)                               |
|  | <u>63,157</u>                            | <u>113,015</u>                           | <u>63,157</u>                           | <u>113,015</u>                          |

b) Reconciliation of segment profit before taxation to reported profit before taxation:

|   | INDIVIDUAL QUARTER                       |  | CUMULATIVE QUARTER                      |   |
|---|--|--|---|---|
|   | Quarter<br>ended<br>31/03/2023<br>RM'000 | Quarter<br>ended<br>31/03/2022<br>RM'000 | Period<br>ended<br>31/03/2023<br>RM'000 | Period<br>ended<br>31/03/2022<br>RM'000 |
| Segment profit before taxation  | 328,001                                  | 33,640,660                               | 328,001                                 | 33,640,660                              |
| Add: Segment profit/(loss) from affiliates<br>which were not consolidated | (91,917)                                 | (23,000)                                 | (91,917)                                | (23,000)                                |
|   | <u>236,084</u>                           | <u>33,617,660</u>                        | <u>236,084</u>                          | <u>33,617,660</u>                       |



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**NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2023**

**10. Revenue**

|                      | INDIVIDUAL QUARTER |                | CUMULATIVE QUARTER |                |
|----------------------|--------------------|----------------|--------------------|----------------|
|                      | Quarter ended      | Quarter ended  | Period ended       | Period ended   |
|                      | 31/03/2023         | 31/03/2022     | 31/03/2023         | 31/03/2022     |
|                      | RM'000             | RM'000         | RM'000             | RM'000         |
| Scheduled flights    | 389,198            | 198            | 389,198            | 198            |
| Charter flights      | 6,646              | 31,240         | 6,646              | 31,240         |
| Freight services     | 29,545             | 81,534         | 29,545             | 81,534         |
| Ancillary revenue ** | 123,313            | 45             | 123,313            | 45             |
| Management fees      | 140                | (2)            | 140                | (2)            |
|                      | <u>548,842</u>     | <u>113,015</u> | <u>548,842</u>     | <u>113,015</u> |

\*\* Ancillary revenue includes baggage fees, assigned seats, cancellations, documentation and other fees, and on-board sale of meals and merchandise.

**11. Staff cost**

|   | INDIVIDUAL QUARTER |               | CUMULATIVE QUARTER |               |
|---|--------------------|---------------|--------------------|---------------|
|   | Quarter ended      | Quarter ended | Period ended       | Period ended  |
|   | 31/03/2023         | 31/03/2022    | 31/03/2023         | 31/03/2022    |
|   | RM'000             | RM'000        | RM'000             | RM'000        |
| Wages, salaries, bonuses and allowances | 37,881             | 12,769        | 37,881             | 12,769        |
| Defined contribution retirement plan    | 3,199              | 1,457         | 3,199              | 1,457         |
|   | <u>41,080</u>      | <u>14,226</u> | <u>41,080</u>      | <u>14,226</u> |

**12. Finance income/(cost) and foreign exchange gain/(loss)**

|   | INDIVIDUAL QUARTER |               | CUMULATIVE QUARTER |              |
|---|--------------------|---------------|--------------------|--------------|
|   | Quarter ended      | Quarter ended | Period ended       | Period ended |
|   | 31/03/2023         | 31/03/2022    | 31/03/2023         | 31/03/2022   |
|   | RM'000             | RM'000        | RM'000             | RM'000       |
| <b>Finance income:</b>                          |                    |               |                    |              |
| Interest income on deposits with licensed banks | 650                | 22            | 650                | 22           |
| Other interest income                           | 1,366              | -             | 1,366              | -            |
|   | <u>2,016</u>       | <u>22</u>     | <u>2,016</u>       | <u>22</u>    |



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**12. Finance income/(cost) and foreign exchange gain/(loss) (contd')**

|   | INDIVIDUAL QUARTER                 |                                    | CUMULATIVE QUARTER                |                                   |
|---|------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
|   | Quarter ended 31/03/2023<br>RM'000 | Quarter ended 31/03/2022<br>RM'000 | Period ended 31/03/2023<br>RM'000 | Period ended 31/03/2022<br>RM'000 |
| Impact of discounting effect on financial instruments | (373)                              | -                                  | (373)                             | -                                 |
|   | <u>1,643</u>                       | <u>22</u>                          | <u>1,643</u>                      | <u>22</u>                         |
| <b>Finance cost:</b>                                  |                                    |                                    |                                   |                                   |
| Interest expense on lease liabilities                 | (18,579)                           | -                                  | (18,579)                          | -                                 |
| Bank facilities and other charges                     | (440)                              | (54)                               | (440)                             | (54)                              |
|   | <u>(19,019)</u>                    | <u>(54)</u>                        | <u>(19,019)</u>                   | <u>(54)</u>                       |
| Impact of discounting effect on financial instruments | 550                                | -                                  | 550                               | -                                 |
|   | <u>(18,469)</u>                    | <u>(54)</u>                        | <u>(18,469)</u>                   | <u>(54)</u>                       |
| <b>Net foreign exchange gain/ (loss):</b>             |                                    |                                    |                                   |                                   |
| Realised  | 6,313                              | 563                                | 6,313                             | 563                               |
| Unrealised  | 13,284                             | (1,962)                            | 13,284                            | (1,962)                           |
|   | <u>19,597</u>                      | <u>(1,399)</u>                     | <u>19,597</u>                     | <u>(1,399)</u>                    |

**13. Taxation**

**Current taxation**

The current taxation charge comprises tax payable on interest income.

**14. Property, plant and equipment**

(a) Acquisition and disposal

During the period ended 31 March 2023, there was no acquisition of property, plant and equipment.

(b) Written-off

During the period ended 31 March 2023, there was no written off of property, plant and equipment.

(c) Reversal of impairment

During the period ended 31 March 2023, there was no reversal of impairment.



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**15. Investment in an associate**

|  | As at<br>31/03/2023 | As at<br>31/12/2022 |
|--|---------------------|---------------------|
|  | RM'000              | RM'000              |
| Unquoted investments, at cost            | 21,122              | 21,122              |
| Group's share of post-acquisition profit | (21,122)            | (21,122)            |
|  | <u>-</u>            | <u>-</u>            |

The details of the associate is as follows:-

| Name                            | Country of<br>Incorporation | Group effective equity interest |            | Principal<br>activity                   |
|---------------------------------|-----------------------------|---------------------------------|------------|---|
|                                 |                             | 31/03/2023                      | 31/12/2022 |   |
|                                 |                             | %                               | %          |   |
| Thai AirAsia X Co. Ltd ("TAAX") | Thailand                    | 49%                             | 49%        | Commercial air<br>transport<br>services |

TAAX recorded a net profit of RM63.96 million in the current quarter. As at 31 March 2023, the unrecognised amount of the Group's share of loss of TAAX which have not been equity accounted for amounted to RM453.4 million. In accordance to MFRS 128, any profits will only be recognised when its shares of the profits equals the share of losses previously not recognised.

**16. Investment in a joint venture**

|  | As at<br>31/03/2023 | As at<br>31/12/2022 |
|--|---------------------|---------------------|
|  | RM'000              | RM'000              |
| Unquoted investments, at cost            | 53,888              | 53,888              |
| Group's share of post-acquisition losses | (53,888)            | (53,888)            |
|  | <u>-</u>            | <u>-</u>            |

The details of the joint venture is as follows:-

| Name                                 | Country of<br>Incorporation | Group effective equity interest |            | Principal<br>activity                   |
|--------------------------------------|-----------------------------|---------------------------------|------------|---|
|                                      |                             | 31/03/2023                      | 31/12/2022 |   |
|                                      |                             | %                               | %          |   |
| PT. Indonesia AirAsia Extra ("IAAX") | Indonesia                   | 49%                             | 49%        | Commercial air<br>transport<br>services |

IAAX has been dormant since FY2020. The Group has discontinued the recognition of its share of losses incurred by IAAX as the Group's interests had been reduced to zero. As at 31 March 2023, the unrecognised amount of the Group's share of loss of IAAX which have not been equity accounted for amounted to RM304.7 million.



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**17. Trade and other receivables**

|  | As at<br>31/03/2023<br>RM'000 | As at<br>31/12/2022<br>RM'000 |
|--|-------------------------------|-------------------------------|
| <b>Non-current</b>                               |                               |                               |
| Deposits   | 115,621                       | 104,129                       |
| Prepayments                                      | 12,869                        | 12,930                        |
|  | <u>128,490</u>                | <u>117,059</u>                |
| <b>Current</b>                                   |                               |                               |
| Trade receivables                                | 75,163                        | 58,032                        |
| Less : Allowance for impairment of receivables   | (7,881)                       | (8,883)                       |
|  | <u>67,282</u>                 | <u>49,149</u>                 |
| Other receivables                                | 330,762                       | 452,550                       |
| Less : Allowance for impairment of receivables * | (285,203)                     | (380,511)                     |
|  | <u>45,559</u>                 | <u>72,039</u>                 |
| Deposits   | 27                            | 64,783                        |
| Less : Allowance for impairment of receivables * | 8,093                         | (2,151)                       |
|  | <u>8,120</u>                  | <u>62,632</u>                 |
| Prepayments                                      | 8,260                         | 46,814                        |
|  | <u>129,221</u>                | <u>230,634</u>                |

\*Included in the total impairment of receivables is RM335.3 million (31 December 2022: RM353.6 million) relating to lease rental and maintenance reserve due from a joint venture through a third party leasing

**18. Deposits, cash and bank balances**

For the purpose of the statement of cash flows, cash and cash equivalents include the following:

|                              | As at<br>31/03/2023<br>RM'000 | As at<br>31/12/2022<br>RM'000 |
|------------------------------|-------------------------------|-------------------------------|
| Cash and bank balances       | 77,512                        | 18,632                        |
| Deposits with licensed banks | 114,857                       | 158,078                       |
| Cash and cash equivalents    | <u>192,369</u>                | <u>176,710</u>                |



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**19. Trade and other payables**

|                             | As at<br>31/03/2023<br>RM'000 | As at<br>31/12/2022<br>RM'000 |
|-----------------------------|-------------------------------|-------------------------------|
| <b>Current</b>              |                               |                               |
| Trade payables              | 104,996                       | 18,044                        |
| Other payables and accruals | 232,435                       | 186,129                       |
|                             | <u>337,431</u>                | <u>204,173</u>                |

Included in other payables and accruals are operational expenses, passenger service charges payable to airport authorities and deferred lease income.

**20. Lease liabilities**

|                     | As at<br>31/03/2023<br>RM'000 | As at<br>31/12/2022<br>RM'000 |
|---------------------|-------------------------------|-------------------------------|
| <b>Current</b>      |                               |                               |
| - Lease liabilities | <u>20,757</u>                 | <u>57,033</u>                 |
| <b>Non Current</b>  |                               |                               |
| - Lease liabilities | <u>1,105,256</u>              | <u>1,005,449</u>              |

|   | As at<br>31/03/2023<br>RM'000 | As at<br>31/12/2022<br>RM'000 |
|---|-------------------------------|-------------------------------|
| The currency profile of borrowings is as follows: |                               |                               |
| US Dollar   | <u>1,126,013</u>              | <u>1,062,482</u>              |

|  | As at<br>31/03/2023<br>RM'000 | As at<br>31/12/2022<br>RM'000 |
|--|-------------------------------|-------------------------------|
| Not later than 1 year                        | 20,757                        | 57,033                        |
| Later than 1 year and not later than 5 years | 764,728                       | 285,165                       |
| Later than 5 years                           | 340,528                       | 720,284                       |
|  | <u>1,126,013</u>              | <u>1,062,482</u>              |



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#### 21. Provision for additional loss in the investment

The Company's joint venture, IAAX received a Tax Underpayment Assessment Letter from the Indonesia Tax Office ("ITO") requesting IAAX to pay RM200.7 million relating to underpayment of tax in respect of the fiscal year 2017. The ITO is currently performing tax audits on IAAX in respect of the fiscal years 2018 and 2019 which are expected to be concluded no later than December 2023 and December 2024 respectively. Whilst the tax audits for fiscal years 2018 and 2019 have not been finalised, it is possible that the ITO would use the same approach as the tax audit for the fiscal year 2017 which may result in additional tax to be paid by IAAX.

IAAX is disputing the Tax Underpayment Assessment Letter in respect of the fiscal year 2017 and has submitted objection letters on 28 November 2022. In the event the dispute is ruled in favour of the ITO, it is unlikely that IAAX will be able to pay the additional tax.

Based on the prevailing tax regulation in Indonesia, tax collection actions shall be carried out against "tax bearers" of corporate taxpayers in the event of non-payment by the corporate taxpayers. Tax bearers are defined under the tax regulations to include shareholders of corporate taxpayers. Accordingly, the Company as a shareholder of IAAX may be responsible for the settlement of IAAX's tax payable of RM98.3 million for fiscal year 2017, computed based on the Company's equity interest in IAAX.

The AAX Management are of the opinion that it is more likely than not that an outflow of resources by the Group and by the Company in respect of IAAX's tax payable will occur. Accordingly, a provision for additional losses in respect of investment in IAAX of RM127.3 million is made as at 31 March 2023 (31 December 2022: RM223.3 million). This amount includes the AAX Management's estimates of the Company's share of additional tax payable by IAAX for the fiscal years 2018 and 2019, determined based on the level of operations for the fiscal years 2018 and 2019 and based on the same approach as the tax audit for the fiscal year 2017.

#### 22. Earnings per share

##### Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the quarter/financial year ended by the weighted average number of ordinary shares in issue during the quarter/financial period.

|  | INDIVIDUAL QUARTER       |                          | CUMULATIVE QUARTER      |                         |
|--|--------------------------|--------------------------|-------------------------|-------------------------|
|  | Quarter ended 31/03/2023 | Quarter ended 31/03/2022 | Period ended 31/03/2023 | Period ended 31/03/2022 |
| Net profit (RM'000)  | 327,998                  | 33,617,658               | 327,998                 | 33,617,658              |
| Weighted average number of ordinary shares in issue ('000) | 414,815                  | 414,815                  | 414,815                 | 414,815                 |
| Earnings per share (sen)                                   | 79.1                     | 8,104.3                  | 79.1                    | 8,104.3                 |

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On 22 May 2023, the Company proposes to undertake a placement of 32,258,066 new ordinary shares in AAX (“AAX Shares”), representing approximately 7.78% of the total number of issued AAX Shares, to AHAM Asset Management Berhad, AIIMAN Asset Management Sdn Bhd and Lavin Group Sdn Bhd (collectively, the “Subscribers”) at an issue price of RM1.55 per AAX Share, vide three (3) conditional share subscription agreements entered into between the Company and each of the Subscribers on 22 May 2023 respectively (“Proposed Placement”). The effect of the Proposed Placement upon completion will be:-

|                              | <b>Audited</b>   | <b>Unaudited</b> | <b>Post</b>      |
|------------------------------|------------------|------------------|------------------|
|                              | <b>As at</b>     | <b>As at</b>     | <b>Placement</b> |
| <b>Group</b>                 | <b>31/12/22</b>  | <b>31/03/23</b>  | <b>31/03/23</b>  |
| Share Capital                | 1,534            | 1,534            | 50,986           |
| Currency translation reserve | 14               | (2,019)          | (2,019)          |
| Accumulated (loss)/ profit   | (286,751)        | 41,247           | 41,195           |
| <b>Shareholders' equity</b>  | <b>(285,203)</b> | <b>40,762</b>    | <b>90,162</b>    |

**24. Contingent assets**

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

**25. Contingent liabilities**

There were no major changes in contingent liabilities since the latest audited consolidated financial statements for the period ended 31 December 2022.

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

Capital commitments not provided for in the financial statements are as follows:-

|                   | <b>As at</b>      | <b>As at</b>      |
|-------------------|-------------------|-------------------|
|                   | <b>31/03/2023</b> | <b>31/12/2022</b> |
|                   | <b>RM'000</b>     | <b>RM'000</b>     |
| Aircraft purchase | 3,804,128         | 3,804,128         |





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#### 27. Significant related party transactions

Details of the relationships and transactions between AirAsia X and its significant related parties are as described below:

| <u>Name of companies</u>   | <u>Relationship</u>   |
|--|---|
| Thai AirAsia X Co Ltd ("TAAX")                                       | Associate   |
| PT Indonesia AirAsia Extra ("IAAX")                                  | Joint Venture   |
| AirAsia Berhad ("AAB")   | Shareholder of the Company for which there is no control, significant influence or joint control, and common Directors and shareholders |
| <u>Subsidiaries of AirAsia Group Berhad</u>                          |   |
| AirAsia SEA Sdn Bhd ("AASEA")  | Common Directors and shareholders   |
| Rokki Sdn Bhd ("Rokki")  | Common Directors and shareholders   |
| BIGLIFE Sdn Bhd ("BIG")  | Common Directors and shareholders   |
| Ground Team Red Sdn Bhd ("GTR")                                      | Common Directors and shareholders   |
| Teleport Everywhere Pte Ltd ("TELEPORT")                             | Common Directors and shareholders   |
| AirAsia (Guangzhou) Aviation Service Limited ("AirAsia (Guangzhou)") | Common Directors and shareholders   |

Details of the relationships and transactions between AirAsia X and its significant related parties are as described below:

| <u>Subsidiaries of AirAsia Group Berhad (contd')</u> |                                   |
|--|-----------------------------------|
| Santan Food Sdn Bhd ("Santan Food")                  | Common Directors and shareholders |
| Santan Restaurant Sdn Bhd ("Santan Restaurant")      | Common Directors and shareholders |
| Ikhlas Com Travel Sdn Bhd ("Ikhlas")                 | Common Directors and shareholders |
| Redbeat Academy Sdn Bhd ("RedBeat")                  | Common Directors and shareholders |
| AirAsia Digital Sdn Bhd ("AirAsia Digital")          | Common Directors and shareholders |
| AirAsia Com Travel Sdn Bhd ("AACOM")                 | Common Directors and shareholders |
| AirAsia Ride Sdn Bhd ("AirAsia Ride")                | Common Directors and shareholders |
| Asia Digital Engineering Sdn Bhd ("ADE")             | Common Directors and shareholders |
| Capital A Berhad ("Capital A")                       | Common Directors and shareholders |
| <u>Associates of AirAsia Group Berhad</u>            |                                   |
| Thai AirAsia Co Ltd ("TAA")                          | Common Directors and shareholders |
| PT Indonesia AirAsia ("IAA")                         | Common Directors and shareholders |
| AirAsia Japan Co., Ltd ("AAJ")                       | Common Directors and shareholders |
| Philippines AirAsia Inc. ("AAZ")                     | Common Directors and shareholders |
| <u>Other related entities</u>                        |                                   |
| Ormond Lifestyle Services Sdn Bhd ("Ormond")         | Common Directors and shareholders |
| Tune Insurance Malaysia Berhad ("TIMB")              | Common Directors and shareholders |



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**27. Significant related party transactions (contd')**

These following items have been included in the income statement and balance sheet:

|   | INDIVIDUAL QUARTER                 |                                    | CUMULATIVE QUARTER                |                                   |
|---|------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
|   | Quarter ended 31/03/2023<br>RM'000 | Quarter ended 31/03/2022<br>RM'000 | Period ended 31/03/2023<br>RM'000 | Period ended 31/03/2022<br>RM'000 |
| <b>TAA</b>  |                                    |                                    |                                   |                                   |
| - Aircraft operating lease income for leased aircraft | -                                  | 57,494                             | -                                 | 57,494                            |
| - Net operational services charged                    | 1,089                              | 1,581                              | 1,089                             | 1,581                             |
| <b>IAAX</b>   |                                    |                                    |                                   |                                   |
| - Net operational services charged                    | -                                  | 536                                | -                                 | 536                               |
| <b>AAB</b>  |                                    |                                    |                                   |                                   |
| - Wet lease   | -                                  | -                                  | -                                 | -                                 |
| - Net operational services charged                    | -                                  | (873)                              | -                                 | (873)                             |
| <b>TAA</b>  |                                    |                                    |                                   |                                   |
| - Net operational services charged                    | 7                                  | -                                  | 7                                 | -                                 |
| <b>IAA</b>  |                                    |                                    |                                   |                                   |
| - Net operational services charged                    | (60)                               | -                                  | (60)                              | -                                 |
| <b>AAZ</b>  |                                    |                                    |                                   |                                   |
| - Net operational services charged                    | 78                                 | 10                                 | 78                                | 10                                |
| <b>AASEA</b>  |                                    |                                    |                                   |                                   |
| - Provision of shared services                        | (1,517)                            | (342)                              | (1,517)                           | (342)                             |
| - Net operational services charged                    | (530)                              | (6)                                | (530)                             | (6)                               |
| <b>Ormond</b>   |                                    |                                    |                                   |                                   |
| - Net operational services charged                    | (207)                              | -                                  | (207)                             | -                                 |
| <b>GTR</b>  |                                    |                                    |                                   |                                   |
| - Ground handling services                            | (3,379)                            | (769)                              | (3,379)                           | (769)                             |
| - Net operational services charged                    | 108                                | 21                                 | 108                               | 21                                |
| <b>TELEPORT</b>                                       |                                    |                                    |                                   |                                   |
| - Sales of cargo transportation capacity              | 29,055                             | 68,534                             | 29,055                            | 68,534                            |



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**27. Significant related party transactions (contd')**

|   | INDIVIDUAL QUARTER |               | CUMULATIVE QUARTER |              |
|---|--------------------|---------------|--------------------|--------------|
|   | Quarter ended      | Quarter ended | Period ended       | Period ended |
|   | 31/03/2023         | 31/03/2022    | 31/03/2023         | 31/03/2022   |
|   | RM'000             | RM'000        | RM'000             | RM'000       |
| AirAsia (Guangzhou)                             |                    |               |                    |              |
| - Turnaround charges                            | -                  | -             | -                  | -            |
| - Net operational services charged              | -                  | -             | -                  | -            |
| Santan Food                                     |                    |               |                    |              |
| - Inflight goods and services                   | (1)                | -             | (1)                | -            |
| - Net operational services charged              | -                  | -             | -                  | -            |
| Santan Restaurant                               |                    |               |                    |              |
| - Net operational services charged              | -                  | -             | -                  | -            |
| Ikhlas  |                    |               |                    |              |
| - Revenue for seats sold in Saudi Arabia routes | (1,566)            | -             | (1,566)            | -            |
| - Net operational services charged              | 28                 | -             | 28                 | -            |
| RedBeat   |                    |               |                    |              |
| - Net operational services charged              | -                  | -             | -                  | -            |
| AirAsia Digital                                 |                    |               |                    |              |
| - Net operational services charged              | -                  | -             | -                  | -            |
| AACOM   |                    |               |                    |              |
| - Commission for preferred agent                | (12,731)           | -             | (12,731)           | -            |
| - Net operational services charged              | (5)                | -             | (5)                | -            |
| AirAsia Ride                                    |                    |               |                    |              |
| - Net operational services charged              | -                  | -             | -                  | -            |
| ADE   |                    |               |                    |              |
| - Line maintenance services                     | (4,740)            | -             | (4,740)            | -            |
| - Sale of property, plant and equipment         | -                  | -             | -                  | -            |
| - Net operational services charged              | 71                 | -             | 71                 | -            |
| TIMB  |                    |               |                    |              |
| - Commission for preferred agent                | 215                | -             | 215                | -            |



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#### **28. Review of Group's Performance**

The Group's revenue continues its climb since the full resumption of international travel in October 2022. During the period, the Group reported a revenue of RM548.8 million, triple the revenue recorded in the same period of 2022. In 2022, revenue was mainly generated from charter flights and cargo, as most of the fleet remained grounded then. This reporting period, the upsurge in international travel have catapulted the revenue, achieving 47% recovery against the pre-COVID-19 period.

Staff costs and maintenance costs continue to increase in tandem to the gradual reactivation of aircraft to 9 operating aircraft (Q1'22: 2 operating aircraft) and the corresponding flying and ground crews, up by 334% and 188%, respectively. The weakening of currency against the US Dollar has also further impacted the maintenance costs.

Overall, the Group reported an EBITDA of RM360.3 million, 36% higher than the same period in 2019, i.e., pre-COVID-19 of RM264.5 million. This is mainly driven by the higher average base fare and average ancillary revenue per passenger of RM785 and RM244 respectively (Pre-COVID-19, 2019: average passenger fare - RM513, average ancillary revenue per passenger - RM172) with a fully recovered passenger load factor of 80% (Pre-COVID-19: 83%).

#### **29. Variance results against preceding quarter**

The Group's EBITDA more than doubled to RM360.3 million for the quarter under review, against the EBITDA of RM170.3 million in the preceding quarter ended 31 December 2022, primarily due to a 62% increase in revenue. This is backed by the 47% increase in capacity to 630,069 (preceding quarter Dec'22: 427,384) with a maintained load factor of 80%.

Operating costs continue to be impacted by the weakening of currency against US Dollar albeit cushioned by the favourable fuel price movements (Q1'23: USD116/barrel; preceding quarter Dec'22: USD128/barrel). The Group's profits were further boosted by the reversal of provisions on debts and investments amounting to RM265.9 million.

#### **30. Profit forecast**

No profit forecast has been issued.



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**31. Commentary on prospects**

The Group has been on a steady and ongoing course of relaunching all of its profitable routes to China, and increasing frequencies on routes with high demands, effectively strengthening the airline's position within the regions it operates in.

The Group currently operates 9 aircraft and expects 16 aircraft to be operational by end of 2023 to support its expansion plans and maximise the value to the Group.

Based on historical seasonality, the upcoming quarter is generally a low-sales season. However, the Group is optimistic of the results on the back of strong fare trends, optimised load factors and more favourable fuel price trends. The Group shall practise prudence in navigating the challenge that the strengthening of USD may pose.

**32. Material litigation**

No material litigation taken or threatened against the Company and its subsidiaries.

**33. Proposed Dividend**

The Directors did not recommend any dividend for the quarter ended 31 March 2023.

**By Order of the Board**

29 MAY 2023