

We're Back: Our Diary 2022

10 January 2022

AirAsia secures CAAM licence to conduct remote drone flying training



11 January 2022

AirAsia Foundation calls for flood recovery grant proposals



16 January 2022

airasia Super App announces Deliverat founder Tan Suan Sear will be part of the team



27 January 2022

AirAsia Thailand supports Department of Health to deliver breast milk to infants across Thailand



27 January 2022

Teleport invests in Indonesia's largest trucking marketplace, Kargo Technologies



28 January 2022

AirAsia Group is now Capital A



7 February 2022

AirAsia achieves top 7/7 safety rating



15 February 2022

Asia Digital Engineering to build integrated state-of-the-art MRO facilities at KLIA Aeropolis



22 February 2022

airasia kicks off #TimeToListen campaign to hear the voices of the marginalised



25 February 2022

AirAsia successfully migrates 95% of guests to contactless self-check-in via app, website



26 February 2022

AirAsia Philippines recognised as outstanding institutional partner by Operation Smile Philippines



28 February 2022

Teleport launches 12 destinations in March with its cargo-only network



3 March 2022

BigPay launches the first fully digital, and fastest personal loan product in the market



3 March 2022

AirAsia Thailand among Top 3 Most On-Time Low Cost Carriers in Cirium's 2021 On-Time Performance Awards



15 March 2022

AirAsia Foundation celebrates its 10th anniversary with call for grant applications for post-flood reconstruction



16 March 2022

airasia ride launches Community Drivers feature, starting with LadiesONLY



17 March 2022

airasia academy partners with Youth NGO to provide education platform for marginalised children in Kuala Lumpur



31 March 2022

airasia academy launches #RatuTech campaign to empower women to acquire tech skills



We're Back: Our Diary 2022 (cont'd)

1 April 2022

AirAsia welcomes international travellers as borders reopen



8 April 2022

airasia Super App and Google Cloud forge strategic collaboration to unlock digital growth and democratise digital convenience across Southeast Asia



14 April 2022

airasia Super App further expands OTA capabilities by partnering with Trip.com



18 April 2022

airasia Super App launches RedRadio



27 April 2022

airasia ride hits one million completed rides



28 April 2022

airasia grocer takes famed Perlis Harumanis mangoes to international markets



4 May 2022

AirAsia Philippines launches alwaysREDy relief efforts in Capiz to aid Typhoon Agaton victims



12 May 2022

Newly established AirAsia Consulting offers airline management consultancy services to Bangladesh's Fly Dhaka



17 May 2022

airasia Super App introduces its first SUPER Travel Fest



23 May 2022

AirAsia Philippines to launch cargo operations in Zamboanga, aims to propel city's economic recovery



2 June 2022

AirAsia to reduce 221 tonnes of CO₂ emissions per aircraft per year via new Flight Operations optimisation solution



17 June 2022

airasia Super App launches closed-loop e-wallet platform for seamless in-app payment experience



7 July 2022

airasia academy launches On-Demand Learning, partners Ministry of Higher Education to advance Malaysia as a digitally-driven nation



27 July 2022

Santan unveils 'best nasi lemak in town' with convenient new packaging and affordable prices



4 August 2022

airasia Super App offers gig riders in Malaysia full-time employment - first in the region



15 August 2022

Travel giants AirAsia Philippines and Airbnb team up to further promote interzonal travel in the PH



5 September 2022

Indonesia AirAsia together with Capital A make a commitment to support tourism and community empowerment around Lake Toba



12 September 2022

Teleport to add three A321 Freighters to its cargo fleet



We're Back: Our Diary 2022 (cont'd)

13 September 2022

airasia ride marks first year in operations by offering full-time employment to all drivers



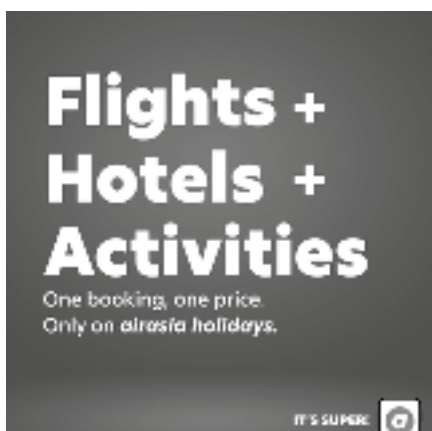
13 September 2022

Tourism Authority of Thailand joins AirAsia to unveil Amazing New Chapters aircraft livery, promoting new destinations in Thailand



14 September 2022

airasia Super App launches airasia holidays



15 September 2022

AirAsia is back painting Changi Terminal 4 red!



19 September 2022

AirAsia returns with biggest ever FREE Seats* Sale



21 September 2022

AirAsia is back stronger than ever! Record 500,000 seats sold in 48 hours!!



24 September 2022

AirAsia voted World's Best Low Cost Airline for 13th straight year



3 October 2022

AirAsia elevates contactless journey with enhanced FACES at klia2



14 October 2022

Yayasan Peneraju, airasia academy partner to nurture tech talents from stigmatised minorities



20 October 2022

Capital A officially launches IKHLAS, Shariah-compliant lifestyle platform especially for Muslims



2 November 2022

AirAsia sells remaining equity shares in AirAsia India to Air India, strengthening its focus on Asean



2 November 2022

airasia Super App completes Asean expansion with official launch of platform in Indonesia



12 November 2022

AirAsia party in the sky



5 December 2022

Go Unlimited with the brand new SUPER+ by airasia Super App



7 December 2022

Celebrating airasia academy's Graduating Class of 2022



9 December 2022

AirAsia back to growth phase with the launch of a new low-cost airline in Cambodia



12 December 2022

Capital A unveils vision of creating airasia Republic with the launch of Community on airasia Super App



14 December 2022

Teleport raises USD50 million to build leading air logistics company in Southeast Asia



Awards & Accolades 2022

14 January 2023

AWARDEE

AirAsia (Airline)

AWARD/ACCOLADE

- Putra Brand Awards



17 December 2022

AWARDEE

AirAsia Indonesia

AWARD/ACCOLADE

- Top GCG Awards 2022



8 December 2022

AWARDEE

Capital A

AWARD/ACCOLADE

- IR Magazine Forum & Awards South East Asia 2022



24 November 2022

AWARDEE

AirAsia (Airline)

AWARD/ACCOLADE

- Strongest Airline Brand by Kantar Brandz



26 September 2022

AWARDEE

AirAsia (Airline)

AWARD/ACCOLADE

- Skytrax World Airline Awards 2022



8 September 2022

AWARDEE

AirAsia (Airline)

AWARD/ACCOLADE

- 29th World Travel Awards 2022



14 August 2022

AWARDEE

airasia rewards

AWARD/ACCOLADE

- Best Card-Based Loyalty Programme (Bronze)
- Best Loyalty Programme (E-commerce) (Silver)



12 November 2022

AWARDEE

AirAsia (Airline)

AWARD/ACCOLADE

- World Travel Awards (WTA) 2022



24 October 2022

AWARDEE

airasia Super App

AWARD/ACCOLADE

- World Travel Tech Awards



14 October 2022

AWARDEE

AirAsia Thailand

AWARD/ACCOLADE

- Thailand Sustainability Investment (THSI) list for 2022



5 October 2022

AWARDEE

airasia Super App

AWARD/ACCOLADE

- IDC Future Enterprise Awards



9 June 2022

AWARDEE

airasia Super App

AWARD/ACCOLADE

- FTE World Ancillary Awards 2022



9 June 2022

AWARDEE

AirAsia Philippines

AWARD/ACCOLADE

- 16th Asia Pacific Tambuli Awards



21 April 2022

AWARDEE

AirAsia Philippines

AWARD/ACCOLADE

- Ninth annual Asia-Pacific Stevie Awards



AirAsia

FLY FOR NON-STOP ADVENTURES

FLY AIRASIA





THANK YOU FOR
CHOOSING US

FLY AIRASIA







The Teleport logo, consisting of the word "teleport" in a white, sans-serif font, is positioned in the top right corner of the advertisement. It is set against a dark background with vertical blue light streaks. The background also features a stylized, dark silhouette of an aircraft wing and tail section, angled diagonally across the frame.

teleport

Air logistics optimised. **teleport it.**

Optimise your air logistics to save your
business time, money and effort.

@teleportasia    

teleport.asia 

2022 Financial & Investor Calendar

27 January

4Q2021 Operating Statistics Release

Virtual

28 February

FY2021 Financial Results Announcement & Earnings Call

Virtual

2 March

Maybank IBG Virtual ASEAN Logistics Corporate Day

Virtual

28 April

1Q2022 Operating Statistics Release

Virtual

26 May

1Q2022 Financial Results Announcement & Earnings Call

Virtual

8 June

CITI 3rd Annual Pan-Asia Regional Investor Conference

Virtual

16 June

Annual General Meeting

Virtual

29 June

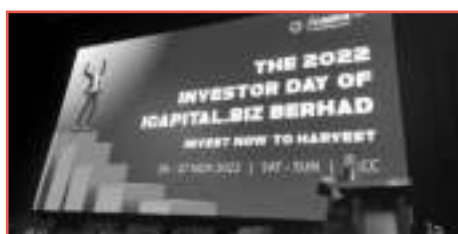
Company Visit: CLSA x airasia Super App

RedStation, KL Sentral

25 July

2Q2022 Operating Statistics Release

Virtual



26 August

2Q2022 Financial Results Announcement & Earnings Call

Virtual

26 October

3Q2022 Operating Statistics Release

Virtual

27 November

2022 Investor Day of icapital.biz Berhad

Kuala Lumpur

30 November

3Q2022 Financial Results Announcement & Earnings Call

Virtual

6 December

CGS-CIMB ASEAN Travel & Tourism Day

Virtual

6 December

MY Tourism with Maybank

Virtual



7 December

Company Visit: Ambank x ADE Subang Hangar Visit

Subang, Selangor

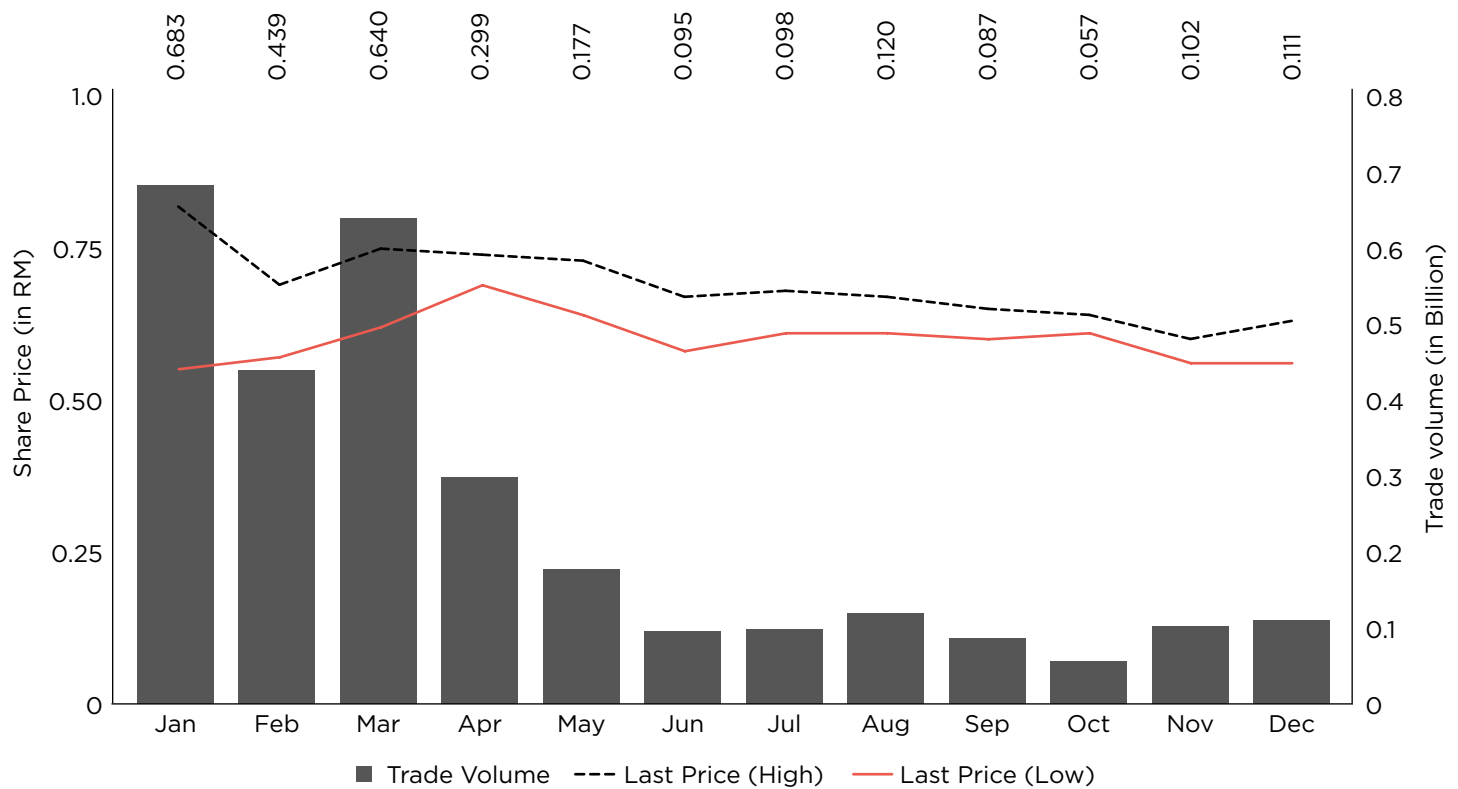
Five-Year Financial & Operating Highlights

(RM MILLION, UNLESS STATED OTHERWISE)	2018	2019	2020	2021	2022
INCOME STATEMENT					
				Restated	
Revenue	10,638	11,860	3,274	1,683	6,437
Net total expenses	9,419	11,136	8,697	4,529	7,831
Operating profit/(loss)	1,219	725	-5,422	-2,846	-1,394
Profit/(loss) before taxation	1,335	-522	-5,551	-3,575	-3,304
Taxation	360	238	-337	-146	-0.51
Net profit/(loss)	1,695	-283	-5,888	-3,721	-3,304
BALANCE SHEET					
Deposits, cash and bank balances	3,327	2,588	533	1,257	470
Total assets	18,550	25,595	19,866	20,030	19,928
Net debt (Total debt - Total cash)	287	-2,159	756	1,053	2,467
Total equity	6,185	2,911	-3,570	-6,423	-9,517
CASH FLOW STATEMENTS					
Cash flow from operating activities	353	2,081	-2,168	-678	-282
Cash flow from investing activities	9,049	4,660	489	389	-210
Cash flow from financing activities	-8,087	-7,584	-412	1,070	-314
Net Cash Flow	1,316	-842	-2,091	781	-806
FINANCIAL PERFORMANCE (%)					
Return on total assets	9.1	-1.1	-29.6	-18.6	-16.6
Return on total equity	27.4	-9.7	N/A	N/A	N/A
R.O.C.E. (EBIT/(Net Debt + Equity))	30	34	N/A	N/A	N/A
Operating profit margin	11.5	6.1	-165.6	-169.1	-21.7
Net profit margin	15.9	-2.4	-179.8	-221.1	-51.3
OPERATING STATISTICS					
Passengers carried	44,437,381	51,559,070	13,309,353	4,812,364	24,247,725
Capacity	52,536,954	60,884,616	17,941,988	6,500,182	28,931,734
Load factor (%)	85	85	74	74	84
RPK (million)	55,962	63,382	14,268	4,149	24,378
ASK (million)	66,261	74,642	19,121	5,723	29,196
Aircraft utilisation (hours per day)	13.3	13.0	9.6	6.2	12
Average fare (RM)	173	178	175	160	195
Revenue per ASK (sen)	14.71	15.60	15.06	16.67	19.43
Cost per ASK (sen)*	14.80	15.02	35.24	69.62	25.71
Cost per ASK - excluding fuel (sen)*	8.90	9.39	24.96	62.68	15.58
Revenue per ASK (USc)	3.64	3.77	3.61	4.00	4.41
Cost per ASK (USc)*	3.67	3.62	8.45	16.69	5.83
Cost per ASK - excluding fuel (USc)*	2.20	2.27	5.98	15.03	3.54
Number of stages	290,461	335,399	98,259	35,350	157,056
Average stage length (km)	1,253	1,225	1,070	882	1,002
Size of fleet at year end (Group)	226	246	247	213	209
Number of employees at year end (Group)#	18,122	21,059	18,848	14,778	16,149
RM-USD average exchange rate	4.04	4.14	4.21	4.17	4.41
Segmental revenue					
a) Airlines	-	-	-	58	86%
b) Digital	-	-	-	42	14%

* excluding one-off items

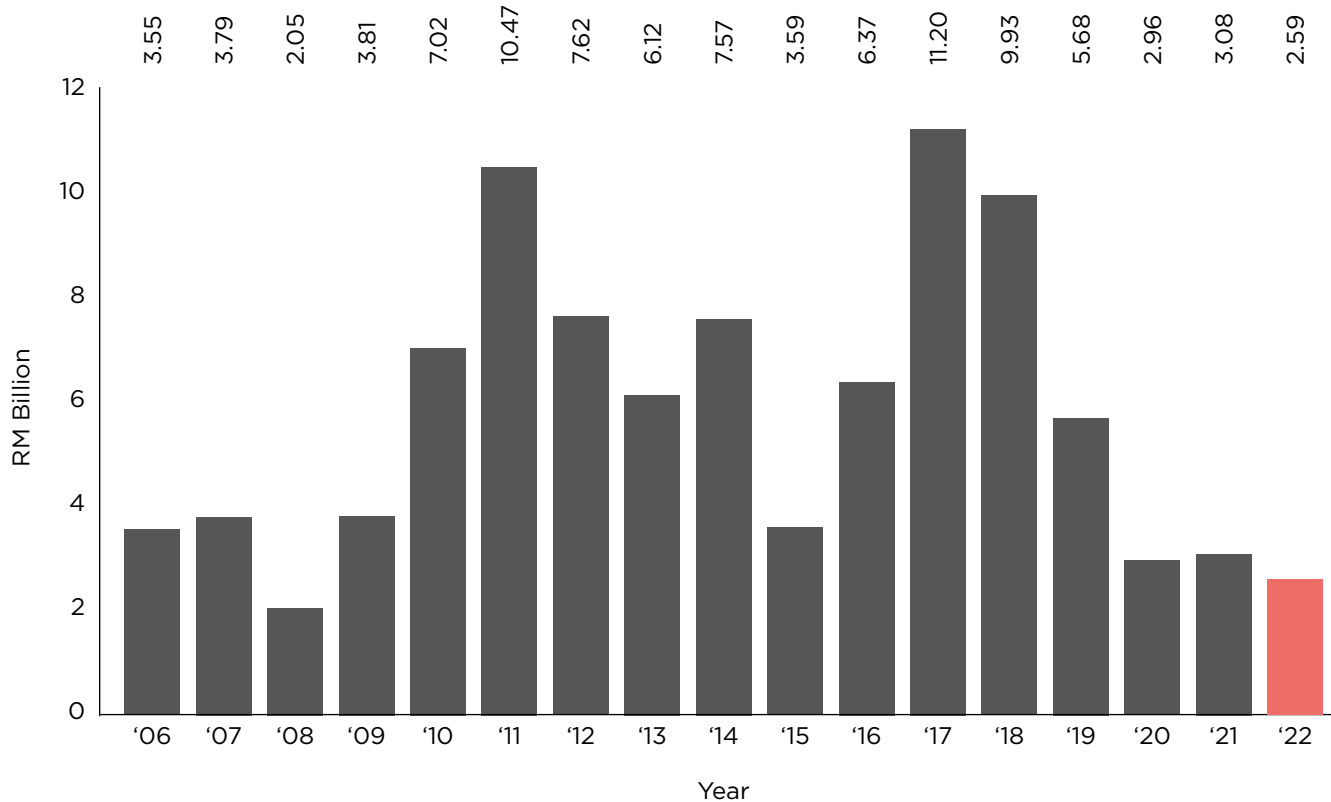
including subsidiaries and associates

2022 Share Performance



Market Capitalisation

(As at 31 December of Respective Years)



Our Investment Case

(GRI 2-6)



We serve the underserved across a broad range of portfolio businesses which leverage off each other including air travel, aircraft MRO, ride-hailing, delivery, fintech, e-commerce, logistics, edutech and others.



AVIATION GROUP



- Our four airlines spanning across Malaysia, Thailand, Indonesia, and the Philippines making air travel accessible to the masses through our well-known slogan 'Now Everyone Can Fly.'
- Transforming its mainly Airbus A320 aircraft fleet to the higher-capacity, more fuel-efficient A321neo commencing 2024.
- Extensive network of over 106 destinations across the region.
- Recognised as World's Best Low Cost Airline by Skytrax 13 years in a row.



LOGISTICS



- Fast growing Asean air logistics venture of Capital A, with the largest cargo network in Asean.
- This comes from a combination of Teleport's freighter capacity and its exclusive access to AirAsia's passenger flight cargo belly space, with extended connectivity into APAC.
- Optimises air logistics to help freight forwarders, eCommerce marketplaces, third-party logistics players and consumers save time, money and effort.
- Aims to move things across Asean better and faster than any other provider.



AVIATION SERVICES



- Over 20 years of engineering experience servicing the world's best low-cost carrier at the best value with highest quality & safety standards.
- Operations are driven by big data and leverage digital technologies to reduce silos, enhancing the customer experience.
- Proven track record of managing low operational costs while providing the best customer experience and value for money, prioritizing aircraft safety and quality.
- Strong presence in Asean, leveraging AirAsia's vast coverage of line maintenance infrastructure in Southeast Asia.
- A one-stop centre offering a broad range of services, including line and base maintenance, components and tools, technical support, and digital solutions



- Offers comprehensive coverage of ground handling services.
- Embraces digitisation to enhance air cargo movements, communication exchanges and logistics processes.
- Expanding its range of services and capabilities to support the Group's ecosystem by working with AirAsia affiliate airlines.
- Growing its third-party airline customer base.



- Leveraging over 21 years of low-cost airline (LCC) expertise to offer tailored consulting services for global LCC airlines and investors, covering everything from start-up to managed services, including business plan development, fleet evaluation, network expansion, fuel saving initiatives, crew planning, regulatory support, and implementation of LCC best practices.
- Appointed by investors of Fly Dhaka, a low-cost carrier start up in Bangladesh, to provide end-to-end airline consulting services to launch the airline.
- Spearheaded key activities, including feasibility study and business plan creation, financial projection and capital requirement analysis, airport evaluation, and joint venture contract finalisation with shareholders, resulting in the successful launch of AirAsia Cambodia, AirAsia's fifth airline unit in Asean.



- Offering Asean's culinary secrets to the world, having served more than 579 million guests from various countries.
- Now serving food both in the air and on the ground via nine Santan restaurants and cafes.
- Provides a launchpad for young entrepreneurs to start their careers in the Food & Beverages industry through a unique franchise model.



DIGITAL

airasia

Super App

- One of the fastest growing travel and lifestyle super apps in Asean leveraging the Capital A ecosystem with over 11 different products and services supporting each other
- The only super app to be linked to the world's best low-cost airline with the most extensive network in Asean
- Strong travel vertical which not only offers flights on AirAsia, but also some 700 third-party airlines
- With an increasing range of hotels in its inventory, airasia Super App is a formidable online travel agent (OTA)



FINANCIAL SERVICES

bigpay

- Champions financial well-being and literacy by providing accessible, transparent, affordable, simple and secure digital financial services for the unserved and underserved in Southeast Asia
- Offers a full suite of financial products and services for over 1.3m carded and transacting users, including e-money accounts with a Visa debit card for domestic and international spend, international bank transfer, first-of-its-kind fully digital personal loan product, savings, spending analytics, and more



VENTURES

airasia

academy

- Digital learning platform making edutech affordable, accessible and inclusive for everyone, including AirAsia Allstars, B40s and SMEs
- Mission to train the Asean workforce to be workforce ready for the digital future
- Delivers affordable, quality education for everyone, providing job-ready skills via hundreds of high quality courses, specially curated by industry experts
- Reskilling and upskilling gig economy workers with new tech talents such as coding and digital marketing to reinvent their careers

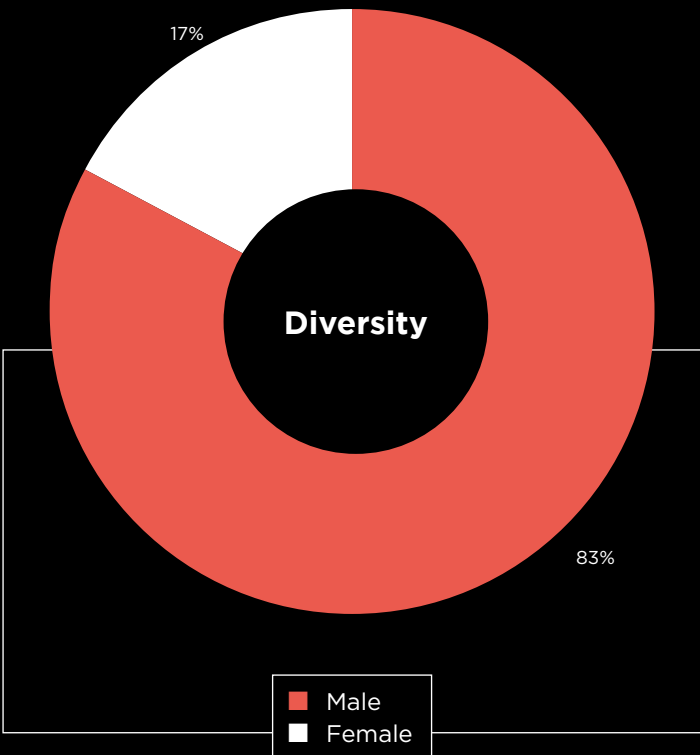
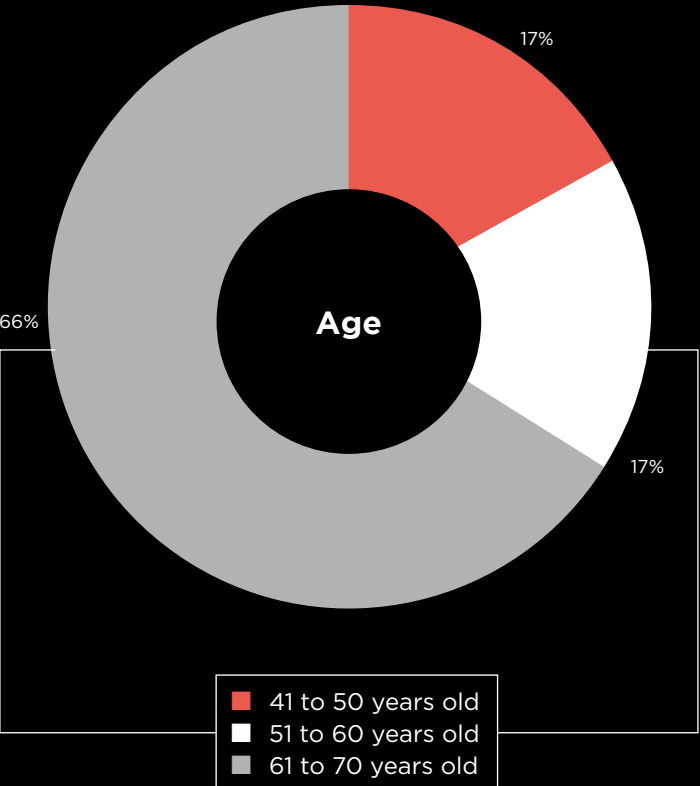
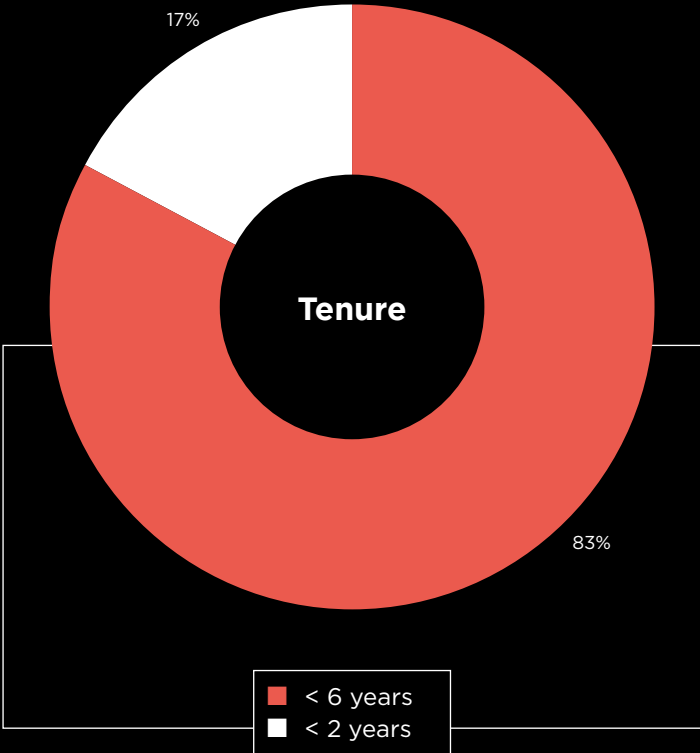
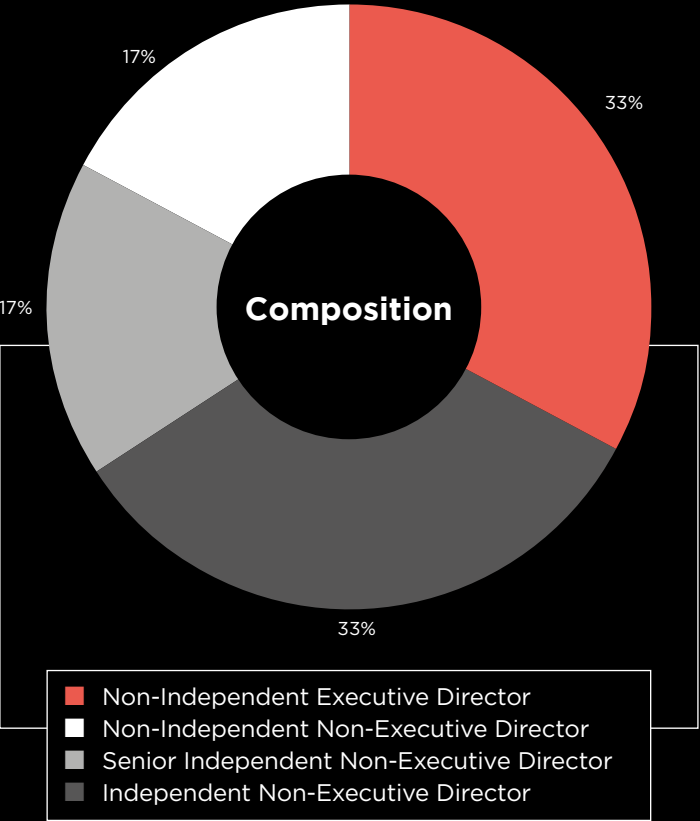


- Supports Muslim communities around the world by providing unparalleled access to faith-based lifestyle products and services
- Serves the Muslim community with more value and affordable choice in line with their religious needs
- Building communities and giving back to the community through Sadaqah service platform
- Supporting over 32,000 deserving families through 70 active donation campaigns that raised RM2.42 million

a grocer

- Enables farmers, producers & importers to enjoy better margins by cutting out middlemen, matching businesses directly with consumers
- Provides farmers with stronger distribution channels and effective logistics solutions leveraging Capital A's vast land and air connectivity

Board At A Glance



Directors' Profiles

(GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-17)



DATUK KAMARUDIN BIN MERANUN

61, Male, Malaysian
Non-Independent Executive Chairman

Date of Appointment:

30 March 2018

Membership of Board Committees:

None

Qualifications:

- Diploma in Actuarial Science, University Technology MARA (UiTM), Malaysia
- BSc majoring in Finance with Distinction (Magna Cum Laude), Central Michigan University, US
- Master of Business Administration (MBA), Central Michigan University, US

Experience and Achievements:

- Non-Independent Executive Chairman of AirAsia Berhad (AAB), taking the lead in engaging with the government, aviation regulators and airport authorities of Malaysia
- In December 2001, together with Tan Sri Tony Fernandes, Dato' Pahamin Ab Rajab and Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar, acquired struggling domestic airline AirAsia and, with the help of Conor McCarthy, relaunched it as a pioneer of budget travel in Asia, building AirAsia into the world's best low-cost carrier
- Appointed Executive Director of Intrinsic Capital Management Sdn. Bhd. in 1994 and subsequently acquired shares of the joint venture partner thereof
- Worked at Arab-Malaysian Merchant Bank from 1988 to 1993 as a Portfolio Manager, managing institutional and high net-worth individual clients' investment funds

Other Current Board Positions:

- Non-Independent Non-Executive Director of AirAsia X Berhad
- Director of the Red Giants Football Club

Awards:

- Darjah Panglima Jasa Negara (PJN) carrying the title Datuk from the Malaysian King, November 2013



TAN SRI ANTHONY FRANCIS FERNANDES

59, Male, Malaysian
Non-Independent Executive Director and Chief Executive Officer

Date of Appointment:

30 March 2018

Membership of Board Committees:

None

Qualifications:

- Fellow Member, Association of Chartered Certified Accountants (ACCA)
- Member, Institute of Chartered Accountants in England and Wales (ICAEW)

Experience and Achievements:

- One of Asia's most recognisable entrepreneurs, best known for co-founding low-cost carrier AirAsia and democratising air travel in the region
- In December 2001, together with Datuk Kamarudin Meranun, Dato' Pahamin Ab Rajab and Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar, acquired struggling domestic airline, AirAsia, and with the help of Conor McCarthy, relaunched it as a pioneer of budget travel in Asia, building AirAsia into the world's best low-cost carrier
- Began his career in Virgin Group before returning to Malaysia as Warner Music Group's Vice President for Southeast Asia. Subsequently ventured into the airline business

Other Current Board Positions:

None

Awards:

- Commander of the Order of the British Empire, conferred by Her Majesty Queen Elizabeth II in 2011
- Commander of the Legion d'Honneur, awarded by the French Government for outstanding contributions to the economy of France through the aviation industry
- Panglima Setia Mahkota (PSM), conferred by Yang Di Pertuan Agong Tuanku Mizan Zainal Abidin, carrying the title Tan Sri

Directors' Profiles (cont'd)



DATO' ABDEL AZIZ @ ABDUL AZIZ BIN ABU BAKAR

69, Male, Malaysian
Non-Independent Non-Executive Director

Date of Appointment:

30 March 2018

Membership of Board Committees:

Audit Committee
Nomination and Remuneration Committee
Risk Management and Sustainability Committee
(*Chairman*)

Qualifications:

- Diploma in Agriculture, Universiti Pertanian Malaysia
- BSc in Agriculture Business, Louisiana State University, US
- Master of Business Administration (MBA), University of Dallas, US

Experience and Achievements:

- In December 2001, together with Datuk Kamarudin Meranun, Tan Sri Tony Fernandes and Dato' Pahamin Ab Rajab, acquired struggling domestic airline, AirAsia, and with the help of Conor McCarthy, relaunched it as a pioneer of budget travel in Asia, building AirAsia into the world's best low-cost carrier
- Served as Chairman of Performance and Artistes Rights Malaysia Sdn. Bhd. (PRISM) and the Academy of Malaysian Music Industry Association (PAIMM) for more than 10 years
- Joined BMG Music and was General Manager from 1989 to 1997, and Managing Director from 1997 to 1999
- Executive Director of Showmasters (M) Sdn. Bhd. from 1981 to 1983

Other Current Board Positions:

- Director of Yayasan Astro Kasih
- Independent Non-Executive Chairman of Pegasus Heights Berhad, and member of its Audit, Nomination and Remuneration Committee



DATO' FAM LEE EE

61, Male, Malaysian
Senior Independent Non-Executive Director

Date of Appointment:

30 March 2018

Membership of Board Committees:

Audit Committee
Nomination and Remuneration Committee (*Chairman*)
Risk Management and Sustainability Committee
(*resigned effective 28 February 2022*)
Safety Review Board (*Chairman*)

Qualifications:

- BA (Hons), University of Malaya
- LLB (Hons), University of Liverpool, England

Experience and Achievements:

- Practising law since 1991 upon obtaining his Certificate of Legal Practice in 1990
- Currently a Senior Partner at Messrs Gan & Zui
- Member of the Board of Trustees of Yayasan PEJATI from 1996 to 2007
- Legal advisor to the Chinese Guilds and Association and charitable organisations such as Yayasan SSL Haemodialysis Centre in PJ since 2001
- Honorary Advisor of the Perlis Chinese Chamber of Commerce and Industry

Other Current Board Positions:

- Non-Independent Non-Executive Director of AirAsia X Berhad
- Director of the Malaysia-China Business Council



DATO' MOHAMED KHADAR BIN MERICAN

66, Male, Malaysian
Independent Non-Executive Director

Date of Appointment:

30 March 2018

Membership of Board Committees:

Audit Committee (*Chairman*)
Risk Management and Sustainability Committee
Safety Review Board

Qualifications:

- Fellow, Institute of Chartered Accountants in England and Wales (ICAEW)
- Chartered Accountant, Malaysian Institute of Accountants (MIA)

Experience and Achievements:

- Held various senior management positions in the then Pernas International Holdings Berhad, a company listed on Bursa Malaysia, between 1988 and April 2003, including those of President and Chief Operating Officer
- Auditor and consultant in an international accounting firm, before joining a financial services group in 1986

Other Current Board Positions:

- Independent Non-Executive Chairman of BNP Paribas Malaysia Berhad
- Director of Iris Corporation Berhad and Rashid Hussain Berhad (In Members' Voluntary Liquidation)
- Independent Non-Executive Chairman of Tune Protect Group Berhad, a company listed on Bursa Malaysia
- Director of Asia Aviation Public Company Limited, a company listed on the Stock Exchange of Thailand

Awards:

- Named "Chairman of The Year" by the Minority Shareholders Watch Group at its Asean Corporate Governance Index Awards 2013, in his capacity as the Chairman of RHB Capital



SURINA BINTI SHUKRI

47, Female, Malaysian
Independent Non-Executive Director

Date of Appointment:

31 January 2022

Membership of Board Committees:

Nomination and Remuneration Committee
Risk Management and Sustainability Committee
(*appointed effective 28 February 2022*)

Qualifications:

- Bachelor of Science in Economics, The Wharton School & Bachelor of Applied Sciences in Systems Engineering, School of Engineering and Applied Sciences
– Management & Technology dual degree, University of Pennsylvania, US

Experience and Achievements:

- Spent the bulk of her career in New York City, US, before returning to Malaysia in 2019
- Chief Executive Officer of Malaysia Digital Economy Corporation (MDEC), the lead government agency for digital economy development in Malaysia, where she played a central role in developing programmes to nurture Malaysia's digital ecosystem and advised the government on digital economic policy and economic recovery plans
- Globally recognised and respected thought leader in digital transformation, innovation and diversity; and a fierce advocate of women empowerment

Other Current Board Positions:

- Independent Non-Executive Director of CIMB Investment Bank Berhad
- Director of Accelerate Global, a social enterprise aimed at tackling youth unemployment worldwide

Awards:

- Named among the World's 50 Most Influential People Revolutionising Governance in Agile 50 by Apolitical and World Economic Forum's Global Future Council on Agile Governance

Our Senior Management Team

TAN SRI TONY FERNANDES

Non-Independent Executive Director and Chief Executive Officer, Capital A
Nationality: Malaysian

Tan Sri Tony Fernandes also sits on the Board of Capital A Berhad. For more information on his profile, please refer to page 33.

BO LINGAM

President (Aviation), Capital A and Group Chief Executive Officer of AirAsia Aviation Group Limited
Nationality: Malaysian

Tharumalingam Kanagalingam, better known as Bo Lingam, 58, joined Capital A in 2001 as a Ground Operations Manager, responsible for the implementation of the low-cost concept in operations and procurement. Since then, he has held several key senior management positions including Purchasing and Supplies Senior Manager, Regional Guest Services Director, and President & Group Chief Operating Officer, where he supervised AirAsia's operations in Malaysia, Thailand, Indonesia and the Philippines, drove process improvement and set up new airlines in the region for the Group.

Prior to joining Capital A, and upon completing his Sijil Pelajaran Malaysia, he worked extensively in the publication and music industry at various production houses, including as Production Controller at EMI Music Malaysia as well as Operations Manager and Promotions Manager at Warner Music Malaysia.

As Group CEO of AirAsia Aviation Group Limited, Bo leads Capital A's Airline businesses, overseeing the four airlines in the Group (AirAsia Malaysia, AirAsia Philippines, AirAsia Thailand and AirAsia Indonesia) as well as related shared services divisions including AirAsia Consulting, corporate services division, the Santan food group and the ground handling services joint venture business Ground Team Red.

COLIN CURRIE

President (Commercial), Capital A and Chief Executive Officer of airasia Digital
Nationality: Malaysian

Colin Currie, male, 54, is responsible for the development and implementation of the Group's five-year strategy which will drive and maximise the Group's revenue and profitability across Capital A's broad portfolio of airlines and digital businesses.

He oversees the overall brand and sales performance across the airline and digital businesses and drives supporting functions of Tech, Data and Communications in order to accelerate and solidify Capital A's success as a leading digital tech and lifestyle company in Asean.

Colin was the former Managing Director of Adidas Asia-Pacific and Greater China, covering regions such as South Korea, Japan, Southeast Asia and Pacific. He was responsible for making Adidas one of the hottest consumer brands, as well as Asia-Pacific and Greater China the largest and most profitable region within the group.

Prior to Adidas, Colin worked in the music and entertainment industry as Managing Director of Sony BMG Music Malaysia. Colin was also previously in key senior marketing positions with Citibank, Ansett Australia and Telstra Mobile in Hong Kong and Australia.

Colin received a Bachelor's degree in Hospitality Management from Leeds Metropolitan University and a post-graduate diploma in Marketing from Schiller International University.

AIREEN OMAR

President (Investments & Ventures), Capital A and Chief Executive Officer, RedBeat Capital, airasia academy
Nationality: Malaysian

Aireen Omar, female, 49, is responsible for Capital A's investment and fund raising initiatives including its venture builder arm, RedBeat Capital, which incubates, develops and accelerates leading innovative new businesses and solutions across AirAsia's businesses and markets, while promoting innovation throughout the Group. Aireen is also the Chief Executive Officer of airasia academy, an edutech platform that is currently disrupting the education space in Asean.

Aireen joined Capital A in January 2006 as Director of Corporate Finance. Her portfolio expanded rapidly to include Treasury, Fuel Procurement, Insurance and Investor Relations functions. Taking on these roles, she was instrumental in shaping the development of AirAsia into one of the fastest growing and most highly-acclaimed airlines globally.

In 2012, Aireen was appointed as AirAsia Berhad's Executive Director and Chief Executive Officer. In 2018, Aireen moved up to the Group and was responsible for the digital transformation where she oversaw strategic Group-wide digital initiatives to help transform AirAsia into a global cloud and data-driven platform company. At Airasia Digital, Aireen was also pivotal in incubating and growing the Group's digital and fintech businesses such as airasia Super App, airasia rewards, BigPay and Teleport.

Under her leadership, AirAsia was awarded Digital Transformer of the Year in Malaysia at the IDC Digital Transformation Awards (DXa) 2019.

Aireen is an Economics graduate from the London School of Economics and Political Science and holds a Master's in Economics from New York University.

She is also a Non-Executive Director of Tune Protect Group Berhad.

Our Senior Management Team (cont'd)

PATTRA BOOSARAWONGSE

Chief Financial Officer, Capital A
Nationality: Thai

Pattra Boosarawongse, female, 53, is responsible for Group Finance, Internal Audit, Group Procurement, and Group Tax.

Pattra has over eight years of extensive experience in managing multicultural teams in Capital A, she joined Capital A in March 2014 as the Chief Financial Officer of AirAsia Thailand and Asia Aviation PCL; and was appointed as Capital A Group's Chief Financial Officer on 1 September 2016. She successfully implemented Oracle ERP supports by shared service center to the whole Capital A and aggressively drives wide standardisation of financial policy, management reporting, eSourcing, boosting finance and procurement's role in managing data, data engineering and data visualisation by implementing dashboards to support all finance and procurement functions via technology, AI and robotic process automation (RPA). Pattra supports Capital A's CEO on investment strategies to generate value for the entities under Capital while also leading tax strategy and planning.

In 2019, Pattra was named Asia's Best CFO at the 9th Asian Excellence Recognition Awards.

Pattra is a Certified Public Accountant, having started her career as a senior auditor at Ernst & Young. She then joined Sony Music as its Finance Director and rose to become its General Manager. Pattra graduated from Thammasat University in Thailand with a Master's in Finance and Accounting.

ROZMAN OMAR

Group Head of Corporate Finance and Director of Asia Aviation Capital Limited
Nationality: Malaysian

Rozman Omar, male, 60, serves as a director of Asia Aviation Capital Limited (our captive aircraft leasing subsidiary in Labuan) and AirAsia SEA Limited (our International Business Centre in Thailand) and is currently based in Bangkok. He also sits on the boards of Asia Aviation PCL and Thai AirAsia Limited. In his present role, Rozman oversees the Group treasury, aircraft and corporate finance functions for Capital A Berhad and its companies.

He joined Capital A on a full-time basis in 2004 as the Chief Financial Officer of PT Indonesia AirAsia having prior involvement with the group such as the acquisition of AirAsia by Tune Air Sdn Bhd (2001), the listing of AirAsia Berhad (on the then KLSE, now Bursa Malaysia) in 2004 and the launch of our joint-venture airlines namely, Thai AirAsia Limited and PT Indonesia AirAsia.

Prior to joining Capital A, Rozman gained extensive experience in investment banking since 1984 having past stints with institutions such as Arab-Malaysian Merchant Bank Berhad (now AmInvestment Bank), Bumiputra Merchant Bankers Berhad and Innosabah Corporate Services Sdn Bhd.

Rozman is a Fellow of the Association of Chartered Certified Accountants.

JOANNA IBRAHIM

Chief Corporate Development and Ventures, Capital A
Nationality: Malaysian

Joanna, female, 43, was appointed as Chief Corporate Development and Ventures for Capital A in Jan 2023, she is a seasoned executive with over 15 years of experience in management consulting, aviation, travel, telecommunications, energy and private equity. She previously led airasia grocer as Chief Executive Officer, where she led her team to establish a fresh produce and food grocery supply chain business.

Prior to that, Joanna was instrumental in leading investment and fundraising for the digital ventures in RedBeat Capital, as well as promoting innovation and encouraging collaboration between startups and AirAsia. Joanna joined Capital A in 2010 as Group Head of Strategy, focused on developing and implementing the Group's business plan and turnaround initiatives. She also played a significant role in various joint venture projects and acquisitions at AirAsia, including Big DutyFree (now known as airasia shop), Tune Money (now known as BigPay) and Rokki. Joanna also spearheaded the turnaround effort as Chief Commercial Officer and Chief Financial Officer of AirAsia Indonesia, which ultimately led to the listing of the company in 2017.

She has an undergraduate degree in Electrical and Electronic Engineering from Imperial College, London, and a postgraduate degree in Operational Research from the London School of Economics. Joanna has now taken on a new role as Chief Corporate Development and Ventures for Capital A.

YAP MUN CHING

Chief Sustainability Officer, Capital A and Executive Director of AirAsia Foundation
Nationality: Malaysian

Yap Mun Ching, female, 46, was appointed as Chief Sustainability Officer for Capital A in May 2022. She also serves as the Executive Director of AirAsia Foundation, the philanthropic arm of Capital A, effectively juggling two important roles within the organisation. She started her career in aviation as AirAsia's route planner before becoming the Head of Strategic Planning, overseeing AirAsia's fleet planning, route planning, route development and scheduling portfolios. She helped grow AirAsia's network into one that spanned the region, and played a part in the liberalisation of the Malaysian domestic aviation sector and in AirAsia's exciting expansion into China. As head of AirAsia Foundation, she developed an extensive programme to support social entrepreneurship growth in Asean and raised over USD4 million to fund innovative post-disaster resilience projects.

In her role as Chief Sustainability Officer (commencing 6 May 2022), Mun Ching aims to put in place a framework for AirAsia to achieve its net-zero target well ahead of international timelines while ensuring that the airline's carbon offset contributions go towards supporting environmental programs that protect Asean biodiversity. She is also committed to increasing the number of women in aviation and advancing policies that support their recruitment and retention. Mun Ching currently serves as the Chairperson of Malaysia's National Task Force on CORSIA, where she is tasked to lead industry stakeholders in strengthening the country's commitments to global aviation carbon reduction and offsetting.

In her previous roles, Mun Ching was a journalist at Malaysiakini and Special Officer to the Malaysian Minister of International Trade and Industry. Mun Ching holds a Master of Science (MSc) in International Relations from The London School of Economics and Political Science (LSE), which she completed with Distinction in 2009 as a recipient of the UK Chevening Scholarship. Prior to that, Mun Ching was a Wolfson Press Fellow at the University of Cambridge in 2004. She earned her Bachelor of Science (BSc) degree in Economics with First Class Honours from the London School of Economics and Political Science (LSE) in 1999.

Our Senior Management Team (cont'd)

HARRY JAILA

Head, Group Company Secretary and Managing Counsel,
Capital A
Nationality: Malaysian

Harminster Singh A/L Jaila Singh, or fondly known as Harry Jaila, male, 59, was appointed as the Group Company Secretary of Capital A in October 2020. Harry is responsible for providing counsel and advice on Board duties and responsibilities to ensure that Capital A complies with relevant laws and regulatory requirements. He also liaises between the Board and its key stakeholders both in Malaysia and in the Group's regional operations, ensuring that a corporate governance framework is deployed in a manner that supports the Group's vision and aspirations.

He began his career as an advocate and solicitor at several legal firms from 1989 to 2000. Subsequently, he served in various in-house roles, including as Legal Manager at DiGi Telecommunications Sdn Bhd, Head of Legal (Senior Legal Advisor) at Gleneagles Hospital (Kuala Lumpur) Sdn Bhd, Kuala Lumpur, Assistant Director, Legal Services and Agreements Division, ASEAN Secretariat in Jakarta, Indonesia, and Head of Legal (Senior Legal Counsel) and Company Secretary with Prince Court Medical Centre Sdn Bhd.

Apart from his legal experience, Harry is also an Adjunct Professor of Medical Jurisprudence with the Faculty of Medicine, MAHSA University, Malaysia. He holds memberships with the Honourable Society of Lincoln's Inn, London, the Malaysian Bar from 1989 to 2000, and Institute of Corporate Directors Malaysia (ICDM). Harry graduated with a Bachelor of Laws (LLB Hons.) from the University of Wolverhampton, United Kingdom in July 1987. He was called to the English Bar in July 1988 as a Barrister of Lincoln's Inn, London and was also called to the Malaysian Bar in May 1989 as an Advocate and Solicitor of the High Court of Malaya. He later earned an MBA from the International Islamic University of Malaysia (IIUM) in 2001.

MARYANNA MINJUNG KIM

Head, Corporate Communications & Consumer Affairs,
Capital A
Nationality: Korean

Maryanna Minjung Kim, female, 43, is responsible for developing and implementing the communications strategy for all businesses under Capital A to promote the Group's identity and mission. She leads the profiling of CEOs and other top executives for strategic positioning of corporate brands in key media outlets and industry conferences. She also oversees internal communications to ensure Allstars are well informed of corporate news and announcements. As head of consumer affairs, Maryanna is also responsible for monitoring and managing the issues that might hurt the brand and reporting potential threats to top management to craft messaging to mitigate risk. She and her team manage social media platforms to monitor and gauge the conversations around the brand.

Prior to joining the Group, Maryanna was a journalist for over 15 years at Korea's Arirang TV, covering international news and high-profile interviews. Maryanna holds a Bachelor's Degree and Masters Certificate from Korea University, specialising in Korean Language and Education Administration respectively.

INTAN SHAHIRA MOHD SHAHRU

Head, People, Capital A
Nationality: Malaysian

Intan Shahira, female, 41, is responsible for Human Capital in Capital A.

Intan joined AirAsia in August 2018 as Group Head, Talent & Rewards. She has assumed many roles over the past five years focusing on building the Human Resource architecture and framework, continuously working with the leadership team on the organisational design and change management through people and technology and transforming HR to be more automated and digital.

Prior to joining Airasia, Intan was a Human Resource Director at the Central Bank of Malaysia for six years and prior to that she was a Management Consultant with a global management consultancy firm, KornFerry International for nine years focusing on the Financial Services Sector. Intan holds a Bachelor of Commerce with a double major in Law & Management from the University of Wollongong, Australia.

ATTILA EMAM

Head, Culture, Capital A
Nationality: Malaysian

Attila Emam, male, 54, is responsible for ensuring that Capital A's goals and the day-to-day business practices of its portfolio of companies are consistent with its stated purpose, vision and values. A significant part of his role involves driving continuous improvement of the employee experience with the aim of creating a workplace where Allstars can grow themselves, understand how they contribute to the organisation's strategic goals and enjoy collaborating with each other.

Attila joined Capital A in 2013 to set up the Group enterprise risk management function and manage Asean affairs. Before Capital A, he was Head of Risk and Strategy for the capital markets regulator working on, among other things, international regulatory standards and systemic risk assessment. He began his career as an economist with the Central Bank of Malaysia, and read economics at the London School of Economics and Political Science, and at Birkbeck College London, as a Chevening Scholar.

Our CEOs

BO LINGAM

President (Aviation), Capital A and Group Chief Executive Officer of AirAsia Aviation Group Limited
Nationality: Malaysian

Bo Lingam is part of Capital A's Senior Management. For more information on his profile, please refer to page 36.

MAHESH KUMAR

CEO, Asia Digital Engineering
Nationality: Malaysian

Mahesh Kumar, male, 38, was appointed as Chief Executive Officer of Asia Digital Engineering in September 2020. In this role, he leads the transformation of Capital A's Engineering department into a comprehensive Maintenance, Repair and Overhaul (MRO) service provider driven by data and technology serving AirAsia and third-party commercial airlines in the region.

Prior to this appointment, Mahesh was the Head of Fleet & Technical Asset Management at AirAsia. During that time, AirAsia sealed two major aircraft portfolio deals with BBAM and Castlelake LP for a combined value of USD3.6 billion which won the 2018 Air Finance Journal Award and 2019 APAC Airline Economics Award. In 2015, he was appointed as a pioneering Senior Vice President, Technical of the newly set up Asia Aviation Capital Limited, the aircraft leasing arm of AirAsia.

Mahesh joined AirAsia's Engineering department in 2009 and since then has been involved in various engineering projects including defining and selection of aircraft and engine type, setting up AirAsia India Engineering and transforming Zest Airways into AirAsia Philippines.

Mahesh holds a Bachelor's in Aeronautical Engineering.

MOHAMAD 'MO' HAFIDZ

Acting Chief Executive Officer, airasia Super App
Nationality: Malaysian

Mohamad Hafidz, fondly known as 'Mo', male, 53, was appointed as the Acting Chief Executive Officer (CEO) of airasia Super App effective 1 April 2023.

He was previously the Chief Fintech Officer where he led the travel super app's FinTech transformation. As the CEO, he will continue to drive the company's fintech vision across enterprise payments, financial services and wealth that will further help to boost the Super App users' choices and bring more revenue to the business.

Mo has over 30 years of experience in the payments industry. He started at Citi and later joined VISA as their Asia Pacific Head of E-commerce. He advised regulators in China, India, Japan, and Asean on authentication technologies, and launched Indonesia's first in-cloud issuer authentication platform. He was responsible for the redesign and implementation of MasterCard's domestic processing network in Tokyo and helped The Reserve Bank of India develop a low-cost acceptance solution during the India Demonetization. He jointly patented an IoT payments solution and was responsible for the adoption of MasterCard's Tap2Phone and Global Network Installments solutions.

He pursued his studies at the Royal Melbourne Institute of Technology in Australia and graduated with a Bachelor of Business in Economics and Finance and also holds a Masters of Finance.

PETE CHAREONWONGSAK

Chief Executive Officer, Teleport
Nationality: Thai

Pete Chareonwongsak, male, 35, is Chief Executive Officer of Teleport, the Asean air logistics provider, on a mission to move things across Southeast Asia better than anyone else.

Pete began his career in the Group as AirAsia's Group Head of Business Development, where he led the establishment of airlines in India and Japan, various joint venture efforts as well as mergers & acquisitions covering Indonesia, Japan, South Korea and India markets. In 2016, he was appointed AirAsia's Regional Chief Operating Officer, where he successfully turned around AirAsia Philippines. He was subsequently appointed Chief Executive Officer of Teleport in 2018.

He previously served in CIMB Investment Banking, and was the official advisor to the Thailand Trade Representative Office, tasked with promoting inbound and outbound international trade and investment.

Pete holds the Bachelor's and Master's Degrees in Chemical Engineering from University of Cambridge, where he was a Cambridge Overseas Trust Scholar. He also holds a Master's (ALM) in Finance from Harvard University. He is one of the 40 under 40 Honoree from ZICO ASEAN, recognising outstanding individuals driving positive change and creating impact in this region. He is currently a Board member of Teleport, Freightchain Technologies and EasyParcel.

ZUBIN RADA KRISHNAN

Chief Executive Officer, BigPay
Nationality: Malaysian

Zubin Rada Krishnan, male, 39, was appointed as Chief Executive Officer of BigPay in April 2023, focused on giving Southeast Asians the financial services they need to level up their lives, one transaction at a time.

Zubin joined BigPay in 2022 as Country Head of Malaysia and to lead International Expansion, driving growth initiatives in Malaysia and Southeast Asian market entry, especially Thailand.

Zubin spent most of his last 20 years across banking and financial services. Prior to BigPay, he was a partner at the Boston Consulting Group. At BCG, Zubin led the design and execution of digital strategy, launched new digital products, and ran digital transformation and large-scale change efforts. He supported banks, fintechs and investors mainly in Singapore, Indonesia, Vietnam and Malaysia.

Before BCG, Zubin co-founded Tuas Capital Partners, a private equity house catalysing nascent businesses across Malaysia. He also spent time in Hong Leong Bank, where he executed the strategic agenda - including setting up and winning the licence for the Vietnamese bank; and aiding Malaysia's last major retail bank merger. Zubin started his career in KPMG Business Advisory, advising players in emerging & frontier markets on financial risk and strategy.

Zubin holds a Bachelor of Arts in Philosophy, Politics and Economics from the University of Oxford.

AIREEN OMAR

President (Investment & Ventures), Capital A and Chief Executive Officer, RedBeat Capital
Nationality: Malaysian

Aireen is part of Capital A's Senior Management. For more information on her profile, please refer to page 37.

Strategic Review

Our Business Model



HOW WE CREATE VALUE

We create value by leveraging our key resources, or capitals – financial, manufactured, intellectual, human, social and relationship and natural – in supporting our key Airlines, Aviation Services, Digital, Logistics and Ventures businesses. Our objective is to democratise services by making them affordable and accessible to everyone. This is premised on reducing our costs so as to pass on the benefits to our customers.

ACTIVITIES THAT CREATE

OUTPUT

AVIATION

- Flew a total of **34,197,289*** pax in 2022
- Achieved capacity of **40,833,504*** in 2022, **47%** of pre-Covid level
- Resumption of **98*** routes across Asean

AVIATION SERVICES

- Completed base maintenance checks for **49** aircraft from **3** airlines
- Launched AEROTRADE, a marketplace for airline parts and achieved revenue of **RM7.3 million** from the sale of more than **33,000** items
- Handled total of **39,762,726** bags and **53,236 tonnes** of cargo
- Prepared a total of **5,490,012*** inflight meals; and achieved **RM4.6 million** in sales from restaurants

DIGITAL

- Sold over **1 million** non-AirAsia flights on our OTA platform, and expanded global hotel inventory to **900,000**
- Completed over **2 million** e-hailing rides
- Launched airasia transport, holidays and travelmall
- airasia Super App attracted **34.4 million** average monthly user traffic
- BigPay achieved **1.3 million** carded users; and **RM2.8 million** loans disbursed to users

LOGISTICS

- Teleported **7.97 million** parcels; and moved **105,572 tonnes** of cargo

VENTURES

- airasia academy trained a total of **3,648** individuals under instructor-led training (ILT) programmes; and attracted more than **460,000** course sign-ups
- Re-launched Umrah travel packages in October, and flew **520** guests
- Collected **RM8.8 million** under IKHLAS Sadaqah

VALUE FOR OUR STAKEHOLDERS

OUTCOMES

ECONOMIC

- Achieved **RM6.4 billion** in revenue which was distributed through:
 - **RM0.5 million** in taxes
 - **RM1.2 billion** in salaries
- Flight capacity at **47%*** of FY2019 level
- Load factor of **84%***
- airasia Super App monthly active users (MAU) **12.04 million** in December 2022
- Teleport delivered **7.9 million** e-commerce orders
- BigPay carded users **1.3 million**

ENVIRONMENTAL

- Total GHG emissions (Scopes 1, 2 and 3): **2,329,332.48 tCO₂e**
- Carbon intensity ratio: **70.5 gCO₂/ASK** and **85.4 gCO₂/RPK** (2021: 68.1 gCO₂/ASK, 94gCO₂/RPK)
- Non-renewable electricity purchased: **6,122 MWh** (2021: 4,711 MWh)
- Scheduled waste generated: **124.4 tonnes** solid waste and **5,427.7 litres** liquid waste (2021: 17.5 tonnes and 42,746 litres)
- Recycled **4,160kg** of office waste (2021: 2,287kg)
- Water consumption: **75,974m³** (2021: 38,943m³)

SOCIAL

- **4,479*** Allstars brought out of furlough
- Diversified women in leadership at Board level through the appointment of Surina Shukri (**17%** women representation at Board level)
- Female pilots: **6.6%** (above global average: 5.8%)
- Participated in the Bloomberg Gender-Equality Index for the first time and achieved a score of **64.65** (above minimum threshold)
- Employee attrition rate of **12.2%** (2021: 15.4%)
- More than **RM113.9 million** invested in Allstars' training and development
- Improved the gender pay gap analysis
- Zero fatalities
- Received a Safety Rating of **7/7** and Covid-19 Star Rating Breakdown of **7/7** from Airline Ratings
- More than **RM30,700** disbursed to support the growth and expansion of social enterprises in Asean through AirAsia Foundation
- **628** Allstar volunteering hours
- More than **RM532,000** financial contributions for community investment

GOVERNANCE

- Zero cases of bribery and corruption
- **100%** of new joiners completed anti-bribery and anti-corruption training
- **4,437** Allstars participated in the anti-harassment course
- **11,754** hours of information security training
- More than **RM694.3 million** total expenditure on local suppliers
- Published the Sustainability Policy
- Official supporter of the Task Force on Climate-related Financial Disclosures (TCFD)

*These figures refer to the Consolidated Group, ie AirAsia Malaysia, AirAsia Indonesia, AirAsia Philippines and other subsidiaries. We have been presenting consolidated financial reporting for Capital A in accordance with MFRS 10 since 1 January 2017

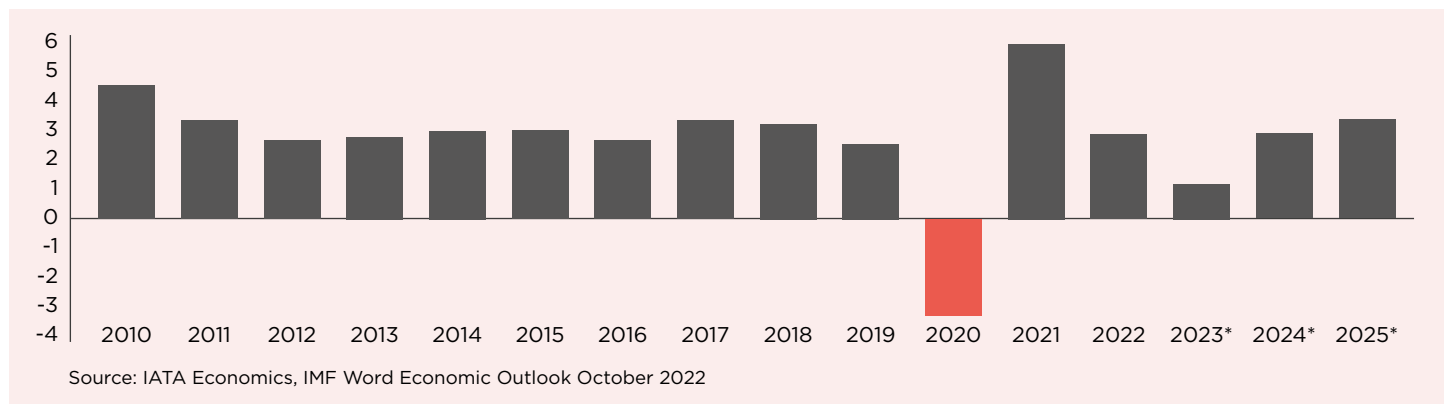
Strategic Review (cont'd)

Our Operating Environment

Our operations and performance are influenced and impacted by various external factors, most pertinently economic growth, regulatory requirements, stakeholder expectations and consumer behaviours. We monitor these macro and microeconomic trends to identify both risks and opportunities which influence our overall business direction and strategies.

STRONG ECONOMIC GROWTH IN ASEAN

Chart 1: Global GDP growth, year-on-year %



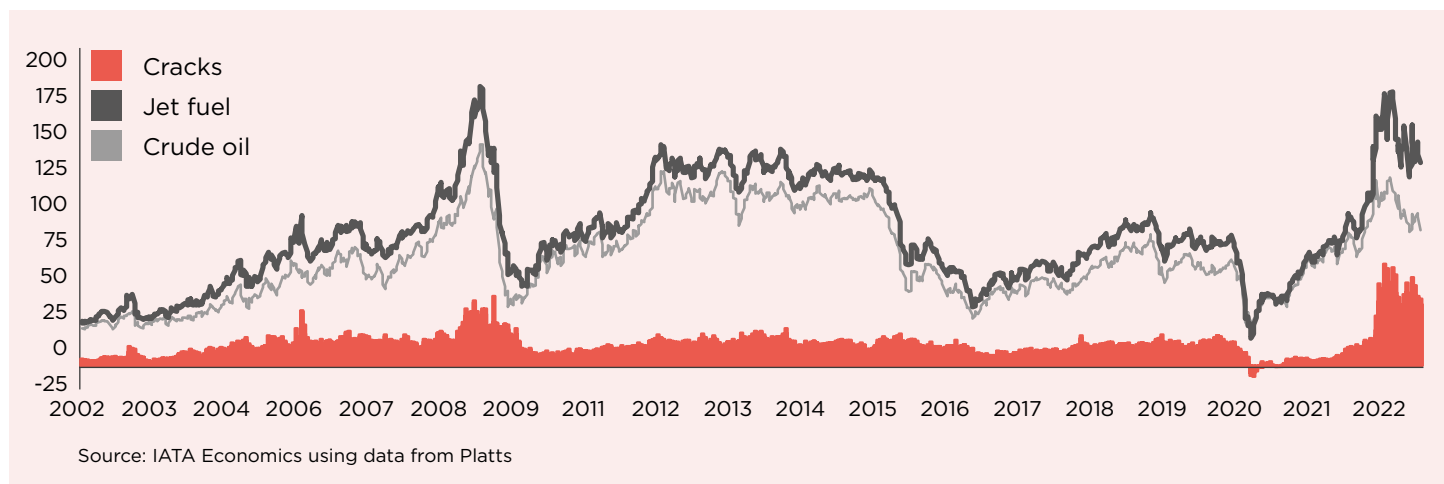
Note: * Forecast number

Global economic growth slowed down to 3.2% in 2022 following a sharp uptick to 6% in 2021 due to various headwinds including recurrent lockdowns in China, Russia's invasion of Ukraine, and widespread inflation. Conversely, Asia as a whole has enjoyed strong growth from a later start in easing pandemic conditions and containment measures, with the economy predicted to expand by 4.2% in 2022, increasing to 4.6% in 2023. Buoyed by robust consumption and tourism recovery, growth in Asean specifically has been forecast at 5.5% for 2022, moderating to 4.7% in 2023.

INCREASING JET FUEL PRICE

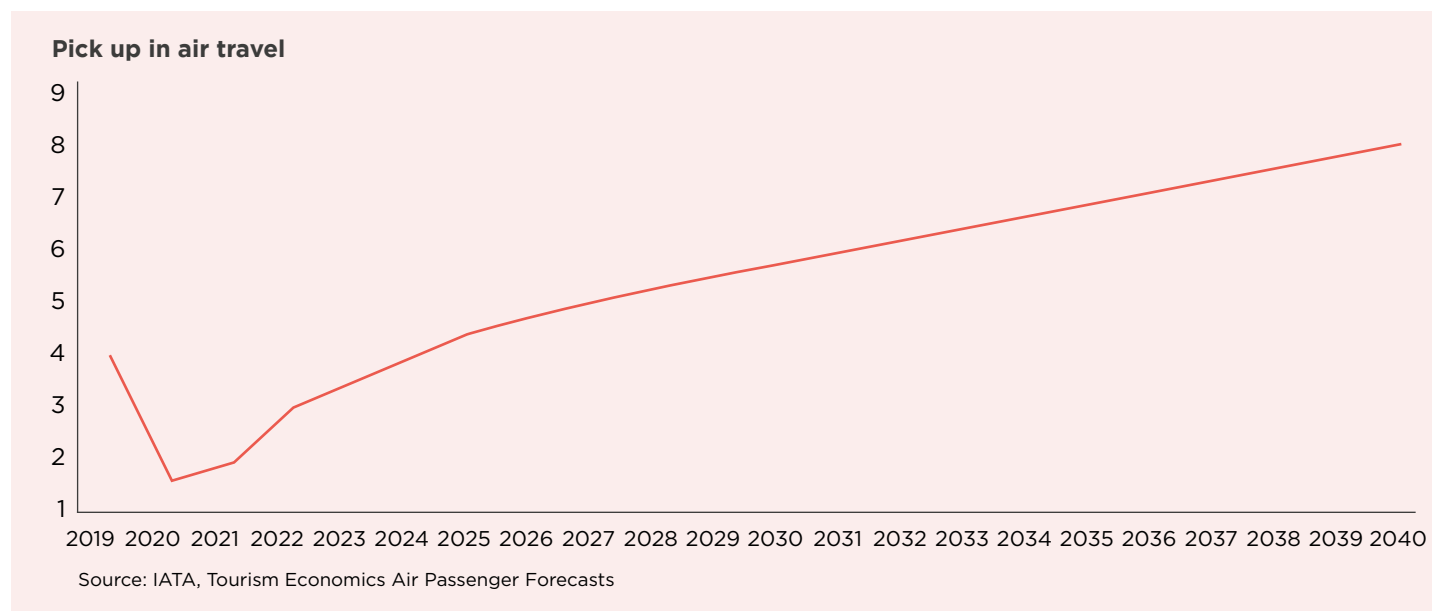
The year 2022 was marked by volatile oil prices, which increased sharply after Russia's invasion of Ukraine which sparked fears concerning stability of its production, subsequently decreasing in the second half of the year as economic contraction curbed demand. For the year as a whole, the Brent price averaged USD101.3 per barrel, the highest in three years and a 42.7% increase from the average of USD71 per barrel in 2021. Aviation fuel prices mirrored this trend, increasing in the first half of the year then decreasing in the second half, averaging at USD138.8 per barrel. The price of jet fuel has been higher than that of crude because of insufficient refining capacity. Net global refining capacity fell for the first time in 2021, but is expected to increase in 2022 and 2023.¹

Chart 2: Brent and jet fuel price, USD per barrel, and the crack spread²



In 2023, oil prices are expected to stabilise, with Brent crude averaging USD92.3 per barrel and jet kerosene averaging USD111.9 per barrel. The premium charged for jet fuel (crack spread) is predicted to remain at near historical highs.³

Chart 3: Global air passengers, past and forecast, billions



The global aviation industry has been recovering since 2021; however recovery in Asia lagged behind some other regions due to a later dismantling of restrictions commencing in 2022, with China maintaining strict Covid-19 policies until early January 2023. Consequently, in 2022, Asia-Pacific saw one of the fastest global recovery rates year on year. In October 2022, airlines in the region carried 440% more passengers than they did in October 2021 with capacity rising 166% and the load factor inching up 39.5 percentage points to 77.7%. IATA expects passenger traffic in the region to recover to about 73% of 2019 levels by end 2022. Although China's reopening will spur further growth of travel in the region in 2023, IATA expects the year to end with total capacity in Asia-Pacific still 25% lower than its pre-pandemic level.⁴

Globally, the air transport industry is expected to post a loss of nearly USD7 billion in 2022 and deliver a profit of USD4.7 billion in 2023. This is significant considering the industry's loss of USD138 billion in 2020.⁵

Sources: ¹ IATA's Global Outlook for Air Transport, December 2022

² The difference between the price of crude oil and the prices of refined products — gasoline and distillates (diesel and jet fuel), is referred to as a crack spread. It is referenced as a crack spread due to the refining process that "cracks" crude oil into its major refined products.

³ www.iata.org/en/pressroom/2022-releases/2022-12-06-01/

⁴ www.flightglobal.com/airlines/how-far-through-recovery-are-asia-pacific-airlines/151405.article

⁵ IATA's Global Outlook for Air Transport, December 2022

Strategic Review (cont'd)

Our Operating Environment

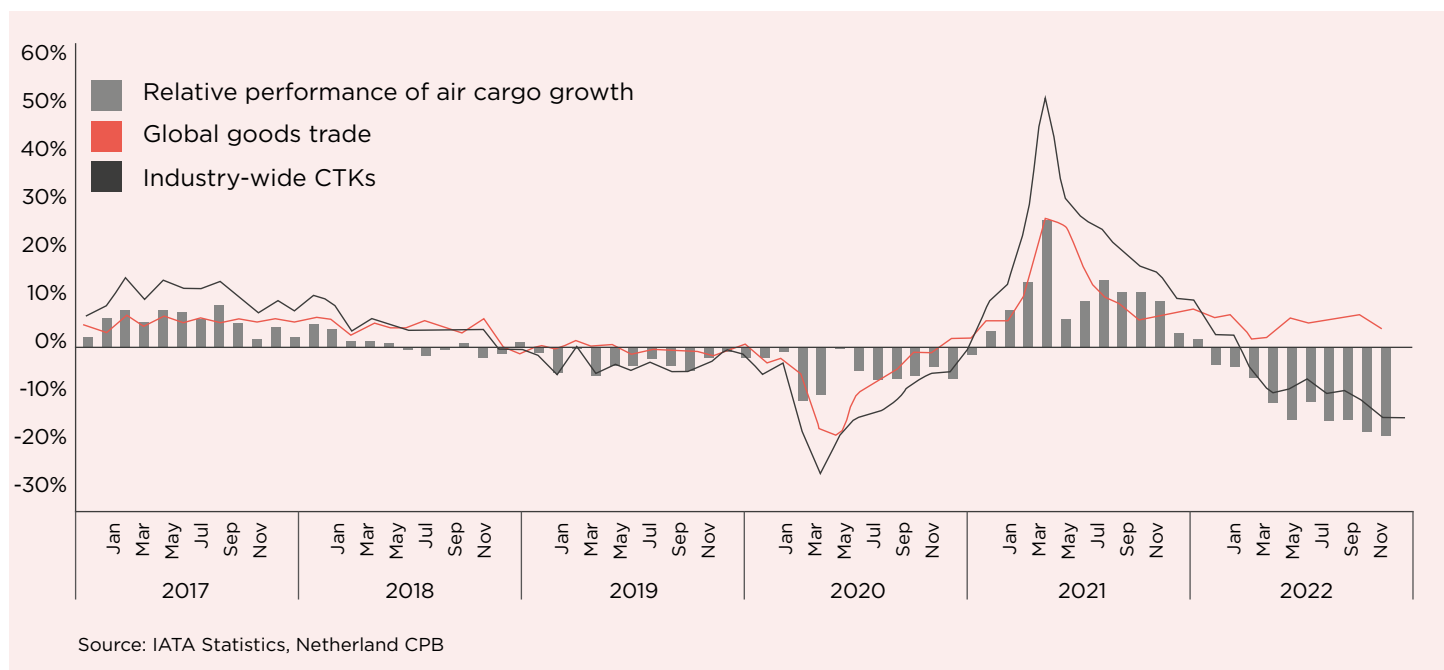
ROUGH PATCH FOR CARGO

Overall air cargo demand, measured by cargo tonne kilometres (CTK), dropped compared to 2019 levels in April 2020, soon after the pandemic broke out. It then rose steadily until Q1 2022 to exceed pre-pandemic levels. Since Q2 2022, demand has dropped but remains close to 2019 levels. Cargo demand in Asia-Pacific has been impacted more than in other regions, mainly as a result of reduced trade and manufacturing activity as well as supply chain disruptions arising from China's zero-Covid policy.

IATA expects CTK to fall by 8% year on year in 2022, and to continue to contract but at a slower rate of 4% in 2023. This is based on expectations of softer global economic growth, higher inflation and interest rates, all of which will affect international trade. In tandem with the drop in demand plus an increase in capacity, cargo yields are expected to decrease by 22.6% in 2023. Nevertheless, yields will still be higher than they were in 2019 following 52.5% growth in 2020, 24.2% in 2021 and 7.2% in 2022. Capacity is set to increase with the delivery of 50 dedicated freighters in 2022 and close to another 50 in 2023.

The e-commerce segment of cargo, however, is expected to continue to increase. IATA estimates that cross-border e-commerce sales will increase 13% year-over-year in 2023, with 80% of the items being shipped by air (e-commerce accounts for 18%-20% of air cargo). Over the next four years, e-commerce retail sales are forecast to grow by 50% to USD7.4 trillion, with Asia-Pacific region leading this growth.

Chart 4: Growth in global goods trade and CTKs (% year-on-year)

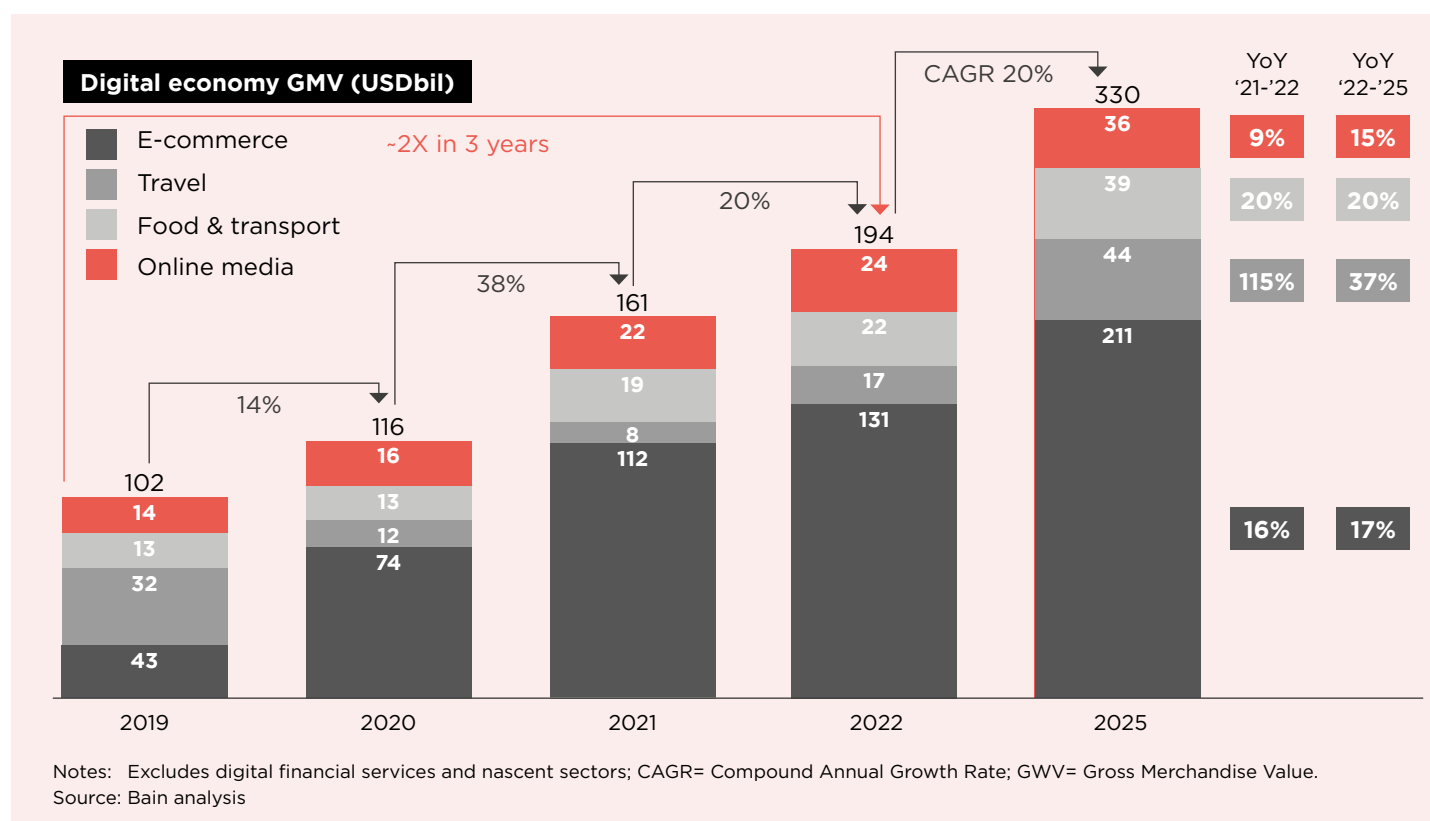


DIGITAL ECONOMY

Despite rising interest rates and inflationary pressure impacting consumer demand, the digital economy in Asean is anticipated to hit USD200 billion in gross merchandise value (GMV) in 2022, three years earlier than expected. The number of people making digital transactions continues to increase, albeit at a slower pace than during the pandemic. An interesting aspect of this burgeoning sector is that investments in digital financial services, or fintechs, has overtaken that for e-commerce. There is also increasing interest in emerging markets such as Vietnam and the Philippines, as well as nascent sectors such as software as a service (SaaS) and Web3. A key challenge moving forward is access to quality talent, and the ability of platform players to reach out successfully to 'budget consumers' and suburbanites.⁶

Key highlights:

- All aspects of digital financing – payments, remittance flow, lending, investment and insurance – have grown as more people are adopting online banking – with payments accounting for the lion's share of activities.
- As offline shopping is returning to normal, there is still scope to increase e-commerce by focusing on underserved segments.
- Food delivery is expected to grow at a CAGR of 13% from 2022 to 2025.
- Ride hailing is expected to grow at a CAGR of 40% up to 2025, with a currently low penetration of only 1%-3% of the total transport market in Asean.
- Online air travel – including airline, hotel and rental bookings – will grow at a CAGR of 37% up to 2025.

Chart 5: SEA's digital economy is closing in on USD200 bil, growing 20% YoY

Strategic Review (cont'd)

Key Risks and Mitigation

All business operations carry inherent risks. Capital A, having evolved from being a leading Asean airline to a digital travel and lifestyle company, brings along a new set of risks and challenges. The Board and Management of Capital A are committed to maintaining a robust risk culture aligned with the effective management of the Group's risks.

The year 2022 was marked by a resumption of international travel and growth of Capital A's digital businesses, which brought associated risks. Some of the key risks experienced by Capital A are listed below, along with residual risk ratings (1-5) according to their probability of occurrence and potential severity (with 5 being the most severe).

Pandemic Risk: Financial/Liquidity

From mid-2022, the Aviation segment was on a fast recovery path, transitioning in a post-pandemic environment with added impetus from rapid resumption of international travel. While restrictions on air travel, specifically international air travel, continue to ease, AirAsia is still experiencing operating cash flow challenges and operating losses due to the spillover effects from the previous years.

Mitigation:

The Group has outlined restructuring plans to deliver cash flow, undertake cost optimisation, secure fundraising and loans, and negotiate lease/payment terms with vendors. We are also cashing in on pent-up demand for travel and actively strategising our next steps accordingly.

Rating:

★★★★

Cybersecurity Risks

Data is the new oil, ie one of the most critical resources of the Group. However, corporate data is increasingly subject to cybersecurity threats such as ransomware, phishing, data leakage, hacking as well as inside threats. These could cause significant damage and loss to the Group. AirAsia was, in fact, the target of a ransomware attack in late 2022; however, it was only on a system that had been made redundant.

Mitigation:

The Group has a dedicated information security team that focuses on detecting, containing and remediating cyber threats as cyber resilience is a core element of business resilience. We have adopted a robust information security system that revolves around the ISO/IEC 27001 principles and methodology to secure all our systems. Meanwhile, infosec awareness training has been made mandatory for all employees, and penetration tests and source code reviews are performed to ensure cyber resilience.

Rating:

★★★★

Supply Chain Disruption

The aftermath of the pandemic and the current geopolitical situation has put a lot of pressure on the global supply chain. Delays in obtaining aircraft spare parts and equipment required for maintenance works would reduce the rate of aircraft coming out of hibernation while also grounding aircraft that are already operational, impacting the Group's schedule and operations.

Mitigation:

The Group has been working on further enhancing our vendor management initiatives by engaging with key vendors to ensure minimal disruption to the supply chain. The planning and warehouse team constantly monitor their plans and ensure adequate stocks to mitigate operational disruptions.

Rating:

★★★★

Safety Risk

As our airlines resume flight operations, once again expanding their routes and attracting greater passenger volumes, our exposure to operational safety hazards will increase.

Mitigation:

Threats and hazards are identified through the Safety Management System, which are mitigated using Root Cause Analysis methodology. The Safety Review Board (SRB) further monitors our processes and procedures to ensure safety targets are met through strict compliance with safety and quality standards. The Safety department captures data regularly for safety risk analysis and improvement via digital tools. Operations and aircraft are subject to routine mandatory safety audits and checks. For the current year, the Group has completed all IATA Operational Safety Audits with the relevant certifications for Malaysia, Thailand, Indonesia and the Philippines - which is the global benchmark for upholding the highest standards of operational integrity at all times.

Rating:



Regulatory Risks

Non-compliance or breach of local laws, regulations, industry guidelines or consumer authority requirements of multiple jurisdictions could lead to operational delays and restrictions.

Mitigation:

The Group's Compliance function has developed a master repository that monitors compliance requirements. This risk is further addressed by maintaining high level engagement with the regulators of each jurisdiction so that all regulatory requirements are adhered to consistently. The Group monitors all local regulatory landscapes for new or amended regulations that affect the Group.

Rating:



Manpower Risks

Recruiting and retaining talent is a universal challenge experienced by many organisations, especially in the digital business. For AirAsia Digital business, this remains a key risk as demand for digital skill sets exceeds supply mainly due to the high pace of technological change in the business environment.

Mitigation:

The Group conducts succession planning, salary benchmarking and job upskilling as part of our talent retention initiatives. Our strong and visible brand, moreover, serves to continuously attract required talent.

Rating:



Strategic Review (cont'd)

Our Strategy/Blueprint

UNITING ASEAN AND BEYOND

2022 ACHIEVEMENTS

10 KEY PRIORITIES FOR THE NEXT 5 YEARS

2023 FOCUS

Brought back 99% of furloughed Allstars



1 airasia, 1 brand, 1 people, 1 culture



Accelerating high performance culture among Allstars

Introduced Community and SUPER+; integrated airasia rewards into airasia Super App



Full integration of all services onto a single consumer facing platform



Integrate Muslim-friendly travel and lifestyle platform into airasia Super App; increase collaboration between airasia Super App and BigPay

Completed airasia Super App Asean expansion



Connecting and making available our products in all cities across Asean



Expand aviation group into Cambodia; Asia Digital Engineering into Philippines and Indonesia; and Teleport's delivery network coverage

Named World's Best Low Cost Airline for the 13th consecutive year at Skytrax World Airline Awards 2022; Asia's Leading Low-Cost Airline Cabin Crew for the sixth consecutive year and Asia's Leading Low-Cost Airline for the seventh year in a row, at the 29th World Travel Awards 2022; Best IR Website at the IR Magazine Forum & Awards South East Asia 2022; World's Best Low-Cost Airline App 2022 & World's Best Low-Cost Airline Website 2022 at World Travel Tech Awards



Offer the best customer experience across all channels



Introduce Ask Bo to provide a proactive, attentive and hassle-free customer service with personalised experiences

Innovated and enhanced existing systems such as FACES and Super App features to provide seamless travel experience



Be the most efficient in everything we do



Simplify details update process for guests through advanced Ask Bo features; improve airlines' on-time performance

2022 ACHIEVEMENTS

10 KEY PRIORITIES FOR THE NEXT 5 YEARS

2023 FOCUS

Introduced AlrAsia Consulting to promote low-cost airline business model to interested clients in the aviation industry



Become the lowest-cost producer in all lines of business



Leverage the return of capacity and airlines' network to optimise cost for non-aviation businesses

Operating loss is decreased by 51% leading to an improvement in the operating profit for FY2022



Grow profits



Fully restore entire fleet of 205 aircraft and aviation services in 2023; digital businesses to capitalise on the return of pre-Covid capacity

airasia Super App achieved 34.4 million average monthly user traffic



Become a top-10 airline globally, driving traffic onto our platform, 75% via our Super App



Drive up conversion rate from new customers to AirAsia customers through low-cost and personalised offerings

Grew learning centre of excellence within Capital A ecosystem through airasia academy; grew our inhouse data consultancy team



Enhance data competencies and capabilities of our people, processes and systems across the Group



Onboard more content providers in airasia academy platform to enable Allstars to access the best courses around the region

Digital businesses continued to record encouraging quarterly performance leading to 14% of revenue contribution from non-airline revenue in 2022



Grow revenue with the aim of achieving 50:50 contributions from our airline and non-airline businesses



Aviation services paired with logistics and digital business foreseen to grow in tandem with return of full capacity in 2023

Strategic Review (cont'd)

Our Strategy/Blueprint



AVIATION

AIRASIA AVIATION GROUP

To be among the Top-10 global airlines and continue to be the best and the largest airline group in Asean

Mission:

To connect over 1 billion people throughout Asean by 2026



AVIATION SERVICES

ASIA DIGITAL ENGINEERING

To be the best & largest Maintenance, Repair & Overhaul (MRO) service provider in Southeast Asia by providing high quality, innovative products and services at competitive rates

Mission:

To provide best-in-class MRO services and the best digital solutions in Asean and beyond



AIRASIA CONSULTING

Our vision is to be the preferred, world class aviation consulting firm globally, recognised for our commitment in delivering exceptional results that drive growth, profitability and operational excellence for our clients.

Mission:

To provide the best in class consulting services by leveraging our aviation industry expertise, hands-on experience, passion and deep understanding of the low cost airline business.

GROUND TEAM RED

To be Asean's first choice ground handling service provider

Mission:

- To create a globally recognised Asean brand through innovation, value and passion
- Maintain the highest quality product, embracing technology to improve productivity and enhance service delivery quality

SANTAN

To be the leading Asean fast food chain, bringing nasi lemak to the world

Mission:

To provide the best value for money Malaysian and Asian favourites including nasi lemak in the air and on the ground



LOGISTICS

TELEPORT

The go-to choice to move anything for everyone in Southeast Asia

Mission:

To move things across Southeast Asia better than anyone else



DIGITAL

AIRASIA SUPER APP

To be the superapp of choice in Asean

Mission:

To connect our customers with everything, everywhere & to provide our customers with value, togetherness, affordability, accessibility and inclusivity



VENTURES

REDBEAT CAPITAL

To be a venture arm that builds and nurtures new businesses with the goal of enhancing the value of the ecosystem in Capital A

Mission:

To develop, incubate and accelerate leading innovative products and services for the Capital A ecosystem & to transform Capital A Group into a global digital corporation by building businesses through innovations and connecting with tech startups across the globe

BIGPAY

To be the lifelong best value financial partner for Southeast Asians

Mission:

Giving Southeast Asians the financial services they need to level up their lives, one transaction at a time

AIRASIA ACADEMY

To be the leading edutech provider in Asean

Mission:

Fulfilling all of your education and employment needs on one platform. Disrupting education across Asean

IKHLAS

To become the leading global Shariah lifestyle platform

Mission:

To enrich the lives of Muslims through focusing on improving communities, convenience, education, affordability and also support through digitalisation

AIRASIA GROCER

To be a RM0.5 billion revenue company by end of 2026

Mission:

Asia's leader in cross-border airflown food trade

Performance Review

Chairman & Group CEO's Statement

RESILIENT PERFORMANCE

Dear stakeholders

Two words characterise our sentiments during the year 2022: relief and gratification.

As we celebrated Capital A's 21st anniversary, we were immensely relieved to see light at the end of the tunnel for our airline business – the reopening of international borders and rapid travel recovery bringing fresh hope that we can put the pandemic behind us once and for all.

Simultaneously, we were gratified by the fact that Capital A has maintained the entrepreneurial spirit that got AirAsia off the ground from the very start. We returned to the skies stronger than ever as more than just an airline; we are now also an aviation services and travel lifestyle group with diversified businesses that leverage off each other and are growing fast in line with the resurgence in air travel.

We have reviewed every aspect of our airline operations to rebuild and recover faster and stronger than others in our category, creating a robust platform for future success. We are once again focused on Asean, our home ground where we have the strongest network, presence and brand. At the same time, embracing the new technology age with greater clarity and vision, we are emerging not only as the World's Best Low Cost Airline 13 years in a row, but also a one-stop super app focusing on travel, industry-disrupting fintech, best-value logistics provider, fast-growing aircraft maintenance provider, online edutech service provider, and more.

With our non-airline segments, we have fine-tuned our business propositions to ensure the creation of optimum value for customers at the lowest possible cost while delivering new revenue streams for the Group. Reflecting the maturity of our operations as well as our commitment to integrity and transparency, we have also appointed independent directors to the boards of each major company in our portfolio, ensuring they create as much value for our stakeholders as they do for Capital A.

Right

DATUK KAMARUDIN BIN MERANUN
Non-Independent Executive Chairman

Left

TAN SRI ANTHONY FRANCIS FERNANDES
Non-Independent Executive Director and Chief Executive Officer





Performance Review (cont'd)

Chairman & Group CEO's Statement

Another very exciting development during the year was signing a joint venture agreement with Sivilai Asia to establish AirAsia Cambodia.

In all, it has been an amazing year that has renewed our faith in everything that Capital A stands for – people, passion and the creation of real value for our customers. It is thanks to our Allstars that AirAsia has survived this pandemic. Their dedication, grit and agility prove yet again that we have what it takes to face any adversity. The fact that our non-airline segments are gaining momentum by the day, with airasia Super App and Asia Digital Engineering (ADE) achieving positive full year earnings before income tax, depreciation and amortisation (EBITDA), is a clear indicator that they are doing what AirAsia has done in the aviation space – democratising services and giving people what they want, always at the best value.

AVIATION: BACK WITH A VENGEANCE

Our airline business is now more streamlined and Asean-centric, following the cessation of AirAsia Japan in late 2020, and the Group relinquishing all equity in AirAsia India in December 2022. Focused on resuming the most popular and profitable routes first, all four remaining airlines based in Malaysia, Indonesia, the Philippines and Thailand have grown quarter by quarter to end the year with very promising results. The Group's load factor for the full year 2022 stood at a healthy 84% while our average fare was RM195. These compare favourably against the load factor of 85% and average fare of RM179 for the full year 2019, indicating a steady return to pre-pandemic performance.

For the year as a whole, we flew 34.2 million guests, 46% of the number flown in 2019, while our total capacity was 47% of that pre-pandemic. As of March 2023, 157 aircraft were activated, of which 142 were back in to the skies, and 15 were spares. We expect all 205 aircrafts to be in service by 3Q 2023. Bullish about the huge rebound in travel, we are also in negotiations to lease 15 additional aircraft. These leased aircraft are in addition to 362 Airbus A321neo aircraft currently in our order book, which are to be delivered from 2024 onwards.

Another very exciting development during the year was signing a joint venture agreement with Sivilai Asia to establish AirAsia Cambodia. Setting up a new airline in Cambodia is something we have been planning

for some years, given the immense potential that a hub in Phnom Penh will have to connect Asean with North Asia. We hope to launch our inaugural flight from Cambodia in the last quarter of 2023, and to fly at least one million guests into the Kingdom of Wonder within the first year, with many expansion opportunities in the region and across Asean.

DIGITAL: GROWING TRACTION

Even before the pandemic, we recognised the value of the data we had accumulated from operating as a digital focused airline for over two decades, and set up a number of businesses leveraging this goldmine. During the enforced grounding of airlines from early 2020 till early 2022, we focused intently on building these businesses. The resurgence of

We flew

34.2

million

guests in 2022

46%

of the
number
flown in
2019





As of March 2023

157

AirAsia aircraft
were activated

FY22 load
factor

84%

air travel in 2022 helped to accelerate their growth momentum as all are linked directly or indirectly with AirAsia Aviation Group airlines. Using the same cost-efficient principles we developed with AirAsia, while extracting maximum value from Group synergies, we have been able to offer customers great value as well as quality through these companies. There is huge potential for all of them to become leaders in their respective fields in the future.

We were proud to see airasia Super App capitalising its unique strength of being the only super app in the region to be linked with an airline. The close relationship between the airasia Super App and AirAsia airlines allows it to offer customers best value travel-related deals, from access to thousands of hotels to discounts on airasia ride, to name a few. It's great to see airasia ride perform exceptionally well, completing two million rides within a year of its launch in August 2021, the number increasing to three million by early February 2023. Emulating AirAsia's low-cost model, it offers the lowest rates to passengers in the Klang Valley, and the highest commissions to its drivers. Further disrupting the ride hailing sector, this year we also offered our drivers full-time employment, entitling them to all the benefits Allstars enjoy including the much valued 90% discount on travel with AirAsia.

BigPay is proving to be unstoppable. In 2022, it launched more products catering to the underserved, making financial services more affordable and inclusive. Of note, the personal loan offering introduced in March 2022 was the first in Malaysia to be fully digital, allowing anyone to apply for a loan and have it approved within minutes using the app. To date, BigPay has disbursed RM2.8 million in loans to its users. It also crossed the RM1 billion mark for international remittance during the year.

Performance Review (cont'd)

Chairman & Group CEO's Statement

RedBeat Capital, meanwhile, has continued to grow numerous start-up companies such as IKHLAS and airasia academy. Set up as a Muslim-friendly travel and lifestyle platform, IKHLAS had to suppress the travel component of its business during the pandemic. When it finally launched its Umrah packages in October 2022, these attracted close to 100% passenger loads on its Jeddah flights due to extremely strong pent-up demand. In 2023, the team expects to fly no less than 30,000 guests to Mecca. IKHLAS performed so well in 2022 that it will soon graduate from RBC and will operate as a subsidiary of airasia Super App. airasia academy's performance has been no less impressive. Starting off as a digital training centre, it is today a content-agnostic edutech platform, bringing together educators and learners in a dynamic marketplace that seeks to democratise learning, making it possible for everyone to be digital savvy in the new technology era. During the year, the number of sign-ups for its courses increased 40 times, which proves the market's appetite for on-demand learning. Serving the underserved is a cornerstone of our brand so it's also great to see how our academy is helping the differently abled to upskill themselves.



LOGISTICS & ENGINEERING

It has also been a phenomenal year for Teleport, our logistics arm, with the return of AirAsia belly space enabling the team to capitalise on its unique advantage - access to the widest air cargo network in Asean, and the ability to move cargo faster and more efficiently than any other player in the

region. Along with the explosion in e-commerce, its business has grown so rapidly that Teleport has now leased a dedicated freighter with three more in the pipeline. This marks a turning point for Teleport which is expanding beyond the AirAsia ecosystem, and beyond our expectations.

We are also very upbeat about Asia Digital Engineering (ADE), which provides maintenance, repair and overhaul (MRO) services to AirAsia and third-party airlines at the best value and quality in Asean and beyond. With the V-shaped recovery in air travel, airlines worldwide have been clamouring to return their aircraft to service, a process that requires them to fulfil complex mandatory checks following the two-year enforced hibernation. ADE was able to capitalise on this demand by increasing its hangar capacity by four lines in 2022; and the number is set to increase with the completion of 14 more lines in KLIA Aeropolis in 2024.

BigPay disbursed

RM2.8
million
in loans

1.3
million
carded users

STRONGER FINANCIAL PERFORMANCE

Reflecting the increasing momentum of travel recovery, we achieved a 282% growth in revenue year on year (YoY) to RM6.4 billion, which was a commendable 54% of revenue in 2019. Furthermore, as jet fuel prices stabilised towards year end, our EBITDA for the full year stood at RM48 million versus a loss of RM1.0 billion in 2021.

In the Aviation business, pent-up demand for air travel contributed to an average load factor of 86% in the fourth quarter, exceeding that in the fourth quarter of 2019, at 82%. This, together with a 17% increase in revenue per available seat kilometre (RASK) in 2022 compared to 2021, led to our core business recording a 259% increase in revenue to RM5.64 billion. The improvement in RASK was driven by a 22% increase in average fare for the year to RM195. Improved metrics all round contributed to a positive full-year Aviation EBITDA of RM393 million.

While Aviation's turnaround stole the thunder in 2022, we were very pleased with the uptick in performance of all our non-aviation businesses.

Despite an increase in staff costs with the opening of two new lines for base maintenance in Senai, ADE recorded profits for every quarter in its first full year of operations, ending 2022 with an EBITDA of RM61.4 million. Revenue, meanwhile, grew by 182% YoY to RM286 million. Additionally, Teleport achieved a remarkable improvement in its financial performance in 2022, as evidenced by a reduction in EBITDA losses from RM69 million to RM27 million - with 2023 prospects looking very bright along with China's reopening, full recovery of the AirAsia fleet and delivery of its first A321 Freighter.

airasia Super App has been growing phenomenally, recording positive EBITDA at RM8.1 million on the back of a 167% increase in revenue YoY to RM400 million. This has been supported by the surge in air travel, with flight ticket sales and SUPER+ transactions increasing by the day. airasia Super App has also seen its conversion rate grow to 11%.

BigPay is catching up with the other lines of business, its full year revenue increasing by 48% YoY to RM32 million, backed by a 30% growth in carded users to 1.3 million. This contributed to significant growth in transaction fees and international remittance, the latter hitting RM1 billion in the fourth quarter.

ALLSTARS: ALWAYS OUR HEROES

Recognising that happy staff make happy customers which make happy shareholders, we have always placed Allstars at the heart of everything we do. From the beginning, our vision was to create an organisation that was different, by not just democratising travel but also the way we work. While being selective in bringing on board people who have the passion and drive to contribute to our success, we have also consistently broken down barriers to empower our Allstars, encouraging them to step out of their comfort zones in order to realise their dreams. This has resulted in a can-do culture that has contributed to Capital A's non-stop evolution. In 2022, the same never-say-no attitude saw us emerge intact from the darkest period in commercial aviation history, ready to take off again bigger and stronger

than ever as more than just an airline. We could not have done this without the unrelenting commitment of our Allstars across the region to the success of our ongoing journey.

SUSTAINABILITY: PN17 AND EMISSIONS

Similar to airlines the world over, in the last three years, one of the most critical issues we have had to manage has been our own financial sustainability due to the unprecedented and ongoing effects of the pandemic. Losses from the grounding of aircraft placed Capital A under tremendous financial strain, leading to Practice Note (PN) 17 classification by Bursa Malaysia in early 2022.

Since then, we have been working assiduously on a PN17 regularisation plan. We seek to obtain Bursa Malaysia's approval of this plan by mid 2023, following which we hope to complete the transaction by the end of 2023.

As we return to the skies our sustainability strategy is back on track as a key priority. We will continue to be a leader in the region and support the International Civil Aviation Organization (ICAO)'s Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which has set the target for the aviation industry to achieve net zero carbon emissions by 2050.

AirAsia has always sought to be fuel efficient as part of our low-cost model, with fuel accounting for about 50% of our operational expenditure. Our

Our EBITDA for the full year stood at RM48 million versus a loss of RM1.0 billion in 2021.

Performance Review (cont'd)

Chairman & Group CEO's Statement



choice of building a young and single type fleet of Airbus A320 aircraft was partly based on this aircraft family's reputation for fuel and operational efficiency. We are now gradually switching to the new specification A321neo model, which will further reduce our emissions per seat by up to 20%. Supplementing our fuel-efficient fleet, we have been reducing our consumption through various flight-related practices including the one-engine taxi, idle reverse landing and required navigation performance-authorisation required (RNP-AR)

approach. In 2022, when the oil price increased by 70% compared to 2019, we invested in a new aircraft software modification, Descent Profile Optimiser (DPO), which reduces the time spent in descent (a particularly fuel-intensive phase) enabling reductions in the region of 100kg of CO₂ per flight.

To achieve net zero emissions, however, we will need to intensify our carbon reduction initiatives as well as invest in efficient offsetting mechanisms. We are currently focused on numerous

measures including managing the emissions from our supply chain and Allstars' work-related activities, even down to their commute to work and business travel. These indirect Scope 3 emissions require more effort to track, but we have already made numerous initial steps in the right direction. At the same time, we are exploring different forms of carbon credits and will be offering our guests the option of reducing their travel-related carbon footprint through offsetting platforms from the second quarter of 2023.



The outlook for our airlines and all of our associated businesses is looking bright with the pace of recovery established in 2022 set to accelerate in 2023, especially with the opening of China which is one of our biggest and most important markets.

OUTLOOK

Finally we see blue skies ahead. The outlook for our airlines and all of our associated businesses is looking bright with the pace of recovery established in 2022 set to accelerate in 2023, especially with the opening of China which is one of our biggest and most important markets.

To fully leverage the expected spike in travel, we are determined to get our planes back flying as quickly as possible with the entire fleet in the air by the third quarter 2023. After more than two years of travel restrictions, we are already experiencing huge pent-up demand which we are confident will continue throughout the year. Together with a general capacity shortage in the market, we expect to enjoy very healthy load factors as well as increasingly higher and more rational fares. All else being equal, this should lead to Capital A building on our fourth quarter performance in 2022 to end 2023 in a much better position.

This will be supported by continued growth of all our other businesses within the Capital A ecosystem, with all the companies creating greater

synergies by supporting each other. airasia Super App and BigPay for example will collaborate closely to offer guests unbeatable hotel and airline rates. Teleport will continue to leverage our belly space to ride on the e-commerce boom. After ensuring AirAsia aircraft are returned to servcability as soon as possible, ADE will shift its focus to third-party airlines, capitalising on the new approvals it has obtained to broaden its customer and revenue base around Asean.

Meanwhile, having invested in numerous digital systems and innovations, flying with AirAsia will be more contactless, convenient and seamless. Our guests' satisfaction continues to be our top priority. Accordingly, we will do what it takes to bring back their trust and confidence in AirAsia's commitment to delivering the very best in terms of safe, affordable and on-time service consistently.

Business Review

AVIATION

Our airlines reside under two main entities - AirAsia Aviation Group Limited (AAAGL) and AirAsia Berhad (AAB), together known as the Aviation Group. AAAGL is the holding company for AirAsia Indonesia (IAA), AirAsia Philippines (PAA) and AirAsia Thailand (TAA). Meanwhile, AirAsia Malaysia (MAA) is operated under AAB.

AirAsia is not only the largest low-cost Asean airline, we are also the world's best low-cost airline as voted by customers 13 years in a row, connecting close to 700 million people in the region with each other. Prior to the pandemic, we were operating 243 aircraft out of six country bases and flying over 83 million guests in a year. In the two Covid-19 years during which aviation ground to a standstill, we reviewed every aspect of our operations to focus on Asean, our home ground where our brand and network foothold are strongest. Today, as borders have reopened, we are taking to the skies again with a more robust platform for future success from four country hubs - Malaysia, Thailand, Indonesia and the Philippines.

2022 OVERVIEW

The opening of international borders in 2022 has seen a V-shaped recovery for the aviation industry. Although this has been a boon to airlines, taking to the skies after a long hiatus comes with its own challenges. Many global airlines are facing a workforce shortage following lay-offs, while the queues for maintenance are growing due to the sheer volume of aircraft requiring the necessary checks. Added to this, oil prices have been volatile and increasing.



For the year as a whole, AirAsia flew a total of

34.2 million guests

Whilst impacting many other airlines globally, for AirAsia, the workforce shortage was not an issue as we had only laid off a minimal number of pilots and cabin crew while ensuring those with us kept current with their training during the downtime. Some Allstars were upskilled and reskilled to support other areas of the business, such as customer service and Capital A's digital businesses. As at the end of 2022, about 99% of our flight crew were back flying once again. In anticipation of a continued increase in demand, we have resumed the induction of second officers and will recommence our cadet pilot programme in early 2023. We are also actively organising cabin crew recruitment drives across the region.

In 2022, the oil price averaged at USD139 per barrel, a 56% increase from 2021. We are managing the higher price environment through strict cost control measures as well as increasing yields, boosting our ancillary offerings and leveraging other lines of business. Driven by necessity, for the first time since 2015 we have also re-introduced a fuel surcharge. Ancillary revenue increased by 413% year on year (YoY) to RM952 million, while the fuel surcharge led to a 22% increase in average fares. Nevertheless, bookings continue to grow due to significant pent-up demand as reflected in a 17% improvement in revenue per available seat kilometre (RASK). For the year as a whole, AirAsia flew a total of 34.2 million guests, 343% more than in 2021. While capacity increased by 278% YoY, our passenger loads also increased, from an average of

72% in 2021 to 84% in 2022. Overall, our capacity has reached about 65% and 25% of pre-Covid capacity for domestic and international flights respectively. We aim to hit pre-Covid levels before end 2023.

To overcome the bottlenecks in aircraft maintenance facilities, we are using the services of as many MRO operators as possible and have succeeded in operationalising a total of 126 aircraft across the Group, compared to 74 at the end of 2021. While returning our full fleet into service, we continue to prioritise the most popular and high-margin routes to achieve profitability as soon as possible. We are already heading in the right direction, with our aviation group achieving its first positive EBITDA since the pandemic, and maintaining the upward trend till year end.

Our guests have always been our priority, and we continue to innovate to enhance their experience. During the year, we rolled out the use of our facial biometric recognition system FACES across more guest touchpoints and launched our new AI powered chat bot Ask Bo, an improved version of AVA, to answer guests' queries and help them enjoy a seamless journey.

Determined to expand our footprint and connect even more places in Asean, we signed an agreement with Sivilai Group of Cambodia to set up an AOC in Cambodia, where we are already the largest operating foreign airline. We are currently working on all the necessary approvals and expect to start flight operations out of Phnom Penh in the last quarter of 2023.



Business Review (cont'd)

Aviation

OPERATIONAL HIGHLIGHTS

- Healthy load factor of 84% in FY22, alongside an average fare of RM195, 22% higher YoY.
- Carried 34.2 million guests in FY22, resulting in an available seat kilometre (ASK) of 29,196 million, recovering 39% of pre-pandemic levels.
- Flew a total of 209 routes connecting 106 destinations with a balanced mix of domestic and international routes.

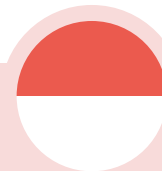


AirAsia Malaysia

Air travel in Malaysia picked up as of 1 April 2022, when borders were re-opened for those vaccinated. Focused on resuming routes that were the most profitable while looking at new underserved routes, MAA ended the year flying to 65 destinations, of which 48 were international. It is operating 53 aircraft at the end of December and expects to be flying its entire fleet of 100 aircraft by 3Q23.

Key Initiatives & Achievements

- No. of guests carried increased by 435% YoY to 16.8 million (2021: 3.1 million) and overall capacity increased by 384% YoY to 20.1 million (2021: 4.1 million).
- FY22 load factor of 84% (at par with pre-Covid levels), with several international routes achieving load factors >90% such as Penang-Indonesia and Kuala Lumpur-Chiang Mai.
- Integrated FACES with Malaysia Airports Holdings Berhad (MAHB)'s single token biometric solutions EZPaz, enabling guests who have enrolled with FACES to use MAHB e-gates and passenger reconciliation system (PRS) at boarding gates.



AirAsia Indonesia

It has been a year of significant recovery for IAA, which has seen a revival of travel for tourism, business and studies. To capture this demand, IAA has reopened all of its most popular domestic and international routes while launching nine new domestic routes. It is also continuing to build on its charter business, and enabling guests to benefit from the Group's digital innovations.

Key Initiatives & Achievements

- Ended the year with the same number of domestic routes (20) as pre-Covid, and 71% of the pre-Covid number of international routes (2022: 17; 2019: 24).
- Achieved 65% of pre-Covid domestic capacity, and 30% of pre-Covid international capacity, resulting in a total capacity that was 43% of pre-Covid.
- Introduced self check-in and booking through the airasia Super App.



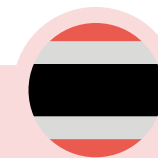


AirAsia Philippines

As travel restrictions rescinded, PAA stoked demand for domestic travel while reinforcing the AirAsia brand by partnering stakeholders to organise tourism fiestas, using these to open up new holiday destinations such as Roxas and Dumaguete. To facilitate international travel, it kept potential travellers informed of changing travel requirements. As a community-centric airline, PAA also ramped up its corporate responsibility programme alwaysREDy: anytime, anywhere. Overall, it was a year of rekindling relationships to create win-win outcomes with various stakeholders.

Key Initiatives & Achievements

- By year end, PAA was flying 15 aircraft (2019: 24 aircraft, 2021: 6 aircraft), achieving a pre-pandemic aircraft utilisation rate and a higher load factor of 89% than in 2021 (80%) and even 2019 (88%).
- Reactivated 26 pre-Covid routes and introduced five new routes.
- Flew a total of 4,219,552 guests, close to quadruple the number flown in 2021.
- Launched the airasia Super App, which will stimulate greater travel demand.
- Launched the Stellar Awards, recognising media, industry and celebrity partners who support the aviation and tourism industry.



AirAsia Thailand

As demand for travel started accelerating from 2Q22, TAA has been able to capture a significant share of the domestic market to regain its leadership in this segment. International travel, however, continued to be affected by China's prolonged zero-Covid policy which effectively shut its doors to inbound and outbound tourists. Making up for this loss, TAA trained its focus on the second largest Asian market, India.

Key Initiatives & Achievements

- Regained 29% of the domestic travel market, flying a total of 7,938,962 domestic guests (2021: 2,913,271).
- Re-launched six routes and introduced one new route to India, achieving an average load factor of 86% to these destinations.
- By year end, was flying a total of 33 domestic routes (2019: 34) and 34 international routes (2019: 61).
- As at end-2022, was flying 42 aircraft from a total fleet of 54 aircraft (2019: 58 aircraft, 2021: 25 aircraft).
- Total seat capacity in 2022 was 11.9 mil (2021: 4.3 mil; 2019: 26.1 mil).
- Achieved an on-time performance of 92%.



Business Review (cont'd)

Aviation



OUTLOOK

The outlook for 2023 is very promising for AirAsia Airlines, particularly with the reopening of China, a strengthening of Asean currencies against the US dollar and an expectation of lower oil prices. While we have made a good post-pandemic start in 2022, we expect to build on the momentum in 2023 and achieve pre-pandemic levels across the most important key metrics such as capacity, route network, number of operating aircraft and passenger load factor in the coming year. This will be reflected in a return to profitability as soon as possible.

We look forward to launching AirAsia Cambodia, which will give us greater access to the domestic Cambodian market while connecting the country to other markets across Asean, North Asia and beyond. We also plan to introduce some exciting longer-haul routes such as Istanbul. All of this will be achieved without the delivery of any new aircraft from Airbus. We still have 362 aircraft on order, mainly for the fuel-efficient and bigger capacity Airbus A321neo, which will gradually replace our entire fleet allowing us to deliver greater efficiencies and an enhanced guest experience. These will be delivered in phases starting from 2024.

While waiting for our new specification fuel-efficient aircraft, we will push ahead with other initiatives planned as part of our sustainability agenda. We have announced our commitment to becoming a net zero organisation by 2050 and will be forging ahead with our strategy moving forward.

AVIATION SERVICES

Asia Digital Engineering (ADE)

ADE is a digitalised aviation maintenance, repair and overhaul (MRO) player established in September 2020, leveraging more than 20 years of experience in engineering expertise from the world's best low-cost airline: AirAsia.

2022 OVERVIEW

Based in KLIA, our base maintenance hangars are strategically located in KLIA and Subang, both in Selangor; and, as of 2022, in Senai, Johor. We aspire to establish ourselves as a prominent MRO provider in the region via an integrated facility spanning over 380,000 square feet at KLIA which is currently under construction. While offering a comprehensive suite of traditional MRO services, namely Engineering Maintenance Services (EMS), Engineering Support Services (ESS), and Component & Warehouse Services (CWS), ADE differentiates ourselves with significant focus on industry leading digital technology, led by Digital & Innovation Services (DIS) as an enabler to provide high value added products and services to customers. We aim to synergise our operations under one digital ecosystem to enable an enterprise-wide solutions package that will benefit our internal operations and our customers' user experience. Currently our digital ecosystem of products comprises an aviation B2B marketplace, an aircraft health monitoring application and a productivity management solution.

Unlike other businesses in aviation, the MRO segment was not severely impacted by the pandemic because aircraft, though grounded, were still required to undergo routine checks and maintenance. Nevertheless, once air travel recovered in 2022, demand for MRO services rocketed. Airline customers also expected quicker turnarounds as competition to get aircraft flying again intensified.

Fortunately, we had used the downtime in flying in 2020 and 2021 to upskill our engineers, enhancing their capabilities to undertake increasingly more intensive checks, and completing them efficiently, in good time. In 2022, we continued to build on our capabilities, both in MRO and the digital space, to meet market demand.



Business Review (cont'd)

Asia Digital Engineering (ADE)

Key Initiatives

- We expanded our hangar capacity from three to seven, with the addition of two lines each in Subang and Senai. We have also started construction of 14 lines in KLIA Aeropolis, which are expected to be completed in 3Q 2024.
- In the digital space, we launched AEROTRADE, a marketplace for airline parts, and our productivity management application CASCADE while soft-launching the aircraft health monitoring app ELEVADE.
- We have also started to work on securing the approvals from Boeing in order to expand the scope of our service offerings to include the Boeing 737 (for line maintenance) in addition to the Airbus A320 and A330 family aircraft. We expect to get the Boeing 737 line maintenance approval by 2023.
- To overcome an industry shortage of licensed aircraft engineers, we partnered with a leading cadet training school establishing a steady pipeline of talent.
- CWS and ESS have started to serve AirAsia's AOCs and third parties. CWS is also making use of AEROTRADE to sell its surplus inventory.

Key Achievements

- Secured several country approvals including India, Nepal and Singapore, bringing our network to seven countries, ie Malaysia, the Philippines, Indonesia, Cambodia, India, Nepal and Singapore.
- Conducted our first six-year C check.
- Performed base maintenance for Transnusa Airlines and Himalaya Airlines, line maintenance for Scoot, and engineering support for Pakistan International Airlines.
- Onboarded more than 30 companies – airlines, MRO players and part distributors – onto AEROTRADE, which was 100% developed inhouse.
- Soft-launched ELEVADE, the aircraft health management application.



LOOKING FORWARD

As we finalise a USD100 million financing programme, we seek to accelerate our growth in 2023 via enhanced capabilities and product range as well as securing a broader range of service approvals. Among others, we are expanding our digital offerings to include EDUCADE, a learning management platform; and ACTIVADE, a document management system. We are also working to establish ourselves as a Virtual and Augmented Reality (VR and AR) training services provider to the aviation industry. Geographically, we will look to begin line maintenance operations in the Philippines, Indonesia, Cambodia and Bangladesh.

Aviation Services: Ground Team Red

Ground Team Red (GTR), established in late 2017, provides ground handling services for AirAsia and third-party airlines. We operate out of 16 airports across Malaysia, offering Guest Services, Baggage Services, Ramp Services, Load Control & Flight Operations, and Cargo Services.

2022 OVERVIEW

Demand for ground-handling services increased significantly in 2022, in tandem with recovery of the aviation industry. This required service providers such as GTR to rapidly ramp up our resources and coordinate effectively with various stakeholders, including airport authorities, to ensure handling procedures adhere to revised travel protocols. The cargo sector also grew, albeit at a slower pace than in 2021, partly as a result of the availability of more passenger aircraft belly space across the industry.

Key Initiatives & Achievements

- Leveraged effective forecasting and judicious reviews to manage our ramp-up activities efficiently.
- Focused on quality standards to meet travellers' service delivery expectations.
- Fine-tuned our plans to construct new cargo terminals in Penang and Kota Kinabalu, the latter which is targeted to be completed and operational in early 2024.

OUTLOOK

The positive recovery trajectory is expected to continue as more aircraft return to the skies. Leveraging the growth in demand, we will resume our expansion plans by building more cargo terminals across key Malaysian airports, developing our customer base, and growing our business verticals. Given the positive outlook, we are optimistic of strong financial performance in 2023.



Business Review (cont'd)

Aviation Services: Santan

Santan is our inflight catering business which started ground operations in 2019 through owned and franchise outlets. We currently have seven Santan Restaurants and three Santan Cafes, all in the Klang Valley.

2022 OVERVIEW

The reopening of borders in April 2022 delivered a drastic increase in demand for inflight food and beverage, while the dismantling of social restrictions saw more customers walk into our restaurant outlets. While these were positive developments, it required Santan to quickly restore SOPs and ramp up central kitchen food production capacity amid a global manpower shortage and inflationary pressure on the price of raw materials. In our outlets, However, we continued to improve our operational efficiencies and menu variety, leading to a strong financial recovery.

OUTLOOK

Ramping up our menu and products in line with guest feedback in 2022 has prepared us well for a full comeback in 2023. At the same time, we stand to benefit from the cost-efficiency initiatives implemented which will go a long way towards maximising profits despite tight manpower controls. In our restaurants, we will continue to improve our menu and operations to perfect our recipes and service, while exploring even more sales channels to make Santan an even stronger household name.



Key Initiatives & Achievements

- To boost restaurant sales, we are expanding into the retail business space and have made available Santan products at convenience stores while also supplying the inflight sales channel.
- Ran a campaign for nasi lemak on-the-go, placing the product from our restaurants in convenience stores and inflight.
- In December, AirAsia Malaysia closed RM9.9 million in F&B sales, breaking our record for the highest inflight revenue per passenger at RM5.20.
- Santan achieved RM8.7 million in gross profit for the year.



Aviation Services: AirAsia Consulting



Established in 2021, our new aviation consulting arm leverages AAAGL's vast experience, best-in-class performance and expertise to offer a wide range of services to clients and partners in the aviation industry.

These services include: new airline start-up and entry into service support, airline consulting and business plan development and operations consulting (ie fuel efficiency programme, on-time performance and turnaround time optimisation, etc).

AirAsia Consulting made its debut in the international space in 2022 providing consulting services to support the launch of Fly Dhaka, a new low-cost airline based in Bangladesh.

Business Review (cont'd)

LOGISTICS

Teleport

Established in 2018 by integrating the belly capacity of all AirAsia airlines under one network, Teleport is building a leading air logistics platform to connect Asean on top of the unused belly space of wide- and narrow-body AirAsia aircraft.



With our presence in Malaysia, Thailand, Indonesia, the Philippines, India, Singapore and China, we strive to become the preferred player for the fastest and most efficient air logistics solutions across Asean. Our goal is to “teleport it” across Asean faster and more affordably than anyone else.

Today, we proudly serve three key segments – global freight forwarders such as Kuehne Nagel, Nippon Express and Maersk; e-commerce marketplaces Shopee, Lazada and

Zalora; and, as of 2022, consumers. We assist our customers in moving everything from hard freight and large volume cargo such as machinery to small parcels for e-commerce and consumers – between airports and end to end – tailored to their requirements.

2022 OVERVIEW

The year marked a rebound for Teleport, with the recovery in air travel allowing us once again to access our

key advantage, namely AirAsia belly space. During the pandemic, when aircraft were grounded and belly capacity was restricted, we shifted towards the passenger-to-cargo (P2C) model and strengthened our on-ground capabilities to offer first-to-last-mile e-commerce delivery solutions. Today, as we refocus on mid-mile logistics leveraging AirAsia, we are ensuring capacity on key lanes by collaborating with partner airlines and other freighter operators, allowing us to connect cargo and shipments from key production hubs such as Hong Kong to primary and secondary cities such as Jakarta and Medan. The results speak for themselves. We now serve 15 of the top global players and recorded close to 900% increase in parcels teleported. This is an impressive achievement despite cargo volumes showing a decline year on year for intra-Asean and intra-APAC markets (by 13% and 16% respectively), and the e-commerce industry volume showing a slower growth rate of 6% from the previous year in Malaysia.

Importantly, reflecting our resolute determination to capture the market at scale, Teleport have achieved notable improvement in the company’s financial performance, with losses significantly reduced as compared 2021.

Key Initiatives

- Experience gained from operating the P2C model during the pandemic gave us sufficient insights to supplement our extensive passenger belly network with the induction of three Airbus A321 Freighters (A321F). The new freighters, each with a capacity of 27 tonnes, are to be delivered in stages between 2023 and 2024 to cater for strong forecast demand.
- We initiated interlining partnerships with players such as Emirates, Lufthansa, Air New Zealand and Etihad Airways.
- Extending our mid-mile advantage through the AirAsia network to a wider audience, we introduced a consumer-to-consumer service called Teleport Pink. This affordable and easy-to-use next-day international parcel delivery service was launched with the Kuala Lumpur to Singapore lane, and will be extended across many more lanes throughout Asean.
- We invested in a pre-Series B partnership with Kargo Technologies, connecting its trucking network to our infrastructure to expand our mid-mile capabilities beyond air cargo in Indonesia, where reliable access to road network infrastructure plays a critical role in the ability to deliver seamless logistics connectivity for customers.
- Returning to our original model, we have wound down the domestic on-demand delivery business developed during the pandemic to focus on what we do best, namely optimising air logistics solutions for our customers.

Key Achievements

- Teleported 7.9 million parcels of which 5.5 million parcels (2021: 1.2 mil) were delivered from West to East Malaysia, testifying to the strength of our network reach and accessibility in East Malaysia.
- Moved 105,600 tonnes of cargo (2021: 101,200 tonnes) and grew our intra-Asean cargo market share from 2% in 2021 to 11% at the close of December 2022, inching very close to the current market leader with approximately 15% of the pie.¹
- The top 15 global freight forwarders made up approximately 17% of our total cargo revenue as of December 2022.
- Expanded our e-commerce ground delivery capabilities with 17 hubs in Malaysia, eight of which are in East Malaysia and two each in Singapore and Bangkok, achieving over 99% ground network coverage in Malaysia, Singapore, Thailand and Jakarta, and 46% coverage in the Philippines.
- Raised USD50 million in funding through large institutional credit investors to support the expansion of our on-ground operations in Indonesia, the Philippines and Malaysia; and to further invest in technology to strengthen our cross-border delivery capabilities in all key Southeast Asian markets.

- Achieved a significant enhancement in 2022 financial performance with a decrease in EBITDA losses from RM69 million to RM27 million.

LOOKING FORWARD

The operating environment in 2023 is expected to be challenging for logistics players due to an anticipated economic slowdown. Nevertheless, we believe the best way to prepare for the challenges ahead is to leverage various opportunities to attain market leadership in 2023.

Three things are expected to play in our favour. Firstly, AirAsia is likely to have its entire fleet flying before the end of 2023, enabling us to realise its network advantage for the first time since prior to the pandemic. In addition, we will be inducting three A321F freighters, and further expanding our capacity in partnership with other airlines. Secondly, China's earlier-than-expected reopening is expected to stimulate trade and cross-border e-commerce movement regionally. Lastly, since our model is already profitable, we will be aggressively consolidating market share in an environment where others may be focused on reducing their cost structure or burn rate.



Business Review (cont'd)

DIGITAL

airasia Super App

Established in 2020, airasia Super App is now an online travel agency (OTA) that not only offers travel products but also a wide range of lifestyle services that are relevant to travellers. We are the only super app to be linked to an airline, let alone the world's best low-cost airline with the most extensive network in and beyond Asean.



We continue to attract many non-AirAsia users across our travel and lifestyle super app platform – for example ride hailing passengers and travellers who book on FlyBeyond – who represent a captive audience to cross-sell seats on our AirAsia airline.

We have a very strong Travel vertical ecosystem which not only offers flights on AirAsia, but also some 700 third-party airlines (on FlyBeyond). Furthermore, we intend to develop this vertical by linking all of our affiliated other lines of business with Travel to become the most comprehensive lifestyle super app. Our Delivery vertical, for example, is anchored on airasia ride, which started off as another e-hailing service but is now pivoting towards supporting and complementing the Travel ecosystem. With comprehensive data on flight take-offs and landing, we know just when to offer our ride hailing service to guests. Similarly, airasia food was launched as a delivery service when air travel was suspended. Now, we are shifting our focus to be more of a discovery service, enabling travellers to search for the best local delicacies or restaurants in their vicinity, especially in key tourist destinations

such as Bangkok, Kuala Lumpur, Bali and more.

As a highly social organisation, we are also developing a third vertical – Community – to connect like-minded people and provide a space for them to share their interests. Community is a key engagement tool, creating a strong base of followers who are drawn by our content, information and entertainment; and who eventually are likely to become AirAsia guests. Binding the entire ecosystem together is airasia rewards, where members can earn and spend airasia points across all products and services offered on the broad-based travel and lifestyle platform.

We are extremely proud of the super app which has been built completely inhouse, and has transformed what was previously AirAsia's web into one of Malaysia's top rating unicorns.

2022 OVERVIEW

The economic recovery and resumption of travel in 2022 were positive developments for airasia Super App, especially for our Travel vertical which benefited from a

surge in the number of bookings. Capitalising on demand, we launched SUPER+, offering unlimited travel for a year on all AirAsia AOCs for a fixed fee. This product proved incredibly popular, attracting a phenomenal pick-up rate. While all our lines of business performed well, travel and ride were the clear stars, the latter growing significantly as we provide our drivers unbeatable perks and fees. Notably, we created a first in the industry and region, by offering our airasia ride drivers and airasia food delivery riders full-time employment.

A key challenge for airasia Super App has been the perception that we are just an airline app. To create awareness of our broader range of travel-related products and services, we ran a number of campaigns drawing users' and consumers' attention to our delivery and community services. We also extended our geographic reach by completing our Asean expansion plan, opening in Thailand in February, the Philippines in April and Indonesia in December.

The team's efforts during the year were rewarded by a YoY monthly active users (MAU) growth of 76%



from seven million in December 2021 to 12.4 million in December 2022, while the total number of transactions grew by 99% from three million to 19.9 million. Financially, the year marked a milestone as we achieved a positive EBITDA in FY2022 with RM8.1 million.

TRAVEL

Key Initiatives

- Onboarded over 65 direct airline partners onto our OTA platform, while increasing our flight inventory to 700 global carriers through other partners such as Kiwi.com, Travelport and more.
- Further developed the OTA infrastructure to ensure the best user experience with the objective of converting up to 30% of passengers to hotel booking customers as well.
- Launched airasia transport in October 2022, allowing users to book tickets for buses, trains, and ferries. As of January 2023, this service is available in Malaysia, the Philippines, Indonesia and Singapore.
- Launched two versions of SUPER+: SUPER+ Asean in March 2022, and the SUPER+ Unlimited Lite (short-haul flights only) and SUPER+ Unlimited Premium (including AirAsia X long-haul flights) in December 2022.
- Launched airasia Travelmall in Malaysia, the Philippines and Indonesia featuring over 15,000 duty-free and other items. Guests can now pre-book duty-free products before their flight and either have their purchased items delivered to their seats while flying or personally collect them at designated locations in airports.
- We have also engaged with numerous third-party duty-free players to list their products on our platform. These products can be collected from our duty-free partners' airport outlets, in addition to the two channels mentioned above.

Business Review (cont'd)

Digital: airasia Super App

Key Achievements

- Sold over one million non-AirAsia flights via our OTA platform in 2022, with close to 20% of bookings on our OTA platform being routes that are not operated by AirAsia.
- Attracted over 124,000 subscribers to SUPER+ in 2022, with over 620,000 flight redemptions made.
- Grew our hotel inventory to over 900,000 via direct-sourced hotel partners across the region, as well as channel managers and aggregator partners.
- Achieved a beat rate of 80%, meaning that 80% of OTA rates offered on the super app are the lowest offered by any platform.

DELIVERY

Key Initiatives

- Announced full-time employment for airasia ride and airasia food delivery riders who meet all the requirements.
- Offer discounts on airasia ride for travellers who book flights on the super app – another way in which the super app is adding value to Capital A.
- Completed airasia ride expansion across all states in Malaysia where AirAsia the airline operates, as well as to Bangkok and Bali.
- Introduced a cross-border feature so that guests returning from overseas can book their rides home in advance. The service is currently available in Malaysia and Thailand, and soon in Singapore followed by the Philippines.

- Introduced intercity food delivery under airasia food, starting in Thailand (from Chiang Mai and Phuket into Bangkok) in early 2022, followed by Malaysia (from Penang into the Klang Valley) in August.

Key Achievement

- In August 2022 airasia ride completed two million rides within a year of operations in Malaysia; as of January 2023, it is approaching three million rides.

COMMUNITY

Key Initiatives

- We announced airasia Republic in December 2022, a community space where members will be rewarded for their activities – from booking flights, hotels or rides to ordering food or engaging in one-to-one conversations with friends and family – through a gamified experience.
- Partnered COOP Marketing Group, a South Korean mobile voucher industry leader, to launch airasia gifts, the first cross-border mobile gifting feature by a travel superapp.
- Partnered with GoPro to produce inspired travel content featuring Asean destinations.
- Continued to build airasia chat, which now has 20 interest-based community groups. About 80,985 users have joined communities and exchanged an average of 3,199 messages monthly.

Key Achievement

- airasia chat's average MAU stands at 805,946, representing a healthy 28% conversion of users who visited airasia Super App to use airasia chat.



AIRASIA REWARDS

Key Initiatives

- Launched Super members' week campaign every third week of the month offering special redemption rates and increasing bonus points by 5x for each transaction across the platform.
- Added four new partners onto our points exchange platform: DTAC and Krungthai Bank from Thailand, GetPlus from Indonesia, and United Overseas Bank.
- Introduced Milk Coins into our exchange ecosystem via MiL.k app in partnership with Korea's blockchain-based loyalty platform.
- Continued to innovate to be the universal points hub powered by blockchain technology, enhancing airasia xchange from two-way conversion to three-way conversion, reinforcing airasia points as a universal digital loyalty currency.

Key Achievements

- 4.5 million new members signed up during the year, leading to our total membership crossing 29 million, while active members grew by 2.3x year on year.
- About 30%-40% of total revenue is from third-party partners.
- Strong FY2022 EBITDA performance, maintaining three consecutive years of positive EBITDA.

LOOKING FORWARD

airasia Super App has made great strides in the last couple of years, and we expect to continue to build on the momentum as the travel market opens further. There is much potential to dial up the super app in secondary markets to become the leading travel super app in Asean. At the same time, we are eyeing Australia as a potential base, given the strong travel links between Australia and Indonesia. We are also exploring Korea and Japan, and will definitely roll out our platform in Cambodia, to complement AirAsia's new AOC. Supporting our growth will be a continuously enhanced portfolio of products as well as user experience combined with the lowest priced quality travel inventories.



Business Review (cont'd)

Digital: IKHLAS

IKHLAS is Capital A's Muslim-friendly travel and lifestyle platform offering convenience, affordability and accessibility for Muslims to perform their religious obligations as well as enhance their Shariah-compliant lifestyle.

Under our travel platform, we organise packages for Umrah as well as leisure travel to destinations that are popular with Muslims, such as Seoul, Busan, Bali, Phuket, Bangkok and Krabi.

Our lifestyle platform, meanwhile, comprises mainly digital access to faith-based practices such as qurban and zakat as well as other Shariah-compliant services including aqiqah, fidyah and sadaqah. Under 'Shop with IKHLAS', we also offer more than 1,000 products such as prayer paraphernalia, groceries, fashion, books, jewellery and household items.

2022 OVERVIEW

The reopening of international borders in 2022 meant that IKHLAS could finally put into motion the travel plans that had been developed at the time of our inception at the end 2019, pre-pandemic. The year was therefore a watershed as it saw our inaugural Umrah flights take off, all with more than 90% passenger loads, given huge pent-up demand after an enforced two-year hiatus. At the same time, we continued to build on our religious services, which have gained traction.

Key Initiatives

- Signed an agreement with AirAsia X to sell tickets on its flights to Jeddah starting November 2022.
- Held an official re-launch of our travel packages in October 2022, to create visibility of our Muslim-centric brand and travel service offerings.

- Working to transform our app into an Islamic pocket companion, where people can look for halal food, religious events and destinations – everything related to a halal lifestyle.
- Partnered with hotels in Jeddah to accommodate the surge in number of guests.

Key Achievements

- Flew 520 guests during the year, and target 3,000 guests by end February 2023. We already have bookings for 2,000 guests for January and February.
- Collected a total of RM8,820,925.31 under IKHLAS Sadaqah, enabling us to distribute 102,025 meals and support 81,558 families.
- Performed 6,919 qurban (sacrificial ceremonies) in 35 countries, distributing the meat to 36,753 families.

- Collected RM14,655,286.00 in total zakat, which was distributed to marginalised families.
- Collected a total of RM568,440.00 in fidyah.

LOOKING FORWARD

Given the incredibly high demand for Umrah packages, we are extremely positive about our outlook for 2023, and are targeting to carry no less than 30,000 guests during the year. Catering to more discerning travellers, we are working on a new portfolio to enable them to customise their packages, choosing their dates, hotels, etc. This is to be launched by 3Q 2023.

Meanwhile, we will continue to grow all our other Muslim-friendly lifestyle and travel offerings and explore more travel destinations, including Tokyo, Istanbul, as well as cities in Asean and China.

We also expect to establish a presence in Indonesia in 3Q 2023, enabling us to tap into the world's largest Muslim population. To further expand our zakat service, we will be appointing direct agents to serve the Negeri Sembilan, Kedah, Perlis and Kelantan markets.



Digital: BigPay

BigPay Group, established in 2017, is a Southeast Asian fintech that gives Southeast Asians the financial services they need to level up their lives, one transaction at a time.

We offer a Visa prepaid card, local and international money payment and transfers, micro-insurance, mobile phone top-ups, bill payments, budgeting tools, and more. We currently serve over 1.3 million users in Malaysia and Singapore and are expanding into other Asean markets. Our laser-focus on providing transparent, simple and secure digital financial services has contributed to BigPay becoming one of the fastest-growing fintechs in the region.

2022 OVERVIEW

Despite various macroeconomic challenges, including inflation and the increase in interest rates, the year was extremely successful for BigPay. Having secured up to USD100 million in investment from SK Group at the end of 2021, we were able to scale up our operations, improve our technology infrastructure, launch more products, and prepare for market expansion. We ended the year with strengthened key metrics in terms of user numbers, average revenue per user (ARPU), and gross profit margins, enjoying 10 straight months of revenue growth from March onwards. Celebrating five full years of operations, we reviewed our user base, identified their needs, then developed products fulfilling their requirements.

Key Initiatives

- Launched the first-of-its kind fully digital personal loan in Malaysia to unlock credit for over 40% of first-time creditors within three months. Leveraging our data-based credit scoring, we offer competitive interest rates, with applications and approvals under minutes. The loan dashboard



- features a repayment schedule with a transparent breakdown of repayment instalments and an auto-payment option for ease of repayment.
- Launched Stashes to provide users a simple way to reach their saving goals by simply rounding up their payments to the nearest ringgit and transferring the difference into their personalised Stash. Within the first month of launch, BigPay users accumulated over 100,000 Stash and round-up transactions.
- Partnered with TripleA, licensed by the Monetary Authority of Singapore (MAS), to introduce Crypto top-up, a new top-up method for BigPay Singapore users to conveniently convert their crypto assets into cash to spend via their BigPay cards.
- Added 38 new remittance corridors across the United Kingdom and Europe, including France, Germany, Italy, Belgium and Spain. In November 2022, BigPay's international remittance feature crossed RM1 billion in gross transaction value (GTV).
- With ever-accelerating growth in our user base, we continuously enhance our security features while educating our customers on fraud prevention to significantly reduce account takeover cases.

Business Review (cont'd)

Digital: BigPay



Key Achievements

- We have been successful in sustaining our growth while maintaining focus on our discipline to build a healthy and sustainable model to drive strong profitability for our shareholders. We have a good trajectory in the coming quarters, and hope to further accelerate this as travel rapidly approaches pre-pandemic levels.
- BigPay was selected by the Malaysian Government to be one of the official e-wallet partners for the ePemula initiative, where users can claim RM150 ePemula credit and up to additional RM1,500 of bonus offers from AirAsia, airasia academy, Zalora and more.
- BigPay was awarded three new services to our Major Payment Institution (MPI) licence, issued by MAS for account issuance service, domestic money transfer, and e-money issuance service in Singapore.
- Increased our user base by 27% year on year to 1.3 million carded users.
- Increased our ARPU by 85% and our total revenue by 47% year on year.
- Received approval from the Ministry of Finance for an e-money licence to launch BigPay in Thailand.

LOOKING FORWARD

2022 has seen us set our foundations to further accelerate our growth in 2023. As we take BigPay to Thailand, our potential user base will more than triple from slightly over 30 million to over 100 million. Concurrently, as travel takes off, we will be collaborating more intensely with the AirAsia ecosystem to provide travellers with seamless payment and other financial services they need. We will continue to innovate and find new ways to be the most accessible and supportive financial partner for Southeast Asians looking to level up their lives.

VENTURES

RedBeat Capital

RedBeat Capital (RBC) was established to build and nurture startups with the goal of eventually incorporating them into the Capital A ecosystem.

Through these startups, we aim to develop innovative products that contribute towards the Group's transformation into a global digital corporation. To date, RBC has achieved success stories with airasia Super App, BigPay, Teleport and IKHLAS, with IKHLAS soon to graduate from RBC to operate as a subsidiary of airasia Super App.

Currently, the companies with greatest visibility within the RBC fold are our edutech platform airasia academy and food marketplace airasia grocer. Both have been growing from strength to strength over the years, and made significant progress in 2022. airasia academy became operationally profitable while airasia grocer experienced rapid expansion to connect food markets across Asean.



Business Review (cont'd)

Ventures: airasia academy

airasia academy started out as a tech reskilling and upskilling institution to build a talent pipeline feeding into Capital A's ecosystem.

We subsequently opened up to the public to help address the dearth of tech talent in Malaysia, critical to success in IR4.0. Today, we have created an innovative marketplace that brings together educational institutions and on-demand learning (ODL) content providers catering to learners of all ages and backgrounds. To assist our business partners – academic institutions, government agencies and corporations – to track and better manage their learning and development processes, we also offer a Learning Management System (LMS). Our goal is to democratise learning, making it accessible and affordable for everyone.

2022 OVERVIEW

airasia academy's growth increased exponentially in 2022. Starting the year

with 12,000 plus signups, we ended with more than 473,000 signups, performing full reskilling for over 1,000 individuals. This growth stems from filling a gap in the education sphere. Having discovered an inherent need for easily accessible and affordable education, we have fine-tuned our business model to meet this in the most cost-effective manner.

Key Initiatives

- Streamlined our product offerings to enhance profitability by converting various instructor-led training (ILT) programmes and courses, including the BINA digital programme and Digital Fundamentals pre-reskill programme, into fully on-demand learning. Hence ILT now focuses on premium face-to-face reskilling

(with programmes such as Data Analytics, Software Engineering, Digital Marketing, Cybersecurity, Cloud Infrastructure), while ODL is growing rapidly with inhouse courses as well as content from third parties. The latter includes well-known names such as the Asia School of Business (ASB), ECornell and UNITAR International University (UNITAR). ODL also includes niche courses in Halal certification, leadership, soft skills development and even tuition classes for Standard 1 to Form 5 students.

- Implemented features such as course consumption tracking and automated assessment to ensure sufficiently high interactivity on the ODL platform to make the transition from ILT feasible.
- Launched our LMS, which consolidates learning taxonomies and paths into a single platform, making it highly beneficial to corporates and academic institutions.
- Launched #RatuTech campaign to reduce the gender gap within the nation's tech workforce. Close to 200 women from marginalised backgrounds have been successfully reskilled all over the country.
- Started Job Placement services, resulting in strong confidence from funding bodies providing scholarships for students.

Key Achievements

- Secured numerous large-scale reskilling contracts from government agencies such as MOSTI, MOHE, Yayasan Peneraju Pendidikan Bumiputera, SCENIC, MBInc and SDEC; and private companies including Etiqa.



- More than 80% of our graduates have entered tech professions with the rest running their own businesses or furthering their studies. The participants' average income uplift ranges from RM1,500 to RM6,000 per month.
- Encouraging performance with consistent growth throughout the year.

LOOKING FORWARD

The focus in 2023 will be to stimulate further growth of our LMS and ODL offerings. The onboarding of numerous institutions as bulk subscribers as well as opening to all content providers will allow subscribers to get the best courses from around the region in a one-price-covers-all edu-buffet. We are also exploring business expansion opportunities within the Asean region.



Business Review (cont'd)

Ventures: airasia grocer

The idea of airasia grocer germinated during the pandemic when farmers were unable to sell their produce due to logistics and distribution disruptions.

Leveraging Capital A's extensive land and air connectivity, and with the support of the Ministry of Agriculture and Food Security (MAFS), we stepped in to provide the missing links. From connecting primary producers such as farmers and fishermen to retailers, F&B outlets and consumers, we are now a full-blown food trader bringing together importers, distributors, supermarket chains, hotels, restaurants, central kitchens and non-governmental organisations (NGOs).

2022 OVERVIEW

The year 2022 marked significant growth for airasia grocer as demand for food picked up, and the re-establishment of regional flights allowed

us not only to serve Santan, AirAsia's inflight caterer, but also to capitalise on Teleport services to feed an expanding export customer base. A key development was the re-emergence of the business segment, which had been severely curtailed during the pandemic, with sales via this channel increasing almost six-fold from a monthly revenue of about RM175,000 to about RM1 million. To cater to this segment, we opened new markets in Penang, Kota Kinabalu, Sandakan, Tawau, Kuching, Miri, Bintulu and Labuan, as well as further afield in the Maldives, Hong Kong and Singapore. Meanwhile to streamline operations within the Capital A ecosystem, we shifted our business to consumer (B2C) segment to airasia food. With sharpened business focus, we were able to increase our gross margin to 11.5%.





Key Initiatives

- Established partnerships with World Food Chain and Hyundai Corporation to develop the Singapore and Korea markets, respectively.
- Obtained sole distributorship for cakes and brownies in Borneo from Dejavu.
- Expanded the market for Perlis' famed Harumanis mango from East Malaysia previously to include Singapore and Hong Kong.
- Created a new line of export for frozen satay, anchovies, Sabasco to Hong Kong.
- Secured the licence to import and export fruits, vegetables and seafood; and to store and trade rice, flour, sugar, cooking oil and alcohol.
- Signed a Letter of Intent (LOI) with the Indonesian Trade Ministry to explore cross-border trade to and from Indonesia.

- Went live with our Alibaba platform in June 2022, greatly enhancing lead generation.
- Established partnerships with various NGOs to serve underserved communities.

Key Achievements

- Utilising warehouse at full capacity by also supporting Santan, inflight and airasia food's weekly inter-city delivery operations.
- Hit RM1 million sales in July and maintained this monthly level until the end of the year.
- Obtained licence to import meat into Sabah, provide warehousing services for rice, flour and oil, and export seafood.
- Built a strong network of large retail buyers in East Malaysia.

LOOKING FORWARD

airasia grocer is looking to build on the momentum of growth established in 2022 to further deepen our domestic and regional networks leveraging the best rates from Teleport. Our focus will be to grow our buyer base while establishing import channels from countries such as Indonesia, Thailand and Vietnam. As our current warehouse in Petaling Jaya, Selangor, is rapidly reaching full capacity, we plan to open a second warehouse in Kota Kinabalu, Sabah, to cater for the growing Borneo and North Asia markets. In collaboration with the Ministry of Agriculture and Food Security and with the support of MATRADE we also look forward to expanding our export business into markets like China, India and UAE. As we have done with Harumanis, we seek to develop another five hero products as well as introduce co-branded products to build the airasia grocer brand and enhance our visibility across Asean.

