

Date: 08 August 2023

التاريخ: 08 أغسطس 2023

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

المحترمين،

السادة/ شركة بورصة الكويت

تحية طيبة وبعد ،،،

Subject: Disclosure regarding the conference call held with analysts and investors of Jazeera Airways K.S.C.P. for the consolidated interim financial information for the period ended 30/06/2023.

الموضوع / إفصاح شركة طيران الجزيرة ش.م.ك.ع. عن انعقاد مؤتمر المحللين / المستثمرين عن المعلومات المالية المرحلية المجمعة للفترة المنتهية في 2023/06/30.

With reference to the above subject, please note that the conference with analysts and investors for the interim financial information for the period ended 30/06/2023 was held via a Conference call on Tuesday 08 August 2023 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 المنتهية في 2023/06/30 قد انعقد عن طريق (Conference Call) يوم الثلاثاء الموافق 08 أغسطس 2023 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.

Sincerely,

وتفضلوا بقبول فائق الاحترام ،،،



Rohit Ramachandran
CEO

روहित راماشاندران
الرئيس التنفيذي

الجزيرة
Jazeera.

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

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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.

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*Starting
Shortly...*

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Agenda

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





Financial & Operational Headlines

2Q23 Operational Headlines

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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

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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

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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

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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 aircraft hangar. They are standing in front of a large, open aircraft engine, which is the central focus of the image. The men are dressed in a mix of blue polo shirts, dark trousers, and high-visibility safety vests. Some are standing in the back row, while others are kneeling or sitting in the front. The hangar floor is polished and reflects the light. In the background, the tail section of a large aircraft is visible on the left, and various hangar equipment, including a yellow scissor lift and storage bins, are on the right. The overall atmosphere is professional and industrial.

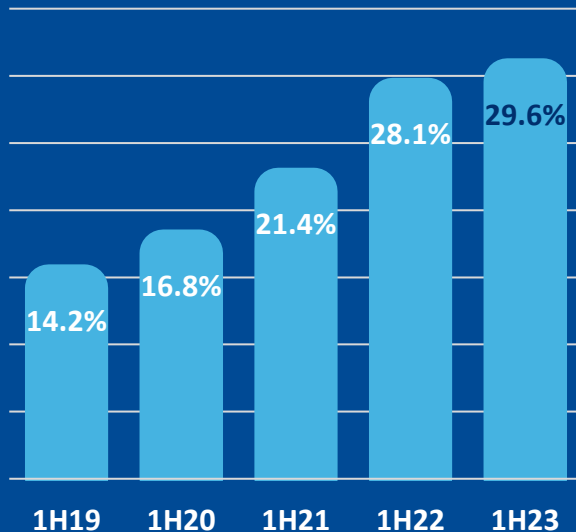
Operational Performance

1H23 Market Share & Passengers Distribution

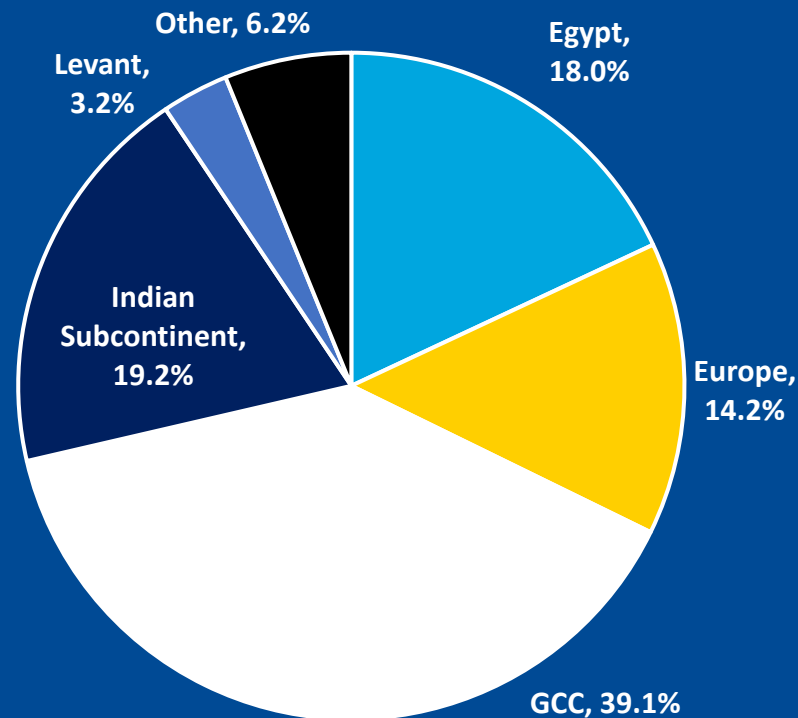
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MARKET SHARE

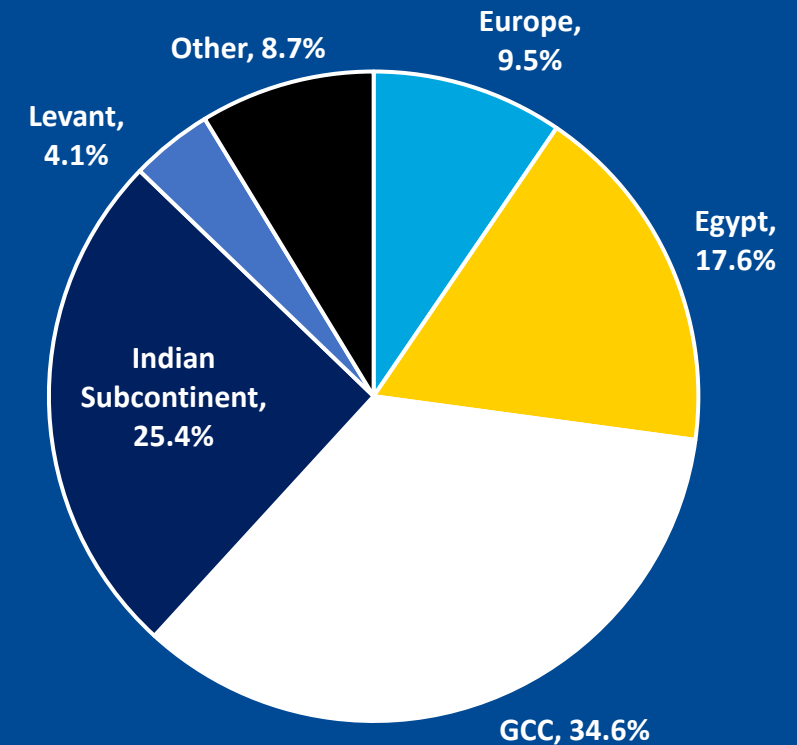
29.6%
AT KWI



PASSENGERS GEOGRAPHIC DISTRIBUTION – 1H22



PASSENGERS GEOGRAPHIC DISTRIBUTION – 1H23



Operational Updates

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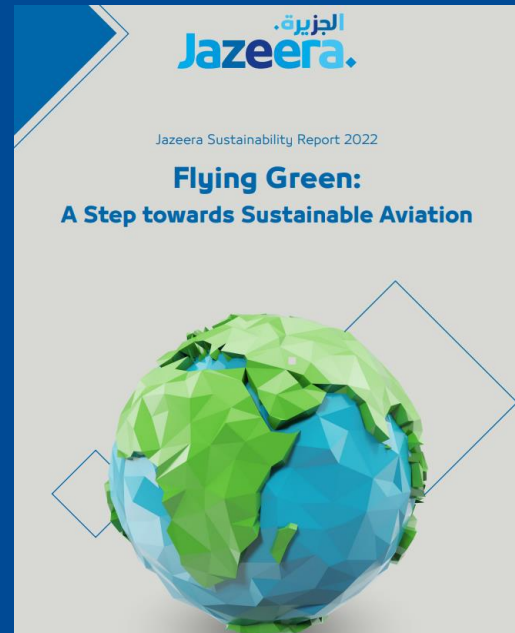
Record Operations

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.

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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%

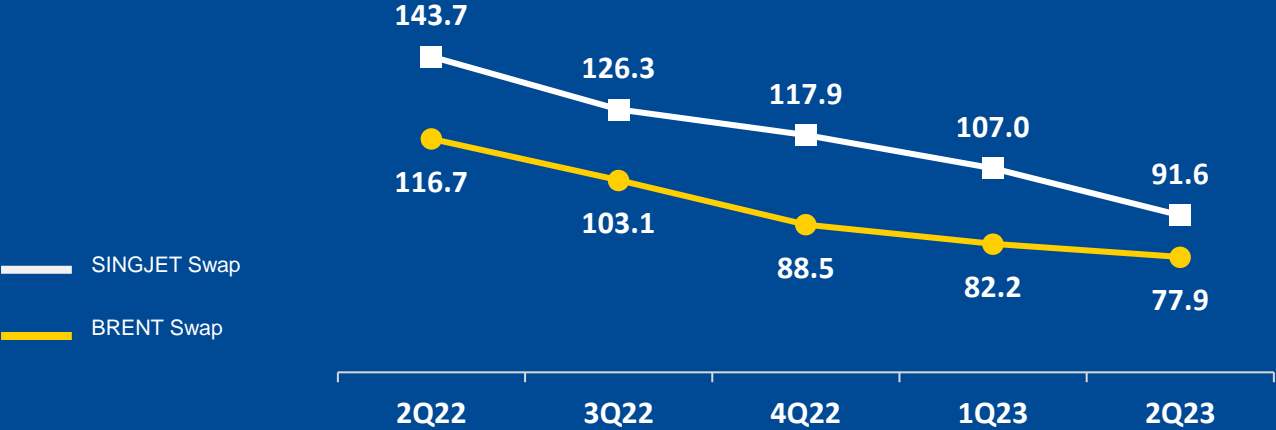
<i>In KWD</i>	FY22	2Q22	CHANGE
Cash	52,267,804	29,058,140	-44.4%
Fixed Assets	44,164,804	64,544,956	46.1%
Total Assets	272,097,912	272,989,204	0.3%
Total Liabilities	235,570,660	241,324,378	2.4%
Total Equity	36,527,251	31,664,826	-13.3%

- 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.

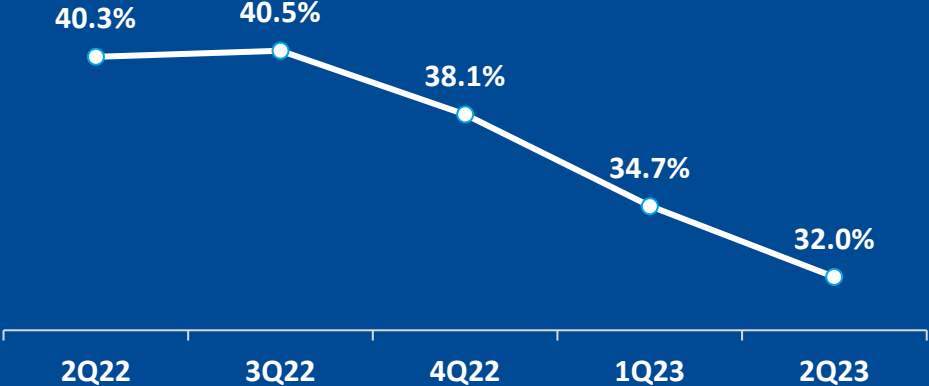
BOD recommends a dividend payment of KWD6.0 mn (KWf30/share) for 1H23

2Q23 Key Performance Metrics

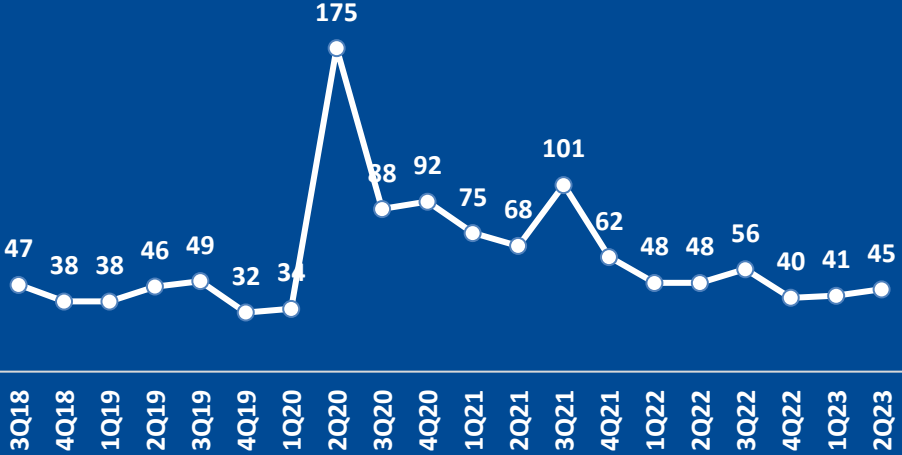
BRENT Swap Vs. SINGJET Swap (USD/BBL)



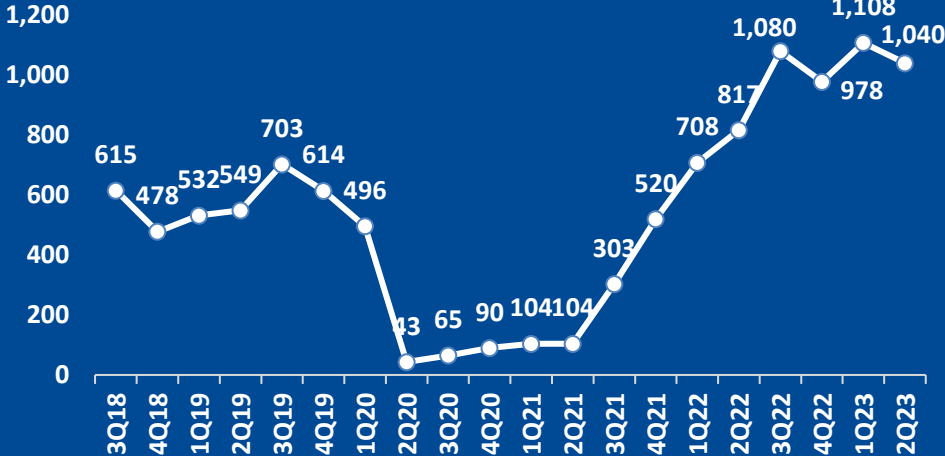
Fuel as Percent of Direct Costs



Quarterly Yield (KWD)



Quarterly Passengers (000)



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Q&A

Contact

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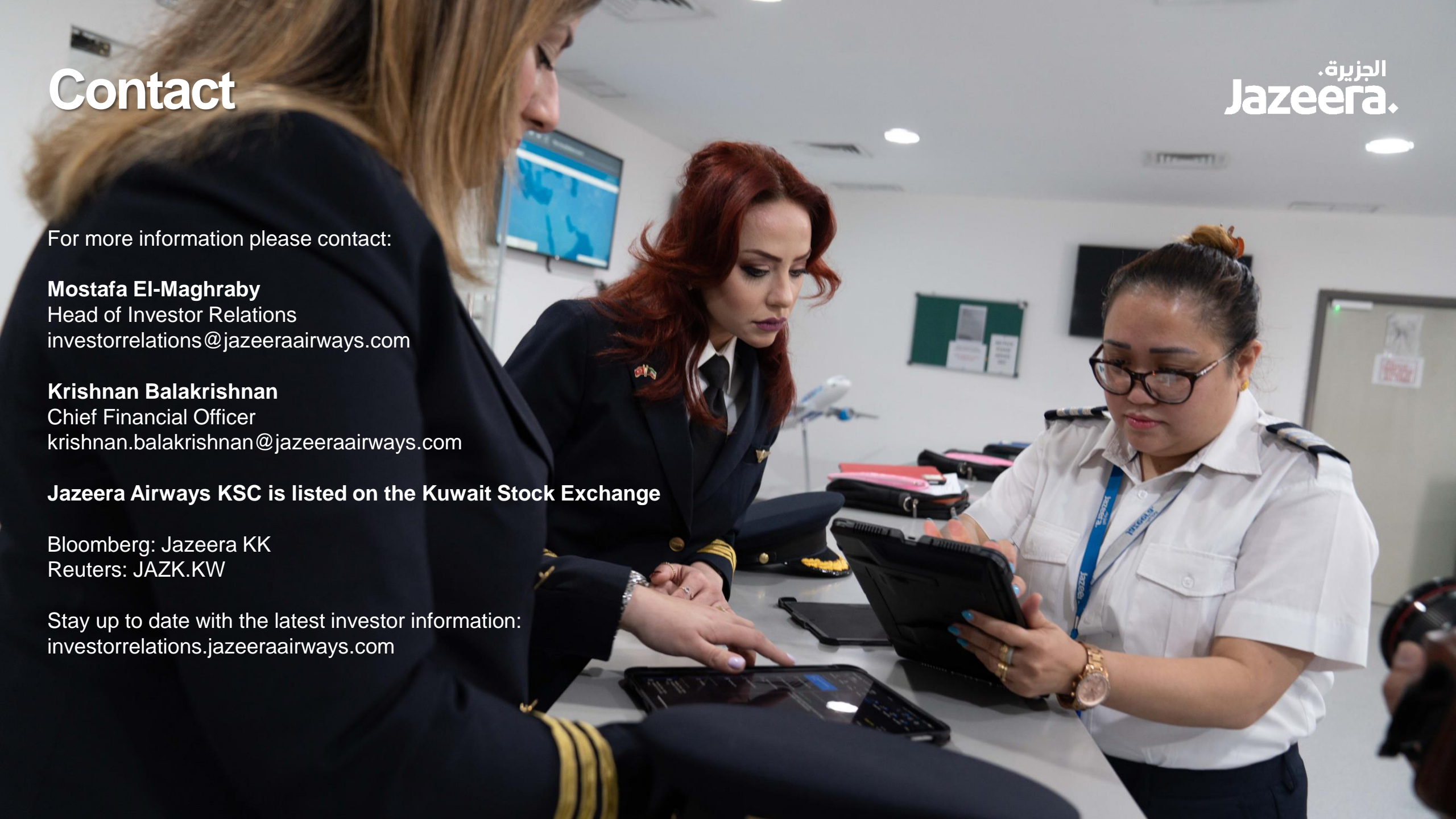
Jazeera Airways KSC is listed on the Kuwait Stock Exchange

Bloomberg: Jazeera KK

Reuters: JAZK.KW

Stay up to date with the latest investor information:

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THANK YOU