CAPITAL A FINANCIAL RESULTS
FOURTH QUARTER 2023 AND FULL FINANCIAL YEAR 2023

The first annual net profit of RM508 million since the onset of pandemic, RM14.8 billion annual revenue; 25% above FY2019 with only 80% of 2019 aircraft

Aviation business recoded RM13.5 billion annual revenue, up 143% from last year; reactivated 185 aircraft, strong load factor at 88%, average fares up 14% and ancillary income reached RM2.5 billion for the first time

Non-Aviation core segments all achieved EBITDA positive; Year-to-date revenue crossed RM1 billion mark, 45% increase over previous year

SEPANG, 29 February 2024 – Capital A Berhad ("Capital A" or the "Group") today reported its unaudited financial results for the quarter ended 31 December 2023 ("4Q2023") including its full year Financial Results of 2023 ("FY2023").

For the year, the Group recorded a revenue of RM14.8 billion and EBITDA of RM2 billion, showing Year-On-Year ("YoY") increase of 129% in revenue and 42x increase in EBITDA. The Group closed with a net profit of RM508 million, its first full year profitability since the pandemic. Operating with only 80% of FY2019 aircraft, the Group managed to surpass FY19 revenue by 25%, a testament to sustained demand for travel and related services, underscoring the resilience of the ecosystem.

Recently, the Group has been restructured into five distinct verticals: **AirAsia Aviation Group, Capital A Aviation Services** (Asia Digital Engineering, Santan, Darts, and AirAsia Consulting), **Logistics** (Teleport), **MOVE Digital** (AirAsia MOVE and BigPay) and **Capital A International**.

Highlights of 4Q2023 Aviation:

- In 4Q2023, segmental revenue and EBITDA posted RM4.6 billion and RM504 million respectively, contributing to an annual revenue of RM13.7 billion and EBITDA of RM1.8 billion.
- The average fare demonstrated resilience, with a 16% increase YoY and a corresponding rise quarter-on-quarter ("QoQ") to RM250 per passenger.
- Ancillary revenue per passenger for the quarter increased to RM54 per pax, a 23% YoY improvement. YTD, ancillary revenue reached RM2.5 billion, constituting 18% of the FY2023 aviation revenue and equivalent to RM51 per pax for the year.
- Full year 2023, RASK experienced 5% YoY growth to USc 4.46, primarily due to 14% YoY increase in average fare resulting in improved RASK despite 127% YoY increase in ASK and appreciation of US Dollar.
- Full year 2023 CASK and CASK ex-Fuel, stood at USc 4.90 and USc 2.98 respectively, down 17% and 19% YoY driven by operational cost efficiencies, lower fuel prices and increase in ASK due to recovery of air travel demand.

CEO of AirAsia Aviation Group, Bo Lingam comments on the business outlook:
"Building on the 2023 momentum, where we surpassed pre-Covid revenue levels despite operating below FY2019 capacity, we're enthusiastic about the opportunities that lie ahead. In

2024, our goal is to recover 90% of FY2019 capacity, setting the stage for future growth. We anticipate further upside in ancillary income as we enhance our product offerings, personalisation efforts and dynamic pricing strategies. The anticipated decline in fuel prices would give us opportunities to reduce cost and improve margins. Additionally, with reduced domestic competition, especially in Malaysia and Thailand, we will expand our capacity to strengthen our domestic market share. On the international front, we aim to bolster our capacity on routes to China and India, taking advantage of the robust demand, while also putting strategic emphasis on other high-yield routes. Given these factors, we're confident that 2024 will mark another year of historic highs for our airline business.

"We recently entered into a non-binding letter of offer with AirAsia X Berhad for the divestment of our aviation businesses. We hope to streamline operations and enhance the valuation of the airline group as a standalone entity. Our strategic shift reflects investor demand for a dedicated aviation investment, with transparent valuation indicators, targeted growth trajectories, and strengthened access to capital markets."

Highlights of 4Q2023 Non-Aviation:

Aviation Services

- ADE's aircraft maintenance, repair and overhaul division concluded the year with strong financial results, boasting an annual revenue of RM574 million, marking a 101% YoY increase, and an EBITDA of RM146 million, representing a 137% YoY growth. This performance is attributed to the surge in flight activity throughout the year, complemented by the expanded capacity facilitated by the launch of the Senai hangar, which enabled ADE to complete a 50% higher in the number of base maintenance checks.

  CEO of ADE, Mahesh comments on the business outlook:
  "As we approach the completion of AirAsia aircraft reactivation in 2024, we will pivot our focus towards expanding our services to third-party airlines. The scheduled completion of the new KLIA hangar in the third quarter will bolster our capacity to meet the rising demand. ADE is also pursuing other growth initiatives, including ongoing discussions with Malaysia Airports Holdings Berhad to secure land for more hangar expansion in KLIA."

- Santan, the inflight and restaurant catering company, posted annual revenue and EBITDA of RM132 million and RM23 million, reflecting a 276% YoY growth in revenue and a turnaround from EBITDA loss in FY2022. This performance was fueled by sustained demand for air travel throughout the year. Looking ahead into 2024, Santan aims to broaden its revenue stream by onboarding third party clients across various sectors including airline, corporate catering and convenience retail.

Logistics

- Teleport's revenue for the full year rose 56% YoY to RM731 million (USD162 million), reflecting a positive EBITDA of RM20 million (USD4.5 million) in contrast to a negative EBITDA of RM26.9 million (USD 6.1 million) a year ago. The growth in revenue was driven by increased volume delivered across the region, demonstrated by YoY growth in both cargo tonnage (+88%) and e-commerce parcels delivered(+275%). Teleport ended the year moving an average daily e-commerce volume of 130,000 parcels, compared to 34,000 parcels per day for the same quarter last year.

  CEO of Teleport, Pete Chareonwongsak comments on the business outlook:
  "Teleport's growth in 2023 is attributed to two key factors - continuous optimisation which unlocked our operational capabilities and the recovery and further strengthening of our network and capacity. The recovery of AirAsia's flights, the establishment of key partnerships with over 30 partner airlines, allowed us to extend our network and enhance capacity on key lanes; and the injection of three Airbus A321 Freighters (A321F) into our fleet last year, gave us the added ability

to teleport larger, palletised and different types of cargo across the network. This in turn enabled us to better serve customers and to scale for further growth in the coming quarters. For the year ahead, we will continue to strengthen Teleport's next-day cross border capabilities with multi-modal, first-to-last-mile capabilities in key markets, and position Teleport as the primary gateway for e-commerce volumes entering Asean."

MOVE Digital

- AirAsia MOVE, formerly known as airasia Superapp the integrated travel and financial digital platform, achieved annual revenue of RM689 million, marking a 72% YoY increase, while EBITDA reached RM137 million, a 17x increase compared to FY2022. This improvement was propelled by encouraging growth in the Flights and SNAP (flight+hotel package) segments throughout the year. Additionally, AirAsia MOVE strategically invested in marketing efforts during the quarter, capitalising on school holiday periods starting from mid-December extended into early January, as well as another upcoming term holiday scheduled for early February through early March.

  CEO of AirAsia MOVE, Nadia Omer comments on the business outlook:
  "Our strategy entails a dual focus: first, we will enhance our existing features and offerings, broadening our inventory to provide users with a diverse selection. Concurrently, we are refining our pricing strategies to optimise margins while indirectly boosting Monthly Active Users and transaction numbers and ultimately drive spending. Our overarching goal is to make travel accessible and affordable for everyone, solidifying our position as the preferred Online Travel Agency in Asean."

- BigPay's annual revenue rose to RM45 million, reflecting 42% YoY improvement with an EBITDA loss narrowing by 44% YoY. The growth trend extended across all core product sectors in 4Q2023, which saw payments climbing by 9%, remittances by 21%, and marketplace sales surging by 157% YoY. This performance underscores the success of BigPay's strategic shift towards high-quality and profitable products, resulting in improved quarterly performance.

  Group CEO of BigPay, Zubin Rada Krishnan, comments on BigPay's outlook:
  "Our focus in 2023 on unit economics, collaborating with MOVE and the ecosystem, and building more differentiated features has demonstrated results, delivering a gross profitable quarter in 4Q2023 for the first time. In 2024, we will continue building impactful products, including more friction-less ways to pay for the Asean community and budgeting tools and Save to Spend Stashes to encourage responsible financial habits for everyone. We remain focused on being the most compelling money platform to level up our customers' lives, one transaction at a time."

CEO of Capital A, Tan Sri Tony Fernandes' comments on the Group's outlook:

"Emerging from this period stronger and more resilient than ever, we've uncovered hidden gems within our portfolio that have flourished alongside our core airline business. This reaffirms our belief in our diversified business model and the potential for growth beyond aviation.

"In 2024, our strategic focus revolves around five key themes. Firstly, we're dedicated to achieving the lowest costs across all our operations, not just through cost-cutting, but also by optimising asset utilisation and enhancing efficiency. Secondly, financial sustainability is paramount, emphasising cash generation, prudent cost management, and diversified revenue growth. Thirdly, we're revitalising a high-performance culture, instilling efficiency and cost-effectiveness as integral parts of our identity. Additionally, we're committed to delivering superior products, ensuring that every offering exceeds customer expectations in terms of quality and innovation. Lastly, we're prioritising exceptional customer service, leveraging AI technologies to empower our employees and enhance overall customer satisfaction.

"We will also remain focused on streamlining our operations while expanding our footprint in non-aviation sectors. The recent announcement on our proposed divestment of our airline business and the business combination agreement with Aetherium Acquisition Corp signify a new chapter for our organisation, one that will unlock even greater value for our shareholders. With a keen eye on execution, we are committed to taking our portfolio businesses to new heights, mirroring the success we achieved with AirAsia in its early days."

"On our PN17 regularisation plan, we're committed to moving from planning to execution in 2024, as we understand the importance of regaining the trust and confidence of our shareholders, and we are committed to providing clarity and transparency every step of the way. This aims to provide our shareholders with greater visibility into our strategic initiatives that serve as catalysts for driving performance excellence across the organisation."

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