

Returning to Profitability in Record Time

FY21 Earnings Conference Call

February 15, 2022

Starting Shortly...

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February 15, 2022

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Agenda

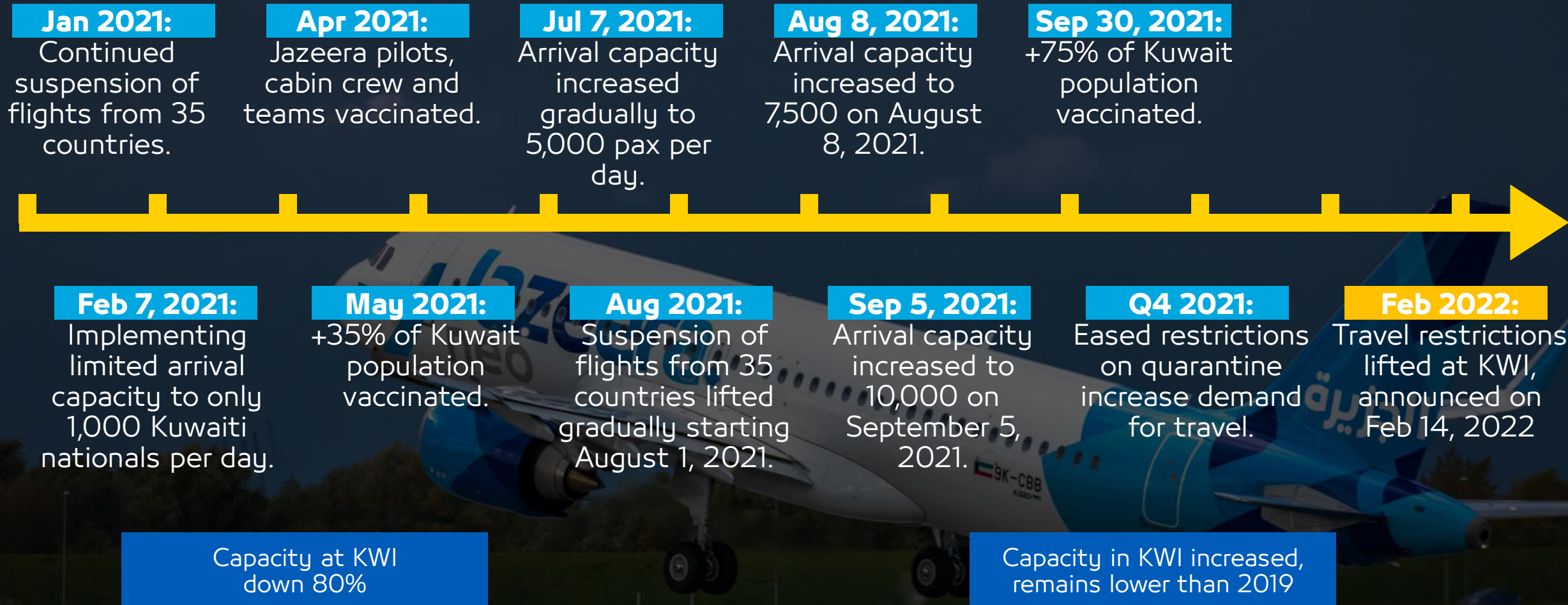
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- ◆ FY21 in Review
- ◆ Travel Status at Kuwait Airport and Network
- ◆ Financial Headlines
- ◆ Operational Performance
- ◆ Outlook for 2022
- ◆ Financial Review
- ◆ Q&A



FY21 Travel Status in Review - KWI

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FY21 Travel Status in Review - Network

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FOCUS ON QUARANTINE-FREE AND COVID-SAFE DESTINATIONS

**+
HIGH DEMAND
DESTINATIONS**

**Strong Demand
Destinations**

Istanbul, Bodrum,
Trabzon, Beirut

**Launch of New
Destinations**

Antalya, Tashkent,
Bishkek, Tbilisi, Sarajevo,
Colombo, Addis Ababa,
Almaty



Focus on Charter and Connecting Flights in 1H:

Operated point-to-point and transit charter flights from and through KWI, especially between Asia and the Middle East + Europe.

AIRBUS

DUBAI AIRSHOW 2021

Commercial announcement
Airline order



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AIRBUS

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Financial & Operational Headlines

Aircraft order announced
at Dubai Airshow 2021

4Q21 Operational Headlines

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PASSENGERS

4Q21: 520.2 k
4Q20: 90.2 k

+476.6%



LOAD FACTOR

4Q21: 74.2%
4Q20: 54.9%

+35.2%



UTILIZATION

4Q21: 9.2 hrs
4Q20: 2.9 hrs

+220.4%



YIELD

4Q21: KWD61.7
4Q20: KWD92.5

-33.3%

FY21 Operational Headlines

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PASSENGERS

FY21: 1.0 mn
FY20: 696.1 k

+48.2%



LOAD FACTOR

FY21: 66.8%
FY20: 64.3%

+3.9%



UTILIZATION

FY21: 5.9 hrs
FY20: 4.2 hrs

+41.1%



YIELD

FY21: KWD73.9
FY20: KWD57.4

+28.6%

4Q21 Financial Headlines

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OPERATING REVENUE

4Q21: KWD33.1 mn
4Q20: KWD8.6 mn

+285.5%



OPERATING PROFIT

4Q21: KWD9.3 mn
4Q20: -KWD8.9mn

+204.3%



NET RESULT

4Q21: KWD7.0 mn
4Q20: -KWD10.9 mn

+164.6%

FY21 Financial Headlines

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OPERATING REVENUE

FY21: KWD80.4 mn
FY20: KWD41.4 mn

+94.3%



OPERATING PROFIT

FY21: KWD10.8 mn
FY20: -KWD20.7 mn

+152.2%



NET RESULT

FY21: KWD7.1 mn
FY20: -KWD26.4 mn

+126.8%

Ancillary Revenues

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CARGO REVENUE

4Q21: KWD622.0 k
4Q20: KWD398.0 k

+56.3%

FY21: KWD2.3 mn
FY20: KWD1.5 mn

+53.9%



ANCILLARY REVENUE

4Q21: KWD2.9 mn
4Q20: KWD1.0 mn

+190.4%

FY21: KWD7.8 mn
FY20: KWD4.5 mn

+74.5%

Terminal 5 Performance

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4Q21

KWD1.4 mn
Revenue

4Q20: KWD245.2 k

4Q19: KWD1.2 mn

KWD1.2 mn
EBITDA

4Q20: -KWD10440 k

4Q19: KWD684.0 k

KWD1.1 mn
Net Result

4Q20: -KWD355.1 k

4Q19: KWD482.0 k

FY21

KWD3.2 mn
Revenue

FY20: KWD1.3 mn

FY19: KWD4.3 mn

KWD1.8 mn
EBITDA

FY20: -KWD478.0 k

FY19: KWD2.1 mn

KWD0.7 mn
Net Result

FY20: -KWD1.4 mn

FY19: KWD1.2 mn

Terminal 5 Performance – FY21

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REVENUE BREAKDOWN

KWD1.8 mn

Passenger Service Fee

KWD1.5 mn

Lease & Other Ancillary Revenue

Passenger service fees increased by 409.9% thanks to increase in airport capacity at KWI.

1.0 mn passengers in 2021.

EXPANSIONS

Gates Expansion

Increased to 3 gates connected to bridges and 2 with transportation.

Expanded Arrival Area

Arrival area expanded with new belt for baggage.

Supporting Building

Support building ongoing.

VIV Terminal

VIV operations growing for private flights and services.

TRAFFIC CAPACITY

Foreseen capacity in 2022

4.0 mn

passengers

Capacity to increase with start of operations at supporting building



Operational Performance

New Routes

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NEW ROUTES LAUNCHED IN FY21



London Heathrow

Started June 18

First LCC in the Middle East to operate direct flights to LHR.



Bishkek

Started June 16



Sarajevo

Started July 3



Yerevan

Started June 3



Tashkent

Started June 27



Antalya

Started July 2



Colombo

Started February 20



Addis Ababa

Started March 16



Almaty

Started December 2

Resuming Destinations

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RESUMING QUARANTINE-FREE DESTINATIONS



Beirut

Service to Beirut resumed with scheduled flights on Wednesdays and Saturdays for vaccinated travelers to enjoy an extended weekend in the Lebanese capital.



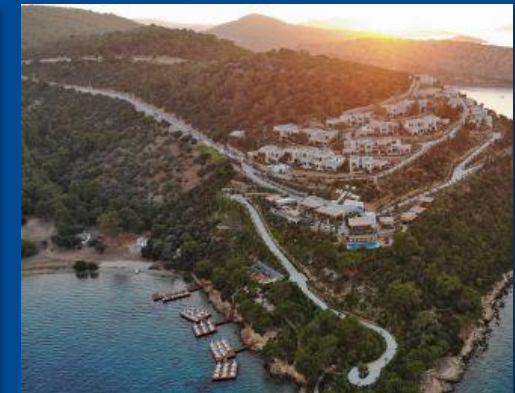
Tbilisi

Flights to the popular touristic destination for tourists from Gulf countries resumed with a high demand.

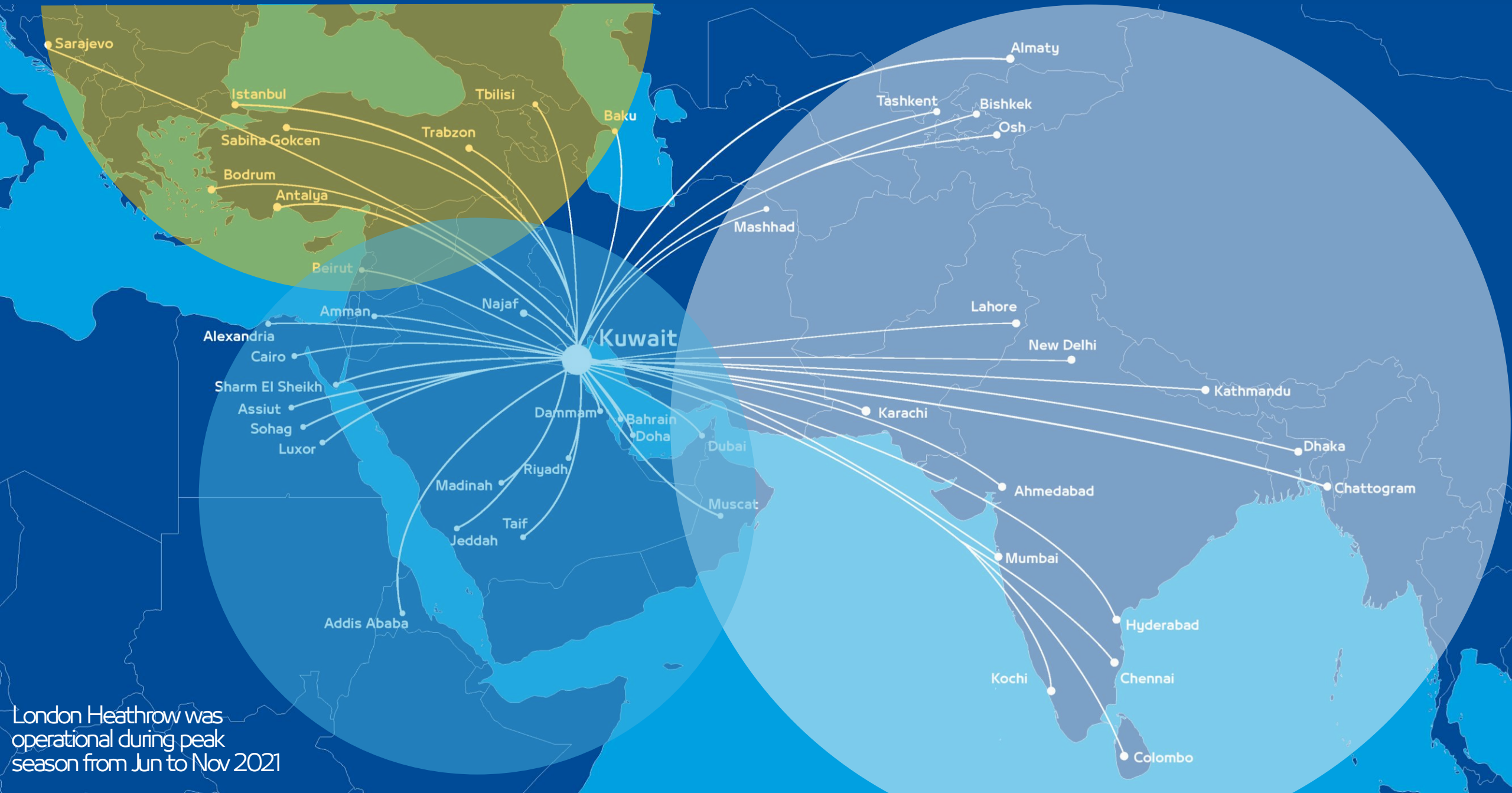


Three destinations in Turkey

Three routes were operated to Turkey: Istanbul, Bodrum and Trabzon, all very popular destinations for short and long vacations.

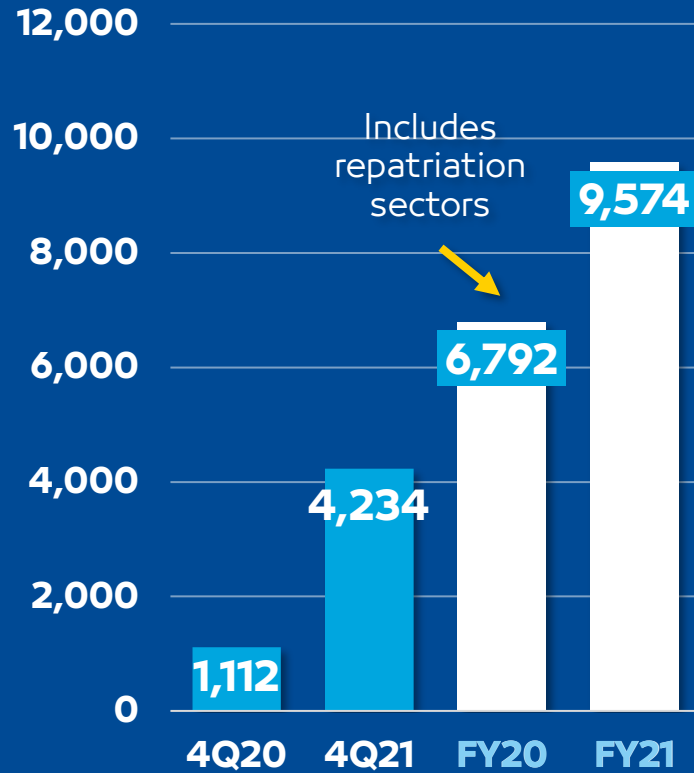


Jazeera's Network Today

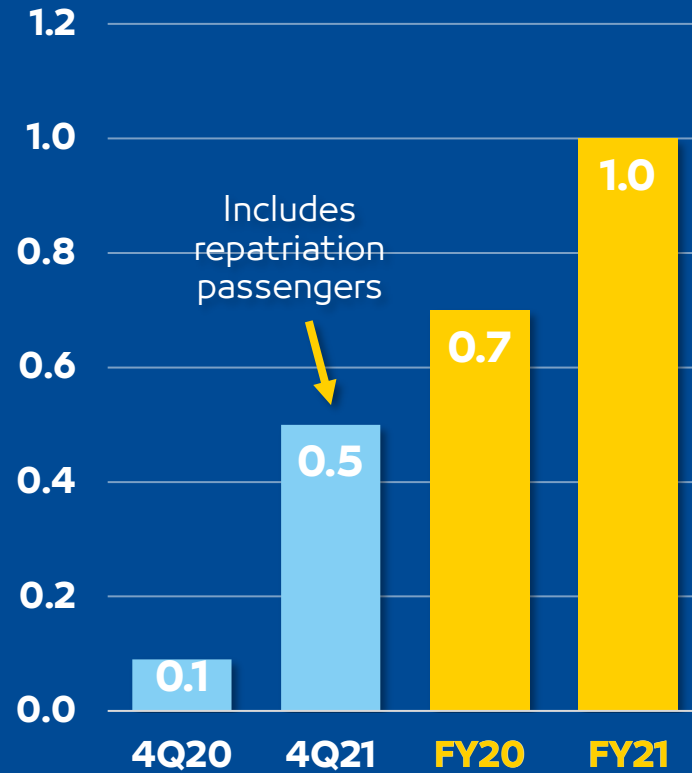


Travel Status

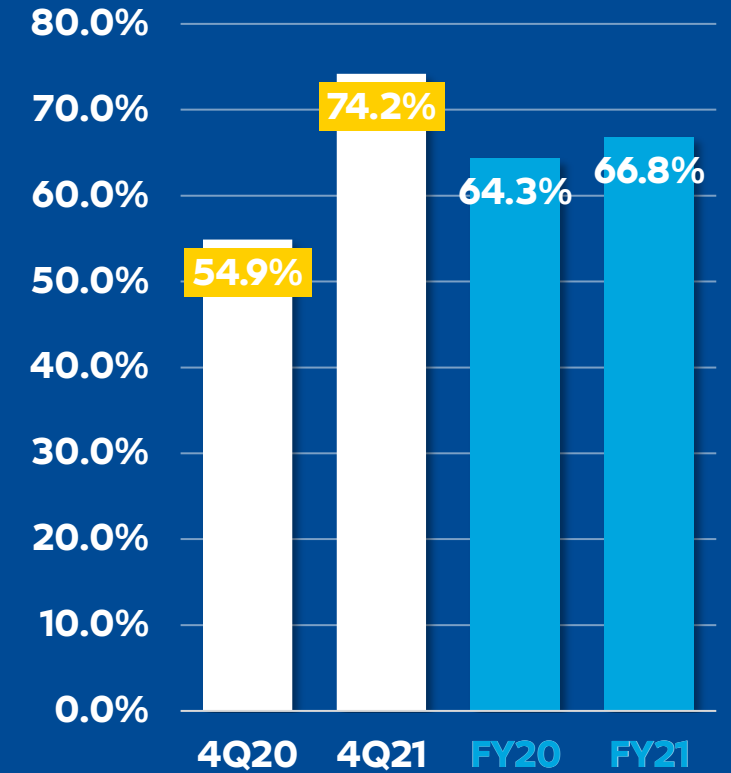
SECTORS



PASSENGERS ('000)



LOAD FACTOR



Fleet Expansion

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**TOOK DELIVERY OF
4 A320NEO IN FY21**



Signed deal to purchase 28
new aircraft from Airbus



**JAZEERA FLEET AS
OF END OF FY21**

9

A320neo

8

A320ceo

Fleet Purchase Deal

VALUE

USD3.4 bn
(KWD1.03 bn)

- Doubles fleet to 35 aircraft by 2026
- Supports expansion plans to medium and longer haul destinations

THE ORDER

20
A320neo

8
A321neo

FINANCING

Financing facility ongoing and to be announced in 2Q 2022.

Delivering on Promises



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SAFEGUARDED FINANCIAL POSITION

Implemented immediate decisive measures to safeguard financial position and liquidity including the suspension of the 2019 dividend payment, activating the drawdown of bank facilities that were not previously tapped and renegotiating cost structures with suppliers.

MAINTAINED HEALTHY CASH BALANCE

Maintained healthy cash balance through strict costs controls.

COMPLETED CAPITAL INCREASE

Jazeera completed a capital increase in 9M21 as a precautionary step to adhere to regulatory capital requirements.

REALLOCATED RESOURCES

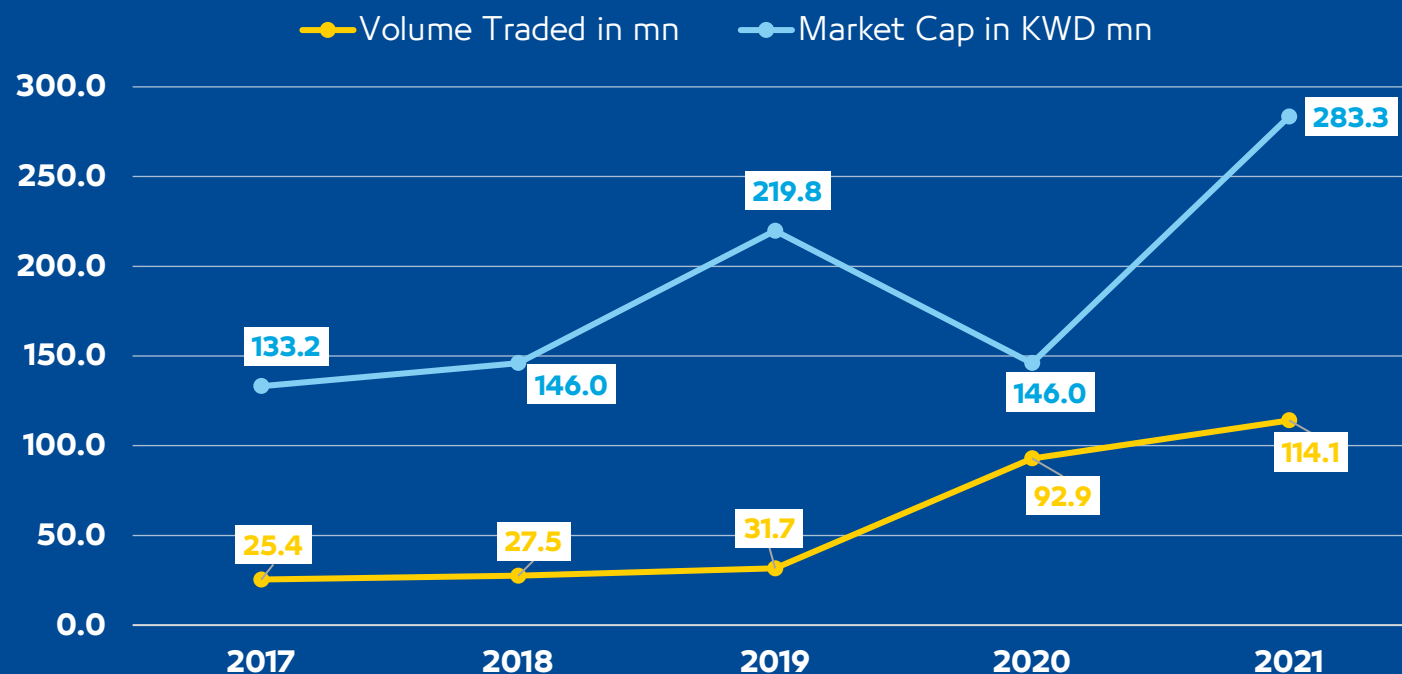
Focused on alternative sources of revenue during the suspension of commercial flights to ensure continued revenue streams.

EXPANDED WITH ROUTES AND AIRCRAFT

Launched profitable new routes in a very challenging environment and postponed delivery of 4 A320neos from 2020 to 2021.

Jazeera Market Cap

Market cap has more than doubled over the last 5 years



MARKET CAP AS OF FEB 14, 2022:

KWD **352** mn

Outlook for 2022



Jazeera certified as an "Approved Training Organization" in Jan 2022

Positive Updates for Air Travel

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ON FEBRUARY 14, 2022

**Kuwait announces
no PCR or
quarantine required
for passengers who
received their 2nd
dose less than 9
months ago or had
their booster.**

الإجراءات الواجب اتباعها بشأن إجراءات السفر من وإلى البلاد

مكتمل التحصين

- إلغاء فحص (PCR) قبل الوصول إلى البلاد.
- إلغاء فحص (PCR) عند الوصول إلى البلاد.
- إلغاء الحجر المنزلي المطبق بعد الوصول إلى البلاد.

غير مكتمل التحصين

- إلغاء فحص (PCR) قبل الوصول إلى البلاد.
- الالتزام بالحجر المنزلي لمدة (7) أيام بعد الوصول مع إمكانية إنهاء الحجر قبل ذلك في حال إجراء فحص (PCR) يؤكد الخلو من الفيروس.

غير المحصن

- إجراء فحص (PCR) قبل القبول على الرحلة بـ (72) ساعة يفيد بالخلو من الإصابة بفيروس كورونا .
- يطبق الحجر المنزلي لمدة (7) أيام بعد الوصول مع إجراء فحص (PCR) باليوم السابع يؤكد الخلو من الفيروس وذلك لإنهاء الحجر .

- يستثنى من ذلك الأطفال من هم دون سن الـ (16) سنة .
- يعمل بالقرار اعتباراً من يوم الأحد الموافق 2022/2/20 .

صت جميع القادمين إلى البلاد على إجراء الفحص المنزلي السريع (RAPID TEST) في حال وجود أعراض بعد العودة من السفر وفي حال ظهور نتيجة إيجابية للفحص، يتم إجراء فحص PCR للتأكد الإصابة بالفيروس .



CGCKUWAIT
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Positive Updates for Air Travel

Revenue and Cost Controls

- Revenue expected to continue to improve with capacity at KWI returning to pre-Covid 19 levels in addition to opening return flights to non-Kuwaiti passengers.
- Summer travel season revealed strong appetite for travel, forecasting continued strong demand for travel.

Travel Restrictions

- Restrictions have eased worldwide with vaccination rates accelerating at fast pace.
- Kuwait has lifted travel restrictions, with strict entry policy to Kuwait to vaccinated passengers.
- Vaccination in Kuwait exceeded 75% of the target population by end of FY21.

Moving Forward

- Palpable recovery started and is expected to have positive returns in FY22.
- Continue full-flight cargo operations.
- Yield to return to average levels as restrictions soften and supply increase.

Airline Expansions

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Chattogram, Bangladesh (Launched)

Prague, Czech Republic

Vienna, Austria

Salalah, Oman

Taif, KSA

Qassim, KSA

Hail, KSA

Abha, KSA

Kiev, Ukraine

Male, Maldives

Sharjah, UAE

Present fleet in operation

17 aircraft

9 A320neo + 8 A320

New deliveries starting
2023 from purchase of

28 aircraft

Foreseen increase in number of passengers with eased restrictions and high appetite for travel.

New planned destinations to contribute to increased demand.

Operational Expansions

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Approved Training Organization

Jazeera became an “Approved Training Organization” (certified by Kuwait’s Directorate for Civil Aviation) to train pilots and cabin crews from in Kuwait.

Duty Free by Jazeera

Duty Free operations managed by Jazeera, inflight sales to be added soon.

The VIV Terminal

VIV Terminal started operations and will expand to serve majority airline operating at KWI.



Financial Review

Capital Increase

- Jazeera completed a capital increase of 10%, raising KWD10 mn in July 2021 to meet regulatory requirements.
- The rights issue was done at a price of KWD0.500 per share.
- Share premium received was KWD8 mn and share capital was KWD2 mn.
- Shareholders approved the adjustment of accumulated losses against the share premium of KWD8 mn during the AGM held on September 20, 2021.
- The adjustment is reflected in the 9M21 financials.

NUMBER OF
SHARES BEFORE

200 million

NUMBER OF
SHARES AFTER

220 million

SHARE CAPITAL
BEFORE

KWD20 million

SHARE CAPITAL
AFTER

KWD22 million

SHARE PREMIUM
BEFORE

KWD0 million

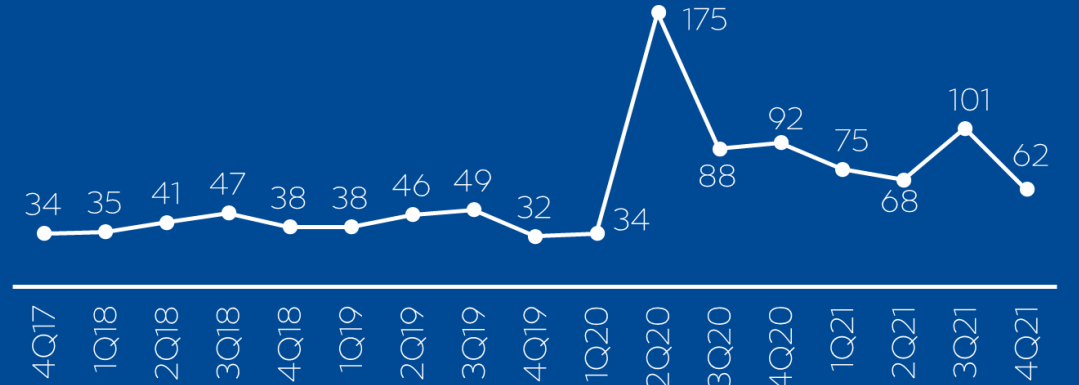
SHARE PREMIUM
AFTER

KWD8 million

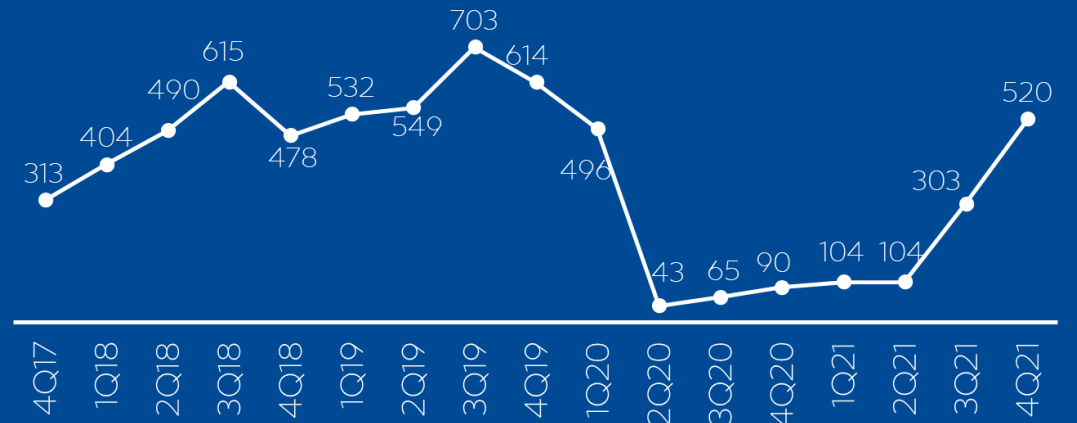
4Q21 Key Parameters

Operating Parameters	4Q20	4Q21	CHANGE
Average Aircraft	13.0	16.2	24.9%
Destination Cities	20	36	80.0%
Revenue Drivers	4Q20	4Q21	CHANGE
Seats	164,432	701,079	326.4%
Passengers	90,216	520,213	476.6%
Load Factor	54.9%	74.2%	35.2%
Net Yield	92.5	61.7	-33.3%
Profitability Drivers	4Q20	4Q21	CHANGE
Sectors	1,112	4,234	280.8%
Block Hours	3,415	13,664	300.1%
Utilization (BH per Day)	2.9	9.2	220.6%

YIELD BY QUARTER (KWD)



PASSENGERS BY QUARTER (000)



4Q21 Key Parameters

<i>In KWD</i>	4Q20	4Q21	CHANGE
Operating Revenue	8,592,224	33,122,895	285.5%
Operating Expenses	17,466,186	23,871,364	64.0%
Operating Profit	-8,873,961	9,251,531	255.1%
Net Profit (Loss)	-10,858,690	7,009,872	164.6%

<i>In KWD</i>	4Q20	4Q21	CHANGE
Cash	19,668,737	50,060,300	154.5%
Fixed Assets	20,458,884	21,165,460	3.5%
Total Assets	162,625,152	225,187,429	38.5%
Total Liabilities	150,648,887	195,102,900	29.5%
Total Equity	11,976,265	30,084,529	151.2%

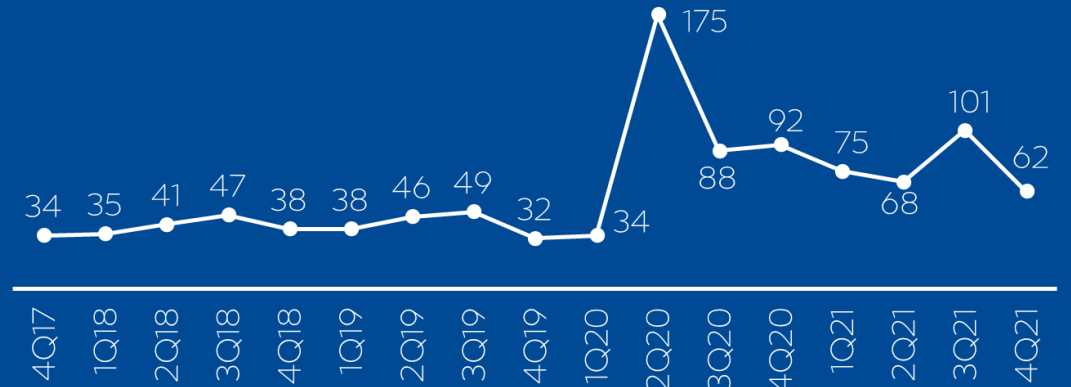
- Revenues increased substantially in 4Q21 driven by the increase in operations and coupled with an increased load factor (35%), however partially offset by a decreased in yield decrease (33%).
- Operating costs increased due to the increase in operations (300%), while fuel price increased (77%) over 4Q20.
- Operating margin is higher by 204% in 4Q21.

FY21 Key Parameters

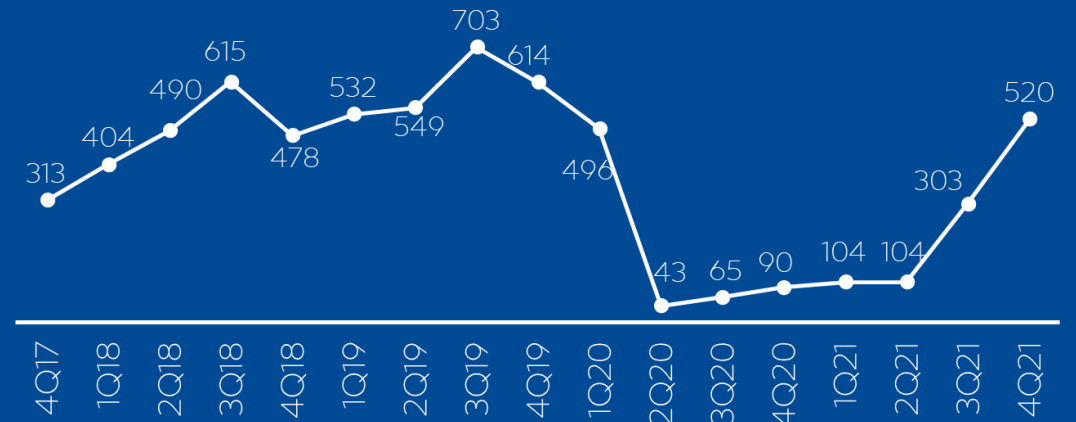
Operating Parameters	FY20	FY21	CHANGE
Average Aircraft	13.4	14.7	9.3%
Destination Cities	63 *	40	-36.5%
Revenue Drivers	FY20	FY21	CHANGE
Seats	1,082,618	1,543,824	42.6%
Passengers	696,093	1,031,352	48.2%
Load Factor	64.3%	66.8%	3.9%
Net Yield	57.4	73.9	28.6%
Profitability Drivers	FY20	FY21	CHANGE
Sectors	6,792	9,574	41.0%
Block Hours	20,531	31,597	53.9%
Utilization (BH per Day)	4.2	5.90	41.1%

* Includes routes served during repatriation efforts in 2020

YIELD BY QUARTER (KWD)



PASSENGERS BY QUARTER (000)



FY21 Key Parameters

<i>In KWD</i>	FY20	FY21	CHANGE
Operating Revenue	41,370,384	80,395,291	94.3%
Operating Expenses*	62,054,474	69,590,543	12.1%
Operating Profit	(20,684,091)	10,804,748	152.2%
Net Profit (Loss)	(26,400,735)	7,080,487	126.8%

<i>In KWD</i>	FY20	FY21	CHANGE
Cash	19,668,737	50,060,300	154.5%
Fixed Assets	20,458,884	21,165,460	3.5%
Total Assets	162,625,152	225,187,429	38.5%
Total Liabilities	150,648,887	195,102,900	29.5%
Total Equity	11,976,265	30,084,529	151.2%

- Revenues increased in FY21 by 94% due to eased restrictions on travel capacity at Kuwait International Airport starting July 21. Additionally, yield in FY21 increased by 29%.
- Operating costs are marginally higher in FY21 in line with increased levels of operations.

Jazeera Board recommended a cash dividend of 32 fils per share for FY21.

FY21 Balance Sheet Variances

- Assets and liabilities increased mainly due to receiving four new aircraft in FY21, to which an initial deposit was paid to Airbus.
- Cash balance stood at KWD50 mn in FY21 in comparison to KWD20 mn in FY20, supported by the capital increase, operating profits and recovery of receivables.
- The Share Capital increased in July 21 by KWD2 mn and Share Premium reached KWD8 mn. The Share Premium was used to set off the accumulated losses from the Covid-19 crisis.

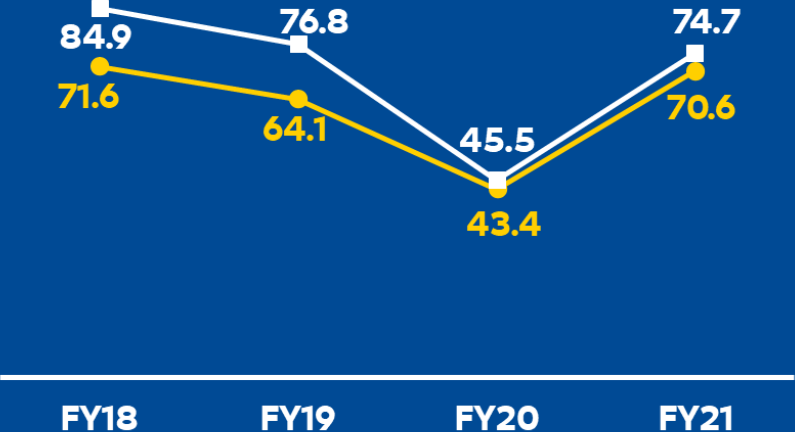
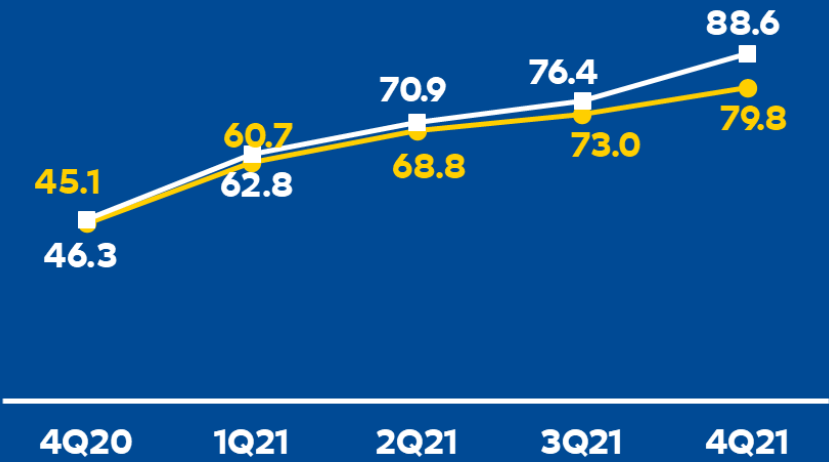
CASH AT END OF FY21

KD50.2
million

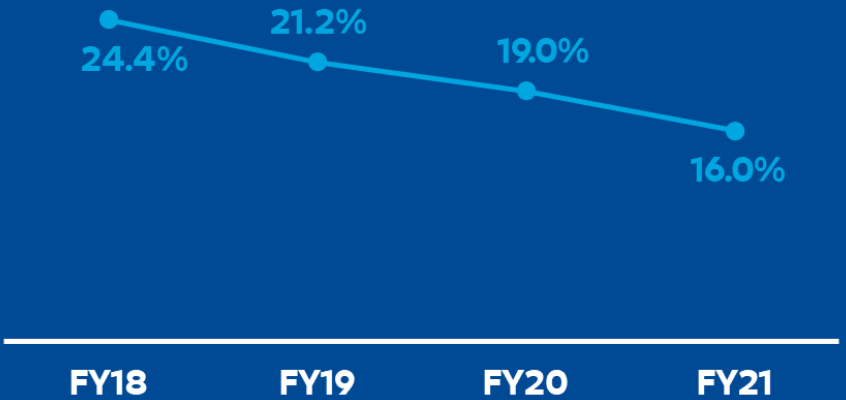
Fuel Prices

BRENT Swap Vs. SINGJET Swap (USD/BBL)

— SINGJET Swap
— BRENT Swap



Fuel as Percent of Revenue



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Q&A

21
Départures

21
Départures

Contact

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Jazeera Airways KSC is listed on the Kuwait Stock Exchange

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