



# Company Presentation

September 2024



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# Investment Thesis

In the last four years, we've weathered the storm— surviving COVID on our own merit, overcoming PN17 challenges, and navigating supply chain disruptions, all while working tirelessly to get 240+ fleet back in the air. Now, with the hardest days behind us, management is laser-focused on driving us toward greatness once again. Here are the 10 reasons you should invest in our future.

1

## **Returning to Lowest Cost**

Once all planes are operational, we'll return to being the world's lowest-cost airline, even with currency fluctuations. Tech will drive further cost reductions.

2

## **Dawn of the Asia Era & Secured Orderbook**

ASEAN's rising middle class, alongside booming travel demand in China and India, positions us perfectly for growth. Coupled with our secured orderbook, we're well-equipped to capture these opportunities.

3

## **Resilient Brand**

Survived COVID without government aid, backed by strong supplier and guest loyalty.

4

## **Recession-Proof**

In downturns, people shift to low-cost airlines, making us a defensive stock.



# Investment Thesis

5

## **Ecosystem Synergies**

Our MRO (ADE), ground handling (GTR), OTA & fintech (MOVE Digital), and branding (abc.) businesses reduce costs and boost earnings by serving third-party clients and expanding reach.

6

## **High-Yield Ancillary Products**

Ancillary revenue streams are growing and profitable.

7

## **High Cash Generation**

Strong cash flow with a target EBITDA margin of 30%. Hope to resume dividends.

8

## **Connecting More Dots**

New fleet technology will enable us to further expand secondary and tertiary city connections, aligning with our original mission from 2001 –*Now everyone can fly*– while optimising on our established network.

9

## **Rational Competition**

Competitors are acting rationally, pricing in line with costs, enabling sustainable growth and profitability.

10

## **Experienced Leadership**

A strong, proven management team with a clear succession plan, supported by young talent.

# AAX to acquire AAAGL and AAB to create an enlarged Aviation Group

## Pre-Transaction Capital A

Capital A Shareholders

capital 

MOVE Digital

Intellectual  
Property

Aviation  
Services

Logistics

Aviation<sup>(1)</sup>

## Pre-Transaction AAX

AirAsia X Shareholders

AirAsia X



Existing subsidiaries and  
associates

AAX  
Aviation  
Capital

IAAX

TAAX

AAX  
Mauritius  
One

AAX  
Services

## Post-Transaction AAX

Capital A

Capital A  
Shareholders

Placees / New  
Investors

AirAsia X  
Shareholders

AirAsia X



MAAX

AirAsia Berhad

MAA

AirAsia Aviation  
Group

TAA, IAA, PAA, CAA

Other Subsidiaries  
and Associates

TAAX

7 Airlines  
under one  
umbrella

AAX acquires the remaining aviation businesses from Capital A, with debt settlement and shares as consideration. Shares received will be distributed in-specie to shareholders of Capital A, maintaining their exposure to the aviation business

AAX to be renamed to AirAsia Group post transaction

Source: Company filings  
Note (1) Aviation : AirAsia Berhad [Ground handling operations, Aircraft Leasing, Corporate service] & AirAsia Aviation Group Limited [ Philippines Operations, Indonesia Operations, Thailand Operations, Cambodia Operations]



# Overview of proposed acquisition

## Conditional Share Sale and Purchase Agreement (“SSPA”) between AirAsia X and Capital A<sup>(1)</sup>

### AirAsia X’s acquisition of AirAsia Aviation Group Limited (“AAAGL”) from Capital A (“Proposed AAAGL Acquisition”)

- AirAsia X to acquire 100% equity interest in AAAGL from Capital A:
  - **Consideration:** RM3,000,000,000
  - **Settlement:** To be satisfied via the allotment and issuance of 2,307,692,307 AirAsia X Shares (“Consideration Shares”) at an issue price of RM1.30
- Proposed distribution by Capital A of 1,692,307,692 Consideration Shares to the entitled shareholders of Capital A by way of distribution-in-specie via a reduction and repayment of Capital A’s share capital

### AirAsia X’s acquisition of AirAsia Berhad (“AAB”) from Capital A (“Proposed AAB Acquisition”)

- AirAsia X to acquire 100% equity interest in AAB from Capital A:
  - **Consideration:** RM3,800,000,000
  - **Settlement:** To be satisfied by AirAsia X’s assumption of Capital A’s debt due to AAB of RM3,800,000,000 where:
    - AAB shall fully release Capital A from the liability for the payment of the amount owing of RM3,800 million (“Amount Owing”)

Source: Company filings

Note: (1) The definitive agreements entered into by the parties for the Proposed AAAGL Acquisition and the Proposed AAB Acquisition respectively are (i) the conditional share sale and purchase agreements both dated 25 April 2024 entered into between Capital A and AirAsia Group Berhad (formerly known as AirAsia Aviation Group Sdn Bhd) (“AAG”), (ii) the supplemental agreements both dated 26 July 2024 entered into between Capital A, AAG and the Company and (iii) the second supplemental agreements both dated 4 September 2024 entered into between Capital A and the Company. Pursuant to the supplemental agreements dated 26 July 2024, AAX has assumed the rights, benefits, titles, interests, obligations and liabilities of AAG to the conditional share sale purchase agreements dated 25 April 2024 as the purchaser in respect of the Proposed AAAGL Acquisition and the Proposed AAB Acquisition respectively.

# Overview of proposed private placement

## Proposed Private Placement to Position the Enlarged Aviation Group for Growth

- Proposed private placement of Placement Shares to independent third party investors to be identified later at an issue price to be determined later to raise gross proceeds of **RM1,000,000,000**
- Discount: Not more than **15%** to the 5-day VWAP of AAX Shares up to and including the last trading day prior to the price-fixing date of the Placement Shares and in any event, the **minimum issue price of the Placement Shares shall be RM1.00 per Placement Share**
- The Proposed AAAGL Acquisition and the Proposed AAB Acquisition is conditional upon the Proposed Private Placement but not *vice versa*
- Proposed use of proceeds:

Proposed use of proceeds	Expected timeframe for use of proceeds from the completion of the Proposed Private Placement	Amount (RM'000)
Additional funds for the New Aviation Group's aviation businesses: <ul style="list-style-type: none"><li>• Funding for aircraft, engines and other aircraft parts as well as associated pre-delivery payments</li><li>• Pre-payment / Repayment of the AAB Group's term loan facilities</li><li>• General working capital</li></ul>	Within 24 months	954,610
Estimated expenses for the Proposals <sup>(1)</sup> and Proposed Granting of Subscription Options <sup>(2)</sup>	Immediate	45,390
Total		1,000,000

Source: Company filings.

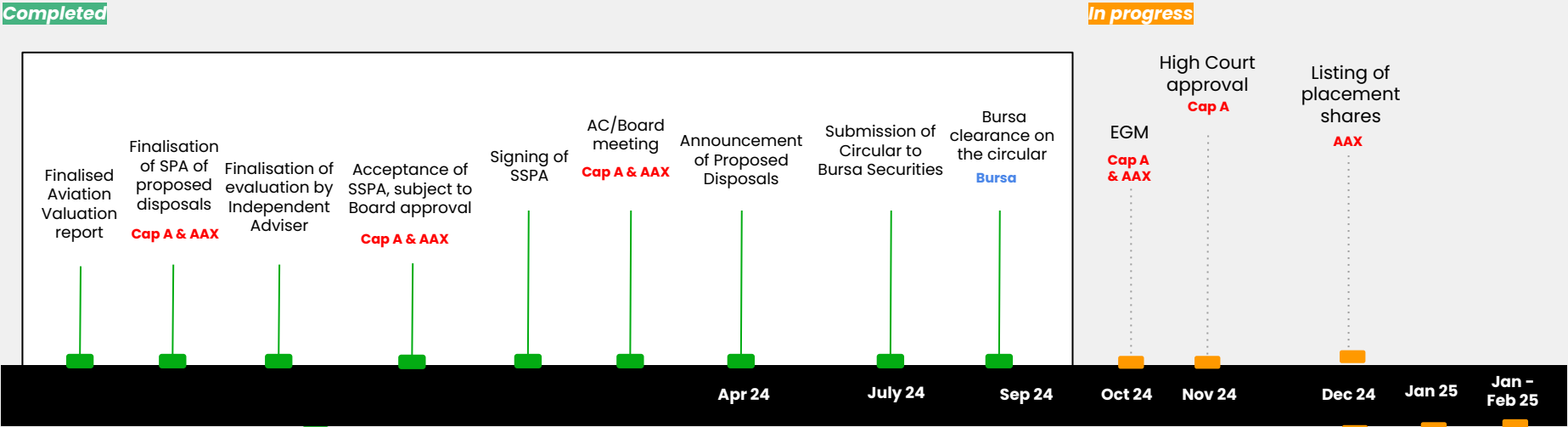
Note: (1) The Proposals refer to the (i) proposed issuance of free warrants; (ii) proposed private placement; (iii) proposed AAAGL acquisition; (iv) proposed AAB acquisition; and (v) proposed share capital reduction. (2) The Proposed Granting of Subscription Options entails the granting by our Company to Garynma the rights to subscribe for such number of new shares immediately after the completion of the Proposed Acquisitions (excluding treasury shares, if any) via 3 Subscription Options. All the 3 Subscription Options will be granted by our Company to the Subscriber immediately after the completion of the Proposed Acquisitions



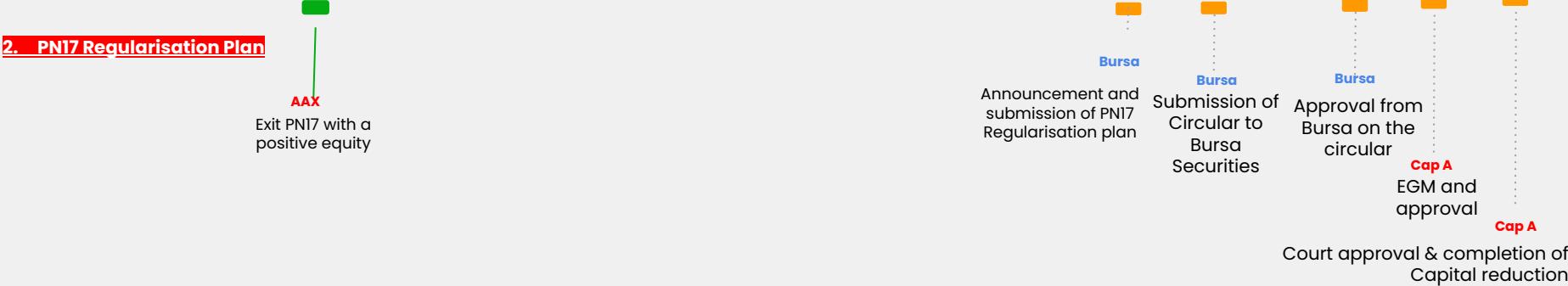
# Rehabilitation is almost behind us...time to look forward

Target completion of aviation disposal/acquisition by 4Q24 and Capital A regularisation plan by 1Q25

## 1. Proposed Aviation Disposal / Acquisition



## 2. PN17 Regularisation Plan



# Why AirAsia is a long term Winner in Asia

## Right Market



- Asia's growing demand for air travel, driven by rising middle class and urbanisation.
- Low-cost carriers ("LCCs") are expected to be key beneficiaries of any economic slowdown as it meets the needs of price-sensitive customers.
- Strategic positioning in a high-growth region with a large population seeking affordable travel.

## Operational Excellence and Lowest Cost



- One of the world's lowest cost airlines at CASK. Efficient cost management and route optimisation keep operating costs low.
- High fleet utilisation and lean operations enhance responsiveness to market changes.
- Industry leading management team.
- Demonstrated ability to build world-class and highly cost competitive business model.

## Market Leader with Experienced Team



- Top 5 strongest airline brands globally.
- Largest ASEAN network coverage, covering 80 destinations across ASEAN and 136 globally.
- First-mover advantage in many markets, building customer loyalty and outpacing competitors.
- Leveraging Capital A's ecosystem to drive digital transformations and growth in aviation segment.
- A strong, proven management team with a clear succession plan, supported by young talent.

## Clear Growth Initiatives



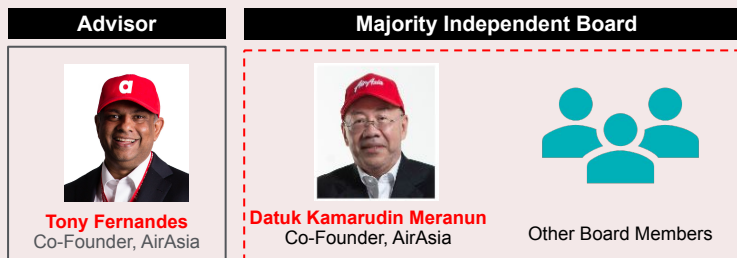
- Enhanced market competitive positioning with expansion of unique destinations and addition of AAX's medium-haul capabilities.
- Strong growth trajectory underpinned by robust fleet orderbook to gain market share.
- Higher profitability as the most cost-efficient airline, with further active cost management in place.
- Focus on sustainability and fleet modernisation for long-term competitiveness.



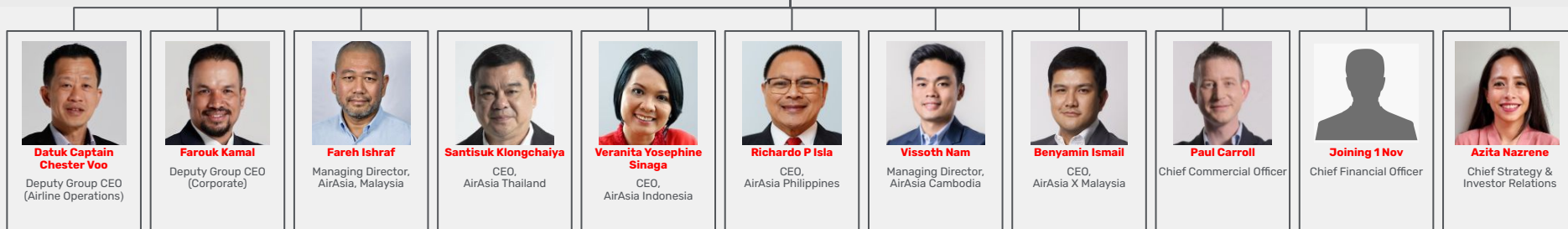
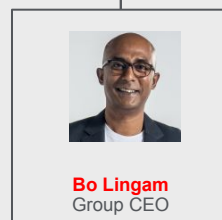
# Introducing the centralised leadership team

Following the completion of the Proposed Acquisitions, a centralised leadership is intended to be established under Bo Lingam as the Group Chief Executive Officer of the enlarged AirAsia Group and he will be assisted by a team of experienced key senior management team which comprises existing key senior management personnel of our AAX Group, AAAGL Group and AAB Group

Experienced advisory board with proven track record



Led by Bo Lingam, Supported by Tony Fernandes as the advisor and a majority Independent Board



# Timing Rationale - Why Now?







# As The Story Goes...



**We started with  
2 planes and  
200 staff.**

Fuelled by dreams and our love for making the unattainable attainable, the strength of our brand has led us to be the World's Best Low-Cost Airline.

# We made it happen despite the regulatory hurdles

We have 7 operating licenses across 5 Asean countries



We've also spearheaded ownership rule changes in Asean, paving the way to fully own an ASEAN airline.

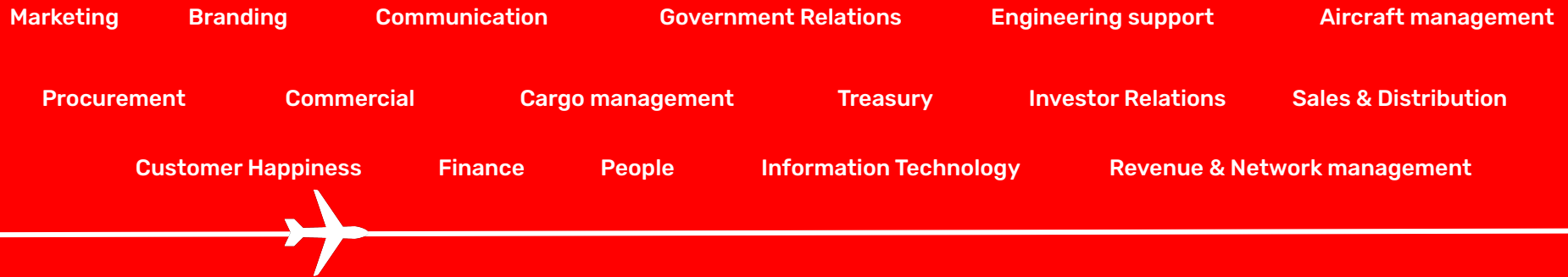
We kept short-haul and long-haul operations separate due to:



- **Aircraft type:** Narrow-body aircraft, A320 used for short-haul while longer routes necessitate wide-body aircraft, like the A330
- **Crew scheduling:** Tailored crew scheduling based on flight duration, of which short-haul crew are assign to multiple rotations within a day. While, long flights demand longer duty times and potentially overnight stays
- **Maintenance & spare:** Different maintenance requirements depending on takeoffs and landing frequency, which affects maintenance planning
- **Turnaround time:** Tailored turnaround procedures based on flight duration, minimise ground time for short haul and more time allocated for long flight



# We started the One AirAsia drive in 2018 to gain efficiency



**Centralised decision making to rationalise operations, reduce costs and improve collaborations**



**Optimise human capital management**



# Now is the time to converge





**Today's demand surge and efficient new aircraft technology compel us to unify operations and create an enlarged airline group, optimising for the future of travel.**




# Winning more together as an enlarged Aviation Group

**1.** Formally recognised as the largest low-cost carrier in Asean 

**2.** Full range of short, medium, long haul Low-cost Air Transportation service   
Improvement fleet, network schedule, & revenue management

**3.** Centralised procurement for economic of scale 

- Combine fleet orderbook in limited supply environment
- Streamline engineering and ground handling contracts for improved cost efficiency

**4.** Better credit strength and greater fundraising capabilities   
Currently assessed independently  Leverage on combined track record for better credit terms on leasing contract

# Win-win transaction for all shareholders



## Benefits to AirAsia X shareholders

### Immediate valuation upside

- The existing shareholders will enjoy **immediate upside** in value of the newly acquired assets

### Valuable airlines for growth

- The transaction enable the enlarged Aviation Group to **acquire matured airlines** with existing traffic rights and slots with proven track records
- Fortify the **enlarged Aviation Group position as the largest low cost carrier** operating short and medium haul



## Benefits to Capital A shareholders

### Able to still enjoy the upside of aviation business

- Hold direct shares in enlarged Aviation Group and can continue to enjoy the upside and growth of the aviation business

### Retain high growth non-aviation assets

- Post aviation carve out, Capital A will continue to retain **high growth non-aviation assets**



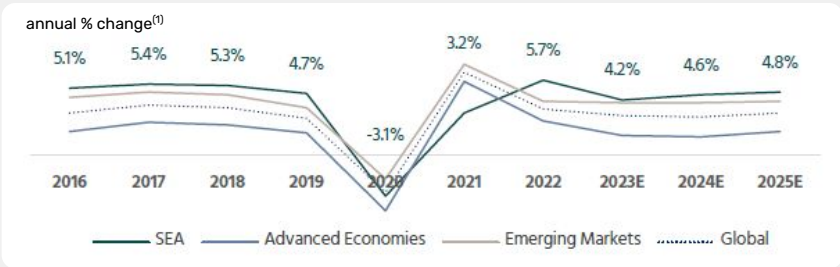
# Our Growth Strategy



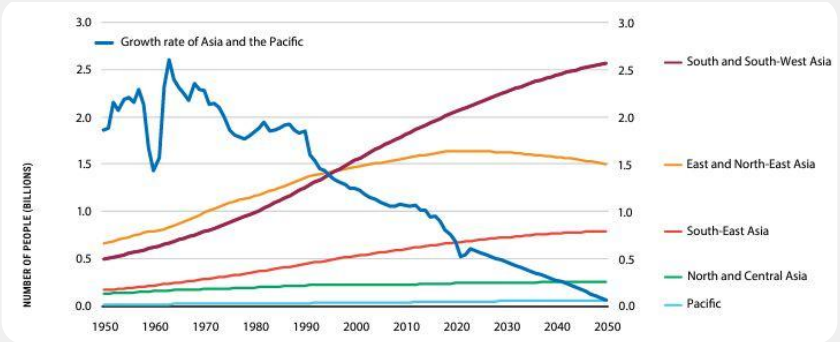
# Leveraging favorable APAC macro trends

APAC's macroeconomic tailwinds, driven by the rising of regional GDP and population growth in Asia region, fuels strong projections for increased intra-SEA passenger traffic, extending to broader Asia. This growth highlights the region's expanding connectivity and market potential

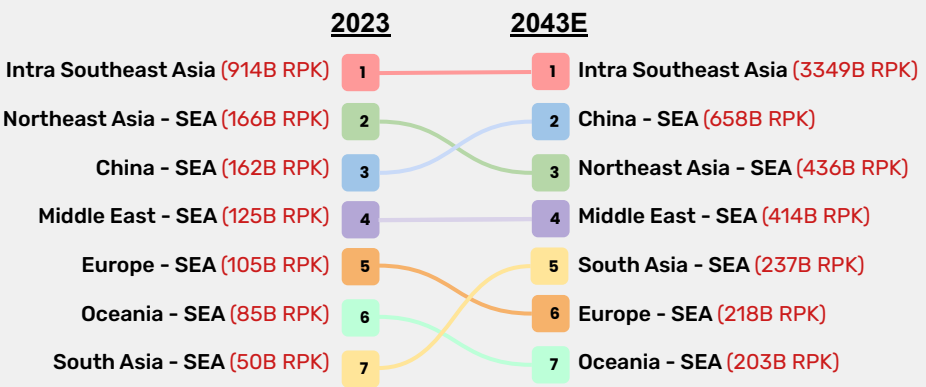
## Asean annual GDP growth **forecasted above the global growth**



## APAC population is projected **to be 53-55%<sup>(2)</sup> of world population**



## SEA Passenger traffic **forecast 2043 to grow by 7.2%<sup>(2)</sup>**



Passengers traveling between SE Asia and China will increase almost sixfold over the next decade growing at average 7.3% year.

The European Union and ASEAN signed the Comprehensive Air Transport Agreement in 2022, creating the world's first open skies deal between two regions. It's expected to triple air traffic by 2043.

Note: (1) World Economic Outlook by the International Monetary Fund, Oct 2023. (2) United Nation, department of Economic and Social Affairs, Population Division (2022) - World Population Prospects 2022, Online Edition. (3)Boeing Commercial Market Outlook 2024. (3)

# Riding the China and India Growth Wave

The global airline network has returned to 2019 levels, adapting swiftly to new travel dynamics. Travels between Southeast Asia and key destinations like China and India are set for major growth, giving AirAsia a powerful tailwind to expand and strengthen connections. AirAsia is the largest operator for routes between Southeast Asia and India, and China respectively.

AirAsia is the Largest Operator of Malaysia to India Flights<sup>(1)</sup>

Market Share %



AirAsia holds c.34% of the total Malaysia-India Bilateral flight rights

Opportunity in India

Asean-South Asia traffic flow is expected to achieve high growths of 8.0% p.a. respectively

South Asia - SEA traffic flow 2043 forecast  
2023: 50B RPK  
2043: 237B RPK

AirAsia is the Largest Operator for Routes Between China and Southeast Asia<sup>(2)</sup>

Market Share %



~34 routes to SEA

~282 flights weekly<sup>(3)</sup>

Opportunity in China

ASEAN-China traffic flow expected to achieve high growths 7.3% p.a. respectively

China - SEA traffic flow 2043 forecast  
2023: 162B RPK  
2043: 658B RPK



# Frontiers in building new markets such as to Central Asia & Africa

Shaking up the industry by opening up new market like Central Asia (Kazakhstan) and Africa (Nairobi), we are pushing the boundaries of low-cost travel. This forward-thinking approach keeps AirAsia at the cutting edge of global travel innovation and trends.

## Opportunity in Central Asia countries

### Launched KUL-Almaty route in March 2024

With current average load factor at 85%<sup>(1)</sup>

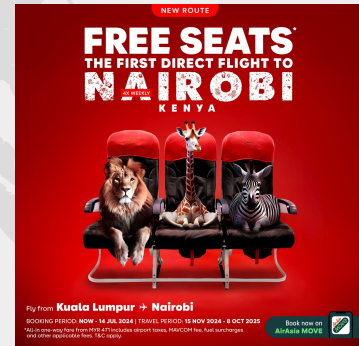


- Kazakhstan's air travel market is expected to exhibit an annual growth rate (CAGR 2024-2029) of 7.21%, resulting in an estimated market volume of US\$0.85bn by 2029
- 2Q2024, Central Asia's capacity is currently 36% larger than in Q2 2019 and reports 3% capacity growth against last year

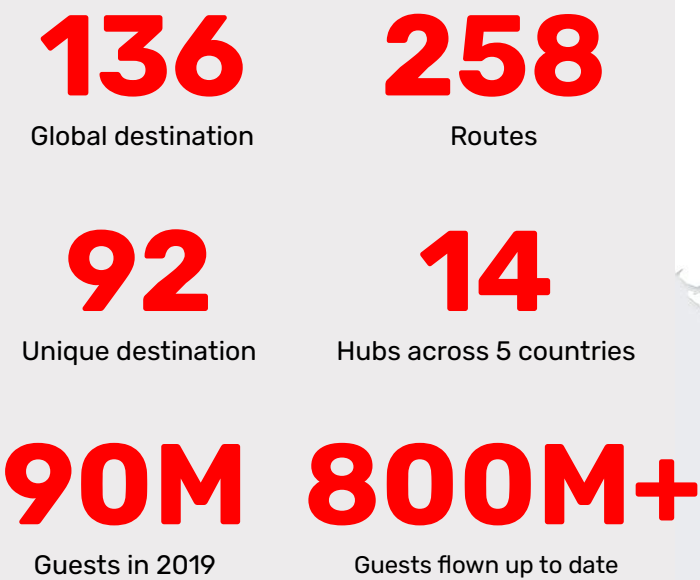
## Opportunity in Africa countries

### To start KUL-Nairobi route in Nov 2024

Growth for Travel & Tourism in Africa has already more than doubled since 2000, and with the right policies could unlock an additional US\$168 billion in the next decade



# The World's Best LCC with the widest Asean network



Market Share



Malaysia



Thailand



Indonesia

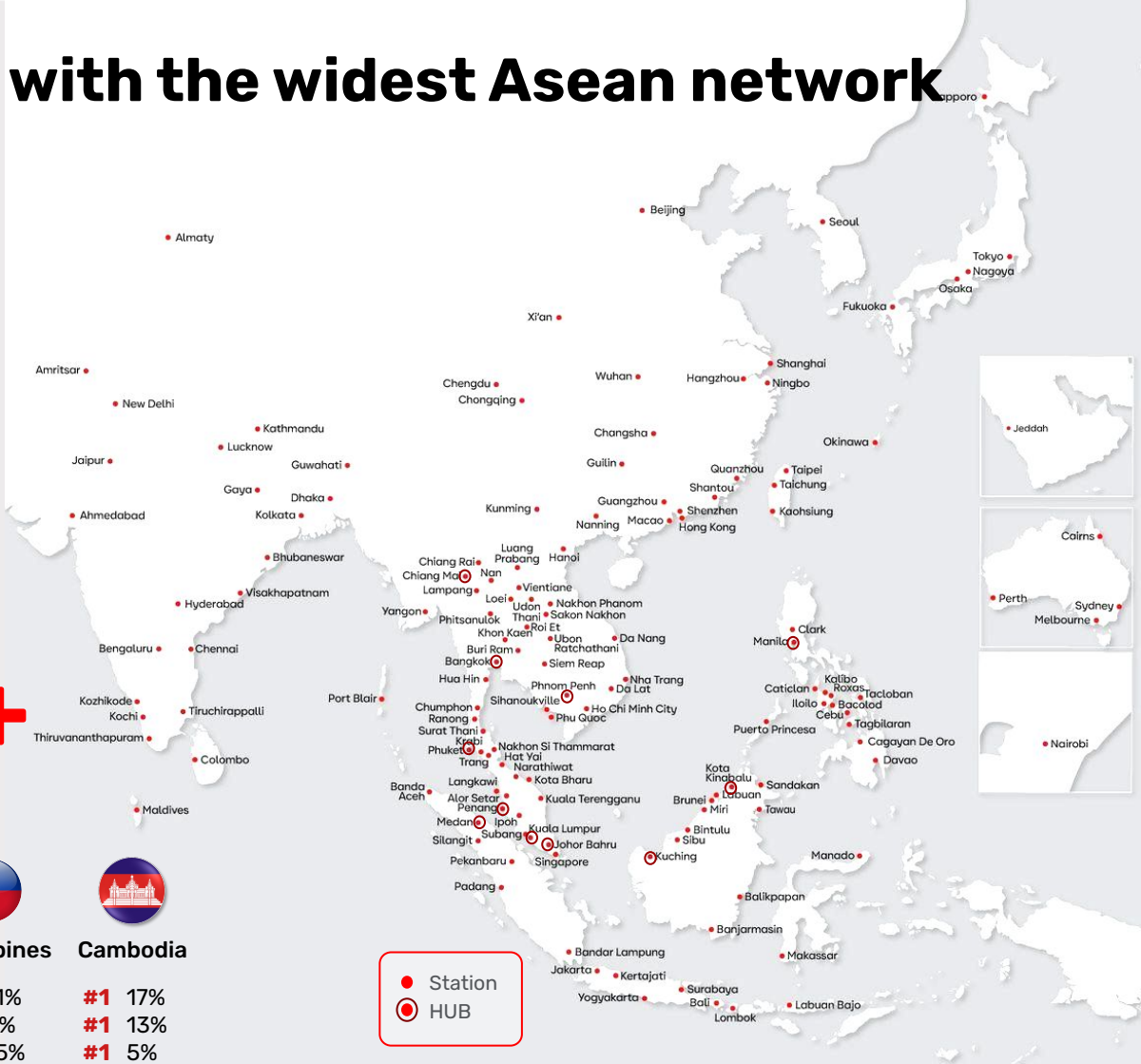


Philippines



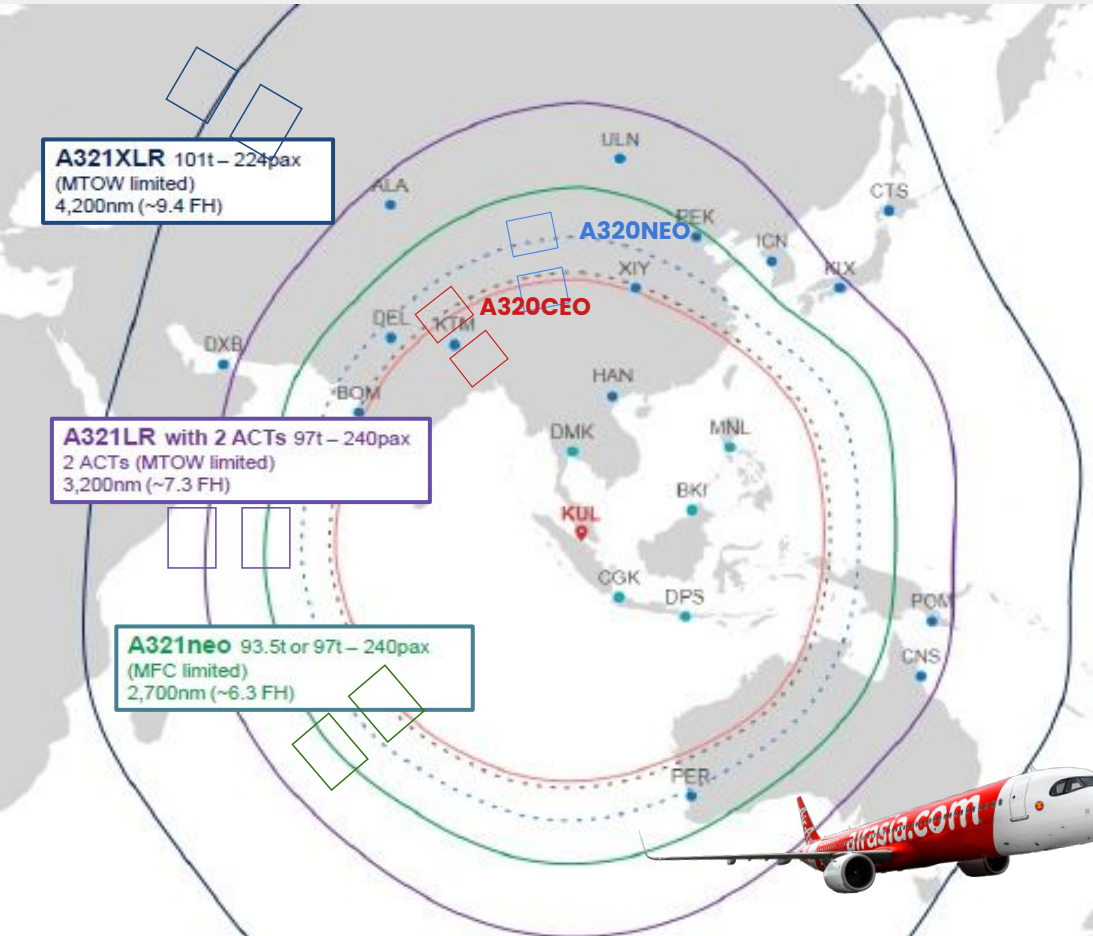
Cambodia

Overall	#1	45%	#1	22%	#3	8%	#3	11%	#1	17%
International	#1	40%	#2	16%	#1	21%	#3	6%	#1	13%
Domestic	#1	55%	#1	38%	#5	2%	#3	15%	#1	5%



Note: The figures stated are based on 1H2024 performance.

# Current and future fleet provide flexibility to optimise profitability and drive network connectivity expansion



**AAX has routes that isn't ideal with a widebody while AirAsia, with its narrowbody fleet, has routes that could benefit from widebody service**

**AirAsia Group is poised for significant growth by optimising its fleet with the induction of the A321LR and A321XLR**

- Upscale the A320s to A321neos
- A321LRs can be used for longer range up to 7 hours
- Flexibility to downgrade from A330 to A321XLR during leaner periods
- Flexibility to tailor aircraft to each route, ensuring the perfect balance of capacity and range based on demand and distance across diverse markets



# Connecting the dots, making Asean the next Dubai...

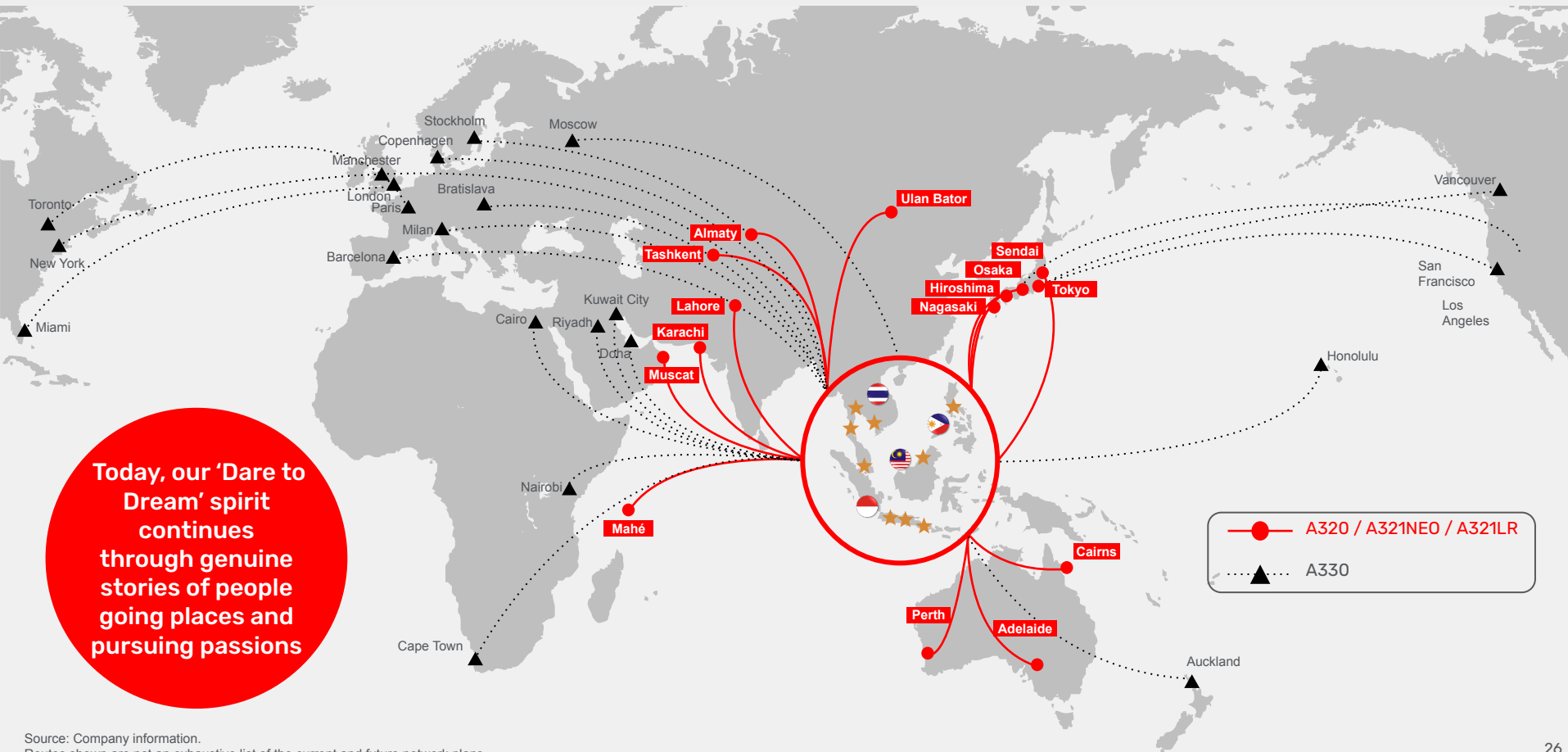
Set to rival Dubai's status as a key transit point, through multi-hub connectivity

1. Building more connectivity through 2 mega hubs: **Kuala Lumpur (KUL) & Bangkok (DMK)**
2. Malaysia & Thailand as **hub connector to East Coast of USA** via Europe
3. Philippines as **hub connector to West Coast of USA** via Japan
4. 2 new hubs in Vietnam with potential new AOC in Vietnam
5. Growing Senai (JHB), Phuket (HKT) hub and other **secondary hubs into main hubs**



# Bringing the world to Asean and Asean to the world

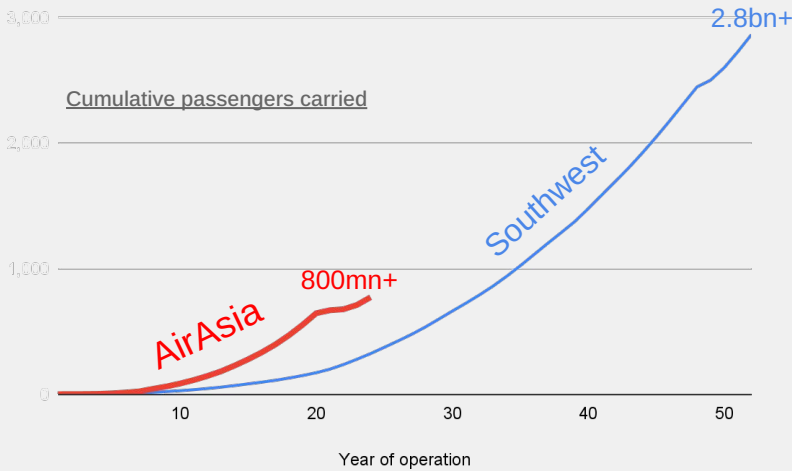
Unique vision of creating the world's first low-cost network carrier – Made possible through AirAsia's 22 years experience operating a unique multi-hub strategy



# Accelerating passenger growth by leveraging our strong order book

In just 23 years, our airline<sup>(1)</sup> has proudly served over 800 million passengers, demonstrating our rapid growth and commitment to making air travel accessible to millions. Remarkably, in the same period since inception, we have carried more than double the number of passengers compared to Southwest Airlines, which has served 325 million passengers.

This remarkable achievement not only highlights our ability to scale and meet growing demand but also underscores our strategic strength.



## Robust orderbook<sup>(1)(2)</sup> in place to ensure growth and gain market share



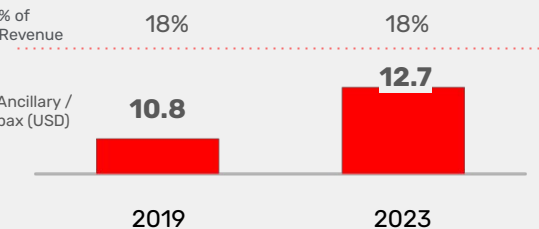
+ Exploring other aircraft models

Source: Company filings.  
Note: (1) Refers to the aggregate of Cap A and AAX. (2) As of Aug 2024

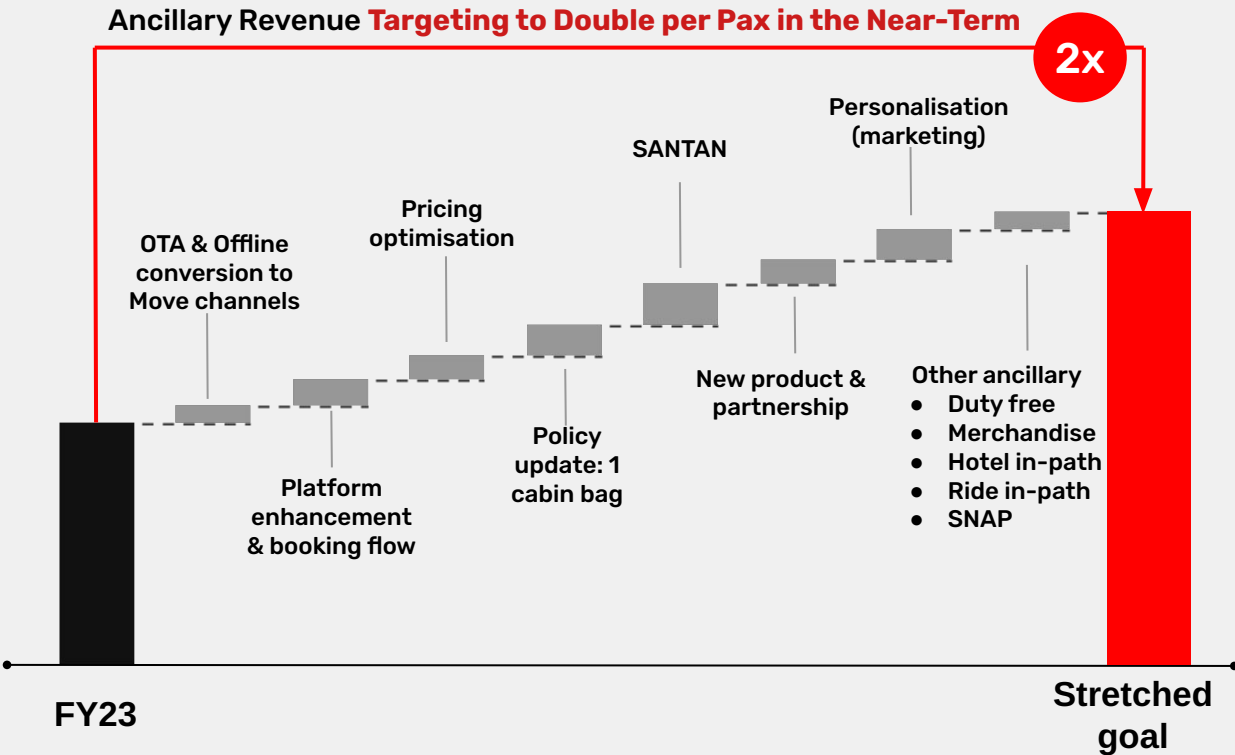
# Supermarket in the sky

AirAsia continues to demonstrate strong ancillary income generation vis-a-vis its peers, as the Company utilizes data analytics to improve ancillary target marketing to its customers.

Ancillary service recovering to 2019 levels, contributing ~18% of total revenue in 2023<sup>(1)</sup>



Ancillary Revenue Targeting to Double per Pax in the Near-Term



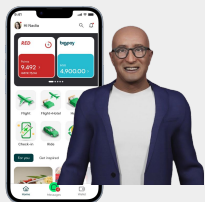
Source: Company filings.  
Note: (1) Refers to the aggregate of Cap A and AAX.



# Unwavering commitment to customer experience and satisfaction

## Over the past 22 Years...

We've transformed the travel industry, making it effortless for everyone through our groundbreaking innovations



- Online booking via AirAsia.com in 2002
- First in the world to offer mobile & SMS booking in 2005
- Launched self-check in kiosk at airport
- Enhanced a seamless Check-In via AirAsia MOVE
- Launched AI-powered concierge (AskBo) in 2023

## Earned people's trust and secured the awards



**Skytrax World's Best Low-Cost Airline** (15th consecutive year)



**Asia's Leading Low Cost Airline** (11th consecutive year)

**Asia's Leading Low Cost Airline Cabin Crew** (7th consecutive year)

**World's Leading Low Cost Long-Haul Airline**

## We are continuously improving our customer experience through



Conversational AI chatbots, transforming customer interactions and providing instant support 24/7



Digital solutions tool (Galaxy Suite) to shift services from desk-based to mobile-based



Appealing rewards program



to win our aspiration, which is to be the

# World's Best Airline

# Ensuring Operational Excellence, the Backbone of Customer Experience

Ensuring reliable performance—through on-time flights, fast turnarounds, and low cancellations—is integral to our investment in customer experience. These operational efficiencies are not just about cost; they enhance the overall travel experience by delivering the convenience and reliability our guests expect.



Fastest turnaround  
time in Southeast Asia

**25 mins** - Narrow body  
**75 mins** - Wide body

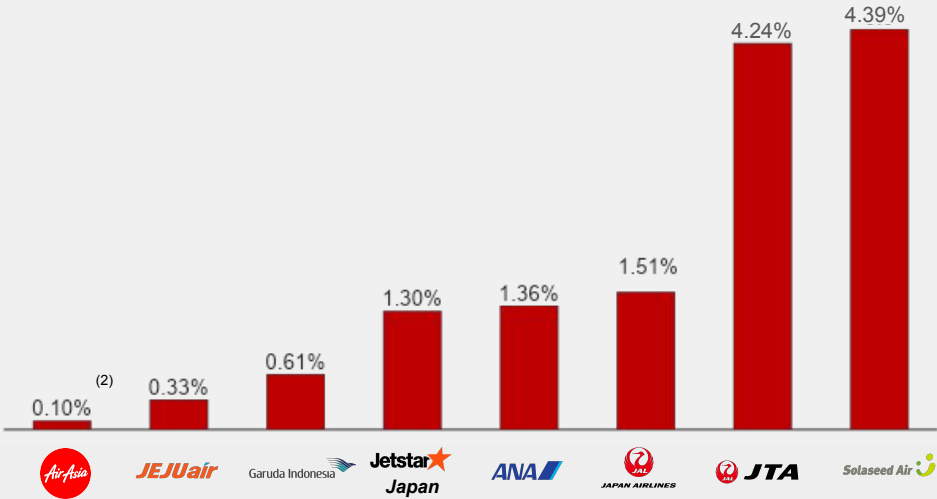
OTP  
**~81%**

Top 3 most on-time LCC globally



Safety Ratings 7/7

Lowest cancellation rate of top APAC airlines<sup>(1)</sup> %



Source: Company information, Company filings, Cirium, OAG.  
Note: (1) Based on OAG's report as of 2023. (2) Derived from overall reliability of ~99.92% (based on total number of AOG by total number of flights).

# Ecosystem Synergies





# Synergic partnership with Capital A entities



**MOVE**  
DIGITAL  
Digital platforms & fintech solutions



**teleport**  
Cross border air cargo & end-to-end logistics



**ADE**  
ASIA DIGITAL ENGINEERING  
One-stop MRO service



**GTR**  
A SATS COMPANY  
Terminal and ramp services



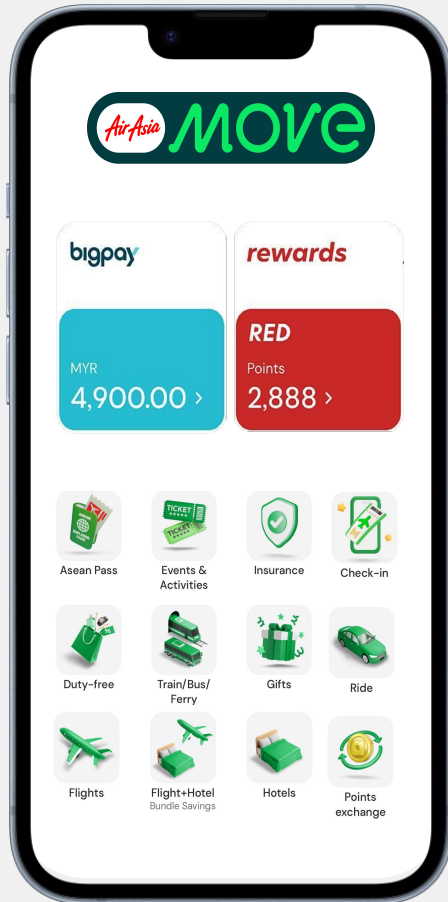
**santan**  
Good Food . Good Coffee . Good Value  
In-flight meals & general F&B industry

## AirAsia has a synergistic value chain leveraging the entire Capital A ecosystem

- Fully-owned subsidiary** of Capital A, to unlock unmatched value with the lowest-cost, highest-quality services in travel and finance
- Global partnerships** with other airlines, allowing AirAsia seamlessly interline and expanding network reach
- Boosting revenue stream** through innovative offerings and cross-selling opportunities
- Strengthen customer retention** with BigPay Loans, instalment, and Rewards, creating unbeatable loyalty and stickiness
- Capital A holds ~95.42% effective interest** in Teleport
- Extended cargo connectivity** with other airlines allowing smooth cargo interline
- Maximising belly utilisation** through centralised and consolidated cargo network
- Teleport's dedicated freighter fleet** powers a significant revenue boost through interline cargo partnerships
- Higher utilisation and productivity** driving lower maintenance costs
- Faster turnaround check time** enabling higher plane utilisation
- Lower maintenance cost** compared to other MRO
- Ability to do more** component maintenance
- Lower ground handling cost**
- Optimising workforce** and maximise productivity
- Focuses on boosting sales** and increase take up rate for inflight ancillary
- AirAsia receives a % of revenue** Santan generates from inflight catering and retail services, with the costs of providing such services fully borne by Santan



# Upside growth with AirAsia MOVE



## Benefit of the partnership to the airline

- 01.** Only OTA to give commission on hotel bookings
- 02.** Ownership of the unique passenger data & maintaining the relationship with the customer (vs losing it to Metasearch and other OTAs)
- 03.** Generate higher ancillary attach rate & revenue vs other OTA
- 04.** New fintech + revenue streams for airasia
- 05.** Growing passengers' stickiness through Rewards programme

in 2023  
**48.8mm**  
Contactable  
base

in 2023  
**6.36mm**  
Transacted  
users

in 2023  
**127mm**  
Traffic users

**10+**  
offerings  
including  
flight, hotel,  
etc

# Competitive advantage in logistic with Teleport

Teleport consolidates air cargo operations across the enlarged Aviation Group, creating value by building a diverse logistics network that serves the entire ecosystem

## Benefit of the partnership



Boosting revenue and profit through higher utilisation and stronger airline connectivity



Cargo interline with other airline, through a single point of sale.



Direct relationships with the e-commerce ecosystem.



Investing in end-to-end logistics to create a network at 1/10th the cost of traditional integrators

**40+**

airline partners

**1,100+ lanes**

in operation

**200k+**

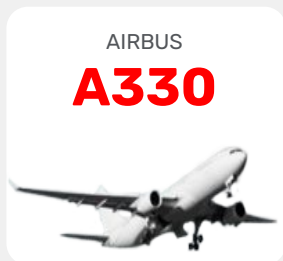
parcels/day



# ADE as key MRO Partner

ADE is the leading MRO player in ASEAN with MRO hubs strategically located across the enlarged Aviation Group's key operating bases which offers prioritised maintenance for AirAsia's fleet.

## Strong Maintenance Capabilities for AirAsia' Full Range of Fleet



## Strong Network with Strategically Locations



Base Maintenance  
Engineering  
Support  
Line Maintenance  
Workshops



## Benefit of the partnership

- 01.** 24/7 operations resulting in ~10–20% faster turnaround, with aim to get 2 shorter days per C Check
- 02.** ~15–17% Cheaper Compared to Other MRO
- 03.** One-stop centre with wide spectrum of capabilities
- 04.** Specification in Airbus A320 family aircraft with largest pool of Airbus spare parts in SEA
- 05.** Line maintenance services in multi-markets

# Margin Optimisation





# A resilient brand that weathered the COVID crisis without government aid, supported by strong supplier partnerships and unwavering customer loyalty

Over 22 years of brand building, worth of  
**\$1.2 Billion<sup>(1)</sup>**  
become the business value driver



Successfully fundraised  
~US\$625mm debt<sup>(2)</sup> &  
~US\$215mm equity



~97% leased aircraft negotiated with  
average ~20% discount received



Restructured fuel hedge contracts



Ceased AirAsia Japan operations and  
sold AirAsia India

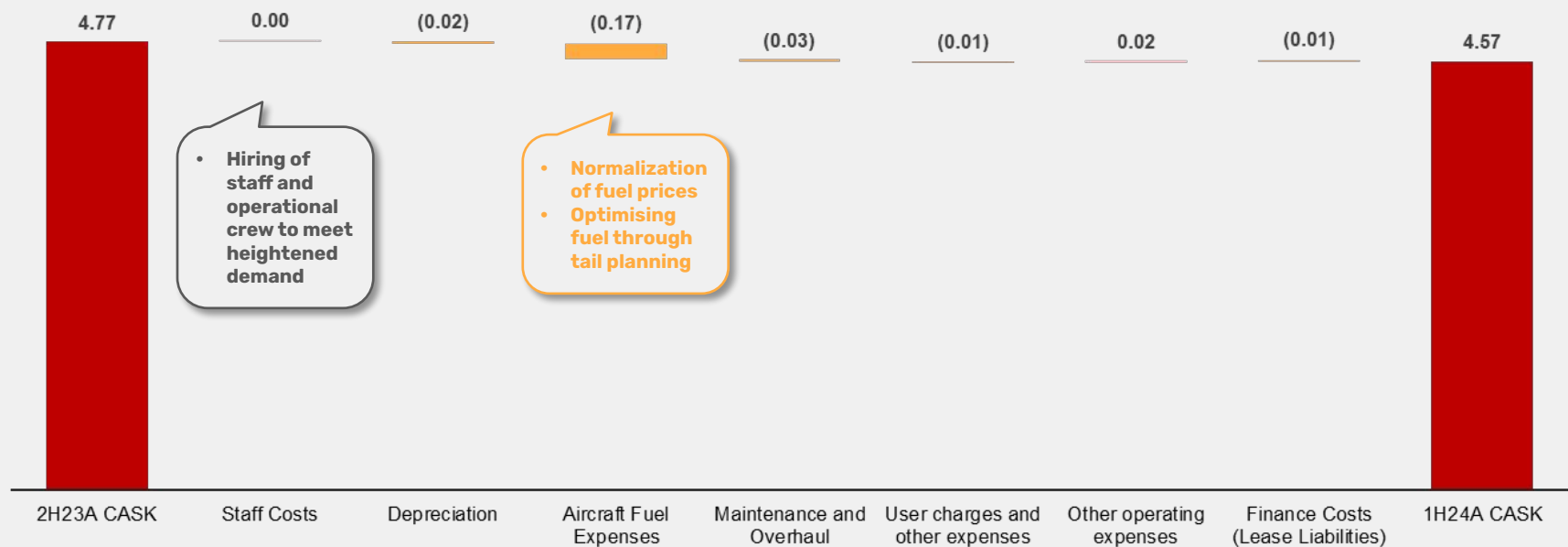


Strict cost control



# Unit cost benefits achieved from fuel initiatives optimisation and more aircraft put back online

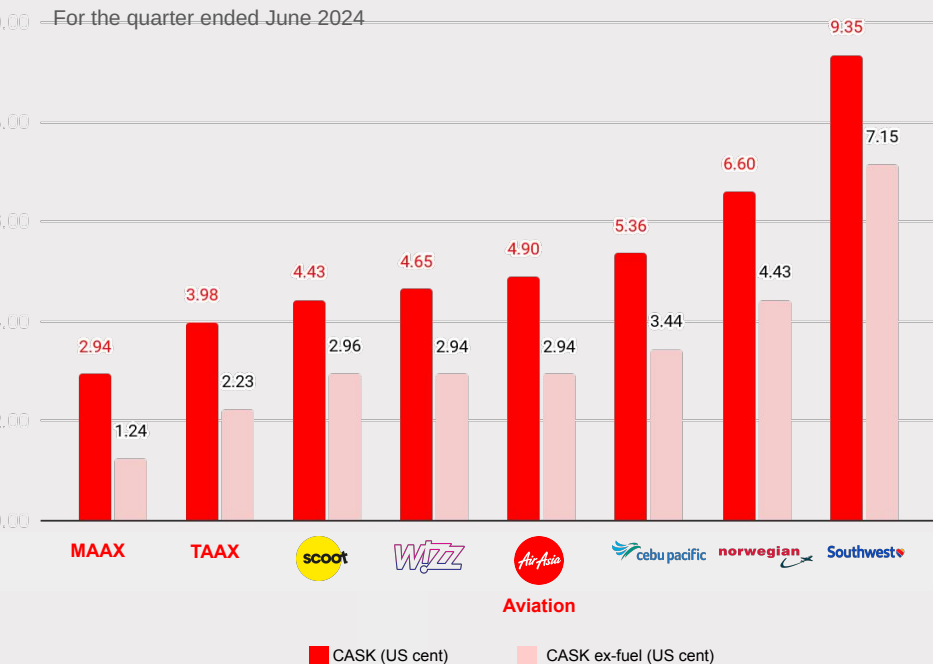
CASK<sup>(1)</sup>  
(US Cents)



Source: Company filings, Company information.

Note: Warning: you are cautioned that amalgamated financial information in this presentation is for illustrative purposes only, and may not accurately reflect the effects of the acquisitions on AAX's financial condition or results of operations had the acquisitions actually occurred on the assumed dates. The amalgamated financial information has been compiled as a simple summation of component entity financials, and does not include all adjustments that would be made if such information were being prepared on a pro forma basis in accordance with relevant generally accepted accounting principles. Further, such amalgamated information does not purport to predict the enlarged Aviation Group's future results or financial condition. Amalgamated data has been prepared by management and is unaudited. (1) Represents the amalgamated financials of AAB, AAGL and AAX.

# Steadfast to drive cost down further to return as the world's lowest-cost airline



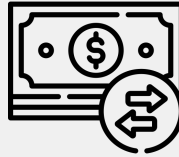
- 1. Increase aircraft utilisation further<sup>(1)</sup>**  
Current: 12:09h - short haul; 15:23h - long haul
- 2. Drive more Fuel efficiency initiatives**
- 3. Partner with government body or tourism board** to bring down costs, secure better rates and/or receive incentives to boost tourism
- 4. Ecosystem synergies**
- 5. Maximising workforce efficiency** (FY 2024 headcount is lower vs 2019, despite of ASK >40%)
- 6. Savings from digital improvements**
- 7. Efficiency gains once full fleet returns**
- 8. Benefit from a stronger Ringgit**

# Committed to build a leaner, more efficient operating airline, setting the stage for sustained growth and profitability

With the challenges of surviving COVID and completing our PN17 restructuring behind us, management is now fully focused on aggressively driving costs down. Our relentless efforts will include...



**Strengthening the balance sheet** by reducing overall leverage



**Paying down high-interest debt** to improve cash flow



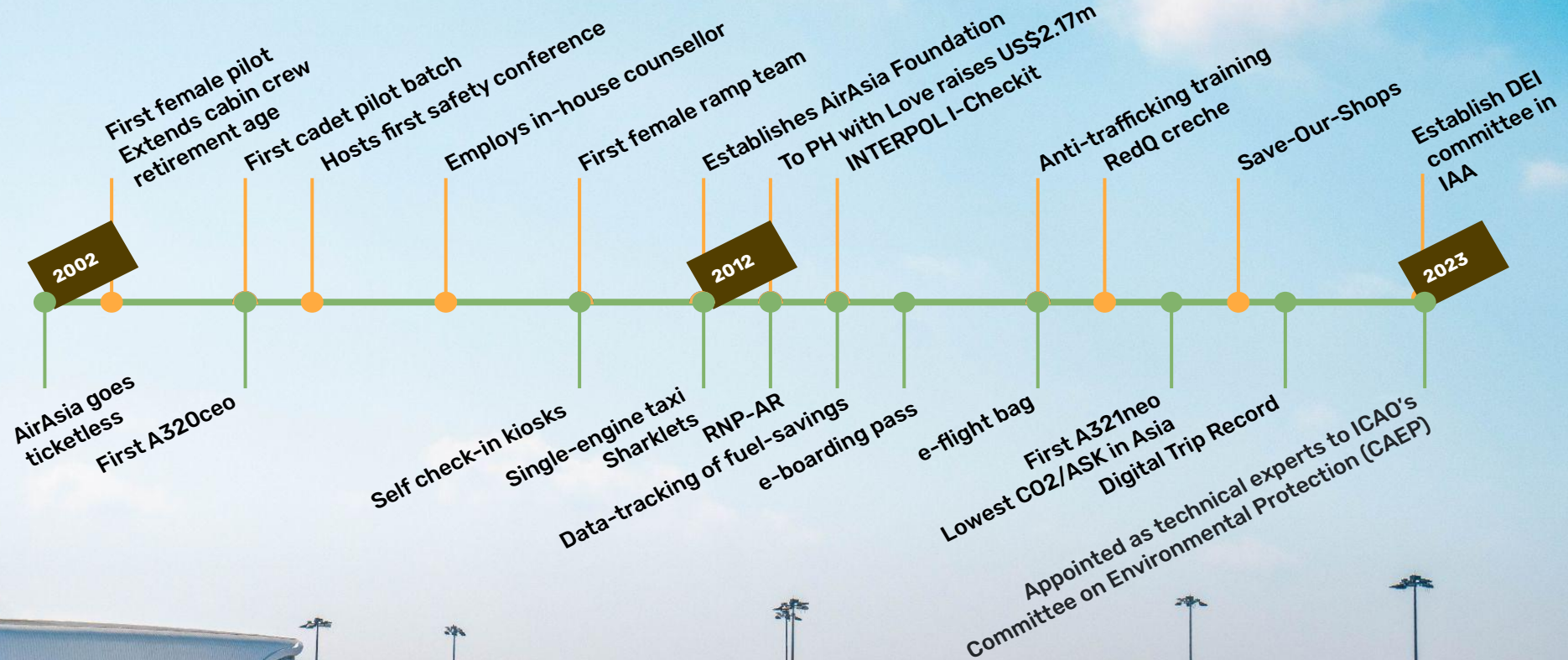
Targeting a **3-5 year timeline to resume paying dividends**, rewarding our shareholders.



# Sustainability & ESG Commitment



# ESG history of AirAsia

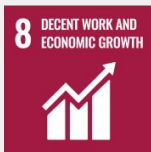




# Committed to uphold the Highest Standards of the United Nations Sustainable Development Goals



- Women hold **15%<sup>(1)</sup>** of decision making roles
- **7% of the Pilots<sup>(1)</sup>** are woman, above global average 5.8%
- **No gender bias** in pay scale



- Home of **more than 21.000** Allstars
- **Zero** work related fatalities
- **100%** retrenched Allstars back to operational
- Average **7 training hours** / Allstars



- Set to induct **A321Neo and A321LR**
- Introduced the **AskBo chatbot** that served more than **20.2 million guests**



- **Safety Management System in place** ensures operational risks are proactively managed with relevant procedures to prevent serious incidents
- Participate in **#Allstars do good program**



- **Repurposed 1,715 old life jackets** into everyday accessories with Soggy No-More products



- **Appointed in the ICAO's Committee** on Environmental Protection for Working Group 2 and 4
- **Carbon intensity dropped below pre-pandemic levels<sup>(1)</sup>** at 74.0 gCO2/RPK and 64.4 gCO2/ASK
- **Avoided 129,469 tonnes of CO2<sup>(1)</sup>** from fuel efficiency programme
- **All AOCs** participating in **CORSIA**



- 100% new employees acknowledged **the Anti-Bribery and Anti-Corruption Policy** with zero cases of non-compliance
- **Zero tolerance** for child and forced labour
- Providing **#KnowTheSigns Human Trafficking awareness** course



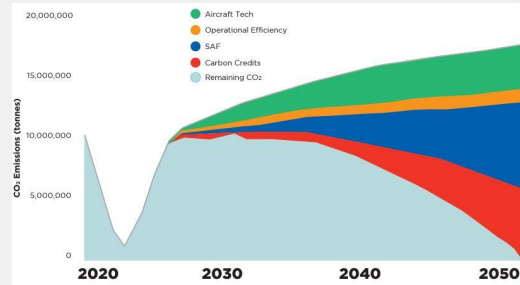
- **Collaboration with CAAM** to chair the national CORSIA taskforce for Malaysia
- Engage with relevant regulators in the 4 AOCs

# Our ESG approach

## Environmental

### 1. Net Zero by 2050

AirAsia's Decarbonisation Pathways:



#### Approach:

- Operational efficiency
- Fleet management
- Sustainable aviation fuel usage
- Carbon offsetting

## Social

### 1. Safety As Our Priority

We seek for everyone at AirAsia to be conscious of safety and to practise safe behaviours all the time, guided by our Safety policy that aligned with IOSA and with ISO certification

### 2. Diversity & Inclusion

- Code of Conduct and Ethics
- Anti-Harassment Policy
- Board Diversity Policy

### 3. Talent Attraction & Retention

- Code of Conduct and Ethics
- Employee Handbook
- Remuneration Policy
- Learning and Development Policy
- Diversity Recruitment Guidelines

### 4. Uplifting Communities in Asean through AirAsia Foundation

## Governance

### 1. Corporate Governance

- Allstars are encouraged to report any incident that violates the principles of the Code
- Anti-Bribery and Anti-Corruption (ABAC) Policy
- Whistleblowing Policy
- Conflict of Interest Policy
- Disciplinary Policy
- Anti-Fraud Policy
- Enterprise Risk Management (ERM) Policy ISO 31000:2018 - Risk management

# Pro Forma Financial Statements





# Enlarged Aviation Group income statement

## Income Statement<sup>(1)</sup>

	Amalgamated	AAB	AAGL	AAX
(In US\$mm)	2023	2023	2023	2023
Revenue	3,187	1,404	1,231	552
Operating Expenses	(2,773)	(1,143)	(1,223)	(407)
Staff Costs	(330)	(138)	(147)	(45)
Aircraft Fuel Expenses	(1,407)	(613)	(519)	(275)
Maintenance and Overhaul	(461)	(86)	(299)	(77)
User Charges	(518)	(260)	(204)	(54)
Other Operating (Expenses) / Income, Net of Reversals	(57)	(46) <sup>(9)</sup>	(54) <sup>(4)</sup>	43 <sup>(7)</sup>
EBITDA	414	261	8	145
Depreciation and Amortisation	(375)	(216) <sup>(2)</sup>	(119) <sup>(5)</sup>	(40)
EBIT	38	45	(111)	105
Finance Income	62	61	1	1
Finance Costs	(298)	(194)	(79)	(25)
Others <sup>(3)</sup>	273	(103) <sup>(3)</sup>	381 <sup>(6)</sup>	(6) <sup>(8)</sup>
Profit / (Loss) Before Taxation	76	(191)	191	75
Taxation	(5)	(1)	(1)	(3)
Net Profit / (Loss) for the Financial Year	70	(192)	190	72

## Commentary

- The income statement has been prepared based on the amalgamation of financial statements of AirAsia Aviation Group Limited ("AAGL"), AirAsia Berhad ("AAB") and AirAsia X Berhad ("AAX")
- Intercompany eliminations are not included and deemed as immaterial
- AAB, AAGL and AAX financial statements have been audited / reviewed accordingly by Ernst & Young
- The amalgamated historical financial statements have been reviewed by management

Source: Company filings, Company information.

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# Enlarged Aviation Group income statement (cont'd)

## Income Statement<sup>(1)</sup>

	Amalgamated	AAB	AAGL	AAX
(In US\$mm)	1H2024	1H2024	1H2024	1H2024
<b>Revenue</b>	<b>2,364</b>	<b>876</b>	<b>1,154</b>	<b>334</b>
<b>Operating Expenses</b>	<b>(1,955)</b>	<b>(673)</b>	<b>(1,004)</b>	<b>(278)</b>
<i>Staff Costs</i>	<i>(232)</i>	<i>(70)</i>	<i>(134)</i>	<i>(27)</i>
<i>Aircraft Fuel Expenses</i>	<i>(941)</i>	<i>(332)</i>	<i>(448)</i>	<i>(161)</i>
<i>Maintenance and Overhaul</i>	<i>(389)</i>	<i>(116)</i>	<i>(220)</i>	<i>(52)</i>
<i>User Charges</i>	<i>(350)</i>	<i>(142)</i>	<i>(179)</i>	<i>(29)</i>
<i>Other Operating (Expenses) / Income, Net of Reversals</i>	<i>(44)</i>	<i>(12)<sup>(9)</sup></i>	<i>(23)<sup>(4)</sup></i>	<i>(8)<sup>(7)</sup></i>
<b>EBITDA</b>	<b>409</b>	<b>203</b>	<b>150</b>	<b>56</b>
<b>Depreciation and Amortisation</b>	<b>(232)</b>	<b>(107)<sup>(2)</sup></b>	<b>(104)<sup>(5)</sup></b>	<b>(21)</b>
<b>EBIT</b>	<b>177</b>	<b>96</b>	<b>46</b>	<b>35</b>
<b>Finance Income</b>	<b>30</b>	<b>28</b>	<b>1</b>	<b>1</b>
<b>Finance Costs</b>	<b>(183)</b>	<b>(104)</b>	<b>(68)</b>	<b>(12)</b>
<b>Others<sup>(3)</sup></b>	<b>(192)</b>	<b>(65)<sup>(3)</sup></b>	<b>(121)<sup>(6)</sup></b>	<b>(6)<sup>(8)</sup></b>
<b>Profit / (Loss) Before Taxation</b>	<b>(168)</b>	<b>(44)</b>	<b>(142)</b>	<b>18</b>
<b>Taxation</b>	<b>1</b>	<b>(0)</b>	<b>1</b>	<b>(0)</b>
<b>Net Profit / (Loss) for the Financial Year</b>	<b>(167)</b>	<b>(44)</b>	<b>(141)</b>	<b>18</b>

## Commentary

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# Enlarged Aviation Group pro-forma balance sheet

<i>(RM in thousands)</i>	Audited as at 31 Dec 2023	Adjustment for Proposed Issuance of Free Warrants	Pro Forma 1	Adjustment for Proposed Private Placement	Pro Forma 2	Adjustment for Proposed Acquisition of AAAGL Group	Pro Forma 3	Adjustment for Proposed Acquisition of AAB Group	Pro Forma 4	Adjustment for Proposed Capital Reduction	Pro Forma 5
<b>Non-current assets</b>											
Property, plant and equipment	35,295	-	35,295	-	35,295	819,066	854,361	263,044	1,117,405	-	1,117,405
Right of use assets	1,306,448	-	1,306,448	-	1,306,448	5,398,005	6,704,453	6,768,547	13,473,000	-	13,473,000
Finance lease receivables	-	-	-	-	-	-	-	280,081	280,081	-	280,081
Investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Investment in associates	-	-	-	-	-	-	-	435,760	435,760	-	435,760
Investment securities	-	-	-	-	-	5,770	5,770	132	5,902	-	5,902
Intangible assets	-	-	-	-	-	2,430,841	2,430,841	-	2,430,841	-	2,430,841
Goodwill	-	-	-	-	-	2,408,048	2,408,048	7,682,694	10,090,742	-	10,090,742
Deferred tax assets	601,908	-	601,908	-	601,908	268,225	870,133	734,085	1,604,218	-	1,604,218
Receivables and prepayments	436,266	-	436,266	-	436,266	611,065	1,047,331	3,547,345	4,594,676	-	4,594,676
Amount due from related parties	-	-	-	-	-	-	-	-	-	-	-
Aircraft maintenance reserves	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	67,311	67,311	-	67,311	-	67,311
Other non-current financial assets	-	-	-	-	-	-	-	-	-	-	-
Deposits on aircraft purchase	-	-	-	-	-	-	-	617,412	617,412	-	617,412
Amount due from associate	32,641	-	32,641	-	32,641	-	32,641	-	32,641	-	32,641
Amount due from related parties	21,935	-	21,935	-	21,935	(21,935)	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
	<b>2,434,493</b>	<b>-</b>	<b>2,434,493</b>	<b>-</b>	<b>2,434,493</b>	<b>11,986,396</b>	<b>14,420,889</b>	<b>20,329,100</b>	<b>34,749,989</b>	<b>-</b>	<b>34,749,989</b>
<b>Current assets</b>											
Inventories	6,968	-	6,968	-	6,968	137,473	144,441	18,757	163,198	-	163,198
Receivables and prepayments	224,610	-	224,610	-	224,610	391,966	616,576	721,663	1,338,239	-	1,338,239
Finance lease receivables	-	-	-	-	-	-	-	30,463	30,463	-	30,463
Deposits on aircraft purchase	-	-	-	-	-	-	-	46,345	46,345	-	46,345
Amounts due from associates	-	-	-	-	-	1,638	1,638	(1,638)	-	-	-
Amounts due from related parties	381,848	-	381,848	-	381,848	-	381,848	(381,848)	-	-	-
Amounts due from CAB Group	31,767	-	31,767	-	31,767	29,194	60,961	(60,961)	-	-	-
Deposits, bank and cash balances	57,689	(400)	57,289	970,170	1,027,459	196,969	1,224,428	(137,519)	1,086,909	(320)	1,086,589
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Tax recoverable	198	-	198	-	198	3,965	4,163	10,728	14,891	-	14,891
	<b>703,080</b>	<b>(400)</b>	<b>702,680</b>	<b>970,170</b>	<b>1,672,850</b>	<b>761,205</b>	<b>2,434,055</b>	<b>245,990</b>	<b>2,680,045</b>	<b>(320)</b>	<b>2,679,725</b>

# Enlarged Aviation Group pro-forma balance sheet (cont'd)

<i>(RM in thousands)</i>	Audited as at 31 Dec 2023	Adjustment for Proposed Issuance of Free Warrants	Pro Forma 1	Adjustment for Proposed Private Placement	Pro Forma 2	Adjustment for Proposed Acquisition of AAAGL Group	Pro Forma 3	Adjustment for Proposed Acquisition of AAB Group	Pro Forma 4	Adjustment for Proposed Capital Reduction	Pro Forma 5
<b>Less: Current liabilities</b>											
Trade and other payables	360,232	-	360,232	-	360,232	5,812,454	6,172,686	(2,375,694)	3,796,992	-	3,796,992
Aircraft maintenance provisions and liabilities	57,747	-	57,747	-	57,747	402,436	460,183	876,155	1,336,338	-	1,336,338
Sales in advance	612,296	-	612,296	-	612,296	1,205,688	1,817,984	809,091	2,627,075	-	2,627,075
Amounts due to associates	4,603	-	4,603	-	4,603	5,762	10,365	(1,208)	9,157	-	9,157
Amounts due to related parties	9,394	-	9,394	-	9,394	56,838	66,232	83,484	149,716	-	149,716
Amounts due to CAB Group	32,007	-	32,007	-	32,007	605,795	637,802	(407,134)	230,668	-	230,668
Borrowings	-	-	-	-	-	430,101	430,101	147,024	577,125	-	577,125
Current portion of short term debentures	-	-	-	-	-	190,800	190,800	-	190,800	-	190,800
Lease liabilities	152,392	-	152,392	-	152,392	1,385,906	1,538,298	3,459,872	4,998,170	-	4,998,170
Provision of taxation	-	-	-	-	-	122,995	122,995	2,473	125,468	-	125,468
Derivative financial instruments	-	-	-	-	-	467	467	-	467	-	467
Other provision	13,000	-	13,000	-	13,000	-	13,000	-	13,000	-	13,000
	<b>1,241,671</b>	<b>-</b>	<b>1,241,671</b>	<b>-</b>	<b>1,241,671</b>	<b>10,219,242</b>	<b>11,460,913</b>	<b>2,594,063</b>	<b>14,054,976</b>	<b>-</b>	<b>14,054,976</b>
<b>Net current (liabilities)/assets</b>	<b>(538,591)</b>	<b>(400)</b>	<b>(538,991)</b>	<b>970,170</b>	<b>431,179</b>	<b>(9,458,037)</b>	<b>(9,026,858)</b>	<b>(2,348,073)</b>	<b>(11,374,931)</b>	<b>(320)</b>	<b>(11,375,251)</b>
<b>Non-current liabilities</b>											
Trade and other payables	-	-	-	-	-	21,372	21,372	802,108	823,480	-	823,480
Sales in advance	55,320	-	55,320	-	55,320	-	55,320	-	55,320	-	55,320
Aircraft maintenance provisions and liabilities	331,774	-	331,774	-	331,774	230,154	561,928	4,808,533	5,370,461	-	5,370,461
Borrowings	-	-	-	-	-	490,007	490,007	1,732,798	2,222,805	-	2,222,805
Non-Current portion of short term debentures	-	-	-	-	-	359,037	359,037	-	359,037	-	359,037
Lease liabilities	1,359,633	-	1,359,633	-	1,359,633	3,460,779	4,820,412	10,643,598	15,464,010	-	15,464,010
Deferred tax liabilities	-	-	-	-	-	110,346	110,346	-	110,346	-	110,346
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Provision for retirement benefits	-	-	-	-	-	199,534	199,534	-	199,534	-	199,534
Other provision	33,000	-	33,000	-	33,000	-	33,000	-	33,000	-	33,000
	<b>1,779,727</b>	<b>-</b>	<b>1,779,727</b>	<b>-</b>	<b>1,779,727</b>	<b>4,871,229</b>	<b>6,650,956</b>	<b>17,987,037</b>	<b>24,637,993</b>	<b>-</b>	<b>24,637,993</b>
	<b>116,175</b>	<b>(400)</b>	<b>115,175</b>	<b>970,170</b>	<b>1,085,945</b>	<b>(2,342,870)</b>	<b>(1,256,925)</b>	<b>(6,010)</b>	<b>(1,262,935)</b>	<b>(320)</b>	<b>(1,263,255)</b>

# Enlarged Aviation Group pro-forma balance sheet (cont'd)

<i>(RM in thousands)</i>	Audited as at 31 Dec 2023	Adjustment for Proposed Issuance of Free Warrants	Pro Forma 1	Adjustment for Proposed Private Placement	Pro Forma 2	Adjustment for Proposed Acquisition of AAAGL Group	Pro Forma 3	Adjustment for Proposed Acquisition of AAB Group	Pro Forma 4	Adjustment for Proposed Capital Reduction	Pro Forma 5
<b>Capital and reserves</b>											
Share capital	51,029	-	51,029	1,000,000	1,051,029	3,046,154	4,097,183	-	4,097,183	(3,997,183)	100,000
Capital Reserve	-	-	-	-	-	931,700	931,700	-	931,700	425,695	1,357,395
Merger Deficit	-	-	-	-	-	(915,501)	(915,501)	-	(915,501)	-	(915,501)
Reverse acquisition reserve	-	-	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	(21,082)	(21,082)	-	(21,082)	-	(21,082)
Foreign exchange reserve	(5,582)	-	(5,582)	-	(5,582)	59,415	53,833	-	53,833	-	53,833
Warrant reserve	-	-	-	-	-	-	-	-	-	-	-
(Accumulated losses)/Retained earnings	70,728	(400)	70,328	(29,830)	40,498	(3,605,656)	(3,565,158)	(6,010)	(3,571,168)	3,571,168	-
<b>Total shareholders' (deficit)/funds</b>	<b>116,175</b>	<b>(400)</b>	<b>115,775</b>	<b>970,170</b>	<b>1,085,945</b>	<b>(504,970)</b>	<b>580,975</b>	<b>(6,010)</b>	<b>574,965</b>	<b>(320)</b>	<b>574,645</b>
Non-controlling interests	-	-	-	-	-	(1,837,900)	(1,837,900)	-	(1,837,900)	-	(1,837,900)
<b>Total equity</b>	<b>116,175</b>	<b>(400)</b>	<b>115,775</b>	<b>970,170</b>	<b>1,085,945</b>	<b>(2,342,870)</b>	<b>(1,256,925)</b>	<b>(6,010)</b>	<b>(1,262,935)</b>	<b>(320)</b>	<b>(1,263,255)</b>



# Appendix



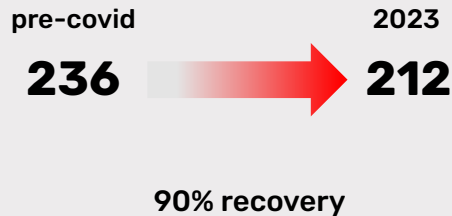
# Financial Performance



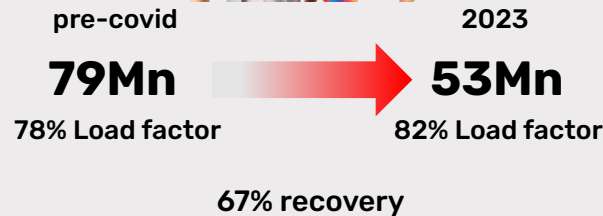
# We survived COVID and on the journey to come out stronger

AirAsia has demonstrated a strong recovery path post-pandemic with an increase in passengers carried and fleet reactivation.

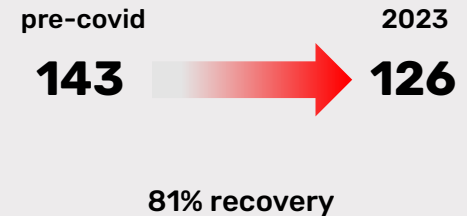
## FLEET<sup>(1)</sup>



## GUEST<sup>(1)</sup>



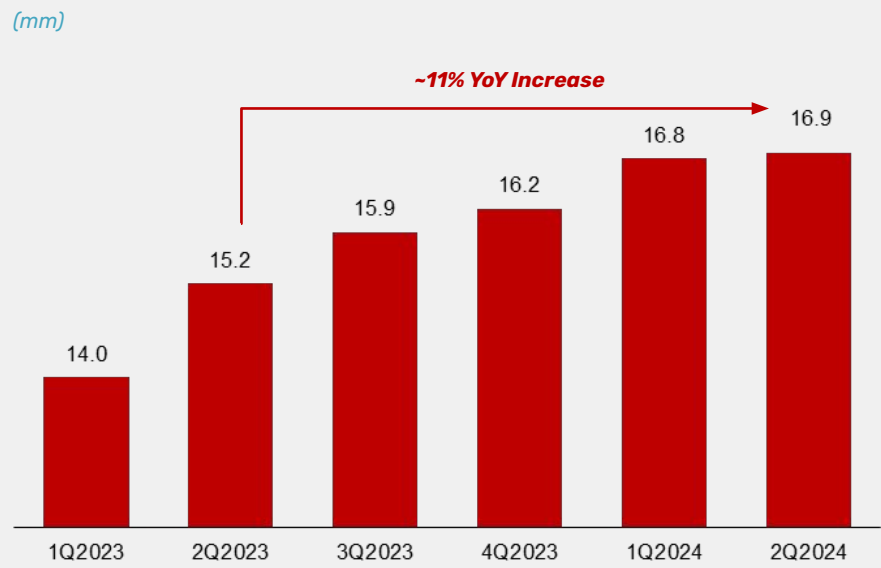
## DESTINATION<sup>(1)</sup>



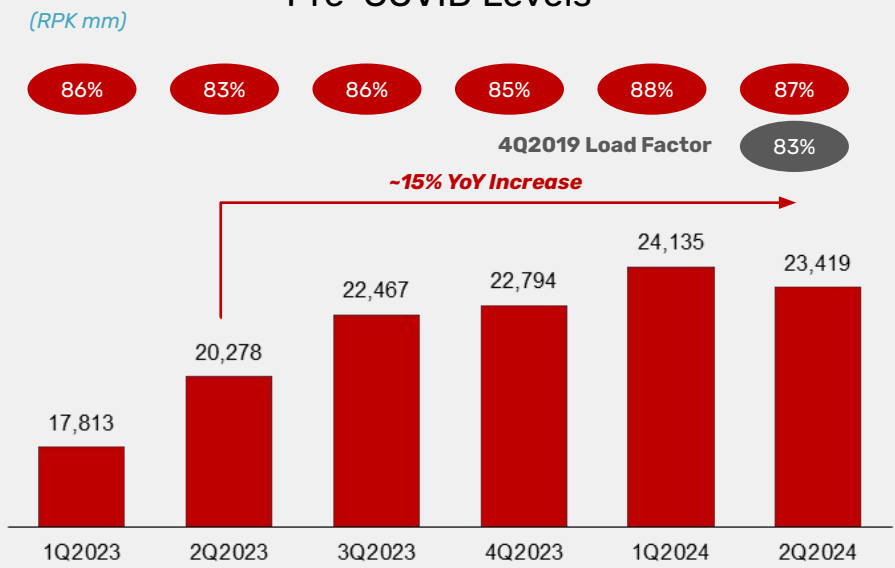


# Better than ever, AirAsia continues to strong recovery path

AirAsia's Total Passengers **Flown in 2Q2024**  
**Increased ~11% YoY** Relative to 2Q2023<sup>(1)</sup>



AirAsia's **2Q2024 RPK Increased by ~15% YoY**  
Relative to 2Q2023 with Load Factors Exceeding  
Pre-COVID Levels<sup>(1)</sup>

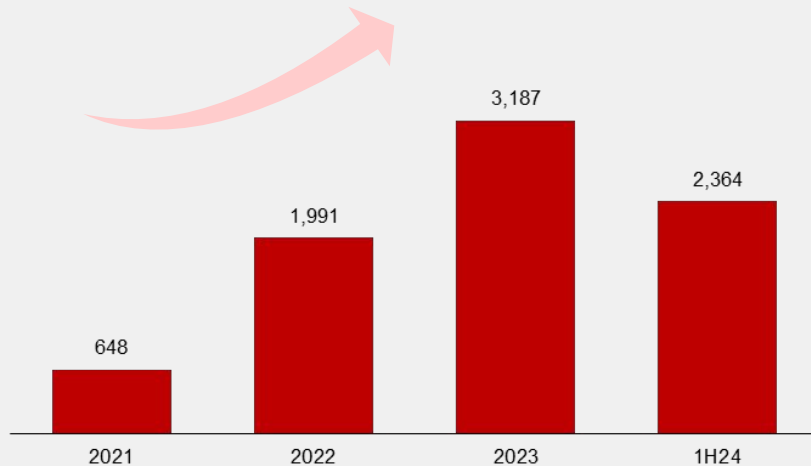


Source: Company filings, Company information.  
Note: 2024: USDMYR of 4.720. 2023: USDMYR of 4.574, USDTHB of 34.965, USDPHP of 55.645, USDIDR of 15,219. 2022: USDMYR of 4.411, USDTHB of 33.000, USDPHP of 56.000, USDIDR of 15,750. 2021: USDMYR of 4.151, USDTHB of 31.300, PHPUSD of 49.390, USDIDR of 14,345. (1) AirAsia data represents the aggregate of Capital A Bhd, AirAsia X Bhd and Thai AirAsia X.

# With 91% fleet recovery in 2Q2024, AirAsia delivers robust growth in revenue and positive EBITDA

## Robust Growth in Revenue Underpinned by Various Airlines Initiatives<sup>(1)</sup>

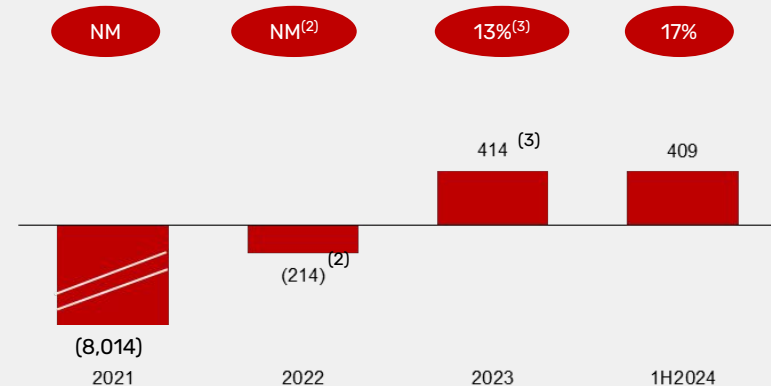
(US\$mm)



## Positive EBITDA Turnaround in 2023<sup>(1)</sup>

(US\$mm)

Margin (%)



Source: Company filings, Company information.

Note: 2024: USDMYR of 4.720. 2023: USDMYR of 4.574, USDTHB of 34.965, USDPHP of 55.645, USDIDR of 15,219. 2022: USDMYR of 4.411, USDTHB of 33.000, USDPHP of 56.000, USDIDR of 15,750. 2021: USDMYR of 4.151, USDTHB of 31.300, PHPUSD of 49.390, USDIDR of 14,345. (1) Prepared based on the amalgamation of financial statements of AirAsia Aviation Group Limited ("AAGL"), AirAsia Berhad ("AAB") and AirAsia X Berhad ("AAX"). Intercompany eliminations are not included and deemed as immaterial. AAB, AAGL and AAX financial statements have been audited / reviewed accordingly by Ernst & Young. The amalgamated historical financial statements have been reviewed by management. (2) Normalized for AAX restructuring gains of c.MYR34.3bn. (3) Normalized for gain on disposal of brand by AAB of c.MYR4.5bn.



# Consolidated New Aviation Group P&L

## Analysis of Income Statement

(In US\$mm)	1H2024	FY2023	FY2022	FY2021
Revenue	2,364	3,187	1,991	648
Opex	(1,955)	(2,773)	(2,205)	(8,662)
Staff	(232)	(330)	(242)	(233)
Fuel	(941)	(1,407)	(992)	(270)
Maintenance & Overhaul	(389)	(461)	(451)	(370)
User Charges	(350)	(518)	(258)	(82)
Other Income / (Expenses) <sup>(1)</sup>	(44)	(57) <sup>(2)</sup>	(262) <sup>(3)</sup>	(7,705)
EBITDA	409	414 <sup>(2)</sup>	(214) <sup>(3)</sup>	(8,014)
% of Revenue				
Staff	(9.8%)	(10.4%)	(12.1%)	(36.0%)
Fuel	(39.8%)	(44.1%)	(49.8%)	(41.7%)
Maintenance & Overhaul	(16.4%)	(14.5%)	(22.7%)	(57.1%)
User Charges	(14.8%)	(16.2%)	(13.0%)	(12.7%)
Other Income / (Expenses) <sup>(1)</sup>	(1.8%)	(1.8%) <sup>(2)</sup>	(13.2%) <sup>(3)</sup>	(1,189.0%)
EBITDAR	17.3%	13.0% <sup>(2)</sup>	NM <sup>(3)</sup>	NM

Source: Company filings, Company information.

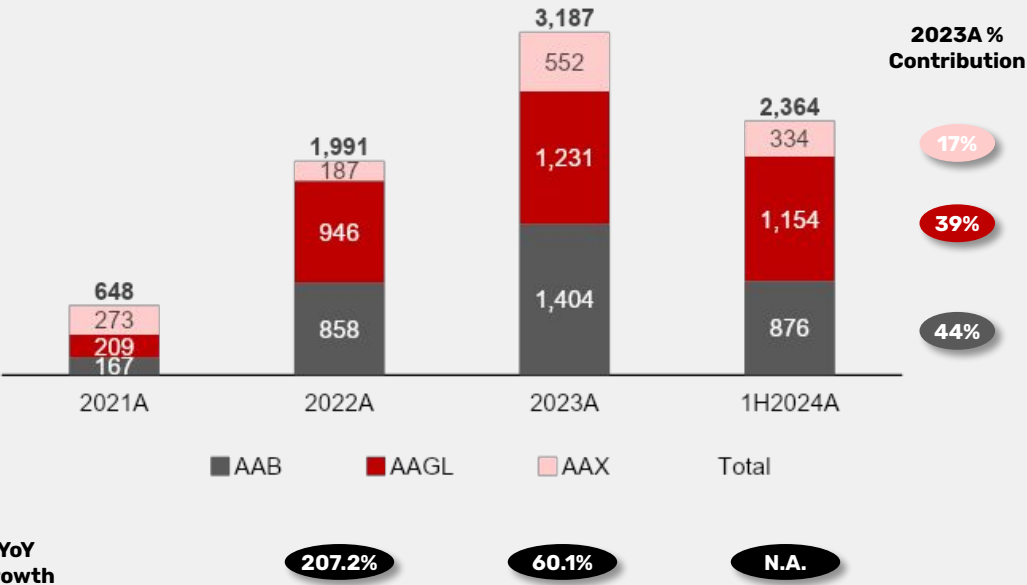
Note: 2024: US\$MYR of 4.720. 2023: US\$MYR of 4.574, US\$THB of 34.965, US\$PHP of 55.645, US\$IDR of 15,219. 2022: US\$MYR of 4.411, US\$THB of 33.000, US\$PHP of 56.000, US\$IDR of 15,750. 2021: US\$MYR of 4.151, US\$THB of 31.300, PHPUSD of 49.390, US\$IDR of 14,345. The income statement figures have been prepared based on the amalgamation of financial statements of AirAsia Aviation Group Limited ("AAGL"), AirAsia Berhad ("AAB") and AirAsia X Berhad ("AAX"). Intercompany eliminations are not included and deemed as immaterial. AAB, AAGL and AAX financial statements have been audited / reviewed accordingly by Ernst & Young. The amalgamated historical financial statements have been reviewed by management. (1) Includes operating lease. (2) Normalized for gain on disposal of brand by AAB of c.MYR4.5bn. (3) Normalized for AAX restructuring gains of c.MYR34.3bn.

# Consolidated enlarged Aviation Group historical revenue

Total revenues on track for supercharged growth from 2023 onwards driven primarily by an increase in capacity beyond pre-pandemic level, average fares and ancillary revenue.

## Group Historical Revenue

(US\$mm)



## Commentary

- Consolidated aviation revenue increased by CAGR of ~122% from 21A – 23A, driven by both the **recovery of domestic and global travel** and further supported by improved pricing environment and AirAsia's capacity expansion amidst reduction in peer competitiveness
- AAB's revenue increased by CAGR of ~190% from 21A – 23A, driven by the **reactivation of an additional 28 operating aircraft** during 2023A, significantly **increasing the seat capacity**. Ancillary revenue also increased from **higher fees from checked baggage, seat selection, processing, and service fees** due to the higher number of passengers, resulting from more aircraft being brought back into service
- AAAGL's revenue increased by CAGR of ~143% from 21A – 23A, driven by **sale of scheduled flights and chartered flights** as well as ancillary revenue
- AAX's revenue increased by CAGR of ~42% from 21A – 23A, driven by an **increase in the number of passengers carried against a backdrop of additional aircraft** inducted into service between January to December 2023, and further bolstered by the **sustained demand for travel in the regions that AAX operates in**

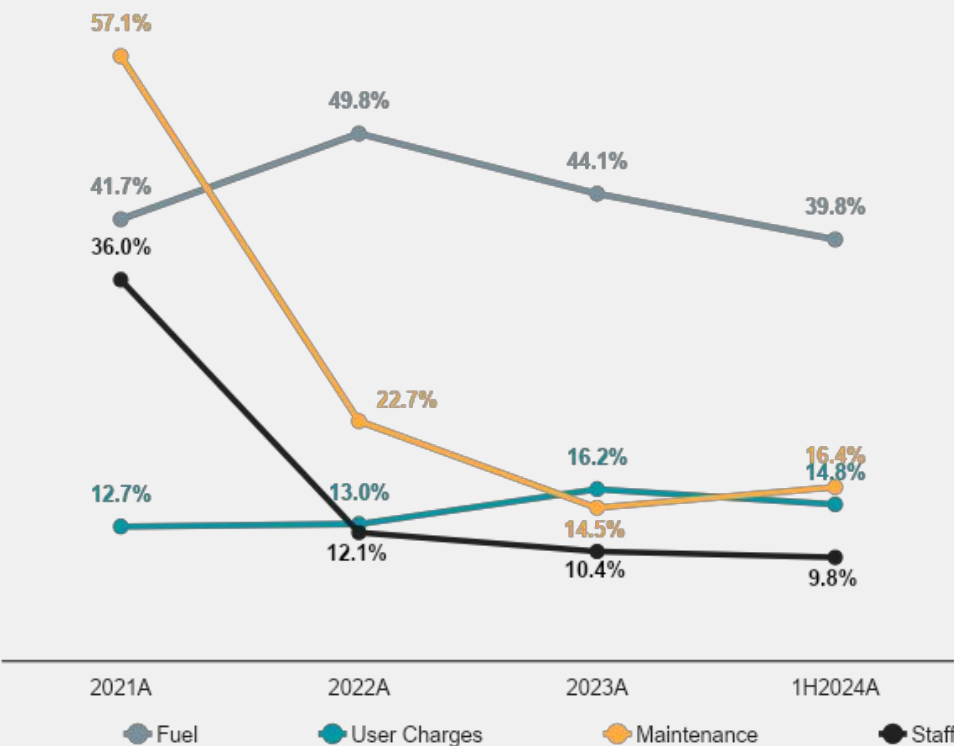
% YoY  
Growth

Source: Company filings, Company information.

Note: 2024: USDMYR of 4,720, 2023: USDMYR of 4,574, USDTB of 34,965, USDPHP of 55,645, USDIDR of 15,219, 2022: USDMYR of 4,411, USDTB of 33,000, USDPHP of 56,000, USDIDR of 15,750, 2021: USDMYR of 4,151, USDTB of 31,300, PHPUSD of 49,390, USDIDR of 14,345. The income statement figures have been prepared based on the amalgamation of financial statements of AirAsia Aviation Group Limited ("AAGL"), AirAsia Berhad ("AAB") and AirAsia X Berhad ("AAX"). Intercompany eliminations are not included and deemed as immaterial. AAB, AAGL and AAX financial statements have been audited / reviewed accordingly by Ernst & Young. The amalgamated historical financial statements have been reviewed by management.

# Consolidated enlarged Aviation Group historical operating expenses

Key Operating Expenses as a % of Revenue



### Commentary

#### Fuel Cost is the Biggest Operating Cost Component

- Total operating costs were driven largely by aircraft fuel expenses as the Group continued to recover its operational level, with additional scheduled flight operations compared to the preceding financial period
- This cost segment was further heightened due to the higher jet fuel price as well as the weaker local currency (Ringgit) against the greenback

#### User Charges

- In 2023, the Group reported higher user charges as more destinations and flights were added into its network

#### Maintenance

- Maintenance costs were kept low despite the reactivation of operating aircraft during 2023

#### Staff Costs

- As the business recovered, staff costs are kept low despite the hiring of additional staff and operational crew

Source: Company filings, Company information.  
Note: 2024: US\$MYR of 4.720, 2023: US\$MYR of 4.574, US\$THB of 34.965, US\$PHP of 55.645, US\$IDR of 15,219, 2022: US\$MYR of 4.411, US\$THB of 33.000, US\$PHP of 56.000, US\$IDR of 15,750, 2021: US\$MYR of 4.151, US\$THB of 31.300, PHPUSD of 49.390, US\$IDR of 14,345. The income statement figures have been prepared based on the amalgamation of financial statements of AirAsia Aviation Group Limited ("AAGL"), AirAsia Berhad ("AAB") and AirAsia X Berhad ("AAX"). Intercompany eliminations are not included and deemed as immaterial. AAB, AAGL and AAX financial statements have been audited / reviewed accordingly by Ernst & Young. The amalgamated historical financial statements have been reviewed by management.

# Consolidated New Aviation Group historical EBITDA

Consolidated aviation EBITDA turned positive in 2023 on the back of recovery in domestic and global travel and completion of the group's fleet reactivation.

## Group EBITDA



## Commentary

- Consolidated aviation EBITDA turned positive in 2023A, driven by **both the recovery of domestic and global travel and cost savings initiatives**
- AAB's increase in EBITDA margins from ~18% in 2022A to ~19% in 2023A was mainly **driven by a ~15% drop in fuel price in 2023A, which helped to cushion a more than doubling of maintenance costs in line with the reactivation of aircraft**
- AAGL's EBITDA turned positive in 2023A, driven by **higher revenue from the sale of scheduled flights and chartered flights**, which was greater than the increase in operating costs
- AAX's EBITDA turned positive in 2023A but was dampened in 1H2024A **by higher fuel expenses as well as weaker local currency**



Source: Company filings, Company information.  
Note: 2024: USDMYR of 4.720, 2023: USDMYR of 4.574, USDTHB of 34.965, USDPHP of 55.645, USDIDR of 15,219, 2022: USDMYR of 4.411, USDTHB of 33.000, USDPHP of 56.000, USDIDR of 15,750, 2021: USDMYR of 4.151, USDTHB of 31.300, PHPUSD of 49.390, USDIDR of 14,345. The income statement figures have been prepared based on the amalgamation of financial statements of AirAsia Aviation Group Limited ("AAGL"), AirAsia Berhad ("AAB") and AirAsia X Berhad ("AAX"). Intercompany eliminations are not included and deemed as immaterial. AAB, AAGL and AAX financial statements have been audited / reviewed accordingly by Ernst & Young. The amalgamated historical financial statements have been reviewed by management. (1) Normalized for AAX restructuring gains of c.MYR34.3bn. (2) Normalized for gain on disposal of brand by AAB of c.MYR4.5bn.



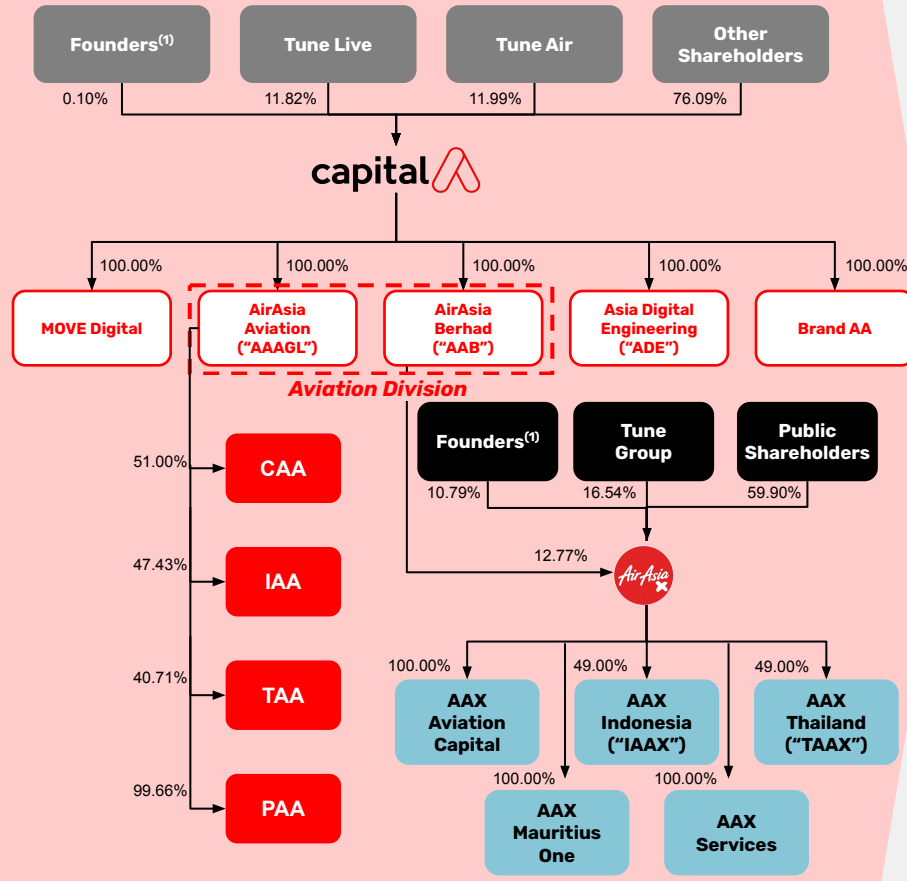
# Other information



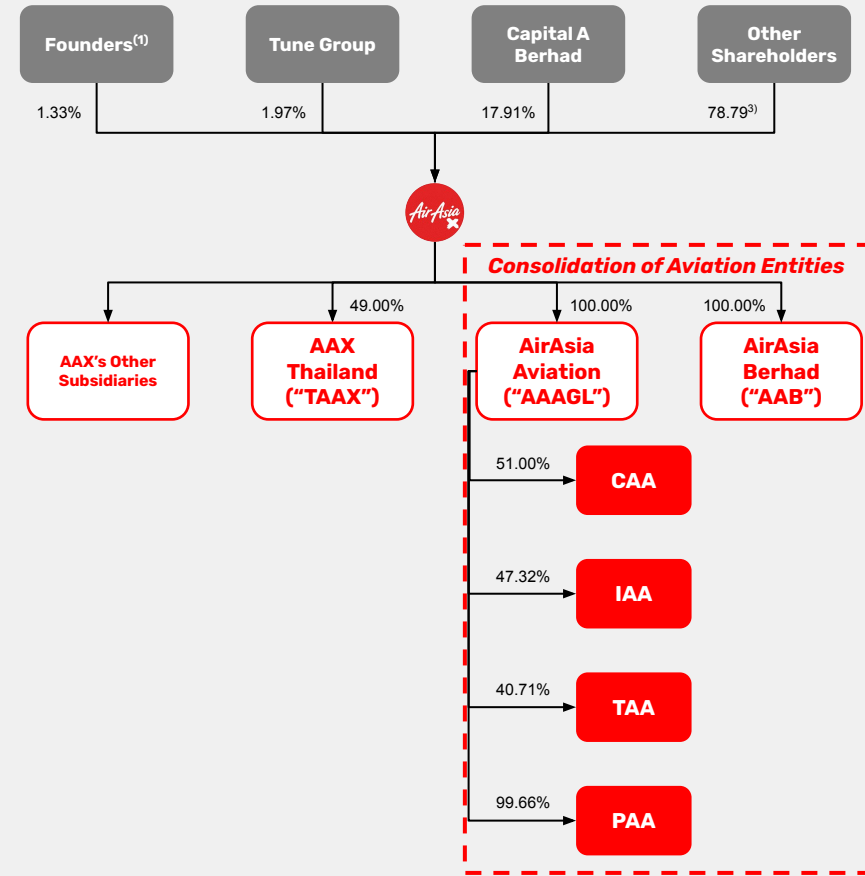


# Changes of corporate structure

## Existing Corporate Structure (Before Proposals)



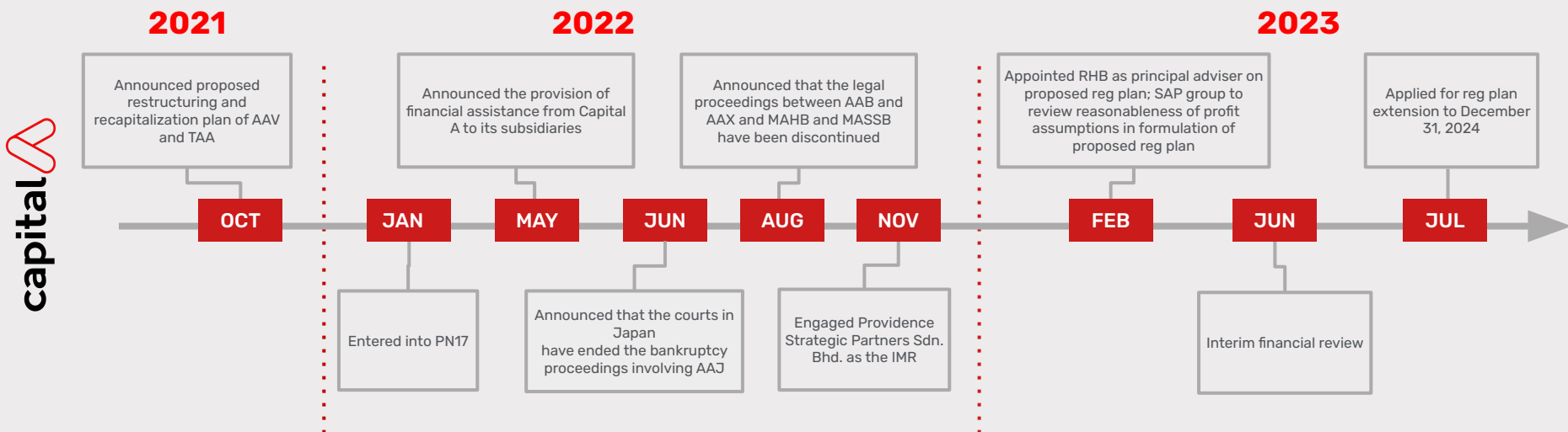
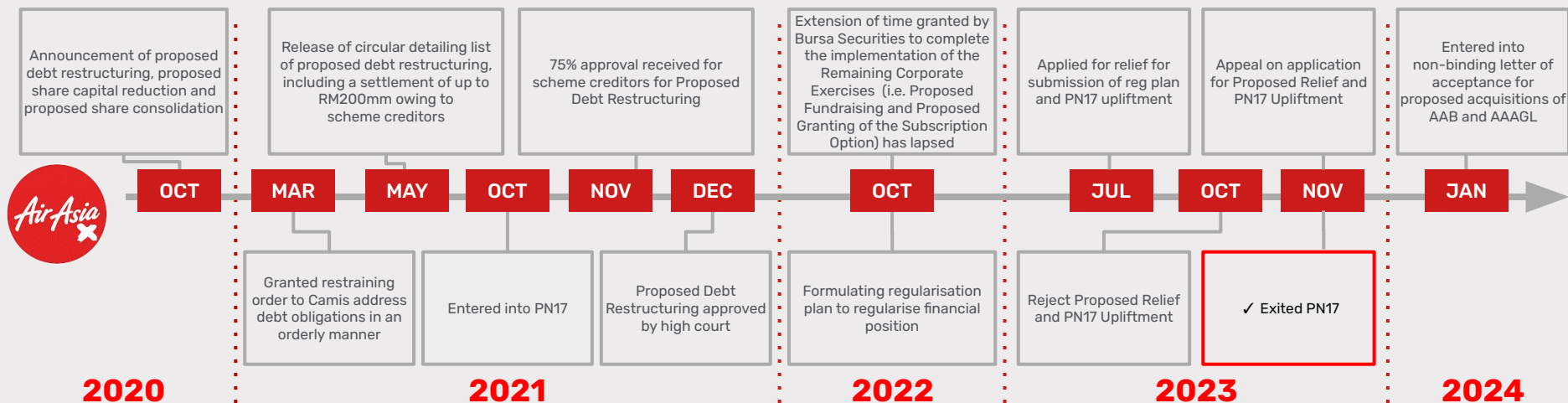
## Pro-forma Corporate Structure<sup>(2)</sup>



Source: Company filings, Company information.

Note: This is a simplified corporate structure and may not depict the holistic structure of the entire group. (1) Refers to Tan Sri Tony Fernandes ("TSTF") and Datuk Kamarudin bin Meranun ("DKM") and the Founders' shareholding denotes direct shareholding held by TSTF and DKM. (2) After (i) the sale and transfer of 57,072,850 shares in AAX from AAB to Capital A, (ii) Proposed Private Placement, (iii) Proposed AAAAGL Acquisition and (iv) Proposed distribution of Consideration Shares by Capital A. Based on placement price of RM1.00 per Placement Share, (3) Includes Tune Live's shareholdings of 5.33% and Tune Air's shareholdings of 5.40%.

# Timeline of corporate restructuring exercise



# Risk Factors

The enlarged Aviation Group's business, financial condition and results of operations are subject to various business risks and uncertainties. The factors set out below are those that could result in the enlarged Aviation Group's financial condition or results of operations differing materially from expected or historical results. There may be other risks in addition to those shown below which are not known to the enlarged Aviation Group or which may not be material now but could turn out to be material in the future. The risk factors below should be read together with the Shareholder Circular and the Company's 2023 annual report, including the risks relating to the Proposed Acquisitions and other risk factors set forth in those documents.

## Operational and Financial Risks

### Business Recovery Risk

- Intensified competition among airlines may lead to unpredictable demand patterns as the enlarged Aviation Group competes for market share through pricing strategies and service enhancements. Concurrently, economic fluctuations, including GDP growth and employment rates, can directly influence consumer travel behaviours

### Financial Risk

- The enlarged Aviation Group's operations carry certain financial risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, interest rates and the market value of financial investments, credit risks as well as liquidity risk

### Operational Disruption Risk

- The supply chain issue on aircraft components and parts could potentially lead to aircraft being grounded and affect aircraft availability. Failure in airport services such as airport fueling systems, baggage handling systems or customs, immigration and quarantine processing may lead to significant delays and business disruption

### Financing Risks

- Where necessary, the enlarged Aviation Group may seek equity and / or debt financing for its future funding requirements. The enlarged Aviation Group's ability to obtain such financing and the cost of financing will depend on numerous factors. There is no assurance that the necessary financing will be available in amounts or on terms and conditions acceptable to the enlarged Aviation Group

### Risk of Triggering Practice Note 17 of the Listing Requirements

- As of the Latest Practicable Date, Capital A is still classified as a PN17 issuer whereas AirAsia X has been uplifted from being classified as a PN17 issuer on 22 November 2023. There is no assurance that AirAsia X will not be classified as a PN17 issuer again following the completion of the Proposed Acquisitions given that the Target Companies were the major contributors to the decline in financial performance and financial position of Capital A during the COVID-19 pandemic period

### Risk of Reliance on the AirAsia Brand and Association with the AirAsia Group

- The airlines to be housed under the enlarged Aviation Group rely on the strength of the "AirAsia" brand to market and promote seat sales and ancillary products and services. The enlarged Aviation Group does not and will not own the "AirAsia" brand following the completion of the Proposed Acquisitions

# Risk Factors (Cont'd)

## Operational and Financial Risks (Cont'd)

### Foreign Investment Risk

- The investment in the AirAsia Aviation Group Limited is subject to foreign investment risk. The ability of foreign entities within the AirAsia Aviation Group Limited to repatriate profits will depend largely on the relevant legislation or policies relating to the repatriation of profits prevailing at the point of repatriation

### Information Security Risk

- Cyber security risk can arise from heavy focus on online sales channels, guest feedback, help channels and other digital solutions. Such risks can include violation of data privacy laws and regulations and loss of customer confidence due to a data breach

### Safety, Health and Security Risks

- We expect increasing exposure to operational safety hazards and risks as the enlarged Aviation Group grows its routes, flights and passenger volume

### Regulatory and Compliance Risks

- Litigation risk can arise from potential breach of local laws and regulations, contracts, industry guidelines and regulator/consumer authority requirements in multiple jurisdictions

### People Risk

- Talent retention and recruitment present significant risks given the reliance on skilled crew members for safe and efficient enlarged Aviation Group operations. The shortage or turnover of pilots, cabin crew, ground staff and nominated post holders can disrupt operations, jeopardising safety standards and customer satisfaction

### Reputation and Branding Risks

- We are subject to reputational damage stemming from adverse media publicity or social networks that serve as platforms for airing consumer grievances or anti-organisation campaigns

### Foreign Currency Fluctuations

- Due to the nature of the enlarged Aviation Group's business, we receive revenue and incur expenses in a variety of international currencies and therefore face currency risks. Unexpected currency fluctuations could have an impact on the financial performance of the business. This holds particularly true of the exchange rate with the US Dollar where an appreciation of which will result in higher operating costs and expenses

### Sustainability Risk

- We face the risk of non-compliance with sustainability requirements by regulatory authorities as the airlines face pressure to put in place a sustainability roadmap. Moreover, we may be subject to greenwashing claims by NGOs and others, in connection with any statements of the enlarged Aviation Group related to the environment

# Risk Factors (Cont'd)

## Risks of the Proposed Acquisitions

### Non-completion risk

- There is no assurance that the said conditions precedent will be satisfied or waived, as the case may be, or that the parties to the SSPAs will be able to fulfill their respective obligations under the SSPAs within the timeframe stipulated in the SSPAs

### Investment Risk

- There is no assurance that the anticipated benefits and synergies arising from the Proposed Acquisitions will be realised or that the enlarged Aviation Group will be able to generate sufficient returns to offset the dilutive effects to our Shareholders arising from the issuance of Consideration Shares

### Projection Risk

- The AirAsia Aviation Group Limited Purchase Consideration and AirAsia Berhad Purchase Consideration were arrived at after taking in consideration, amongst others, the range of valuation for the entire equity interests in the Target Companies based on the valuation undertaken by Deloitte. There is no assurance that the AOCs will be able to achieve the projected results in the future and that the key underlying bases and assumptions used in arriving at the valuation of the Target Companies will materialise as planned

### Goodwill and Impairment Risk

- The Proposed Acquisitions are expected to give rise to goodwill to be recognised, the amount of which will depend on the fair value of the Target Companies' identifiable assets acquired and liabilities assumed upon completion of the Proposed Acquisitions. Any impairment on the carrying value of the investments in the Target Companies and amortisation of any intangible assets from the Proposed Acquisitions may affect the financial performance and financial position of the enlarged Aviation Group

### Limitation of Liabilities

- In the event that a claim by the Purchaser against the Vendor arising from, amongst others, unfavourable outcome of litigation cases, crystallisation of contingent liabilities and additional tax liabilities to be paid by the Target Companies, is limited or restricted due to pre-determined minimum thresholds and limitation of liabilities as abovementioned or the Vendor is unable to fulfill its obligations in respect of such claim, this may have a material adverse effect on the financial performance and financial position of the enlarged Aviation Group



# THANK YOU

