

Date: 10 August 2022

التاريخ: 10 أغسطس 2022

To: Boursa Kuwait Company K.S.C.P.

السادة/ شركة بورصة الكويت
المحترمين،
تحية طيبة وبعد ،،،

Subject: Disclosure regarding the conference call held with analysts and investors of Jazeera Airways K.S.C.P. for interim consolidated financial information for the period ended 30/06/2022.

الموضوع / إفصاح شركة طيران الجزيرة ش.م.ك.ع. عن انعقاد مؤتمر المحللين / المستثمرين عن المعلومات المالية المرحلية المجمعة للفترة المالية المنتهية في 2022/06/30.

With reference to the above subject, please note that the conference with analysts and investors for the interim consolidated financial information for the period ended 30/06/2022 was held via a call on Wednesday 10 August 2022 at 3:00pm, and that no material information was shared during the call.

بالإشارة إلى الموضوع أعلاه، يرجى الإحاطة بأن مؤتمر المحللين / المستثمرين عن المعلومات المالية المرحلية المجمعة للفترة المالية المنتهية في 2022/06/30 قد انعقد عن طريق (Conference Call) يوم الأربعاء الموافق 10 أغسطس 2022 الساعة الثالثة عصراً، علماً بأنه لم يتم تداول أي معلومات جوهرية خلال المؤتمر.

The earnings presentation for the conference call is attached to this disclosure and the transcript will be shared in due course.

مرفق العرض التقديمي لمؤتمر المحللين/ المستثمرين، وستقوم الشركة بالإفصاح لاحقاً عن محضر المؤتمر.

وتفضلوا بقبول فائق الإحترام ،،،



روهيت راماشاندران

الرئيس التنفيذي

الجزيرة.
Jazeera.

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Commercial registration number 102546

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2Q22 Earnings Webcast

10 August 2022

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*Starting
Shortly...*

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Agenda

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- ◆ Financial & Operational Headlines
- ◆ Operational Performance
- ◆ Outlook for 2H22
- ◆ Financial Review
- ◆ Q&A





Financial & Operational Headlines

2Q22 Operational Headlines



PASSENGERS

2Q22: 817.3 k
2Q21: 104.1 k

+685.2%



LOAD FACTOR

2Q22: 73.0%
2Q21: 51.2%

+21.8%



UTILIZATION

2Q22: 13.1 hrs
2Q21: 3.4 hrs

+286.3%



YIELD

2Q22: KWD48.1
2Q21: KWD68.3

-29.6%

1H22 Operational Headlines



PASSENGERS

1H22: 1.5 mn
1H21: 208.2 k

+632.5%



LOAD FACTOR

1H22: 54.7%
1H21: 74.0%

+19.3%



UTILIZATION

1H22: 12.4 hrs
1H21: 3.4 hrs

+266.6%



YIELD

1H22: KWD47.8
1H21: KWD71.6

-33.2%

2Q22 Financial Headlines



REVENUE

2Q22: KWD41.9 mn
2Q21: KWD7.4 mn

+464.6%



OPERATING PROFIT

2Q22: KWD4.6 mn
2Q21: -KWD6.0mn

+176.3%



NET PROFIT

2Q22: KWD3.5 mn
2Q21: -KWD6.5 mn

+154.4%

1H22 Financial Headlines



REVENUE

1H22: KWD77.6 mn
1H21: KWD15.6 mn

+399.0%



OPERATING PROFIT

1H22: KWD9.8 mn
1H21: -KWD11.3mn

+187.1%



NET PROFIT *

1H22: KWD7.4 mn
1H21: -KWD11.7 mn

+163.2%

- 1H22 includes a one-off gain of KWD1.7 mn from the sale and lease back of two engines against the sale and lease back of one engine in 1H21 for KWD0.4 mn.
- 1H22 includes a non-operating loss on foreign currency of KWD1.2 mn against a gain of KWD1.3 mn in 1H21.

Ancillary Revenue



CARGO REVENUE

2Q22: KWD588.4 k
2Q21: KWD480.5 k

+22.5%

1H22: KWD996.4 k
1H21: KWD922.6 k

+8.0%



ANCILLARY REVENUE

2Q22: KWD4.0 mn
2Q21: KWD1.2 mn

+227.3%

1H22: KWD7.1 mn
1H21: KWD2.3 mn

+203.7%



E-COMMERCE REVENUE

2Q22: KWD9.7 mn
2Q21: KWD1.0 mn

+882.8%

1H22: KWD16.0 mn
1H21: KWD1.8 mn

+806.2%

Terminal 5 Performance

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2Q22

▲
KWD2.6 mn
Revenue

2Q21: KWD306.1 k

▲
KWD2.2 mn
EBITDA

2Q21: -KWD103.5 k

▲
KWD1.9 mn
Net Profit

2Q21: -KWD430.8 k

1H21

▲
KWD4.7 mn
Revenue

2Q21: KWD650.1 k

▲
KWD3.7 mn
EBITDA

2Q21: -KWD172.5 k

▲
KWD3.3 mn
Net Profit

2Q21: -KWD827.2 k

Retail occupancy: 95% of available space occupied as leasing picks pace and certain areas get allocated for operational use

New check-in counters: To accommodate the growing number of passengers

Duty Free: Success in the first year of operations with net margin of +30%

1.5
mn passenger



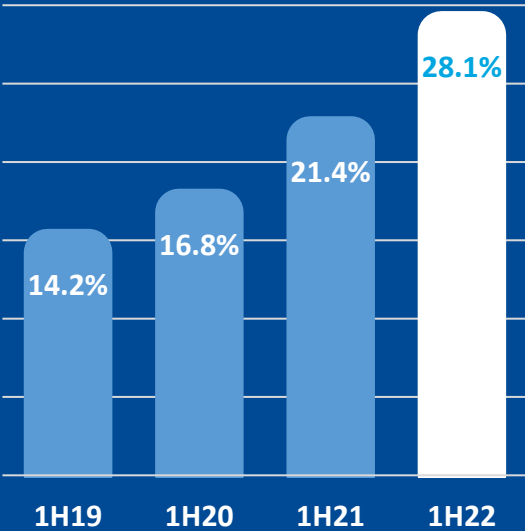


Operational Performance

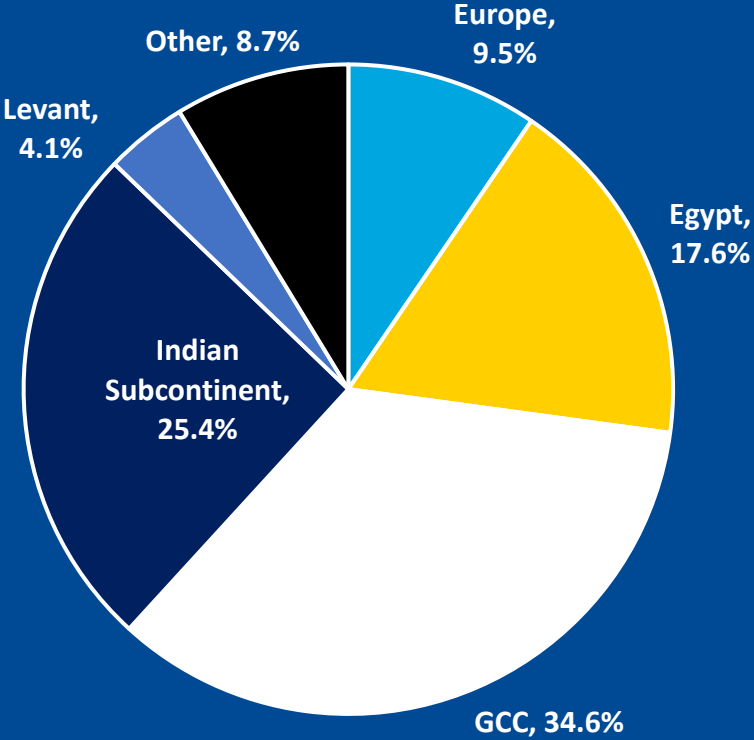
1H22 Market Share & Passengers Distribution

MARKET SHARE

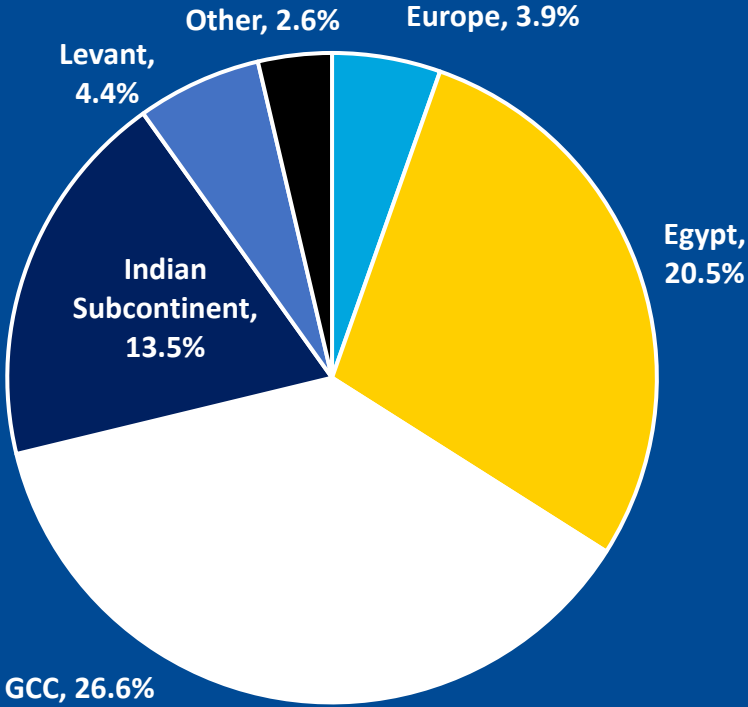
28.1%
AT KWI



PASSENGERS GEOGRAPHIC DISTRIBUTION – 1H22



PASSENGERS GEOGRAPHIC DISTRIBUTION – 1H19



Operational Updates

Seasonal Shift & High Fuel Prices

Summer travel season shifted to end of June as Ramadan moves forward on the Gregorian calendar and school year gets extended.

High fuel prices since March 2022 exerted pressure on margins; partially offset through controlled planning.

Line Maintenance

Maintenance & Engineering team performed first in-house “A” check.

A large step towards independency in that key service line after being fully dependent on outsourcing CMAO, Part 145 and other services until two years ago.

Fleet Growth

Added one wet-lease to the fleet to attend to high travel demand during the summer

Signed agreements for two brand new additional Airbus A320neo on a long-term lease that will join the fleet effective September 2022.

New Destinations

- Prague: June 22, 2022
- Vienna: June 23, 2022
- Abha: July 17, 2022
- Hail: July 21, 2022
- Qassim: August 21, 2022
- Xian: September 15, 2022





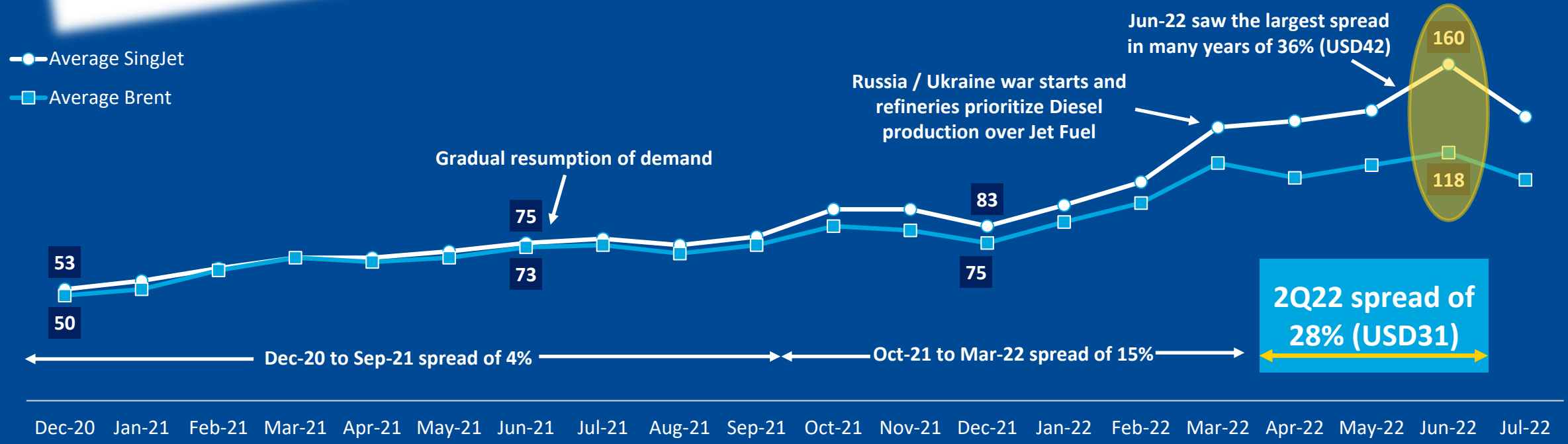
- 2Q22: 47 destinations
- 2Q21: 29 destinations
- 2Q20: 31 destinations
- 2Q19: 27 destinations

Jet Fuel Situation



Jet fuel price average for 2022 (year to date)	\$142.9/bbl
Impact on 2022 fuel bill	\$133.1 billion

Source: IATA
As of August 05, 2022



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Kuwait ↔ Vienna
Welcome to Vienna Airport
Inaugural flight
June 23rd, 2022
VIE Vienna International Airport

KWI

VIE

2H22 Outlook

Positive Updates with Non-Ending Challenges

Revenue and Cost Controls

- Summer travel season is very strong and Jazeera is managing a very tight schedule.
- Revenue expected to continue to improve with capacity growth at KWI despite not returning to pre-Covid 19 levels yet.
- Inflated fuel prices to put significant pressure on costs and margins during 2H22.

Travel Outlook

- Appetite to travel is increasing as Summer 2022 is the first restrictions-free season since 2019.
- Yield diverting to more normalized levels as restrictions softened and supply increased, yet still higher than 2019.
- Overall passenger traffic at KWI still not back to 2019 level, which sets up the market for a strong 2023.

Moving Forward

- Continued network expansion with new summer destinations to launch in 3Q22, such as Bhairawa in Nepal & Salala in Oman.
- Focus on enhancing efficiency by shifting operations in-house, specifically in training and line maintenance.



Financial Review

2Q22 & 1H22 Key Parameters

2Q22 Vs 2Q21

Operating Parameters	2Q21	2Q22	CHANGE
Average Aircraft	14.0	17.1	21.4%
Destination Cities	29	47	62.1%
Revenue Drivers	2Q21	2Q22	CHANGE
Seats	202,721	1,119,607	452.3%
Passengers	104,096	817,319	685.2%
Load Factor	51.2%	73.0%	21.8%
Net Yield	68.3	48.1	-29.6%
Profitability Drivers	2Q21	2Q22	CHANGE
Sectors	1,273	6,611	419.3%
Block Hours	4,330	20,436	371.9%
Utilization (BH per Day)	3.4	13.1	285.9%

1H22 Vs 1H21

Operating Parameters	1H21	1H22	CHANGE
Average Aircraft	14.0	17.1	21.8%
Destination Cities	29	47	62.1%
Revenue Drivers	1H21	1H22	CHANGE
Seats	380,933	2,061,106	441.1%
Passengers	208,212	1,525,056	632.5%
Load Factor	54.7%	74.0%	19.3%
Net Yield	71.6	47.8	-33.2%
Profitability Drivers	1H21	1H22	CHANGE
Sectors	2,462	12,184	394.9%
Block Hours	8,536	38,124	346.6%
Utilization (BH per Day)	3.4	12.4	266.5%

2Q22 Financial Performance

<i>In KWD</i>	2Q21	2Q22	CHANGE
Operating Revenue	7,416,089	41,872,384	465%
Operating Expenses	-13,386,709	-37,317,681	-179%
Operating Profit	-5,970,620	4,554,703	176%
Net Profit (Loss)	-6,515,012	3,545,752	154%

- Revenue increased at a higher pace (465%) than the increase in sectors (419%) primarily due to higher number of passengers carried (685%), offset partially by 30% decrease in yield. Terminal revenue also increased by 748%.
- Operating costs are higher by 179% despite higher level of operations (419%) and Fuel price increase (86%) over 2Q21.
- Non -operating gain from Sale & Lease Back of Engines of KWD1.7 mn compared to KWD412k in 2Q21.
- A book loss of KWD1.3 mn on foreign currency related to lease liabilities was registered in 2Q22 against a gain of KWD0.3 mn in 2Q21.

1H22 Financial Performance

<i>In KWD</i>	1H21	1H22	CHANGE
Revenue	15,553,459	77,612,813	399%
Operating Expenses	-26,836,813	-67,780,200	-153%
Operating Profit	-11,283,353	9,832,613	187%
Net Profit (Loss)	-11,693,274	7,389,678	163%

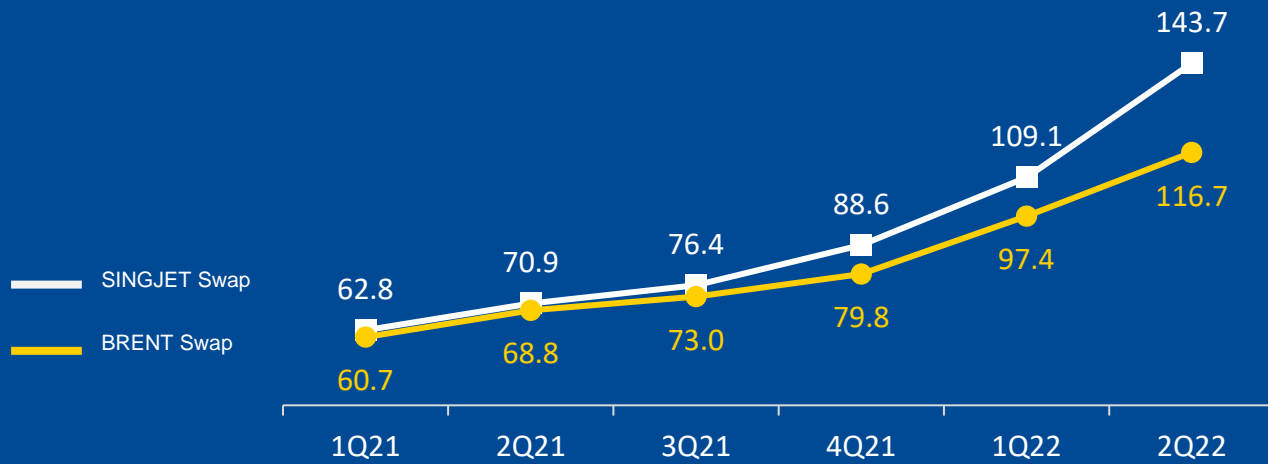
<i>In KWD</i>	FY21	2Q22	CHANGE
Cash	50,060,300	44,307,745	-11%
Fixed Assets	21,165,460	63,063,524	198%
Total Assets	225,187,429	268,900,120	19%
Total Liabilities	195,102,900	238,465,745	22%
Total Equity	30,084,529	30,434,375	1%

- Revenue growth of 399% was inline with growth in sectors travelled of 395% driven by a higher number of passengers (632%) and offset partially by 33% decrease in yield. Terminal revenue also increased by more than sixfold.
- Operating expenses are higher by 153% only despite higher level of operations sectors and block hours as well as fuel price increase of 86% over 2Q21.
- Cash is KWD44 mn in 2Q22 down from KWD50 mn in FY21 due to Airbus advances (KWD44 mn) and dividend payment (KWD7 mn), offset by increased advance collections, SLB gains and operating profits.
- Fixed assets increased by Airbus advance (KWD44 mn).
- Liabilities increased due to higher advance collections and temporary overdraft taken against Fixed Deposits; subsequently repaid fully in July.

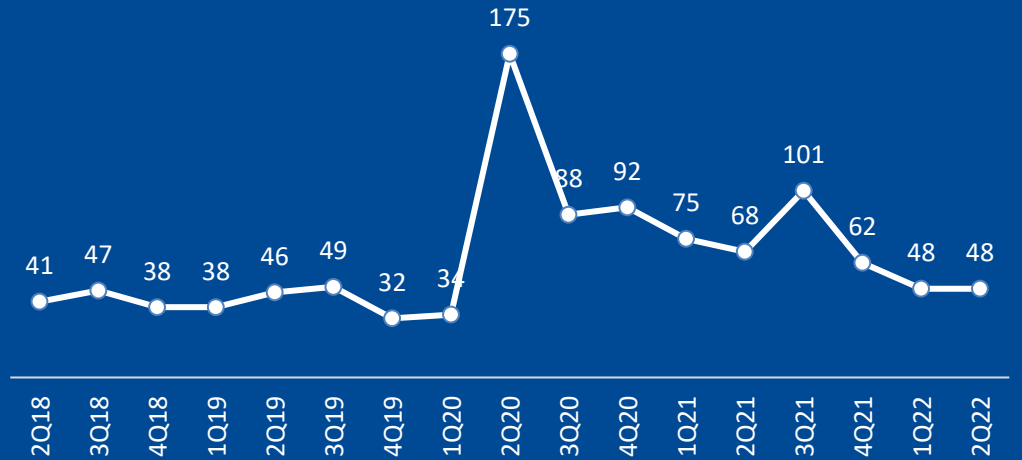
BOD recommends a dividend payment of KWD6.6 mn (KWf30/share) for 1H22

2Q22 Key Performance Metrics

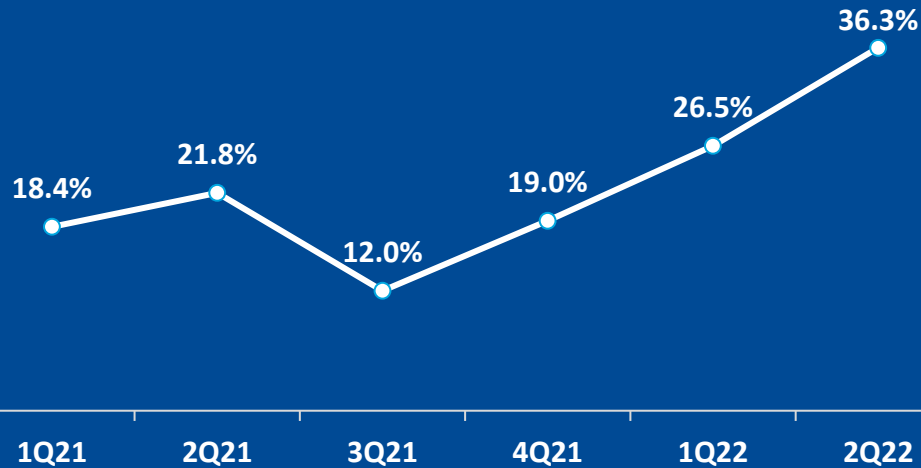
BRENT Swap Vs. SINGJET Swap (USD/BBL)



Quarterly Yield (KWD)

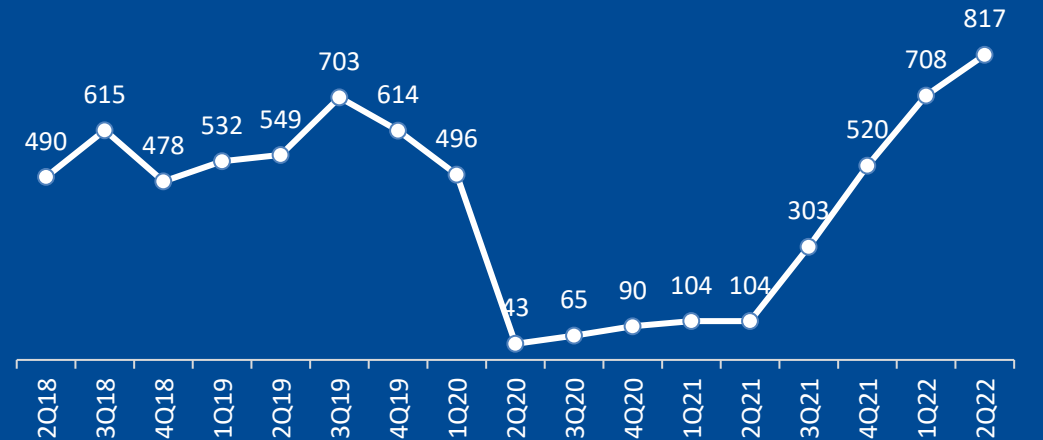


Fuel as Percent of Revenue



At Jan 2022 fuel price levels; net profit would be higher by KWD5.8 mn in 1H22

Quarterly Passengers (000)



Q&A



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Jazeera Airways KSC is listed on the Kuwait Stock Exchange

Bloomberg: Jazeera KK

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