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**2Q19 Earnings
Conference Call**

August 6, 2019

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***Starting
Shortly...***

Agenda

- ◆ The Group Today
- ◆ Headline Results
- ◆ Operational Highlights
- ◆ Outlook for Rest of 2019
- ◆ Financial Review
- ◆ Q&A



The Group Today

- A leading low-cost carrier in the Middle East
- Strong cost management
- Serving six destinations in Egypt, six in the Indian Subcontinent, and a total of 29 airports
- Ten aircraft, four more in 2019
- Solid progress in T5 operations
- Increased revenues from ancillary sources

Headline Results



2Q19 Operational Highlights



Passengers
+12.0%

2Q19: 549.1 k
2Q18: 490.4 k



Load Factor
+3.9%

2Q19: 77.6%
2Q18: 73.7%



Utilization
+2.2%

2Q19: 14.8 hrs
2Q18: 14.5 hrs



Yield
+11.5%

2Q19: KWD45.6
2Q18: KWD40.9


2Q19 Financial Highlights



Operating Revenue
KWD26.0 mn

Variance: 29.5%

2Q18: KWD20.1 mn



Operating Profit
KWD4.8 mn

Variance: 169.8%

2Q18: KWD1.8 mn



Net Profit
KWD4.8 mn

Variance: 171.2%

2Q18: KWD1.8 mn

2Q19 Commercial Highlights



eCommerce Sales

+10.3% Vs. 2Q18



Ancillary Revenue

+18.5% Vs. 2Q18

1H19 Operational Highlights



Passengers
+20.6%

1H19: 1.1 mn
1H18: 894.2 k



Load Factor
+2.6%

1H19: 76.6%
1H18: 74.7%



Utilization
+5.9%

1H19: 13.7 hrs
1H18: 12.9 hrs



Yield
+10.0%

1H19: KWD42.1
1H18: KWD38.3

1H19 Financial Highlights



Operating Revenue
KWD47.3 mn

Variance: 37.4%

1H18: KWD34.5 mn



Operating Profit
KWD6.6 mn

Variance: 391.6%

1H18: KWD1.3 mn



Net Profit
KWD6.2 mn

Variance: 335.1%

1H18: KWD1.4 mn

1H19 Commercial Highlights



eCommerce Sales

+13.2% Vs. 1H18



Ancillary Revenue

+25.5% Vs. 1H18

Operational Highlights

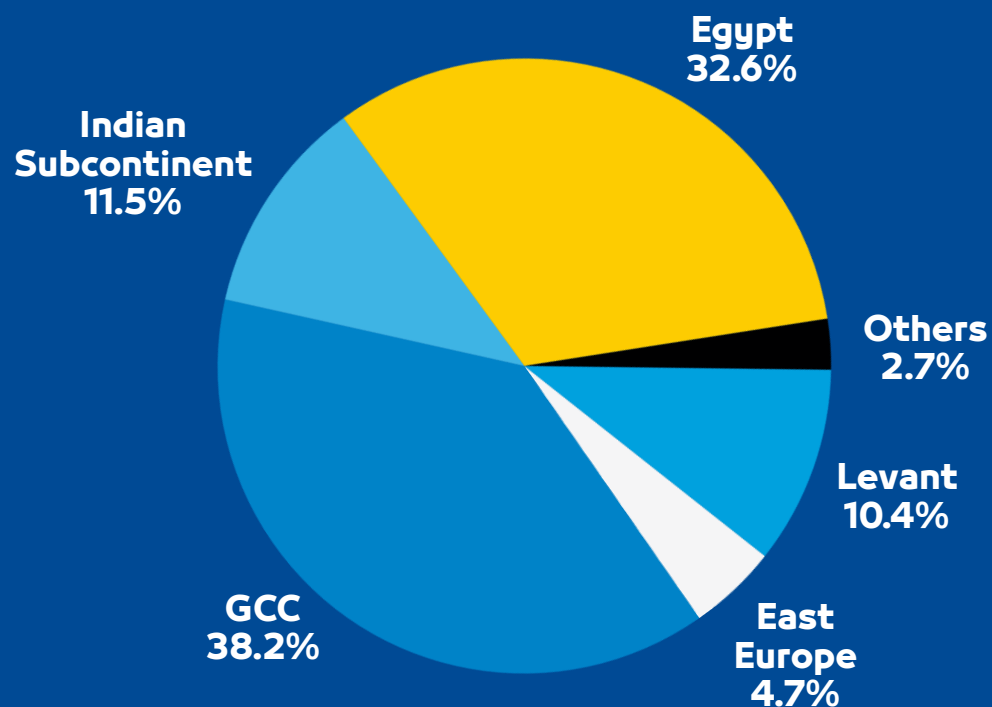


2Q19 Milestones

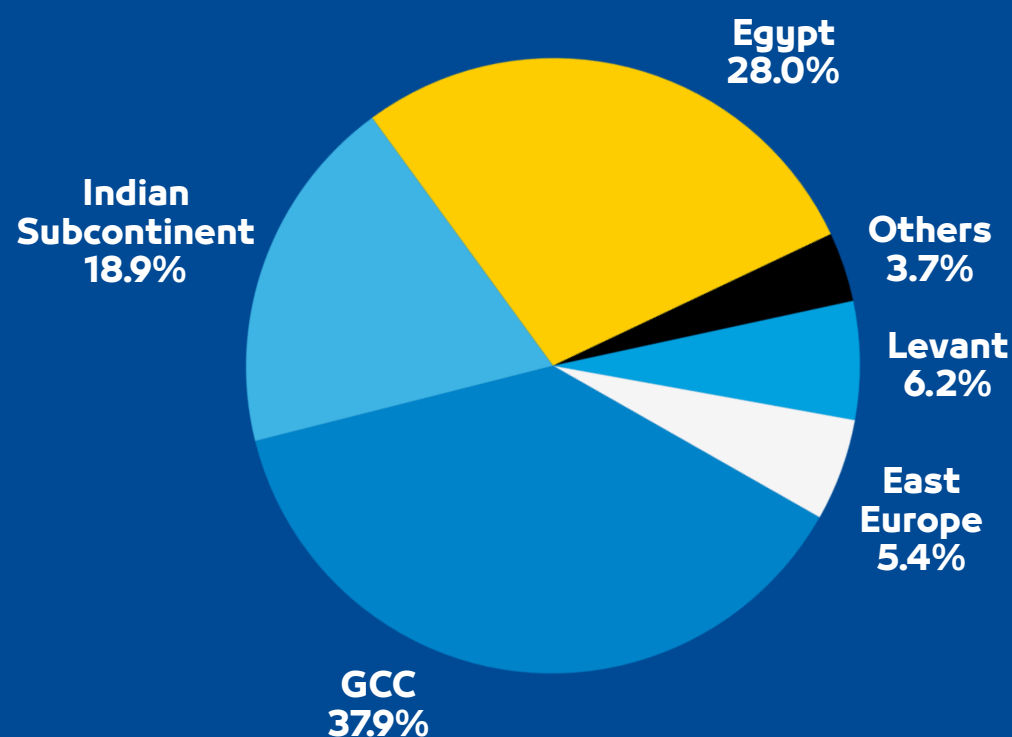
- Flights to Istanbul moved to new Istanbul International Airport
- Launched routes to Bodrum and Sabiha International Airport in Istanbul
- Launched the first on-board convenience store with Trolley
- Operated special return flight to Baku for passengers to watch the final of UEFA Europa League
- Received one A320-200 wet lease aircraft
- Awarded "Aviation Company of the Year 2019" by Arabian Business
- Received the "Best Business Operations Transformation" Award at the IDC CIO Excellence Award for the year 2019 as well as the "CXO 50" Award by CXO Middle East Insight Media

Where Passengers Fly

Passengers Geographic Distribution 2Q18



Passengers Geographic Distribution 2Q19



2Q19 Terminal Revenue

**Net Profit:
KWD240 k**

**EBITDA:
KWD729 k**



**549.1 k
passengers
flew from
T5**



**274.5 k
departing
passenger**



Outlook for Rest of 2019



2019 Expansions

New Destinations

Launched Bodrum
Launched Istanbul Sabiha
October 2019 London
Kathmandu
Dhaka
Karachi

Aircraft Additions

Three new A320neo
Received One wet lease A320ceo
Received One dry lease A320ceo

A320neo operational benefits:

- ▶ Significant fuel savings up to 18% over traditional engines.
- ▶ Allows more flying time expanding flying radius to +6.5hrs.
- ▶ Improved customer experience due to lower noise.

Facilities Expansion

Continued expansion of services at Terminal 5

Financial Review



Key Parameters 2Q19

Operating Parameters	2Q18	2Q19	CHANGE
Average Aircraft	8.3	9.3	12.0%
Destination Cities	26	27	3.9%

Revenue Drivers	2Q18	2Q19	CHANGE
Seats	665,174	707,718	6.4%
Passengers	490,409	549,055	12.0%
Load Factor	73.7%	77.6%	3.9%
Net Yield	40.9	45.6	11.5%

Profitability Drivers	2Q18	2Q19	CHANGE
Sectors	4,057	4,333	6.8%
Block Hours	10,609	11,557	8.9%
Utilization (BH per Day)	14.5	14.8	2.2%

In addition to the favorable variances due to an increase in number of passengers, the following are other favorable variances:

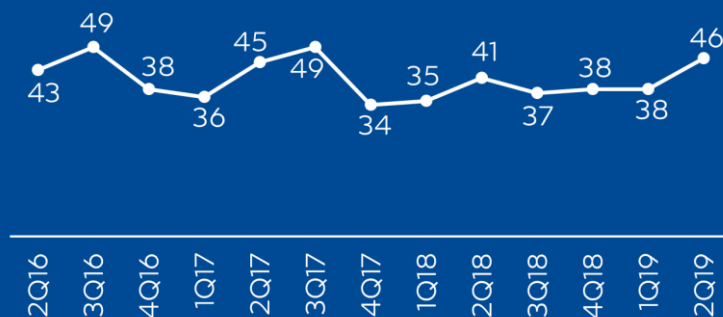
- Yield increase impact of **KWD2.3 mn** (KWD45.6 in 2Q 2019 vs KWD40.9 in 2Q 2018).
- Rental revenue of **KWD0.6 mn** increase from pervious period.
- Ancillary revenue per **KWD0.3 mn** pax increased (KWD3.8 in 2Q 2019 vs KWD3.5 in 2Q 2018).

Financial Position

	2Q18	2Q19	CHANGE
Operating Revenue	20,106,501	26,037,856	29.5%
Operating Expenses	18,310,905	21,192,876	15.7%
Operating Profit	1,795,596	4,844,980	169.8%
Net Profit	1,750,340	4,746,896	171.2%

	2Q18	2Q19	CHANGE
Cash	13,176,166	12,713,287	-3.5%
Fixed Assets	19,440,294	25,745,834	32.4%
Total Assets **	57,997,721	119,297,569	105.7%
Total Liabilities **	25,400,156	88,025,328	246.6%
Total Equity **	32,597,565	31,272,241	-4.07%

YIELD BY QUARTER (KWD)



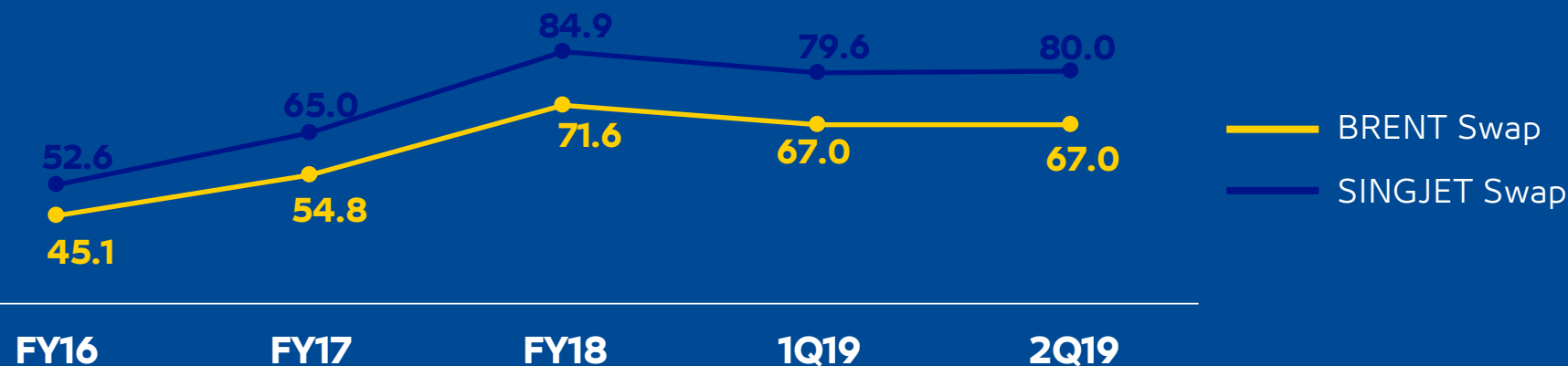
PASSENGERS BY QUARTER (000)



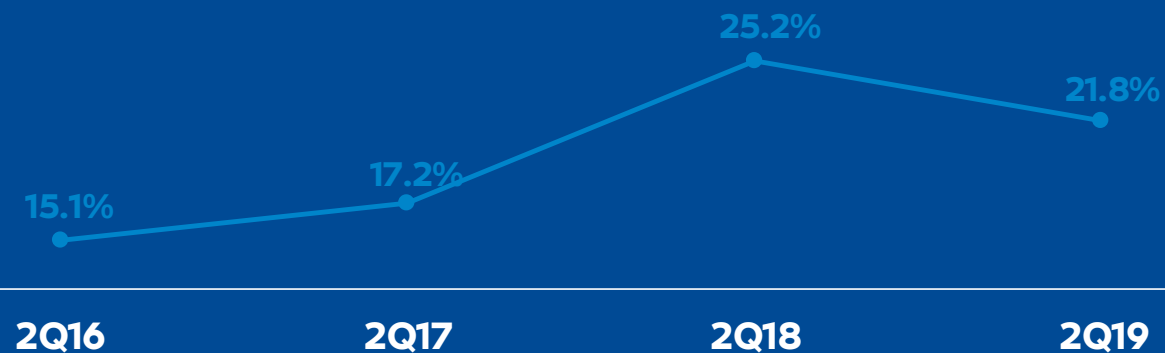
** Impact of IFRS 16 on leases

Fuel Prices

BRENT Swap Vs. SINGJET Swap (USD/BBL)



Fuel as Percent of Revenue



Balance Sheet Analysis 2Q19

Current assets (cash and bank) have increased by ~KWD6.3 mn since December 2018 mainly driven by:

- Operating cash profits from airline and T5 generated ~KWD8.0 mn
- Working capital changes amounting to ~KWD10.5 mn
- Dividend payment of KWD7 mn
- Purchase of PPE amounting to KWD5.2 mn.

Receivables reduced by ~KWD3.7 mn since December 2018, due to receipt of maintenance claims from lessors as well as fuel subsidy.

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Q&A

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Key Contacts

For more information please contact

Krishnan Balakrishnan

VP Finance

krishnan.balakrishnan@jazeeraairways.com

Mostafa El-Maghraby

Head of Investor Relations

investorrelations@jazeeraairways.com

Jazeera Airways KSC is listed on the Kuwait Stock Exchange

Bloomberg: Jazeera KK

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A silhouette of five people walking from left to right in an airport terminal. From left to right: a pilot in a uniform, a man in a suit carrying a briefcase, a woman in a business suit, a man in a suit, and a woman in a business suit pulling a rolling suitcase. The scene is set against a large window with a blue-tinted sky. The floor is highly reflective, showing clear reflections of the people and their luggage.

Thank You