

The background of the slide is a low-angle shot of a blue flag with white Arabic calligraphy, likely the Jazeera flag, set against a bright blue sky with scattered white clouds. The sun is visible as a bright, hazy circle behind the flag.

الجزيرة.
Jazeera.

2Q23 Earnings Webcast

08 August 2023

A low-angle shot of the Jazeera flag, showing its blue and white geometric patterns, set against a bright blue sky with scattered white clouds. The sun is visible as a bright circle behind the flag.

الجزيرة.
Jazeera.

*Starting
Shortly...*

Disclaimer

The content and information of this document is only intended to provide users with financial and operational information about Jazeera Airways. No warrant or representation is made by Jazeera Airways for the contents of this document and in no way is the material provided in it intended to solicit an investment in the company. Any investments made by the users of this document are made based on their own discretion and analysis and the final decision and responsibility for investments rests solely with the user of this document and its content.

Specific content of this document is provided by third parties. Despite doing its best efforts, Jazeera Airways does not guarantee in any way the accuracy or completeness of the data provided by these third parties and cannot be held responsible for the use of information provided in these sections.

While Jazeera Airways makes all reasonable efforts to make certain that all information on this document is true, accuracy cannot be guaranteed and the company does not undertake any responsibility for the correctness of the information contained in it and its contents. Jazeera Airways as well is not to be held legally responsible under any circumstances for any damages resulting from data falsification by third parties, data download or any other use of the content provided on this document.

Certain sections or material provided on this document might contain forward-looking forecast or statements. Such statements do not guarantee the future financial or operational performance of the company. Furthermore, these statements involve a high degree of uncertainty risks that could cause actual results to be materially at variance from those proposed in the forward-looking statements. Accordingly, these statements should only be used as indicative plans and the responsibility of any decisions based on them lies solely on the user without any involvement from Jazeera Airways.

Information provided in this document is subject to change without prior notice at any time. Jazeera Airways does not assume any responsibility for any troubles, losses, or damages resulting from the use of this document and will not be liable for any inaccuracies, or errors in the content, or for any actions taken in reliance thereon. Jazeera Airways also does not assume any duty of disclosure beyond that imposed by law, and expressly disclaims any duty to update any information set forth herein.

Agenda

الجزيرة
Jazeera.

- ◆ Financial & Operational Headlines
- ◆ Operational Performance
- ◆ Outlook for 2H23
- ◆ Financial Review
- ◆ Q&A





Financial & Operational Headlines

2Q23 Operational Headlines

الجزيرة
Jazeera.



PASSENGERS

2Q23: 1,040.9 k
2Q22: 817.3 k

+27.4%



LOAD FACTOR

2Q23: 74.4%
2Q22: 73.0%

+1.9%



UTILIZATION

2Q23: 13.4 hrs
2Q22: 13.1 hrs

+1.8%



YIELD

2Q23: KWD44.7
2Q22: KWD48.1

-7.1%

1H23 Operational Headlines



PASSENGERS

1H23: 2.1 mn
1H22: 1.5 mn

+40.9%



LOAD FACTOR

1H23: 78.1%
1H22: 74.0%

+4.1%



UTILIZATION

1H22: 13.5 hrs
1H22: 12.4 hrs

+9.5%



YIELD

1H22: KWD42.8
1H22: KWD47.8

-10.5%

2Q23 Financial Headlines

الجزيرة
Jazeera.



REVENUE

2Q23: KWD49.5 mn
2Q22: KWD41.9 mn

+18.3%



OPERATING PROFIT

2Q23: KWD5.7 mn
2Q22: KWD4.6mn

+25.6%



NET PROFIT

2Q23: KWD3.9 mn
2Q22: KWD3.5 mn

+11.5%

1H23 Financial Headlines



REVENUE

1H23: KWD97.8 mn
1H21: KWD77.6 mn

+26.1%



OPERATING PROFIT

1H23: KWD9.3 mn
1H22: KWD9.8mn

-4.9%



NET PROFIT *

1H23: KWD6.3 mn
1H22: KWD7.4 mn

-15.1%

- 1H22 included a one-off gain of KWD1.7 mn from the sale and lease back of two engines.
- 1H22 included a non-operating loss on foreign currency of KWD1.2 mn.

Ancillary Revenue

الجزيرة
Jazeera.



CARGO REVENUE

2Q23: KWD536.9 k
2Q22: KWD588.4 k

-8.7%

1H23: KWD1,072.8 k
1H22: KWD996.4 k

+7.7%



ANCILLARY REVENUE

2Q23: KWD4.4 mn
2Q22: KWD4.0 mn

+8.7%

1H23: KWD8.4 mn
1H22: KWD7.1 mn

+18.1%



E-COMMERCE REVENUE

2Q23: KWD10.4 mn
2Q22: KWD9.7 mn

+7.4%

1H23: KWD19.3 mn
1H22: KWD16.0 mn

+21.3%

Terminal 5 Performance

الجزيرة
Jazeera.

2Q23

KWD3.0 mn

Revenue

2Q22: KWD2.6 mn

KWD2.5 mn

EBITDA

2Q22: KWD2.2 mn

KWD2.2 mn

Net Profit

2Q22: KWD1.9 mn

1H23

KWD5.8 mn

Revenue

2Q22: KWD4.7 mn

KWD4.7 mn

EBITDA

2Q22: KWD3.7 mn

KWD4.3 mn

Net Profit

2Q22: KWD3.3 mn

Increased capacity:

Increased efficiency to accommodate target 4.5 mn passengers for 2023.

Additional gates:

Added two additional gates during 1H23.

Focus on passengers:

Improved customer experience since the beginning of 2023.

2.1

mn passenger



A group of 12 men are posing for a photo in a large industrial hangar. They are standing in two rows, with some kneeling in the front. The men are dressed in a mix of blue polo shirts, dark trousers, and high-visibility safety vests. Behind them is a massive, open aircraft engine, showing its complex internal fan blades. The hangar floor is polished and reflects the overhead lights. To the right, a yellow scissor lift is partially visible. The overall scene conveys a sense of professional achievement and technical expertise.

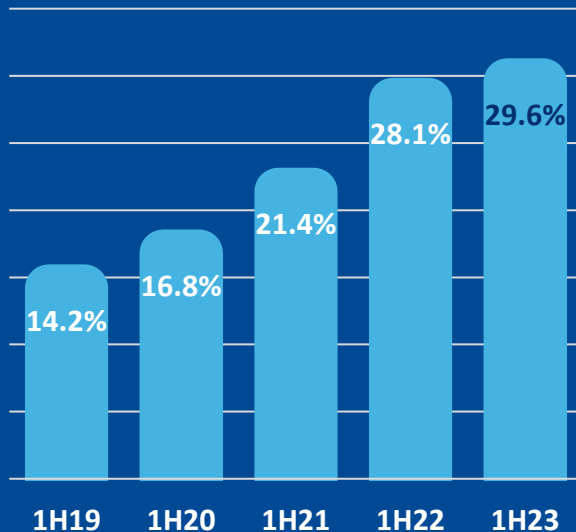
Operational Performance

1H23 Market Share & Passengers Distribution

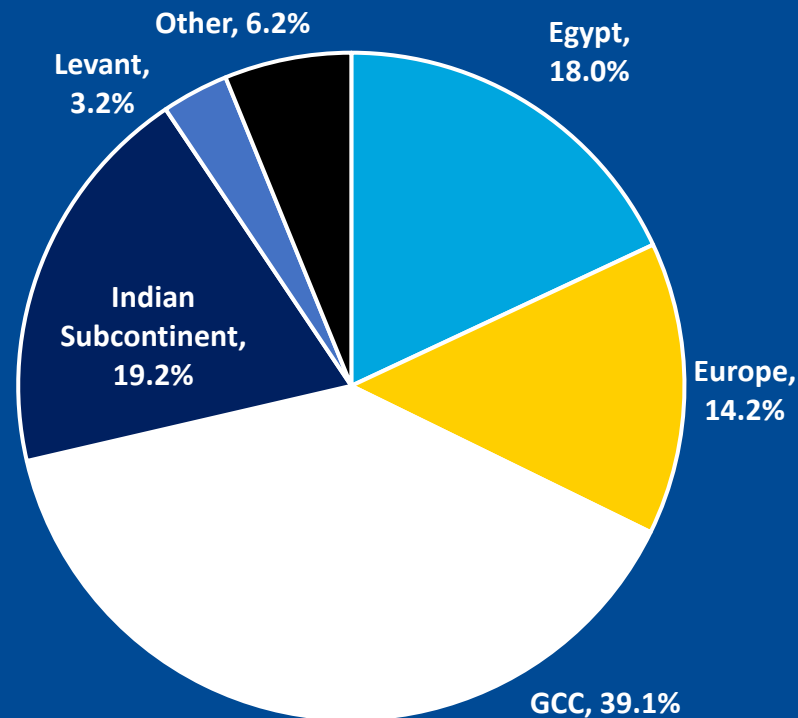
الجزيرة
Jazeera.

MARKET SHARE

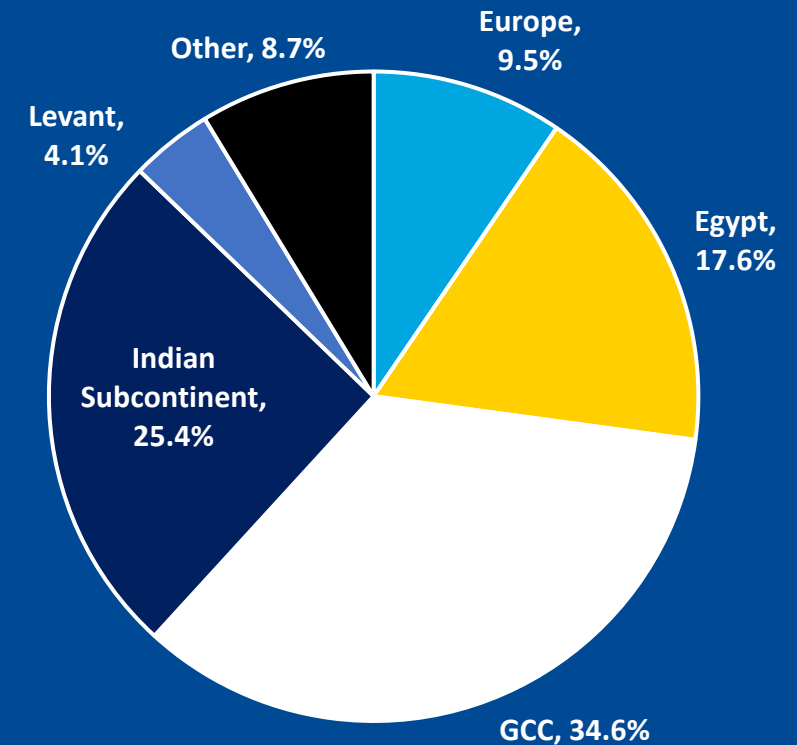
29.6%
AT KWI



PASSENGERS GEOGRAPHIC DISTRIBUTION – 1H22



PASSENGERS GEOGRAPHIC DISTRIBUTION – 1H23



Operational Updates

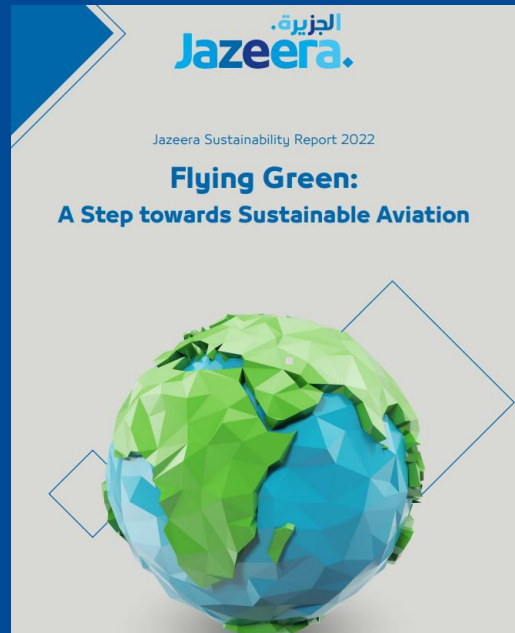
Record Operations

2Q23 and 1H23 witnessed record levels of activity for Jazeera in terms of passenger and aircraft movement.

The most active Haj season in the history of Jazeera.

First ESG Report

Issued our first sustainability report covering 2022 and highlighting Jazeera's efforts in key Environmental, Social and Governance (ESG) areas.



Fleet Growth

Added two A320 neo to the fleet in April.

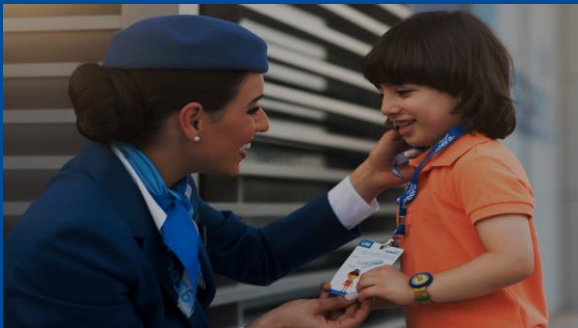
Secured contracts for five additional A320 neo at significantly lower rates bringing down average neo monthly lease by c. 30%.

Placed an order for +2,000 of the world's lightest aircraft seats from French designer and manufacturer, Explicseat.

Weight saving of 1.2 metric tons, reduce jet fuel consumption and increase passenger capacity with an additional row of seats.

New Destinations

- Sphinx, Egypt
- Larnaca, Cyprus
- Shiraz, Iran
- Belgrade, Serbia
- Tirana, Albania
- Tivat, Montenegro





- 2023: 65 destinations
- 2022: 47 destinations

2H23 Outlook



Cautious outlook

Revenue

Strong passenger count during summer as previously communicated.

Significant yield compression is expected in 3Q23 due to oversupply in the market, against previous expectations of controlled supply.

Continued network and fleet expansion with new summer destinations to launch in 3Q23.

Costs

Fuel hedge reverts to positive territory as crack spread hits USD24 in 3Q23.

Ongoing attention to lowering cost by reducing lease rates and enhancing efficiencies.

Average ceo aircraft lease will be reduced by c.30% as a result of new contract leases and extensions.

Market Conditions

Oversupply in the Kuwait market creating pressure on yields, but we are driving seat factor to retain market-share and boost T5 revenue.

GCC carriers significantly increase capacity into Kuwait for 3Q23, but indications that their loads on this additional capacity is below expectations, leading to possible future capacity reduction due to unviable operations.

Aircraft leasing conditions leaning towards the sellers' side and rates have increased significantly. We continue to be in a strong position since we have secured fleet growth for the next 2 years at very attractive lease rates.

الجزيرة.
Jazeera.



Financial Review

2Q23 & 1H23 Key Parameters

2Q22 Vs 2Q23

Operating Parameters	2Q22	2Q23	CHANGE
Average Aircraft	17.1	20.2	18.3%
Destination Cities	47	66	40.4%
Revenue Drivers	2Q22	2Q23	CHANGE
Seats	1,119,607	1,400,014	25.0%
Passengers	817,319	1,040,933	27.4%
Load Factor	73.0%	74.4%	1.4%
Net Yield	48.1	44.7	-7.1%
Profitability Drivers	2Q22	2Q23	CHANGE
Sectors	6,611	8,296	25.5%
Block Hours	20,436	24,581	20.3%
Utilization (BH per Day)	13.1	13.4	1.8%

1H22 Vs 1H23

Operating Parameters	1H22	1H23	CHANGE
Average Aircraft	17.1	20.1	17.8%
Destination Cities	47	66	40.4%
Revenue Drivers	1H22	1H23	CHANGE
Seats	2,061,106	2,750,207	33.4%
Passengers	1,525,056	2,148,940	40.9%
Load Factor	74.0%	78.1%	4.1%
Net Yield	47.8	42.8	-10.5%
Profitability Drivers	1H22	1H23	CHANGE
Sectors	12,184	16,299	33.8%
Block Hours	38,124	49,169	29.0%
Utilization (BH per Day)	12.4	13.5	9.6%

2Q23 & 1H23 Financial Performance

<i>In KWD</i>	2Q22	2Q23	CHANGE
Operating Revenue	41,872,384	49,526,634	18.3%
Operating Expenses	(37,317,681)	(43,804,606)	-17.4%
Operating Profit	4,554,703	5,722,028	25.6%
Net Profit (Loss)	3,715,504	4,146,276	11.6%

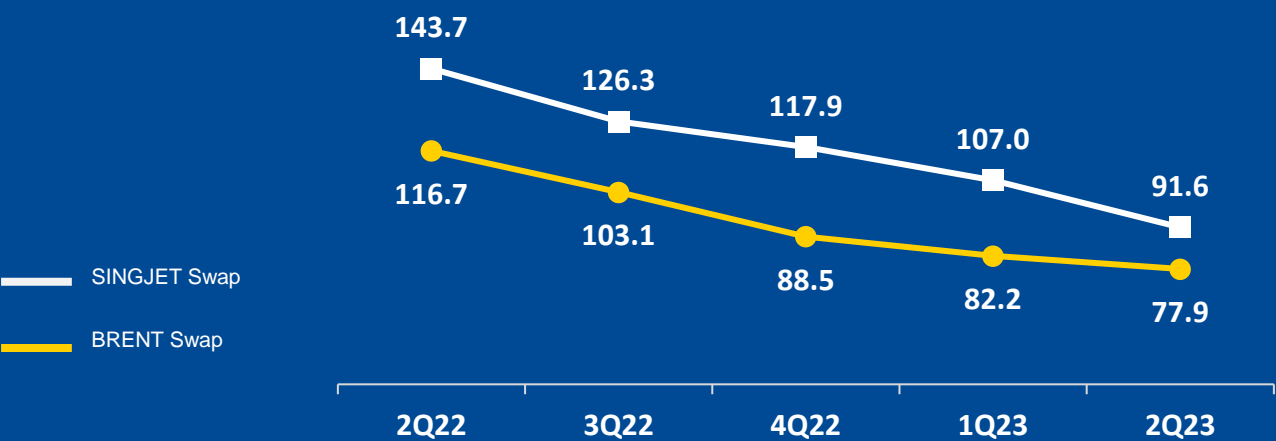
<i>In KWD</i>	FY22	2Q22	CHANGE
Cash	52,267,804	29,058,140	-44.4%
Fixed Assets	44,164,804	64,544,956	46.1%
Total Assets	272,097,912	272,989,204	0.3%
Total Liabilities	235,570,660	241,324,378	2.4%
Total Equity	36,527,251	31,664,826	-13.3%

- Passenger numbers were higher by 27% driving revenue upwards, which was partially offset by the 7.1% decline in yield. Terminal revenue also increased by 15% over 2Q22.
- Operating costs were higher by 17% though well below the higher level of operations (25%).
- Operating profit was higher by 26% in 2Q23 while net Profit is higher by 12% over 2Q22, which included SLB gain of KWD1.7 mn.
- Cash balance decreased to KWD29 mn from KWD52 mn in FY22 due to advances paid for purchase of aircraft, engines and inventory.

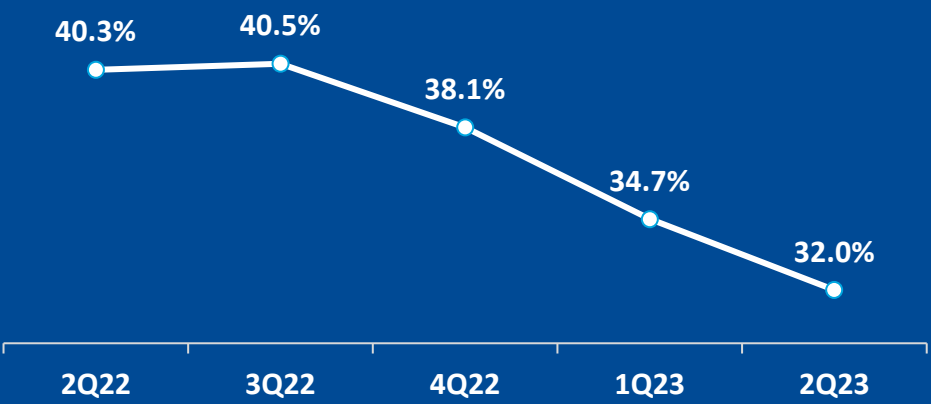
BOD recommends a dividend payment of KWD6.0 mn (KWf30/share) for 1H23

2Q23 Key Performance Metrics

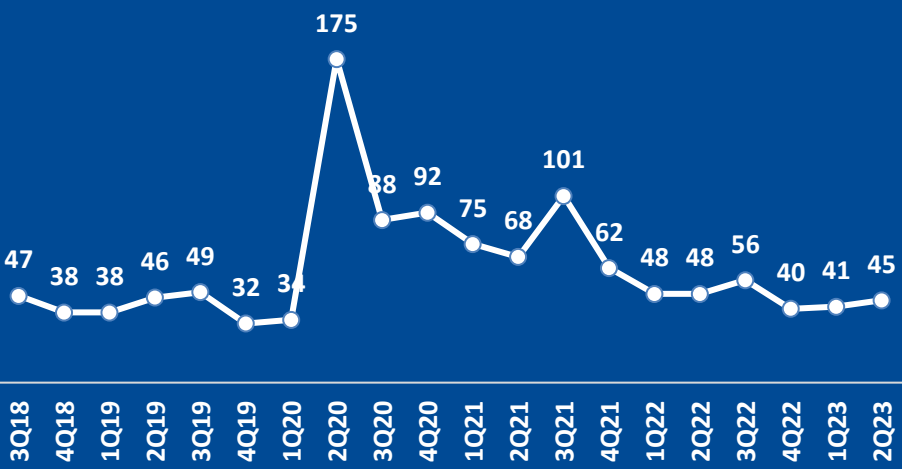
BRENT Swap Vs. SINGJET Swap (USD/BBL)



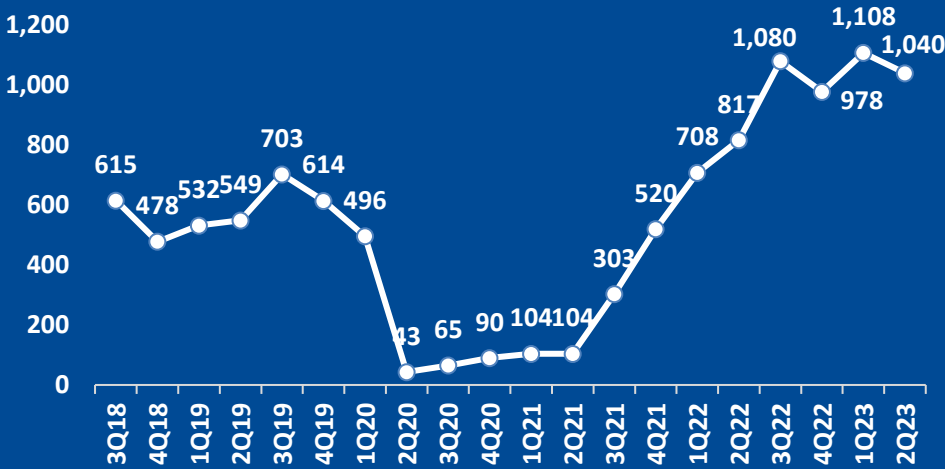
Fuel as Percent of Direct Costs



Quarterly Yield (KWD)



Quarterly Passengers (000)



الجزيرة.
Jazeera.



Q&A

Contact

الجزيرة
Jazeera.

For more information please contact:

Mostafa El-Maghraby

Head of Investor Relations

investorrelations@jazeeraairways.com

Krishnan Balakrishnan

Chief Financial Officer

krishnan.balakrishnan@jazeeraairways.com

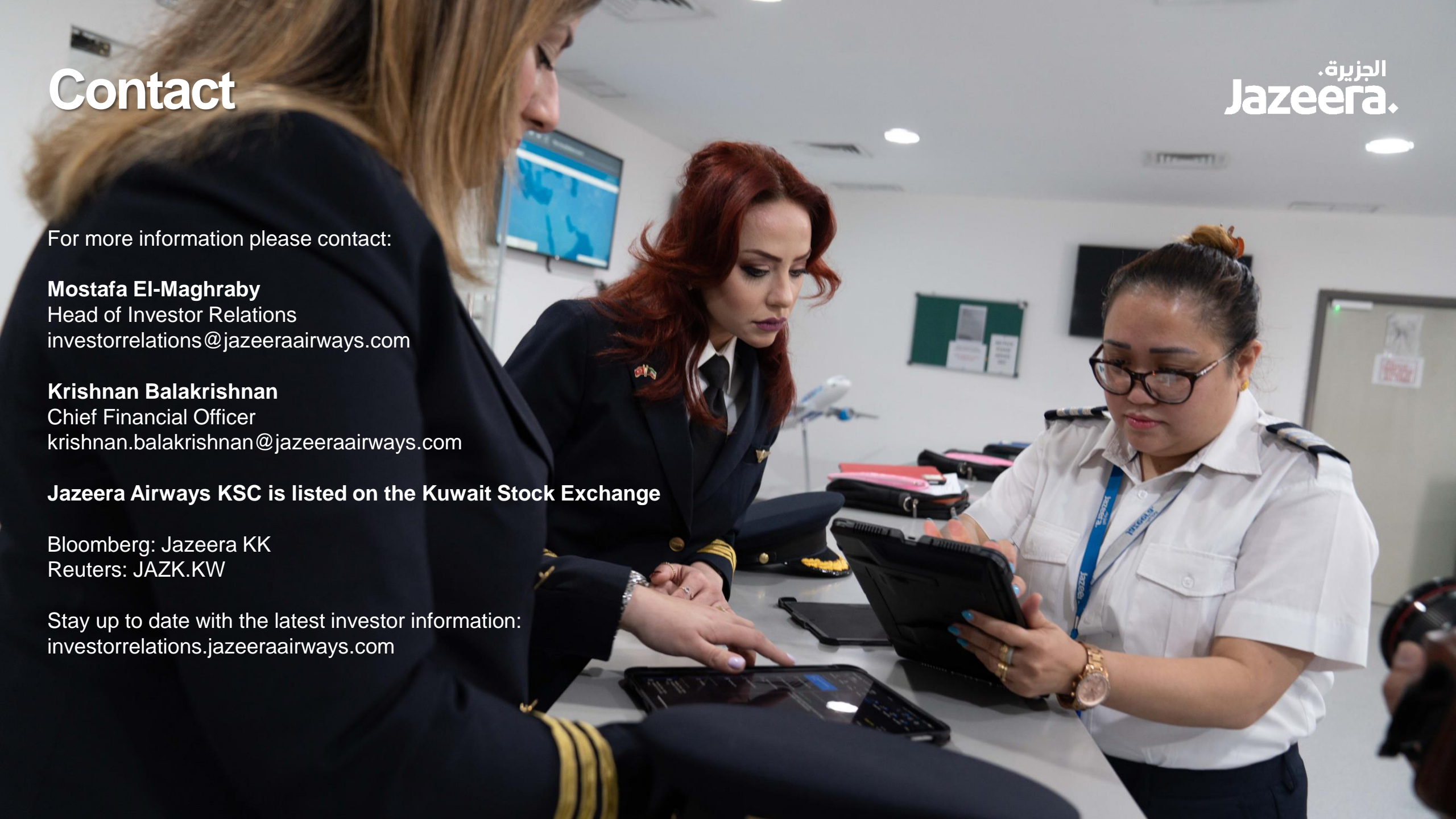
Jazeera Airways KSC is listed on the Kuwait Stock Exchange

Bloomberg: Jazeera KK

Reuters: JAZK.KW

Stay up to date with the latest investor information:

investorrelations.jazeeraairways.com





THANK YOU