

Investor Briefing

FY 2020 Results Presentation

23rd March 2021



Agenda

- **Market Perspectives**
- **Financial Results**
- **Future Outlook**



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Global Aviation: Effects of the Coronavirus P

Passenger & Freight Traffic



50%

Drop in Seat Capacity

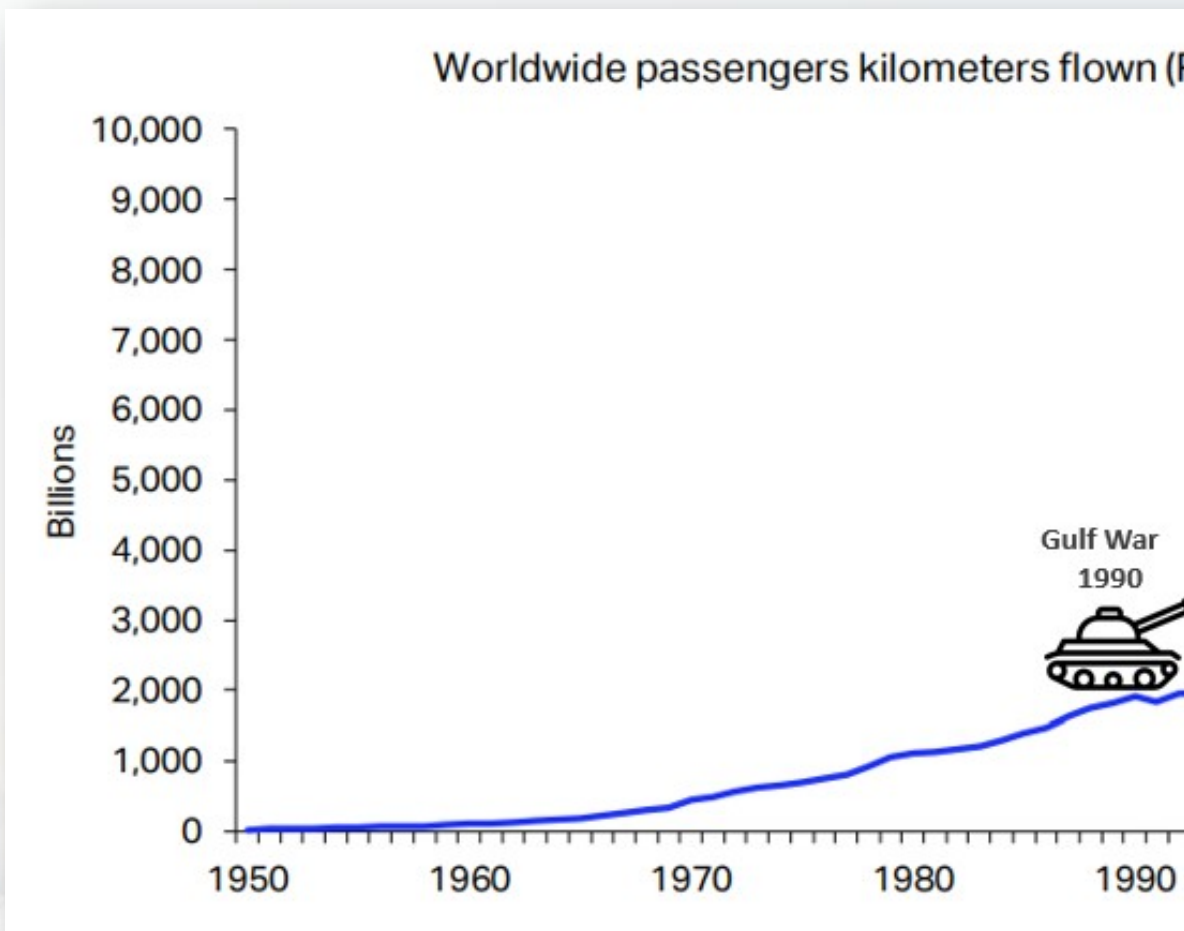
30%

Cargo Yield Growth

\$3

Drop i

Global Aviation Revenue Passenger Kilometers Performance in 2020 (RPK)



- COVID-19 remains the biggest shock to hit the aviation industry since World War II.
- The pandemic has seen Global RPK's shrink by an average of 66% in 2020

Performance of Select Global Airlines in 2020

Legacy Carriers N. America



Loss	US \$ 12.4 Bn
Aircraft No	800
Loss per aircraft	US \$ 15.5 Mn



Loss	US \$ 8.9 Bn
Aircraft No	882
Loss per aircraft	US \$ 10 Mn



Loss	US \$ 7.1 Bn
Aircraft No	828
Loss per aircraft	US \$ 8.5 Mn



Loss	US \$ 0.5 Bn
Aircraft No	54
Loss per aircraft	US \$ 9 Mn

Low Cost Carriers N. America



Loss	US \$ 1.3 Bn
Aircraft No	800
Loss per aircraft	US \$ 1.6 Mn



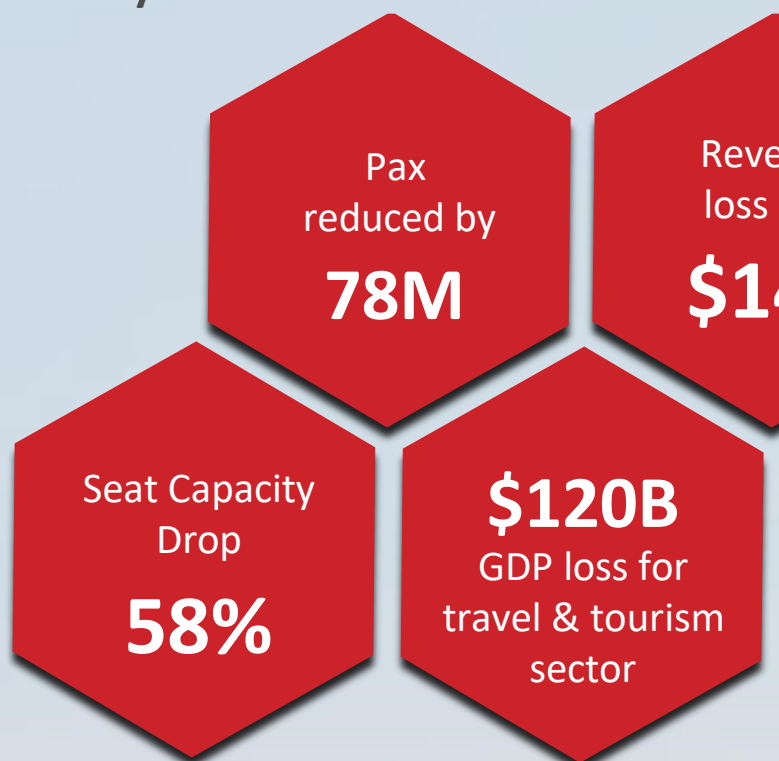
Loss	US \$ 1.3 Bn
Aircraft No	291
Loss per aircraft	US \$ 4.4 Mn



Loss	US \$ 1.3 Bn
Aircraft No	272
Loss per aircraft	US \$ 4.7 Mn

Aviation in Africa

Impact of COVID 19 on the industry



Source: AFDB (Nov 2020) - *An Effective Response to COVID-19 Impacts on Africa's Aviation Sector* & <https://www.icao.int/Newsroom/Pages/2020-passenger-totals-drop-60-percent-as-COVID19-assault-on-inter-continues.aspx>

Government Support to Airlines

Business Rescue Plan
US\$ 1.26 B



Long-term financing loan
\$191M



State guaranteed loan
\$624.8M

Rescue p
\$152M



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Cargo Operations

Deliveries across markets



- Flower deliveries to Europe- **2,600tons**
- Foodstuffs to Europe & Middle East- **11,000 tons**
- Pharma and PPE - **8,000 tons**

Pharma



Dedicated 600sqm cold room capable of handling up to 300 tons

Direct Cargo operations



Mombasa to Sharjah from November 2020

Innovation



Fahari Hub Set-up

Ideas are developed & implemented.

- Success include;
- Regional cargo
 - operations
 - Charters



KQ Fahari Aviation

- Developed Business Un for Unmanned aircraft systems.
- Acquired 4 training drones.

Customer Excellence Centre (CEC)



Revamped the Customer Contact Centre to the Customer Excellence

A woman in a pilot's uniform is working on an aircraft engine. She is wearing white gloves and using a tool. A man in a suit is looking at her work. The background is a red wall.

Cash Conservation & Cost Savings

Loan Repayment Moratoria

Conserved over USD\$60 M

Technical Costs Savings

Savings of approximately US \$13M through supplier negotiations & B787 C- Checks

Awards

KQ Pride Centre

IATA 2020 Regional Top performer approved training centre.

- Regional Top Performer 2020- Africa & Middle East

KQ World Travel Awards 2020

- Africa's Leading Airline-Business class
- Africa's Leading Airline-Economy class
- Africa's Leading Airline-Brand 2020



Operational Highlights



-68%

Available Seat KMs
CY 5,292 mil
PY 16,731 mil



-66%

Passenger Numbers
CY 1.8 mil
PY 5.2 mil



-28%

Cargo Volumes
CY 49,418 Tonnes
PY 68,264 Tonnes



-60%

Block Hours
CY 67,437
PY 169,773

Key

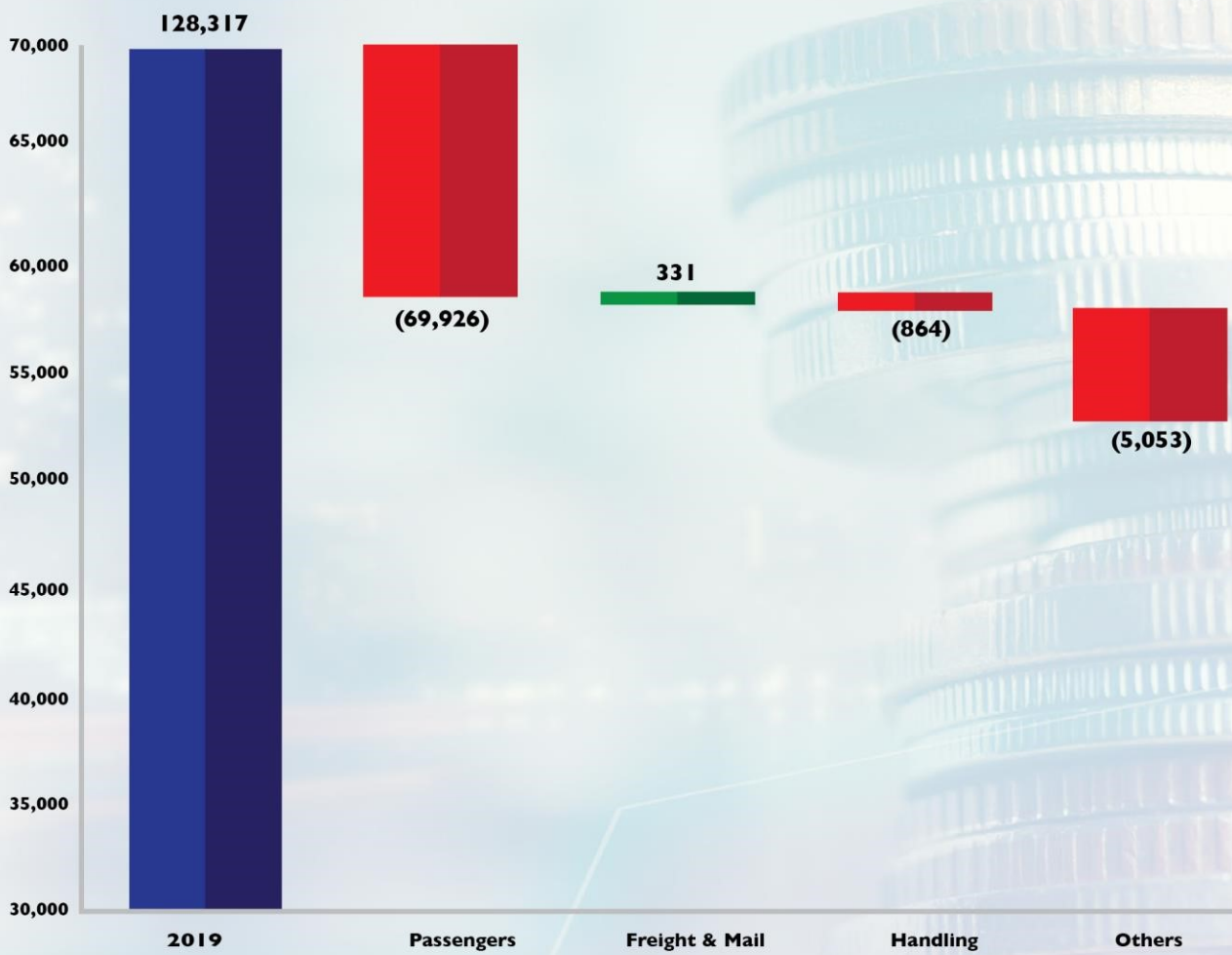
CY – Current Year

PY – Previous Year

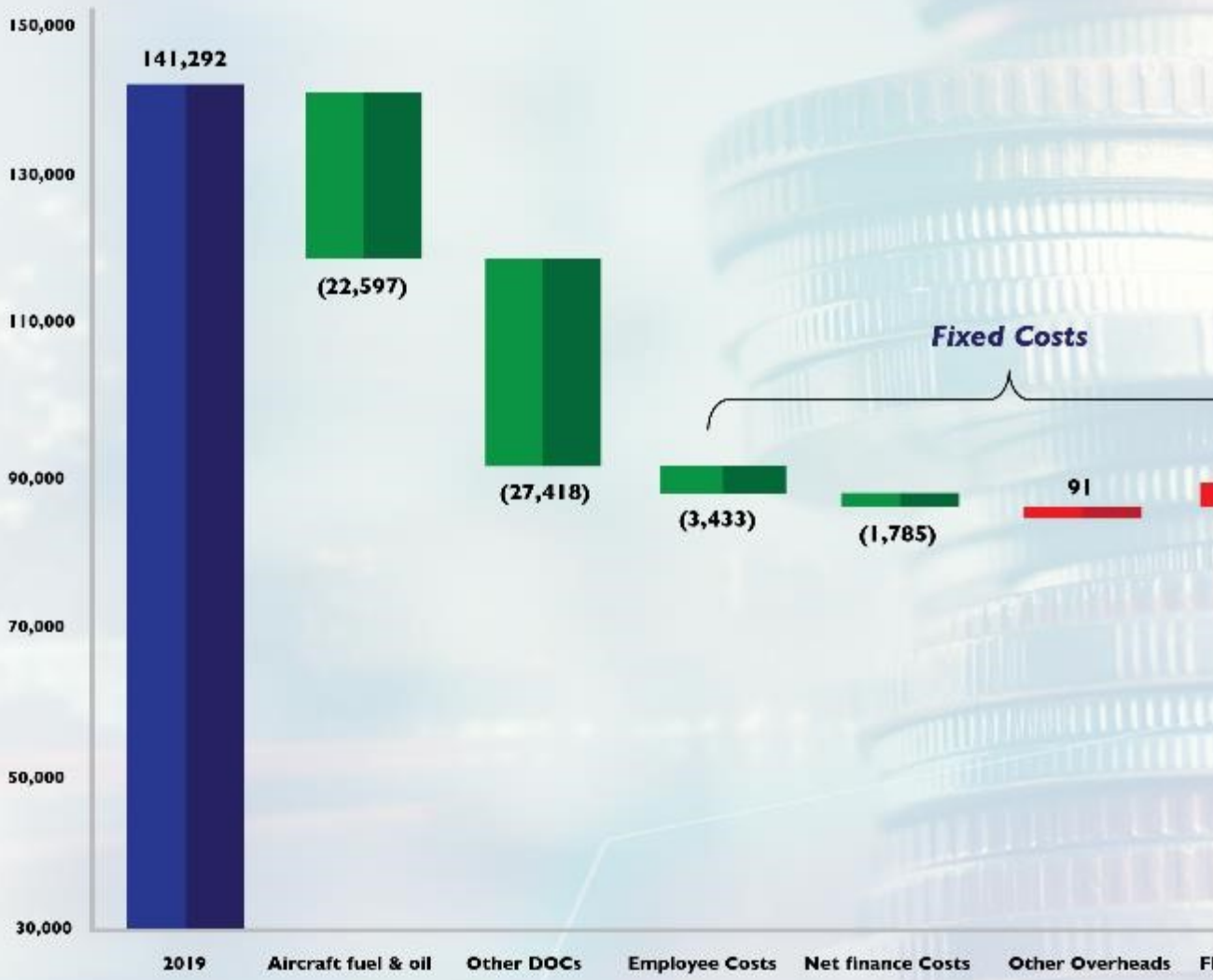


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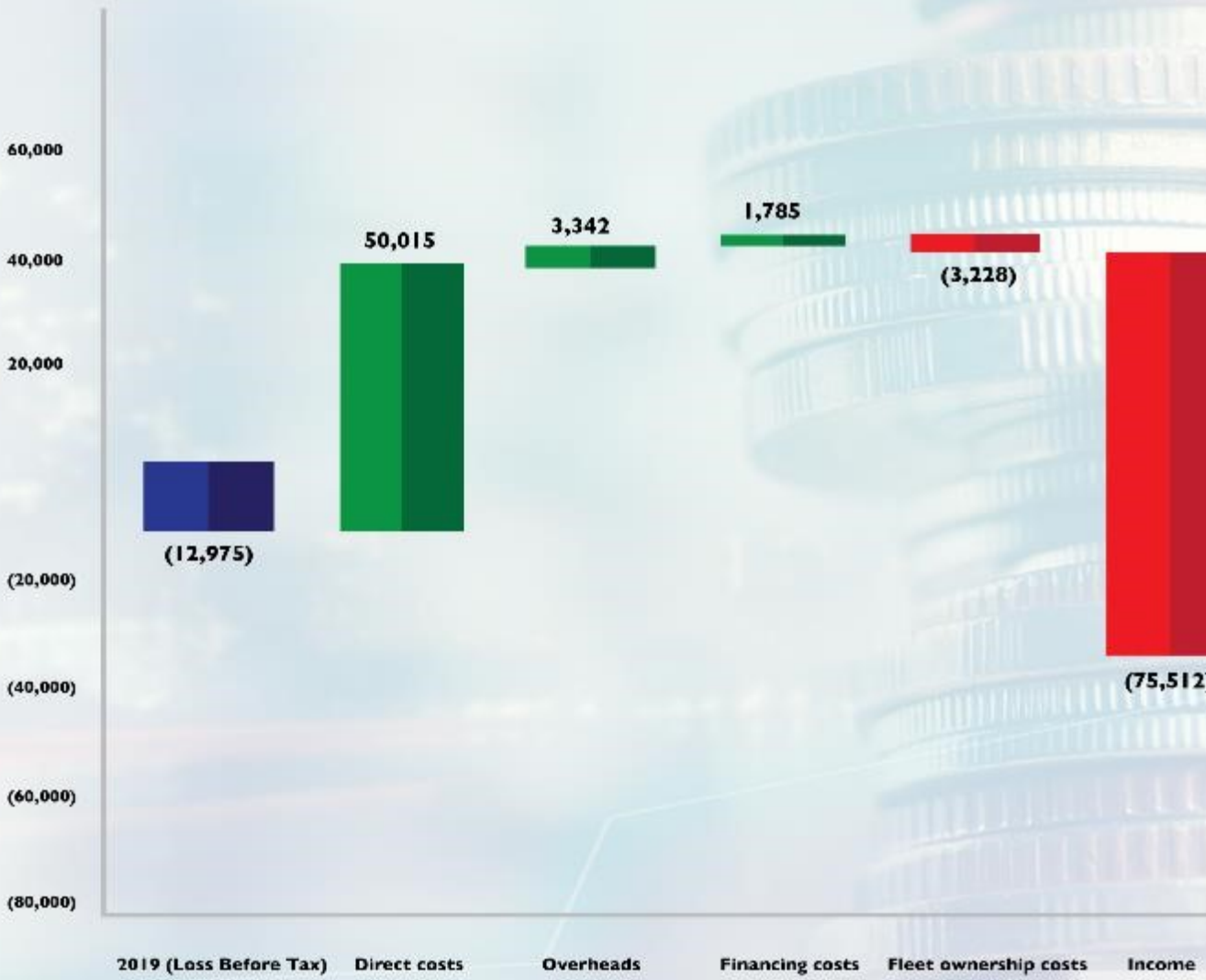
Turnover Trend



Cost Trend



Performance Trend

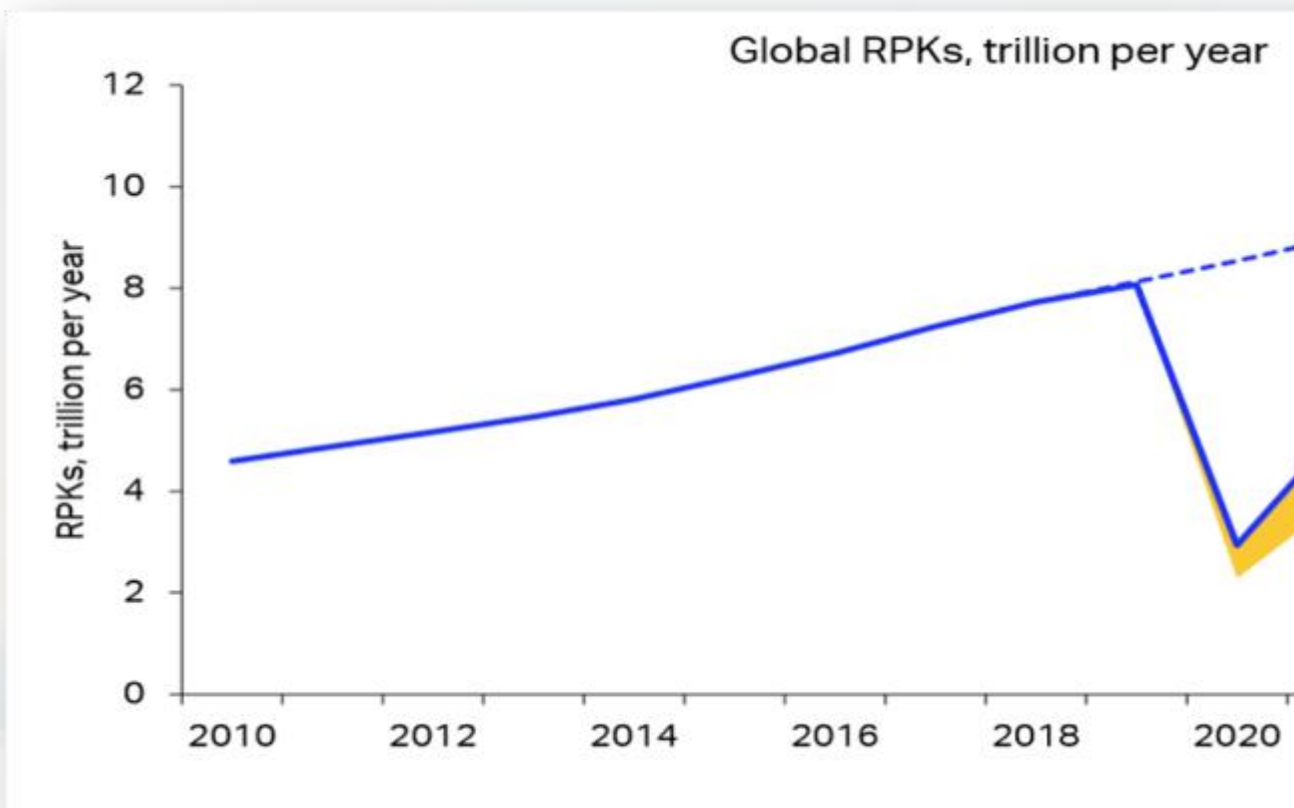




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Projected Demand Recovery IATA

Revenue Passenger Kilometers (RPK) forecasts downgraded; 2019 regained only by 2024
75% growth now forecast for 2021 but RPKs still 36% below 2019 levels



Source: IATA/Tourism Economics' Air Passenger Forecasts, July 2020

Looking Ahead

Aviation in Africa



PRE COVID-CHALLENGES

Intra-African connectivity levels among the lowest in the world
Limited to/from Central/Western Region

Air transport is unaffordable for the average African population
2 to 3 times higher than in other regions

Infrastructure limitations
Airports and Air Navigation Services



COVID CHALLENGES

Dramatic drop in demand
Adequate stimulation packages by governments needed

Airline related Jobs at Risk
3.1 million jobs could be lost if airline collapse and could fall by \$28B

Crisis to Opportunity



Reform the National Civil Aviation framework:
Even out the field, competitiveness



Develop Partnerships
To support the Airlines growth aspirations



Innovation
Respond to new & future market trends using digital technology & data



Growth
Continue building financially sustainable network & fleet



Asanteni!