

AIRASIA X

15th ANNUAL GENERAL MEETING
CEO PRESENTATION

7 DECEMBER 2021





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AirAsia X: 2021 at a Glance

AirAsia X: 2021 at a Glance

- Financials



- **Key focus is AirAsia X's restructuring** which comprises debt restructuring, corporate restructuring and fundraising
- Revenue recorded at RM1.2 billion, down from RM4.2 billion in 2019 due to **an ongoing period of hibernation since March 2020**
- Total operating expenses largely driven by an RM25.2 billion **provision for termination of contracts** and an RM5.8 billion allowance for **impairment of assets**
- AirAsia X's financial position;
 - **Total equity** down to (RM33.6 billion) due to allowance for impairment of assets and provision for termination of contracts
 - **Total assets** decreased to RM2.5 billion on the back of the allowance for impairment of assets
 - **Total liabilities** increased to RM36.1 billion driven by a provision for termination of contracts

REVENUE
RM1,215 mil

2019: RM4,233 mil

TOTAL OPERATING EXPENSES
RM33,903 mil

2019: RM4,395mil

TOTAL EQUITY
(RM33,582 mil)

2019: RM138 mil

TOTAL ASSETS
RM2,492 mil

2019: RM9,567 mil

TOTAL LIABILITIES
RM36,074 mil

2019: RM9,429 mil



Pivot to Cargo Operations

- Operated **over 1,900 cargo flights** in 2020 and 2021:
 - Over 300 flights in between April - December 2020
 - Close to 1,600 flights from January to date in 2021
- Active cargo routes include Hong Kong, South Korea, India and Australia, with **up to 30x weekly flights**:
 - Hong Kong - 17x weekly flights
 - Seoul, South Korea - 4x weekly flights
 - Bangalore and Mumbai, India - 4x weekly flights
 - Sydney, Australia - 5x weekly flights



Cost Containment

- Cost containment exercise **remains in place until the re-opening of international borders**:
 - Consolidation & optimisation of manpower streamlined per current operational requirements
 - Pay reduction and unpaid leaves remains in place on the back of the cost containment measures
 - Lean management structure implementation an ongoing exercise to streamline processes and expenditures



AirAsia X Restructuring: An Overview and Recap

AirAsia X Restructuring: An Overview and Recap



Since October 2020, AirAsia X had embarked upon a restructuring plan to pave the way for the airline to take to the skies again, comprising of (i) Proposed Debt Restructuring, (ii) Proposed Corporate Restructuring¹ and (iii) Proposed Fundraising².

Proposed Debt Restructuring

Scheme of Arrangement

- Undertaken pursuant to the **scheme of arrangement** under Section 366 of the Companies Act 2016. to address debt obligations in an orderly manner for a **sustainable debt structure**.
- A **comprehensive and all-encompassing scheme** that covers various creditors of the Company.
- Requires **approval of at least 75%** from each class of scheme creditors- Court Convened Meetings completed with **approval rate of 99% across all 3 classes** of scheme creditors.
- Even lessors who have **opted to redeliver aircraft predominantly demonstrated their approval**.
- AirAsia X is currently in the process of arranging for the scheme to be sanctioned by December 2021.

***Notes:**

(1) Proposed Corporate Restructuring comprising (i) Proposed Share Capital Reduction; and (ii) Proposed Share Consolidation

(2) Proposed Fundraising comprising (i) Proposed Rights Issue; and (ii) Proposed Share Subscription

AirAsia X Restructuring: An Overview and Recap (*cont'd*)



Proposed Corporate Restructuring

Proposed Share Capital Reduction

Proposed Share Consolidation

- Reduces 99.9% of the issued share capital by cancelling paid-up share capital which is lost or unrepresented by available assets.
- Issued share capital of AirAsia X will be reduced from RM1,534.04 million to RM1.53 million.
- The credit arising will be used to offset the accumulated losses; any balance will be credited to the retained earnings of AirAsia X, subsequently facilitating the rebuilding of financial position of AirAsia X.
- Comprises the consolidation of every 10 existing AirAsia X shares held by shareholders into 1 consolidated share.
- The increase in the trading prices of AirAsia X shares as a result of a reduced number of AirAsia X shares may reduce the volatility of the trading prices of AirAsia X shares.

Proposed Fundraising

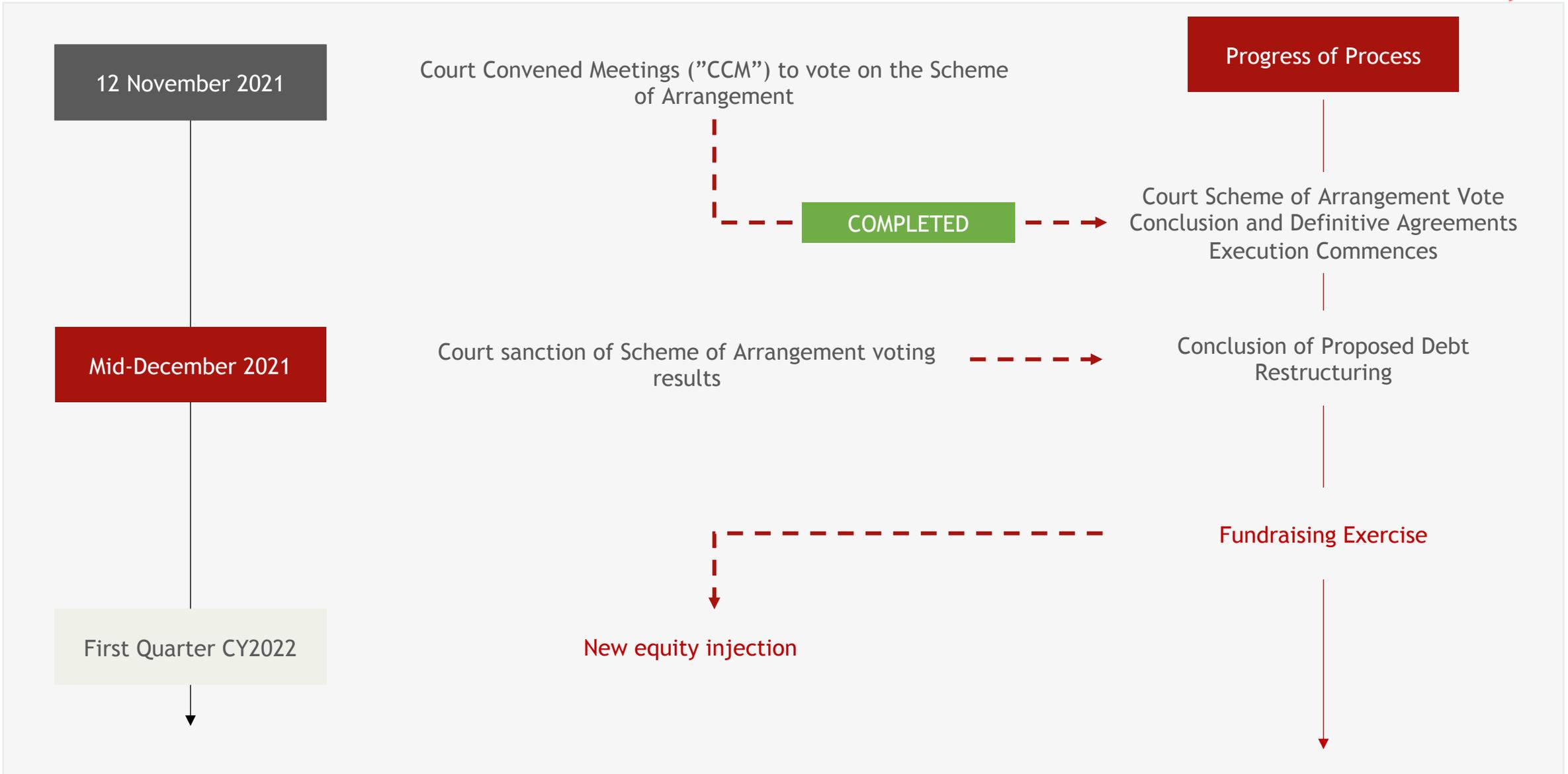
Proposed Rights Issue

Proposed Share Subscription

- The Proposed Rights Issue is aimed to raise gross proceeds of up to RM300 million.
- The Proposed Share Subscription is aimed to raise gross proceeds of up to RM200 million by way of subscription of the Subscription Shares by Placees.
- The Proposed Share Subscription is conditional on the completion of the Rights Issue and the Subscription Period shall be 3 months form the completion of the Rights Issue.
- No Placee shall emerge as a new controlling shareholder of AirAsia X pursuant to the Proposed Share Subscription to ensure that mandatory general offer obligations will not be triggered.



Timeline of AirAsia X Restructuring

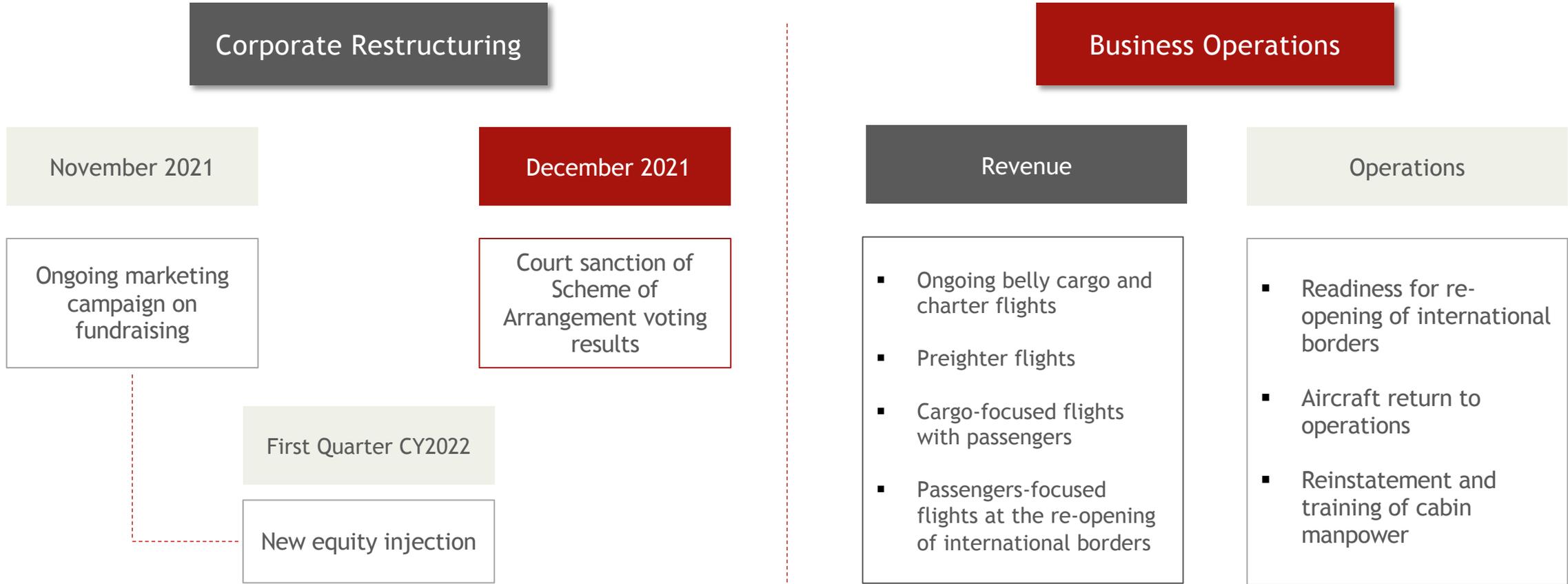




**What's Next:
Post-Scheme Horizon**



What's Next – Post-Scheme Horizon



As AirAsia X gears up for return to the skies, all initiatives under corporate restructuring and business operations are underway concurrently.

A Revamp in the Making

- With the latest development in the industry, a **re-engineered network** and **overhauled cost structure** are crucial in rebuilding AirAsia X's competitive advantages



Fleet

- Restructure OEM commitments** - align with A330ceo lease roll-off, reduce A321XLR firm commitment
- Reduced fleet size post-restructuring** through arrangements with lessors - 15 aircraft in Malaysia



Network

- Exit routes/frequencies that are not projected to be viable** in the post-pandemic demand environment
- Defer investment in new and infant markets** - focus only on established routes in nearer term



Cost Structure

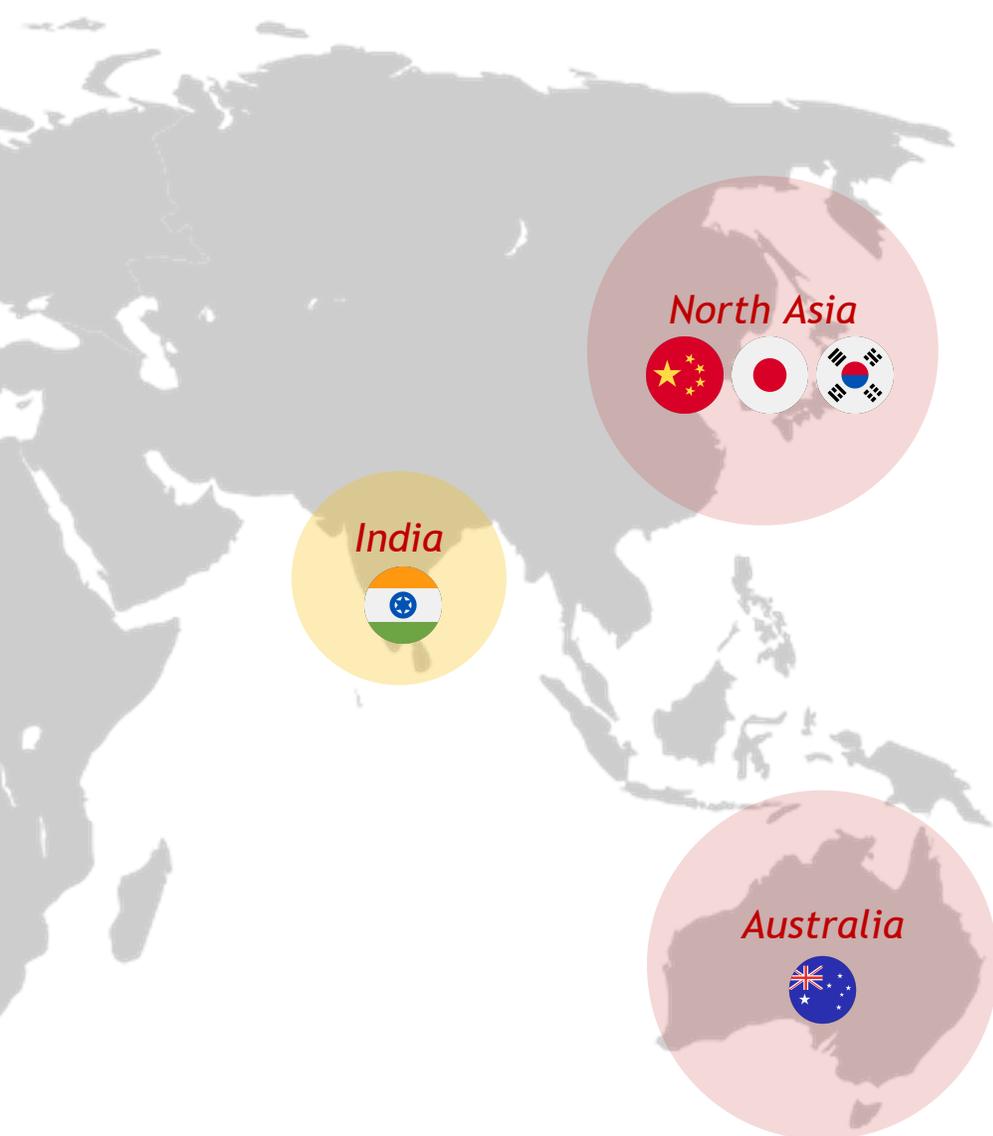
- Reduce lease rates**, add flexibility through **PBH**
- Consolidate and **optimise manpower** per revised network
- Restructure **trade and other contracts, agreements and/or arrangements** in line with market conditions and reduced scale



Equity

- Increase liquidity through **equity issuance**

Network Plan



- Hubs in focus - **Kuala Lumpur** and **Bangkok**
- Key focus regions - **North Asia and Australia** where there is **historical viability** and there are **cargo demands**
- Recovery period will see network predominantly **driven by cargo demands**
- Exit routes/frequencies that are expected to be non-viable in the **post-pandemic demand environment**
- **Defer investment** in new and infant markets -
focus only on established routes in nearer term

Borders Restriction Updates

- as of November 2021



Country	Status	Border Restriction Status	AirAsia X Near Term Strategy
Australia	Restricted	<p>No indication on border-opening to leisure travel</p> <p>Entry into Australia is allowed for:</p> <ul style="list-style-type: none">(i) Fully vaccinated citizens, permanent residents and immediate families(ii) Fully vaccinated New Zealanders (Sydney and Melbourne only)(iii) Fully vaccinated Singapore Citizens(iv) Fully vaccinated international students, eligible visa holders and travellers from Japan and South Korea <p>Overseas travel from Australia is allowed for fully vaccinated Australians from MEL, SYD and ACT.</p>	<p>Focus on cargo charter project to Australia and maximise unutilised cabin space to carry <u>passengers once borders open fully</u></p>
China	Closed	<p>Entry into China is allowed for:</p> <ul style="list-style-type: none">(i) Chinese nationals from overseas or Hong Kong(ii) Foreigners holding diplomatic, official, courtesy, C visas or visa issued after March 28, 2020(iii) Foreigners holding valid residence permits for work, personal affairs and reunion in China or Foreigners holding permanent residence permits	<p>Focus on cargo charter project</p>

Borders Restriction Updates

- as of November 2021



Country	Status	Border Restriction Status	AirAsia X Near Term Strategy
Japan	Restricted	<p>Entry into Japan is allowed for:</p> <ul style="list-style-type: none">(i) Business Travelers (with visa approval) <p>Border remains closed for leisure travelers</p>	<p>Focus on cargo charter project to Japan and maximise unutilised cabin space to carry <u>passengers once borders open fully</u></p>
South Korea	Restricted	<p>Entry into South Korea is allowed for:</p> <ul style="list-style-type: none">(i) Travelers with valid PCR negative certificate within 72-hours before departure and 10 days quarantine upon arrival(ii) Visa free entry for diplomats, government officials, ABTC, APEC Card holders, C-4 short-term employment visa holders, 90-day long term visa holders, expat registration card holders, children/spouse of Korean nationals <p>Visa free policy freezed at the moment. Visitors are required to obtain label visa before travelling into Korea.</p>	<p>Focus on cargo charter project to South Korea and maximise unutilised cabin space to carry <u>passengers once borders open fully</u></p>

Borders Restriction Updates

- as of November 2021



Country	Status	Border Restriction Status	AirAsia X Near Term Strategy
Taiwan	Restricted	<p>Entry into Taiwan is allowed for:</p> <p>(i) Foreign workers</p> <p>Nationwide epidemic alert to drop at Level 2, and the quarantine measure of a 14-day quarantine followed by a 7-day self-health management will remain in place from December 14, 2021 to February 14, 2022, as the pandemic continues to subside in Taiwan and the COVID-19 vaccination rates in some countries have increased.</p>	<p>Focus on cargo charter project to Taiwan and maximise unutilised cabin space to carry <u>passengers once borders open fully</u></p>
India	Closed	<p>For Malaysia, international flights are still closed and only Vande Bharat flights operated by Air India or Air India Express permitted with entry restrictions</p>	<p>Focus on cargo charter project to India and maximise unutilised cabin space to carry <u>passengers once borders open fully</u></p>

AirAsia X will focus on rebuilding its network once the international borders open.



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