AirAsia 3.0

Airline + Digital + Technology

= The Travel & Financial Platform of Asean

April 2019
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Agenda

Achieving the unthinkable
Strengthening our underlying airline business
Digitalising the airline
AirAsia 3.0
Leveraging our data to create platforms
AAGB share price since IPO

IPO price: RM1.25
FYE 2004: RM49mn PATAMI
FYE 2018: RM1,980mn PATAMI
The largest LCC in Asia
The fourth largest airline in Asia

- **260** aircrafts, in **9** airlines
- **100 million** passengers flown annually
- **500 million** total passengers flown
- **147** destinations across **23** Countries
- Over **360** routes, including **98** unique routes
- **23** hubs
- Over **10,000** flights per week

*Fleet size and data as at Dec 2018*
Wide digital reach via AirAsia.com, mobile app and social media

Over **560 million** annual unique (web&app) visitors

Over **40 million** mobile app download

Over **15 million** contactable members

Hits from over **240** different countries

**2.9%** annual conversion rate

**60%** Sales via web and app

Over **11,900,000** fans

Over **26,000,000** followers

Over **7,900,000** followers

Over **1,600,000** followers

Over **1,900,000** followers

Over **1,300,000** followers

Over **50 million** total fans and followers
Ancillary revenue growth from data & digital initiatives

2008

- 9% of revenue
- ✔ Baggage
- ✔ Inflight F&B
- ✔ Pick-a-seat

- RM0.23bn

2018

- 21% of revenue
- ✔ Baggage (dynamic pricing)
- ✔ Inflight F&B
- ✔ Pick-a-seat (+ hot seats)
- ✔ Wifi
- ✔ Insurance
- ✔ Ourshop
- ✔ Fly-Thru
- ✔ Logistics

- RM2.06bn

9x
1Q19 operating statistics

<table>
<thead>
<tr>
<th>AirAsia Group Berhad AOCs (MAA, IAA &amp; PAA)</th>
<th>JAN - MAR 2019</th>
<th>JAN - MAR 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Carried¹</td>
<td>12,548,460</td>
<td>10,654,194</td>
<td>18%</td>
</tr>
<tr>
<td>Capacity²</td>
<td>14,268,918</td>
<td>12,204,348</td>
<td>17%</td>
</tr>
<tr>
<td>Load Factor (%)³</td>
<td>88%</td>
<td>87%</td>
<td>+1 ppt</td>
</tr>
<tr>
<td>ASK (mil)⁴</td>
<td>17,788</td>
<td>15,979</td>
<td>11%</td>
</tr>
<tr>
<td>RPK (mil)⁵</td>
<td>15,678</td>
<td>13,815</td>
<td>13%</td>
</tr>
<tr>
<td>Number of stages⁶</td>
<td>78,709</td>
<td>67,566</td>
<td>16%</td>
</tr>
<tr>
<td>Average stage length (km)</td>
<td>1239</td>
<td>1,290</td>
<td>-4%</td>
</tr>
<tr>
<td>Size of fleet at month end⁷</td>
<td>141</td>
<td>123</td>
<td>18</td>
</tr>
</tbody>
</table>

Note: (i) The fleet count excludes:
- Two (2) A320 aircraft leased to a third party airline

AirAsia Group (MAA, IAA & PAA):
- Carried 18% more passengers
- Load factor strong at 88%
- ASK up 11% as we added new routes and frequencies for both domestic and international routes to further grow market share
# 1Q19 operating statistics

## Malaysia AirAsia

<table>
<thead>
<tr>
<th></th>
<th>JAN - MAR</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Carried</td>
<td></td>
<td>8,716,196</td>
<td>7,923,673</td>
<td>10%</td>
</tr>
<tr>
<td>Capacity</td>
<td></td>
<td>9,980,958</td>
<td>8,961,648</td>
<td>11%</td>
</tr>
<tr>
<td>Load Factor (%)</td>
<td></td>
<td>87%</td>
<td>88%</td>
<td>-1 ppt</td>
</tr>
<tr>
<td>ASK (mil)</td>
<td></td>
<td>12,349</td>
<td>11,884</td>
<td>4%</td>
</tr>
<tr>
<td>RPK (mil)</td>
<td></td>
<td>10,869</td>
<td>10,423</td>
<td>4%</td>
</tr>
<tr>
<td>Number of stages</td>
<td></td>
<td>54,887</td>
<td>49,551</td>
<td>11%</td>
</tr>
<tr>
<td>Average stage length (km)</td>
<td></td>
<td>1,229</td>
<td>1,312</td>
<td>-6%</td>
</tr>
<tr>
<td>Size of fleet at month end</td>
<td></td>
<td>94</td>
<td>87</td>
<td>7</td>
</tr>
</tbody>
</table>

Note: (ii) The fleet count excludes: Two (2) A320 aircraft leased to a third party airline

## Thai AirAsia

<table>
<thead>
<tr>
<th></th>
<th>JAN - MAR</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Carried</td>
<td></td>
<td>5,863,824</td>
<td>5,639,204</td>
<td>4%</td>
</tr>
<tr>
<td>Capacity</td>
<td></td>
<td>6,507,990</td>
<td>6,224,610</td>
<td>5%</td>
</tr>
<tr>
<td>Load Factor (%)</td>
<td></td>
<td>90%</td>
<td>91%</td>
<td>-1 ppt</td>
</tr>
<tr>
<td>ASK (mil)</td>
<td></td>
<td>6,874</td>
<td>6,245</td>
<td>10%</td>
</tr>
<tr>
<td>RPK (mil)</td>
<td></td>
<td>6,151</td>
<td>5,618</td>
<td>9%</td>
</tr>
<tr>
<td>Number of stages</td>
<td></td>
<td>36,061</td>
<td>34,506</td>
<td>5%</td>
</tr>
<tr>
<td>Average stage length (km)</td>
<td></td>
<td>1,056</td>
<td>1,003</td>
<td>5%</td>
</tr>
<tr>
<td>Size of fleet at month end</td>
<td></td>
<td>62</td>
<td>59</td>
<td>3</td>
</tr>
</tbody>
</table>

## AirAsia Philippines

<table>
<thead>
<tr>
<th></th>
<th>JAN - MAR</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Carried</td>
<td></td>
<td>1,974,968</td>
<td>1,608,847</td>
<td>23%</td>
</tr>
<tr>
<td>Capacity</td>
<td></td>
<td>2,161,260</td>
<td>1,848,060</td>
<td>17%</td>
</tr>
<tr>
<td>Load Factor (%)</td>
<td></td>
<td>91%</td>
<td>87%</td>
<td>+4 ppts</td>
</tr>
<tr>
<td>ASK (mil)</td>
<td></td>
<td>2,561</td>
<td>2,090</td>
<td>23%</td>
</tr>
<tr>
<td>RPK (mil)</td>
<td></td>
<td>2,321</td>
<td>1,794</td>
<td>29%</td>
</tr>
<tr>
<td>Number of stages</td>
<td></td>
<td>12,007</td>
<td>10,267</td>
<td>17%</td>
</tr>
<tr>
<td>Average stage length (km)</td>
<td></td>
<td>1,185</td>
<td>1,131</td>
<td>5%</td>
</tr>
<tr>
<td>Size of fleet at month end</td>
<td></td>
<td>23</td>
<td>21</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: (iii) The fleet count and statistics includes: Eight (8) A320 aircraft operated by PT. Indonesia AirAsia Extra (IAXX) were transferred to AirAsia Indonesia in 4Q 2018

## Indonesia AirAsia

<table>
<thead>
<tr>
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<th>JAN - MAR</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Carried</td>
<td></td>
<td>1,857,296</td>
<td>1,121,674</td>
<td>66%</td>
</tr>
<tr>
<td>Capacity</td>
<td></td>
<td>2,126,700</td>
<td>1,394,640</td>
<td>52%</td>
</tr>
<tr>
<td>Load Factor (%)</td>
<td></td>
<td>87%</td>
<td>80%</td>
<td>+7 ppts</td>
</tr>
<tr>
<td>ASK (mil)</td>
<td></td>
<td>2,878</td>
<td>2,005</td>
<td>44%</td>
</tr>
<tr>
<td>RPK (mil)</td>
<td></td>
<td>2,488</td>
<td>1,598</td>
<td>56%</td>
</tr>
<tr>
<td>Number of stages</td>
<td></td>
<td>11,815</td>
<td>7,748</td>
<td>52%</td>
</tr>
<tr>
<td>Average stage length (km)</td>
<td></td>
<td>1,343</td>
<td>1,357</td>
<td>-1%</td>
</tr>
<tr>
<td>Size of fleet at month end</td>
<td></td>
<td>24</td>
<td>15</td>
<td>9</td>
</tr>
</tbody>
</table>

## AirAsia India

<table>
<thead>
<tr>
<th></th>
<th>JAN - MAR</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Carried</td>
<td></td>
<td>1,936,888</td>
<td>1,486,931</td>
<td>32%</td>
</tr>
<tr>
<td>Capacity</td>
<td></td>
<td>2,173,680</td>
<td>1,769,220</td>
<td>23%</td>
</tr>
<tr>
<td>Load Factor (%)</td>
<td></td>
<td>89%</td>
<td>83%</td>
<td>+6 ppts</td>
</tr>
<tr>
<td>ASK (mil)</td>
<td></td>
<td>2,322</td>
<td>1,770</td>
<td>31%</td>
</tr>
<tr>
<td>RPK (mil)</td>
<td></td>
<td>2,053</td>
<td>1,497</td>
<td>40%</td>
</tr>
<tr>
<td>Number of stages</td>
<td></td>
<td>12,076</td>
<td>9,829</td>
<td>23%</td>
</tr>
<tr>
<td>Average stage length (km)</td>
<td></td>
<td>1,068</td>
<td>1,000</td>
<td>7%</td>
</tr>
<tr>
<td>Size of fleet at month end</td>
<td></td>
<td>20</td>
<td>16</td>
<td>4</td>
</tr>
</tbody>
</table>

## AirAsia Japan

<table>
<thead>
<tr>
<th></th>
<th>JAN - MAR</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Carried</td>
<td></td>
<td>94,051</td>
<td>52,263</td>
<td>80%</td>
</tr>
<tr>
<td>Capacity</td>
<td></td>
<td>117,720</td>
<td>65,880</td>
<td>79%</td>
</tr>
<tr>
<td>Load Factor (%)</td>
<td></td>
<td>80%</td>
<td>79%</td>
<td>+1 ppt</td>
</tr>
<tr>
<td>ASK (mil)</td>
<td></td>
<td>135</td>
<td>63</td>
<td>113%</td>
</tr>
<tr>
<td>RPK (mil)</td>
<td></td>
<td>109</td>
<td>50</td>
<td>118%</td>
</tr>
<tr>
<td>Number of stages</td>
<td></td>
<td>654</td>
<td>366</td>
<td>79%</td>
</tr>
<tr>
<td>Average stage length (km)</td>
<td></td>
<td>1,145</td>
<td>957</td>
<td>20%</td>
</tr>
<tr>
<td>Size of fleet at month end</td>
<td></td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
Agenda

Achieving the unthinkable

**Strengthening our underlying airline business**

Digitalising the airline

AirAsia 3.0

Leveraging our data to create platforms
We have the planes to grow to stimulate latent demand

Equal Fleet Expansion Across AOCs in 2019

<table>
<thead>
<tr>
<th></th>
<th>MAA</th>
<th>TAA</th>
<th>IAA</th>
<th>PAA</th>
<th>AAI</th>
<th>AAJ</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2018*</td>
<td>84</td>
<td>56</td>
<td>23</td>
<td>17</td>
<td>14</td>
<td>2</td>
<td>196</td>
</tr>
<tr>
<td>December 2018**</td>
<td>95</td>
<td>62</td>
<td>24</td>
<td>22</td>
<td>19</td>
<td>2</td>
<td>224</td>
</tr>
<tr>
<td>2019 Net Addition***</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>1</td>
<td>18</td>
</tr>
</tbody>
</table>

*January 2018 fleet for Malaysia excludes aircraft grounded for reallocation to other AOCs
**December 2018 fleet excludes 2 third party leases
***Full Year 2019 net addition of 18 aircraft excludes 2 third party leases

Target aircraft financing for 2019: All on sale and leaseback.

6 countries:

Exploring others:

New A321neo aircraft that are fuel efficient & have lower cost per seat

Note: Column chart includes 2 third party leases
### AirAsia’s Domestic Market Share & Rational Competition (2018 vs 2017)

<table>
<thead>
<tr>
<th>Airline</th>
<th>2018 Market Share</th>
<th>2017 Market Share</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia Airlines</td>
<td>58%</td>
<td>62%</td>
<td>-4ppt</td>
</tr>
<tr>
<td>Nok Air</td>
<td>32%</td>
<td>34%</td>
<td>-2ppt</td>
</tr>
<tr>
<td>Garuda Indonesia</td>
<td>flat</td>
<td>flat</td>
<td>0</td>
</tr>
<tr>
<td>Cebu Pacific</td>
<td>20%</td>
<td>20%</td>
<td>0</td>
</tr>
<tr>
<td>IndiGo</td>
<td>5%</td>
<td>6%</td>
<td>-1ppt</td>
</tr>
<tr>
<td>Malindo Air</td>
<td>3%</td>
<td>2%</td>
<td>+1ppt</td>
</tr>
<tr>
<td>Thai Lion Air</td>
<td>2%</td>
<td>2%</td>
<td>FLAT</td>
</tr>
<tr>
<td>Lion Air</td>
<td>3%</td>
<td>4%</td>
<td>-1ppt</td>
</tr>
<tr>
<td>Philippine Airlines</td>
<td>FLAT</td>
<td>FLAT</td>
<td>0</td>
</tr>
<tr>
<td>Jet Airways</td>
<td>1%</td>
<td>2%</td>
<td>-1ppt</td>
</tr>
</tbody>
</table>
Agenda

Achieving the unthinkable
Strengthening our underlying airline business

**Digitalising the airline**

AirAsia 3.0
Leveraging our data to create platforms

Data-driven organisation
We have a lot of Data to drive ecosystem expansion

BIG Data and Real-time Insights

Available data source
Potential new data source
Data taking us to new heights

Priorities to Focus On
- Cost Reduction

Verticals to Work On
- Fuel Cost
- Operations Efficiency

Goals to Achieve
- Increase Fuel Cost Efficiency
- Increase Cost Efficiency & Productivity
- Increase Uptake
- Drive Customer Retention
- Drive More Traffic

Skill Sets Required
- Google
- Data Science

Goals to Achieve
- Revenue Gain
- Ancillary
- Pricing / Bundling
- Promos / Rewards

Strictly private and confidential
Staying true to being low-cost

Our top priority, ALWAYS.

- Lower airport charges
- Predictive maintenance to increase efficiency
- Driving fuel usage reduction through data analytics
- New A321neo aircraft that are fuel efficient & have lower cost per seat
- Adoption of ‘Agile’ organisation structure
- Media cost on a downtrend with personalisation
Agenda

- Achieving the unthinkable
- Strengthening our underlying airline business
- Digitalising the airline
- **AirAsia 3.0**
- Leveraging our data to create platforms
AirAsia 3.0

1. Strengthening our core airline business
   - \( \uparrow \) pax
   - \( \uparrow \) ancillary
   - \( \uparrow \) market share

2. Digitalising the airline
   - \( \uparrow \) revenue
   - \( \downarrow \) cost
   - \( \uparrow \) insights

3. Leveraging our data to create platforms
   - \( \uparrow \) revenue
   - \( \uparrow \) users
   - \( \uparrow \) engagement

Guests

Travel

Lifestyle

Social Commerce

Cargo

Belly

Baggage

teleport

teleport.social

e-Money Remittance Lending

Our aim is to also increase financial inclusion of our customers

AirAsia BIG Loyalty points

Strictly private and confidential
We are investing in people

Building blocks laid for a platform business

Lye Kong Wei, Group Head of Data (Formerly from Grab)

Elias Vafiadis, Group Head of Software Engineering (Formerly from Expedia)

Nikunj Shanti, Group Head of Product (Formerly from Expedia)

AirAsia Software Engineering & Technology Center
Bangalore, India
Agenda

Achieving the unthinkable
Strengthening our underlying airline business
Digitalising the airline
AirAsia 3.0

**Leveraging our data to create platforms**
AirAsia.com - All-in One Travel and Lifestyle Marketplace

New enhanced homepage UX/UI on web & mobile
AirAsia.com addressable market

Asean internet economy market size (GMV, US$bn, By sector)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2018E</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ride-hailing</td>
<td>72</td>
<td>240</td>
</tr>
<tr>
<td>Online media</td>
<td>10</td>
<td>31</td>
</tr>
<tr>
<td>E-commerce</td>
<td>23</td>
<td>102</td>
</tr>
<tr>
<td>Online travel</td>
<td>30</td>
<td>78</td>
</tr>
</tbody>
</table>

**OUR VISION**

Now we are establishing AirAsia.com as a all-in-one travel and lifestyle marketplace

- Transportation
- Food delivery
- Media
- Beauty
- Community
- Lifestyle deals
- OURSHOP
- Flights (direct & aggregator)
- Activities
- Hotels
- Holiday packages
- Post-booking
- Insurance, fintech

**THEN**

Before setting up AirAsia.com as a separate entity:

- In 2018, we estimate we had ~10% market share of the online travel space

**Maintaining our current ~10% market share will yield us a potential GBV of US$24bn in 2025E**

Source: e-Conomy Southeast Asia 2018 report by Google and Temasek
BigPay - Financial Supermarket

Asia’s Money App

- Digital challenger bank for Southeast Asian millennials and travelers
- Democratise financial services with simple and affordable solutions for e-wallet, remittances, and lending

500k users

e-Money  Advanced money management  Loans  Remittance
AirAsia Group Belly Space Consolidation/Partnerships

Existing cargo supply chain is ripe for disruption:

Full Year 2018:
Revenue of RM206 mil.

Target for Full Year 2019:
Revenue of RM400 mil

Full Year 2018:
Revenue of RM206 mil.

Target for Full Year 2019:
Revenue of RM400 mil
Building Teleport to enable direct businesses and consumers
Opening our logistics infrastructure to social sellers

Social Commerce (C2C) is growing faster than ride-hailing in Asean

ASEAN includes – MY, PH, TH, ID, VN, SG (ASEAN6)

2018-2025 Social commerce estimated at ≥50% of formal e-commerce segment

Sources: Google Temasek Reports, Nomura research, Euromonitor, eCommerceIQ, news runs
Note: Illustrative mockup of product
Key to our platform strategy is our low customer acquisition cost built over the last two decades

Asean internet economy market size (GMV, US$bn, By sector)

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<td>102</td>
</tr>
<tr>
<td>Online travel</td>
<td>30</td>
<td>78</td>
</tr>
</tbody>
</table>

Asean unicorns & funding in 2016-1H18 (US$bn)

- **Grab**: 7.9
- **Go-Jek**: 10.1
- **VNG, Razer**: 1.4
- **Lazada, Tokopedia, Shopee, Bukalapak, etc**: 0.7
- **Traveloka**:

Active users, from 2015 to 2018

- **AirAsia’s annual unique (web&app) visitors**: 560mn
- **8mn** to **35mn**
- **130mn** to **164mn**
- **49mn** to **120mn**

Source: e-Conomy Southeast Asia 2018 report by Google and Temasek
## AirAsia vs other platforms

<table>
<thead>
<tr>
<th>Market Dominance</th>
<th>ASEAN</th>
<th>Indonesia/ASEAN</th>
<th>Global</th>
<th>ASEAN</th>
<th>Indonesia/ASEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors (per month)</td>
<td>65 million</td>
<td>22.2 million</td>
<td>750 million</td>
<td>MAU: 18.6mn</td>
<td>MAU: 28 million</td>
</tr>
<tr>
<td>Daily active users</td>
<td>~2m</td>
<td>0.8mn</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Hotel nights for sales</td>
<td>&gt;500k</td>
<td>&gt;100k</td>
<td>352mn</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Merchants</td>
<td>40m (via Mastercard)</td>
<td>n/a</td>
<td>n/a</td>
<td>&gt;4k</td>
<td>303k (300k food merchants)</td>
</tr>
<tr>
<td>App Downloads</td>
<td>&gt;40 million</td>
<td>30 million</td>
<td>&gt;250 million</td>
<td>&gt;110mn</td>
<td>&gt;100mn</td>
</tr>
<tr>
<td>Valuation</td>
<td>US$ 2.3 bil</td>
<td>US$ 4.0 bil</td>
<td>US$ 17.9 bil</td>
<td>&gt;US$10bn</td>
<td>~US$10bn</td>
</tr>
</tbody>
</table>

Source: Publicly available company data
Thank you & Appendix
MFRS 16

• To reflect what was traditionally an off balance sheet long term commitment of entity to reflect it in the financial statements
• No separate treatment for operating lease and finance leases. All treatment will reflect the same treatment like finance lease.

Impact to P&L in 2019:
• Impact post BBAM is approximately depreciation +RM1.6b, interest +RM0.5b, no more op lease, net PBT -RM0.13b
• Impact post Castlelake and BBAM is approximately +RM1.9b, interest +RM0.6b, no more op lease, net PBT -RM0.27b

Impact to balance sheet:
• +assets & + liabilities by ~RM11-14b each, net gearing ratio of 1.5 (estimate) in Dec 2019 from net cash in non-MFRS 16 compliant Dec 2018

Impact to cashflow:
• Purely accounting transaction, no further cashflow impact of pre adoption and post adoption

Tax impact: Deferred tax (to be determined)

No breach of any financial covenants
Aircraft monetisation exercise

BBAM transaction

Nov 2018
Completion of 79 aircraft and 14 engines sold to BBAM

4Q18 results
we recorded:
- BBAM’s project consultants’ fees RM167m
- accretion of interest catch up RM64m
- net cash proceeds: RM4.4b where we paid a special dividend totalling RM1.3b
- Debt reduced by RM7.9b
- Turned net cash in Dec 2018
- +MRO provisions of RM300m

2019

BBAM transaction

24 Dec 2018:
Signing of:
- SPA to the disposal of Merah Aviation which will consist of 25 aircraft (18 A320ceo & 7 A320neo)
- SLB Agreement for 4 new aircraft to be delivered (A320ceo)

8 Mar 2019:
Amended SPA signed

Upon sale (target 2Q19) (estimated):
- Net gain on disposal: ~RM175 million
- Gross proceeds of ~RM3.13 billion
- Net proceeds of ~RM1.30 billion (post repayment of debt of RM1.9b & transaction expenses of ~RM15m)
- +MRO provisions will be based on usage - cycle hours.

Castlelake transaction
## FY2018 Financial Highlights

Financial Performance & Operating Statistics – AirAsia Group Berhad (“AAGB”)

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (RM mil)</td>
<td>10,638</td>
<td>9,710</td>
<td>+9%</td>
</tr>
<tr>
<td>Net Operating Profit (RM mil)</td>
<td>808</td>
<td>1,639</td>
<td>-49%</td>
</tr>
<tr>
<td>Capacity</td>
<td>52,536,954</td>
<td>44,435,006</td>
<td>+18%</td>
</tr>
<tr>
<td>RASK (sen)</td>
<td>14.71</td>
<td>15.13</td>
<td>-3%</td>
</tr>
<tr>
<td>CASK incl. Fuel (sen)</td>
<td>14.80</td>
<td>13.16</td>
<td>+13%</td>
</tr>
</tbody>
</table>

- Profitable despite average fuel price up by 33% (RM703 mil in additional fuel cost), resulting to 39% increase in fuel expenses
- FY2018’s performance was largely impacted by much higher fuel cost. Recorded average fare of RM173 despite the vigorous 18% capacity added
- Minus one-off costs amounting to RM319 mil, normalised CASK ex-fuel grew marginally by 2% to 8.51 sen. Cost items: BBAM’s project consultants’ fees RM167 mil, provision for doubtful debts RM88 mil, accretion of interest catch up RM64 mil

Note:
Results for AirAsia Group Berhad comprises: AirAsia Malaysia, Indonesia & Philippines only
Our Strategy

- Our Group’s fuel hedging strategy is based on our forward sales booking
- Jet Kero – 52% hedged for FY2019 at USD79.40 per barrel; 40% hedged for FY2020 at USD77.55 per barrel. FY2021 4% at USD77.37bbl
- Currency hedges – USD operating expenditure is 100% hedged up to September 2019
- Interest rates – All USD loans (for aircraft) are either fixed rate loans or have fixed interest rates via interest rate swaps

<table>
<thead>
<tr>
<th>AirAsia Group</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>53%</td>
</tr>
<tr>
<td>Q2</td>
<td>52%</td>
</tr>
<tr>
<td>Q3</td>
<td>52%</td>
</tr>
<tr>
<td>Q4</td>
<td>51%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Hedge Ratio</th>
<th>53%</th>
<th>52%</th>
<th>52%</th>
<th>51%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg Hedge Cost (USD – Jet Kero)</td>
<td>80.57</td>
<td>78.23</td>
<td>77.64</td>
<td>78.31</td>
</tr>
<tr>
<td>Average FY Hedge Cost</td>
<td>79.40</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Only 31% of USD borrowings are totally unhedged:

Loans by currency: USD (88%), MYR (10%) and EUR (2%)
Dividends

- Committed to pay special dividends every 2 years
- Dividend policy of 20% of net profit
- Second interim dividend of 12sen/share payable on 10 April 2019
- Interim + special dividend – totaling to RM0.64 for FY2018; 21.5% dividend yield
- Total dividends paid up over the years accounts for approximately one-third of our share price today.

With a CASH POSITION of RM3.35 billion as of Dec 2018
AirAsia.com Overview

**Business Summary**
- Incorporated in 2019, AirAsia.com is a regional web and mobile app platform for travel and lifestyle bookings in Asia.
- Offers consumers travel and lifestyle products that are available for purchase using various payment methods, including loyalty points.
- Expanding beyond AirAsia’s airline network, AirAsia.com features global flights operated by other peer airlines and both proprietary and non-proprietary travel and lifestyle inventories for consumers to choose from.
- Built travel and lifestyle ecosystem through strategic partnerships with local and regional partners working as earn and burn channels of loyalty points for consumers.

**Products & Services**

<table>
<thead>
<tr>
<th>Travel</th>
<th>Lifestyle</th>
<th>Content</th>
<th>Beauty</th>
<th>B2B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flight</td>
<td></td>
<td>Media</td>
<td>Content driven beauty marketplace</td>
<td>Marketplace for comprehensive and proprietary content and inventory for other businesses to plug-in and use</td>
</tr>
<tr>
<td>Hotel / Vacation Rental</td>
<td>Shop</td>
<td>Content (Print + Digital)</td>
<td>Cosmetics</td>
<td></td>
</tr>
<tr>
<td>Flight + Hotel</td>
<td>Duty Free</td>
<td>Inflight Entertainment</td>
<td>Wellness</td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>F&amp;B</td>
<td>Infrastructure (Inflight WiFi)</td>
<td>Skincare</td>
<td></td>
</tr>
<tr>
<td>Tours + Activities</td>
<td>Health, Fitness</td>
<td></td>
<td>Fragrance</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>Events</td>
<td></td>
<td>Haircare</td>
<td></td>
</tr>
<tr>
<td>Itinerary Builder</td>
<td>Ticketing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Spencer Lee (CEO)  
Former Head of Commercial at AirAsia Malaysia
BigPay Overview

Business Summary
- Launched in 2018, BigPay aim to democratize financial services in Asia by building a digital bank that offers consumers e-wallet service, remittance and lending
- Value proposition includes easy user experience, usability via Mastercard’s extensive network, issuance of Big Points upon top up or use, zero foreign exchange rate charged during international travels, and zero booking fees when booking on AirAsia.com

Key Features
- Native iOS and Android build
- Latest tech stack & proprietary software
- Seamless, mobile-only user experience
- Bank grade and biometric security
- Peer-to-peer payments & split bills
- Fully automated spending analytics
- In-app card / account management
- Issue Mastercard / Visa card

Proprietary Licences
- e-Money
- Remittance
- Lending

Make financial services **better value**, more **transparent** and **fairer** for everyone

Christopher Davison (CEO)
Former Director of Clearwater Partners
Former Investment Manager at Talis Capital Limited
Teleport Overview

Business Summary
- Today, a consolidator of belly capacity for the AirAsia group of airlines, enabling cargo carriage for businesses across 110+ cities
- Global network reach through partner airlines beyond Asia covering US, Europe, Middle East and Australia/New Zealand
- Our goal is to re-order the supply chain, with the airport as the distribution center of the future, and make same-day cross-border fulfillment a reality
- We intend to open our platform and infrastructure to empower consumers and small businesses across Southeast Asia

Affordable Air Freight

Now: AirAsia Network

Next: 8 Major Asean Cities

Aim: 4 Capital Cities

Offering Door-to-Door Cross Border Logistics Services

First Mile Collection
Parcel collection in origin country (warehouse / pick up / drop off points)

Partner Warehouse
Consolidation and sorting by consignee for final delivery at destination country

Customs Clearance
Outbound and inbound custom clearance in origin and destination countries

Transportation
Cargo terminal and warehouse as well as cross docking for final delivery leg

Last Mile Delivery
Identify various last mile partners based on items
BigLife Overview

Business Summary
- Formally known as Big Loyalty and rebranded in 2019, BigLife is AirAsia’s frequent flyer program aiming to power AirAsia’s greater ecosystem with its loyalty points as a high utility digital currency.
- Offers consumers earning opportunities when transacting with an ecosystem partner and also offers consumers the option to purchase travel and lifestyle products using the user's point balance.
- Provides additional benefits for its members such as exclusive discounts and priority access to sale inventories.
- Tied to AirAsia’s single sign on to maximize value for users and create a wholistic profile of users’ behavioral patterns.

Products & Services
- Points Earn & Burn
  - Earn and use points at travel and lifestyle partner channels.
- Co-Branded Cards
  - Earn extra Big Points when spending on the co-branded credit cards.
- Points Exchange
  - Convert your other (Citi, CIMB, Maybank) points to Big Points on Big Exchange points marketplace.

Major Customer Value Propositions
- Exclusive BIG Member discounts at up to 90%.
- Pay with BIG Points and save more on flight bookings.
- 24-hour priority access to AirAsia sales.
- Full flight redemption for free flights.
- Redeem short haul flights from as low as 500 BIG Points.
- Shop online and earn BIG Points for every cash spent.
- Earn and save BIG with Fave deals.
- Rewards differentiated by membership statuses.