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**3Q19 Earnings
Conference Call**

November 5, 2019

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Conference Call**



Starting Shortly...

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Agenda

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



The Group Today

- First LCC to serve GCC-UK route
- Strong cost management
- Expanding in Europe, Asia and Middle East with a total of 37 airports by January 2020
- 11 aircraft, five more by end 2020
- Increased revenues from ancillary sources



H.E. The Ambassador of Kuwait to UK, Khaled Al-Duwaisan with the Jazeera Airways team at the landing of the first flight in London on October 27, 2019

Headline Results



3Q19 Operational Highlights



Passengers
+14.3%

3Q19: 703.4 k
3Q18: 615.1 k



Load Factor
+0.7%

3Q19: 80.7%
3Q18: 80.0%



Utilization
-2.0%


3Q19: 14.5 hrs
3Q18: 14.8 hrs



Yield
+5.0%

3Q19: KWD48.8
3Q18: KWD46.5

3Q19 Financial Highlights



Operating Revenue
KWD35.5 mn

3Q18: KWD29.2 mn
Variance: +21.4%



Operating Profit
KWD10.5 mn

3Q18: KWD7.6 mn
Variance: +37.6%



Net Profit
KWD9.9 mn

3Q18: KWD7.0 mn
Variance: +40.6%

3Q19 Commercial Highlights



e-commerce Sales

+17.5% Vs. 3Q18



Ancillary Revenue

+57.7% Vs. 3Q18

9M19 Operational Highlights



Passengers
+18.1%

9M19: 1.8 mn
9M18: 1.5 mn



Load Factor
+1.8%

9M19: 78.2%
9M18: 76.8%



Utilization
+0.8%

9M19: 13.7 hrs
9M18: 13.6 hrs



Yield
+7.3%

9M19: KWD44.8
9M18: KWD41.7

9M19 Financial Highlights



Operating Revenue
KWD82.8 mn

9M18: KWD63.7 mn
Variance: +30.0%



Operating Profit
KWD17.0 mn

9M18: KWD8.9 mn
Variance: +90.5%



Net Profit
KWD16.1 mn

9M18: KWD8.5 mn
Variance: +90.2%

9M19 Commercial Highlights



eCommerce Sales

+14.6% Vs. 9M18



Ancillary Revenue

+32.4% Vs. 9M18

Operational Highlights



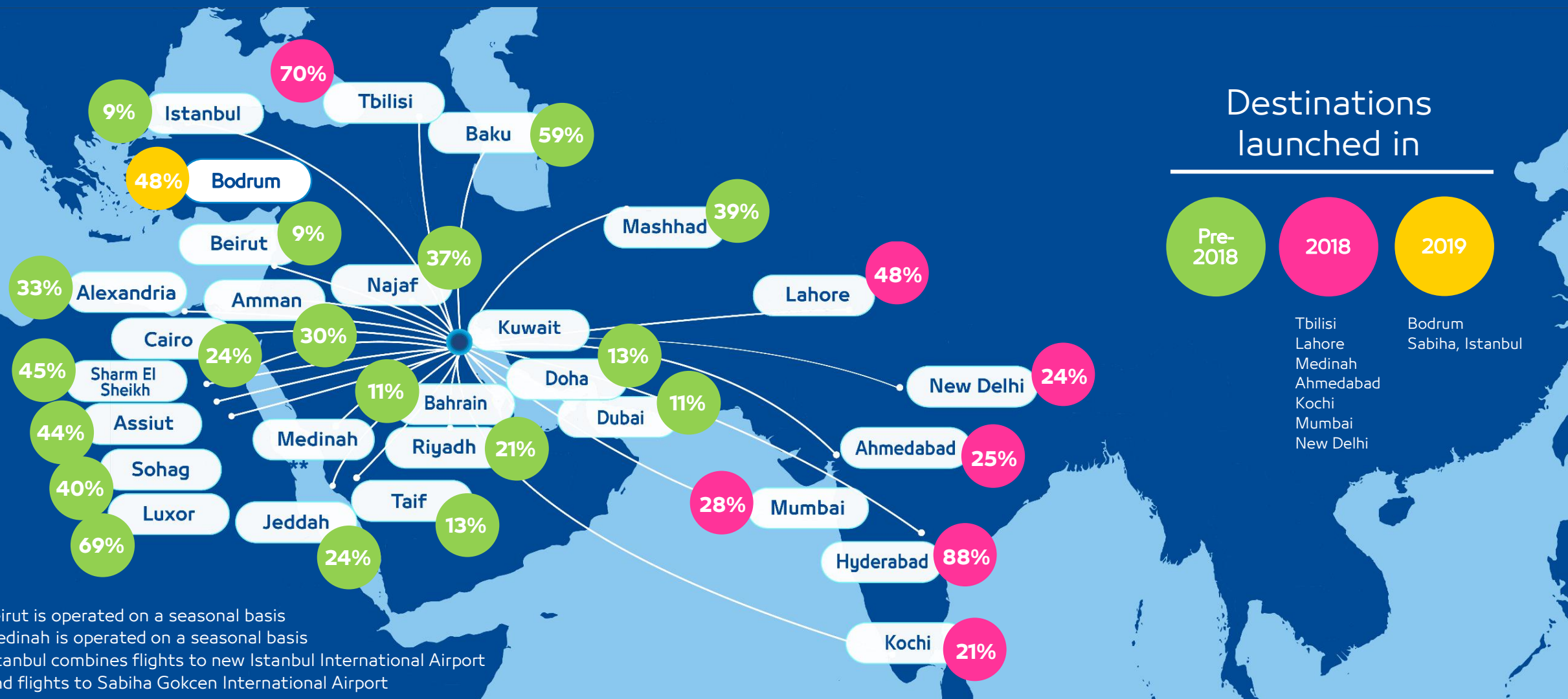
3Q19 Milestones



Kuwait's Civil Aviation Director General, Engineer Yousef Al-Fozan and the Ambassadors of Britain, France and Germany to Kuwait at the first take off to London on October 27, 2019.

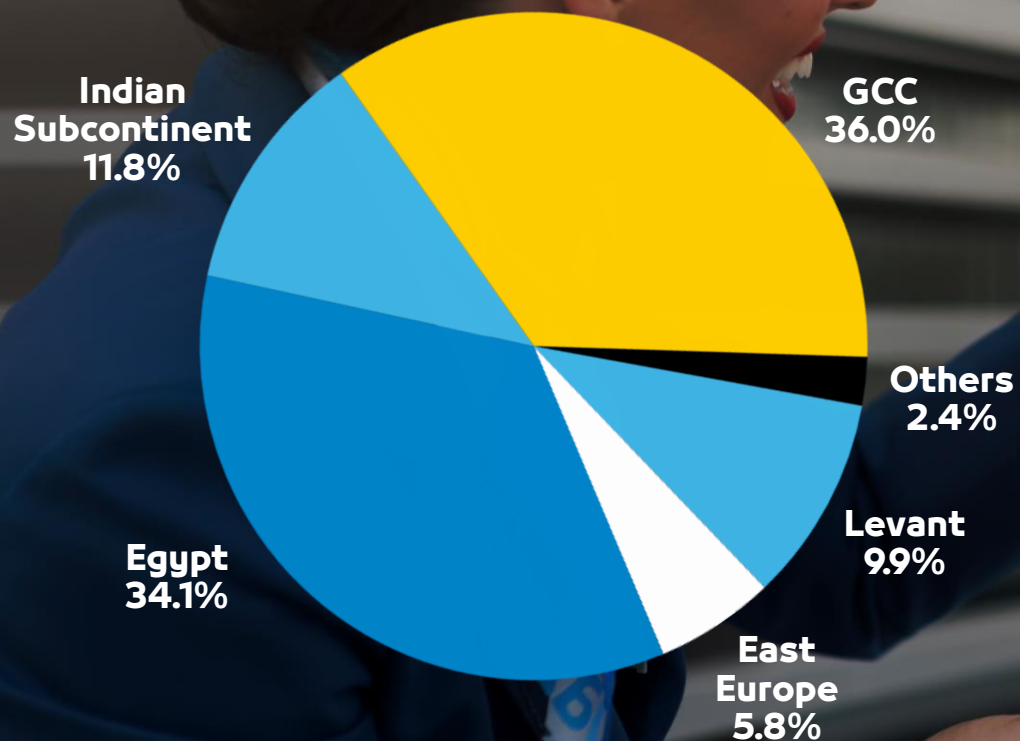
- Announced new route to London, first service by an LCC from GCC to UK
- Announced new route to Osh, Kyrgyzstan; the first ever service from Kuwait supporting religious travel and connecting to Jeddah and Medina
- Announced routes to Karachi, Pakistan and Kathmandu, Nepal; high traffic routes from Kuwait and the region
- On-time performance was 85% in August and 94% in September
- Launched Jazeera Holidays in partnership with a leading travel agent

9M19 Market Shares

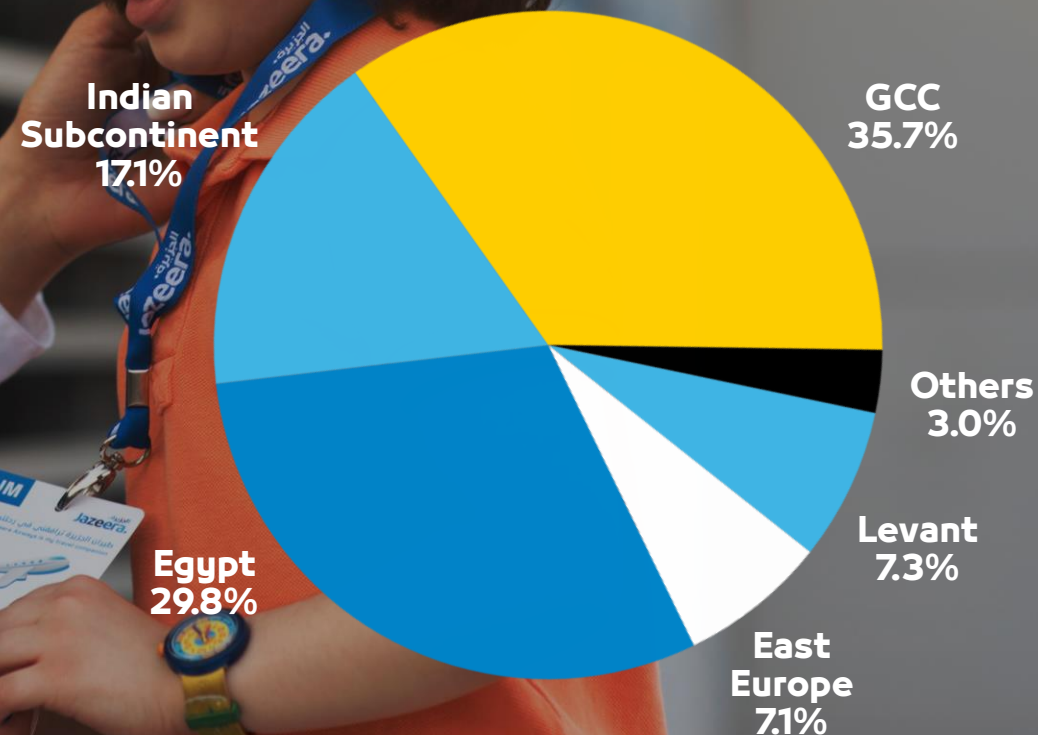


Where Passengers Fly

Passengers Geographic Distribution 9M18



Passengers Geographic Distribution 9M19



Jazeera Terminal T5

3Q19

Revenue
KWD1.2 mn

9M19

Revenue
KWD3.1 mn

EBITDA
KWD632 k

Net Profit
KWD418 k

EBITDA
KWD1.4 mn

Net Profit
KWD739 k

Retail
occupancy:
40%

PACI
numbers:
Completed for
leasing licensing

Visa entry
desks:
Operational
since 3Q19



1.8 mn
passengers
through T5

Outlook for Rest of 2019



4Q19 Expansions

New Destinations

- October* London
- November* Osh, Kyrgyzstan
- November* Kathmandu, Nepal
- November* Karachi, Pakistan
- November* Chittagong, Bangladesh
- December* Al Ain, UAE
- December* Dammam, KSA

Aircraft Deliveries

- Two new A320neo
- 13 aircraft by end 2019*

Cost Saving Initiatives

Investing in engineering and maintenance to save on costs by:

- Performing line and light maintenance in-house in a phased manner
- Renegotiating major maintenance costs related to components and engines
- Evaluating the construction of a hangar in Kuwait to support maintenance activities

Financial Review



Key Parameters 3Q19

Operating Parameters	3Q18	3Q19	CHANGE
Average Aircraft	8.98	10.47	16.6%
Destination Cities	25	27	8.0%

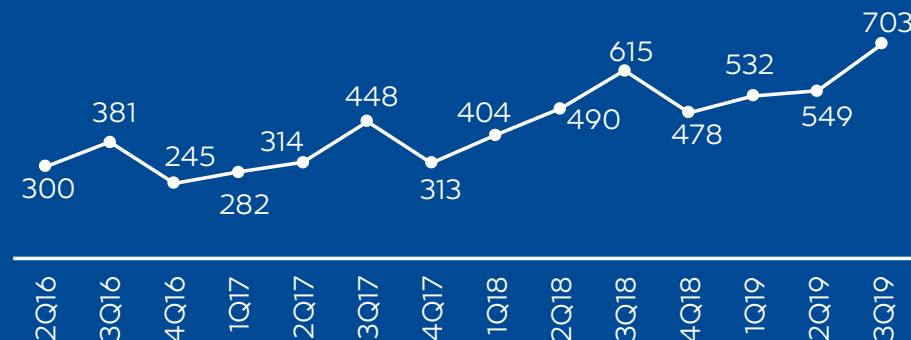
Revenue Drivers	3Q18	3Q19	CHANGE
Seats	768,776	871,795	13.4%
Passengers	615,126	703,378	14.3%
Load Factor	80.0%	80.7%	0.7%
Net Yield	46.5	48.8	5.0%

Profitability Drivers	2Q18	3Q19	CHANGE
Sectors	4,695	5,326	13.4%
Block Hours	12,290	13,951	13.5%
Utilization (BH per Day)	14.8	14.5	-2.5%

YIELD BY QUARTER (KWD)



PASSENGERS BY QUARTER (000)



Financial Position

	3Q18	3Q19	CHANGE
Operating Revenue	29,248,188	35,502,324	21.4%
Operating Expenses*	21,643,658	25,035,704	15.7%
Operating Profit	7,604,530	10,466,620	37.6%
Net Profit	7,047,740	9,905,796	40.6%

Major reasons for favorable variances Vs 3Q18

- Yield improvement year-on-year of **KWD1.3 mn**
- Passenger increase year-on-year of **KWD4.1 mn**
- Terminal profit of **KWD418 k** versus loss of KWD (214k) in 3Q18
- Operating expenses increase of KWD3.4 mn primarily driven by higher level of operations

	3Q18	3Q19	CHANGE
Cash	13,558,684	18,429,813	35.9%
Fixed Assets	20,720,534	26,579,010	28.3%
Total Assets **	61,417,554	127,243,235	107.2%
Total Liabilities **	21,772,249	86,084,026	295.4%
Total Equity **	39,645,305	41,159,209	3.8%

* Operating Expenses = Operating costs + General & Administrative Expenses + Finance Costs (Impact of IFRS 16)

** Impact of IFRS 16 on leases

Fuel Hedging

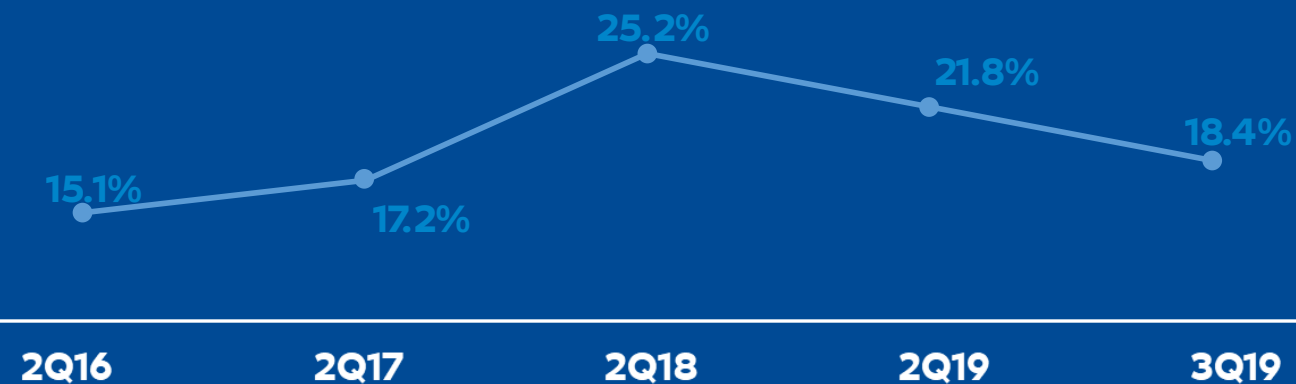
- The Board approved hedging up to 25% of the annual fuel consumption when Brent spot price falls to USD 60/bbl
- Entered an agreement to hedge 25,000 barrels per month for 24 months effective September 2019 at USD 57/bbl
- In September 2019, booked A profit of USD 130k on the hedge that reflected in fuel costs

Fuel Prices

BRENT Swap Vs. SINGJET Swap (USD/BBL)



Fuel as Percent of Revenue



Balance Sheet Analysis 9M19

Assets have increased by ~KWD65.8 mn mainly driven by:

- IFRS 16 Leased assets – KWD48.5 mn
- Cash and bank balance increase of KWD11.9 mn driven by increased operating cash profits as well as cash recovered from lessors through replacement of MR by BG
- Major cash outflow during the period was driven by:
 - Payment of KWD7 mn dividend for FY18
 - Purchase of one “LEAP” engine and other assets – KWD6.7 mn
(subsequently entered sale and lease back agreement that will be recognized in 4Q19)

Liabilities have increased by KWD64.3 mn mainly due to:

- IFRS 16 Leased liabilities – KWD54.1 mn
- MR BGs issued to lessors against cash recovered and increase in operations

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Q&A

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Jazeera Airways KSC is listed on the Kuwait Stock Exchange

Bloomberg: Jazeera KK

Reuters: JAZK.KW

Stay up to date with the latest investor information:

investorrelations.jazeeraairways.com

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