

Management's Discussion and Analysis for the third quarter ended September 30, 2022 for Thai Airways International Public Company Limited and Its Subsidiaries

1. Executive summary

In the third quarter of 2022, the global economy indicated a decelerating recovery signs from both the dramatic slowdown of China's economy and from a very high inflation rate from resilient impacts from various geopolitical conflicts including Russia vs. Ukraine and Mainland China vs. Chinese Taipei erupted in August causing more down side risks with inflationary pressures brought high energy prices. Many central banks around the world continued interest rate hikes to control high level inflation such as the US Federal Reserve (FED). Such action caused the foreign exchange fluctuation, especially the appreciation of the dollar which currently at its strongest level in 20 years compared to major currencies which has an important effect the world economy expansion.

As for the world aviation industry during the third quarter of 2022, the data presented an enormous demand for both business and lesiure passenger. Thus, many countries reopened their countries for international travelers making while Hong Kong, Japan and Chinese Taipei were among the slowest countries among Asia-Pacific major markets. Moreover, airlines encountered more challenges from freight sluggish from recession in some territories as well as higher operating costs under pressure from higher oil prices and the currency fluctuation of each country. According to the Asia Pacific Airlines Association (AAPA) report, in the third quarter of 2022, the number of international passengers increased by 741.9% compared to the previous year. Passenger traffic (RPK) and Passenger production (ASK) outstandingly increased from last year to 539.7% and 173.9%, respectively. Cabin Factor increased from the previous year from 33.6% to 78.6%. However, China had continued to focus on its zero-COVID-19 policy while freight traffic (RFTK) dropped 10% but freight production (ADTK) increased 3.5%. Freight Load Factor declined from 76.0% of last year to 66.0% which matched the data from the International Air Transport Association (IATA), reported that strong overall recovery in air passenger traffic leading by the United States then followed by India and the United Kingdom while China and Japan recovered slower than others. According to data, as of September 2022, there was a 73.9% increase in passenger traffic in the first nine months, while freight grew by -6.0% compared to the same period last year.

Thai economy in the third quarter of 2022 benefited from the opening of the country as well as many countries in Asia to receive more tourists since the previous quarter which corresponding to the number of tourists from the Ministry of Tourism and Sports in the third quarter amounted to 3,608,085 people, an increase compared to the previous year when the country had not yet opened up to tourists. The numbers of tourist increased by 128% from the previous quarter, resulting a tendency for the recovery of Thai economy to stimulate the tourism sector and private consumption such as the project "Reduce Through the Sky, Fly Through Thailand" jointly organized by the Tourism Authority of Thailand (TAT) with the Thai Airways Association offered a discount on airfare tickets worth 300 baht per 1 booking number for passengers on all 6 airlines including Thai Smile Airways, Bangkok Airways, Thai Air Asia, Nok Air, Thai Lion Air, and Thai Vietjet Airlines. This is to support and stimulate the travel of Thai tourists through air travel across all regions of the country during the upcoming tourist season. However, the Thai economy remains fragile from inflationary pressures that continued to increase and the policy rate hike of the Bank of Thailand (BOT) to a level suitable for long-term stable economic growth.

Thai Airways International PCL. ("THAI") operated under the rehabilitation plan along with various countries start to open the country. The global aviation industry began to recover its operating performance producing revenues continually to increase. THAI had a significant develop in cash flow levels resulting the less level of demand for new loans from the original plan. Hence, the Plan Administrator Therefore requested to amend the business rehabilitation plan and was submitted to the Official Receiver on July 1, 2022, which contained the essence in the part of debt and capital restructuring, and on September 1, 2022, the Receiver held a meeting of the THAI's creditors by

receiving votes from most creditors who accepted the proposal to amend the rehabilitation plan as proposed by the plan administrator. Until on October 20, 2022, the court ordered the amendment of the THAI's business rehabilitation plan.

In the third quarter of 2022, due to the growth in passenger traffic, THAI increased its flights frequencies on international routes including Frankfurt, London, Munich, Zurich, Copenhagen, Seoul, Singapore, Kuala Lumpur, Jakarta, Denpasar and opened additional routes, including Tokyo (Haneda), Brussels, Jeddah, to support passenger travel demand and support the country's economic growth. Thai and its subsidiaries had a total of 61 aircraft in operation, with an aircraft utilization of 11.4 hours. Passenger production (ASK) and passenger traffic (RPK) increased up to 365.8% and 3,532.5%, respectively. Average cabin factor was 77.0%, higher than the previous year's 9.9%, and the total number of passengers transported was 2.68 million, increased by 2,580% from the previous year. Freight production (ADTK) is 341.5% higher than last year. Freight traffic (RFTK) was 183.9% higher than last year. Freight Load Factor averaged 59.1%, compared to last year's 91.9%.

THAI and its subsidiaries reported their operating result (excluded the one-time items) reported operating result before finance cost amounted to THB 3,920 million, THB 9,230 million (173.8%) higher than last year. It should be noted that this is the first quarter with operating profit after COVID-19 which comprised of total revenue of THB 32,860 million, higher than last year's by THB 28,043 million (582.2%), mainly due to an increase of revenues consisted of passenger and cargo revenue by THB 27,656 million (855.2%) resulting from resuming its operation by increasing its routes including European, Asia and Australia with adding more flight frequency resulting more revenue with 77.0% in average cabin factor. Moreover, other services revenue increased by THB 378 million (25.5%) from increasing customer airlines. The total operating expenses was THB 28,940 million, higher than the previous year by THB 18,813 million (185.8%) due to higher production and traffic causing higher variable operating expenses, especially higher fuel price by 80.3%. However, personnel expenses reduced following the rehabilitation plan and efficient cost controlling program. In addition, there was financial costs of THB 3,672 million, higher than last year by THB 2,160 million (142.9%) due to last year there was the interest adjustment according to the rehabilitation plan.

In this quarter, THAI and its subsidiaries had net one-time items mainly due to loss on foreign currency exchange from the Baht depreciation and impairment loss on assets. However, there were gain on debt restructuring and gain on sales of assets. This quarter, net one-time expenses totaled THB 5,212 million while last year's revenue THB 46,851 million; therefore, THAI and its subsidiaries reported net loss of THB 4,780 million, greater loss of THB 44,774 million from the same period last year. Loss attributable to owners of the parent amounted to THB 4,785 million. Loss per share was THB 2.19 compared to last year's profit per share was THB 18.32, EBITDA after cash paid for lease liabilities was THB 6,181 million higher than last year by THB 9,281 million

2. Summary of Operating Results for Thai Airways International PCL. and its subsidiaries

The consolidated financial statements for the third quarter of 2022 consists of THAI's financial statement and 5 subsidiary companies which are 1) THAI-Amadeus Southeast Asia Co.,Ltd., 2) Wingspan Services Co., Ltd., 3) Thai Smile Airways Co., Ltd., 4) THAI Flight Training Co., Ltd., and 5) Tour Eurng Luang Co., Ltd.

3rd. Quarter Financial Performance: THAI and its subsidiaries

	Jul - Sep			
	2022	2021	Variance	
			MTHB	%
Total operating revenues	32,860	4,817	+28,043	+582.2
- Passenger and excess baggage revenue	24,463	641	+23,822	+3,716.4
- Freight and mail revenue	6,427	2,593	+3,834	+147.9
- Revenue from other activities	1,861	1,483	+378	+25.5
- Other income	109	100	+9	+9.0
Total operating expenses	28,940	10,127	+18,813	+185.8
- Fuel and oil	12,871	1,214	+11,657	+960.2
- Non-fuel operating expenses	16,069	8,913	+7,156	+80.3
Operating Profit (loss) before finance cost exclude the one-time items	3,920	(5,310)	+9,230	+173.8
Finance cost	3,672	1,512	+2,160	+142.9
Operating loss exclude the one-time items	248	(6,822)	+7,070	+103.6
Gain from debt restructuring	420	52,055	-51,635	-99.2
Gain from sale of asset	121	585	-464	-79.3
Mutual Separation Plan (MSP)	50	(85)	+135	+158.8
Share of Gain (Loss) of associates using the equity method	10	(4)	+14	+350.0
Impairment Loss in accordance with TFRS 9 (reversal)	4	(47)	+51	+108.5
Adjust Employee Benefit	-	(236)	+236	+100.0
Gain from sale of investment	-	104	-104	-100.0
Severance Pay	(1)	(616)	+615	+99.8
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts	(4)	(18)	+14	+77.8
Loss from sale of aircraft	(14)	-	-14	-
Loss on foreign currency exchange	(5,798)	(4,887)	-911	-18.6
Profit (Loss) before tax	(4,964)	40,029	-44,993	-112.4
Net Profit (Loss)	(4,780)	39,994	-44,774	-112.0
Profit (Loss) attribute to owners of the parent	(4,785)	39,996	-44,781	-112.0
Net Profit (Loss) per share (THB)	(2.19)	18.32	-20.51	-112.0

		Jul - Sep			
		2022	2021	Variance	
				MTHB	%
Significant operating data					
EBITDA - Lease Payment	(MTHB)	6,181	(3,100)	+9,281	+299.4
Number of passengers	(Million)	2.68	0.10	+2.58	+2,580.0
Available Seat-Kilometers	(Million)	11,174	2,399	+8,775	+365.8
Revenue Passenger-Kilometers	(Million)	8,609	237	+8,372	+3,532.5
Cabin factor	(%)	77.0	9.9		+67.2
Passenger yield	(THB/RPK)	2.83	2.64	+0.19	+7.2
Available Dead Load Ton-Kilometers	(Million)	596	135	+461	+341.5
Revenue Freight Ton-Kilometers	(Million)	352	124	+228	+183.9
Freight load factor	(%)	59.1	91.9		-32.8
Freight carried	(Ton)	92,229	29,871	+62,358	+208.8
Freight Yield	(THB/RFTK)	17.93	20.42	-2.49	-12.2
Number of aircraft (As of Sep 30)	(Aircraft)	91	103	-12	-11.7
Flight hours	(Hours)	54,958	10,343	+44,615	+431.4
Aircraft utilization	(Hours/Aircraft/Day)	11.4	4.1	+7.3	+178.0
Average foreign currency exchange rate					
1 USD : THB		36.4147	32.9179	+3.4968	+10.6
1 EUR : THB		36.6730	38.8066	-2.1336	-5.5
100 JPY : THB		26.3435	29.9253	-3.5818	-12.0
Average jet fuel price	(USD/BBL)	146.53	81.25	+65.28	+80.3

Note: EBITDA-Lease Payment = Total Revenue (exclude gain on foreign exchange, gain from debt restructuring and gain from sale of investment)
- Expenses (Excluded finance cost, tax, depreciation and amortization, impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts, impairment loss in accordance with TFRS 9 and loss on foreign currency exchange) after cash paid for lease liabilities

Summary of the operating results of THAI and its subsidiaries

Revenues

Total revenue of **THAI and its subsidiaries** for the third quarter of 2022 (excluded one-time items) was amounted to THB 32,860 million, an increase of THB 28,043 million (582.2%). Details are as follows:

- **Passenger and excess baggage revenue**

Passenger and excess baggage revenue amounted to THB 24,463 million, THB 23,822 million (3,716.4%) because last year THAI temporarily cancelled all regular flights. Thus, last year revenue was mainly from the special flights and flights supported the Phuket Sandbox.

- Passenger traffic (RPK) increased ominously by 3,532.5% or approximate THB 22,000 million compared to last year while Production traffic (ASK) increased by 365.8%. Average cabin factor was 77.0%, higher than last year's 9.9%, mainly from adding more flight frequency and destinations in line with increasing traffic demand.

- Average passenger yield (included fuel and insurance surcharges) was 2.83 THB increased by 0.19 THB (7.2%) or around THB 1,600 million.

- **Freight and mail revenue**

Freight and mail revenue amounted to THB 6,427 million, an increase of THB 3,834 million (147.9%) resulting from increasing freight traffic by 183.9%, around THB 4,700 million while freight yield (included fuel and insurance surcharges) was 17.93 THB decreased by 2.49 THB (12.2%) which translated in the amount of THB 900 million resulting from an decreasing freight load factor, 59.1% lower than last year's 91.9%.

- **Other revenues from other activities**

Other revenues from other activities consisted of revenues from business units which include Ground services, Catering, Cargo handling services, and other supporting activities totaled THB 1,861 million, an increase of THB 378 million (25.5%) over last year mainly due to an increase in the number of customer airlines.

Expenses

Total expenses of **THAI and its subsidiaries** for the third quarter of 2022 (excluded the one-time items) amounted to THB 28,940 million, an increase of THB 18,813 million (185.8%) in line with the production expansion. A summary of the operating expenses was as follows:

- **Fuel and oil expenses**, amount of THB 12,871 million or represented 44.5% of total expenses, an increase of THB 11,657 million (960.2%) resulting of an increase in the number of flights. Consequently, oil consumption was higher than the previous year, along with the growth in average oil prices compared to the same period of last year by 80.3 % couple with the depreciation in Baht compared to USD causing higher expenses when translated into Baht term.

- **Non-fuel operating expenses** totaled THB 16,069 million, an increase of THB 7,156 million (80.3%), details as follows:

Unit: Million Baht	Jul - Sep			
	2022	2021	Variance	
			MTHB	%
Expense				
Employee benefit expenses	1,930	1,956	-26	-1.3
Flight service expenses	2,638	540	+2,098	+388.5
Crew expenses	728	163	+565	+346.6
Aircraft maintenance and overhaul costs	3,287	1,573	+1,714	+109.0
Depreciation and amortization expenses	2,336	2,711	-375	-13.8
Lease of aircraft and spare parts	1,645	248	+1,397	+563.3
Inventories and supplies	862	21	+841	+4,004.8
Selling and advertising expenses	1,370	152	+1,218	+801.3
Other expenses	1,273	1,549	-276	-17.8
Non-fuel Operating Expense	16,069	8,913	+7,156	+80.3

Summary of expenses that have changed significantly are as follows:

- Variable cost, which consisted of flight service expenses, crew expenses, aircraft maintenance and overhaul cost, inventories and supplies, selling and advertising, and lease of aircraft and spare parts expenses including Power by the Hour which THAI had entered the Letter of Intent (LOI) with lessor of operating lease aircraft and financial lease aircraft, totaled to THB 10,530 million, higher than the previous year THB 7,833 million (290.4%).

- Fixed cost comprised of Employee benefits expenses, depreciation, and amortization expenses, and other expenses totaled THB 5,539 million ,THB 677 million (10.9%) lower than last year. Details are as follows:

- Employee benefits expenses (Excluding compensation reserves for employees participating in Mutual Separation Program, the termination compensation and the improvement of employee benefits from the reorganization restructure) were THB 1,930 million, decreased by THB 26 million (1.3%) due to the decrease in the number of employees and outsources and downsizing with welfare adjustment associated with industry and the business rehabilitation plan.

- Depreciation and amortization amounted to THB 2,336 million, a decrease of THB 375 million (13.8%), mainly due to right of use in line with lease agreement amendment based upon the business rehabilitation plan.

- **Finance cost** amounted to THB 3,672 million, an increase of THB 2,160 million (142.9%) mainly since last year there was an adjustment of accrued interest expense mentioned in the business rehabilitation plan.

Gains on debt restructuring amounted to THB 420 million from de-recognition of financial liabilities measured at amortized cost, adjust both assets and liabilities in accordance with the amendment of the aircraft lease agreement and loss on onerous contracts termination. (Also see Note to the financial statements No. 4.4)

Mutual Separation Plan (“MSP”) THAI adjusted employee tax of THB 50 million of MSP B, C and D projects according to actual payment.

Gain on sales of assets amounted to THB 121 million from sale of land and building at Silom THB 45 million, an engine THB 59 million, an Airbus A330-300 aircraft simulator THB 12 million, and sale of other assets.

Loss on sale of aircraft amounted of THB 14 million from sale of a Boeing B747-400.

The termination compensation amounted to THB 1 million, the severance pay for foreign employees after entering the rehabilitation process. THAI had to improve every aspect to manage costs, increase competitiveness as well as cash flow under the rehabilitation plan.

Impairment loss of aircraft, right of use in aircraft, and rotatable spare part amounted of THB 4 million from unrepairable and unusable spare parts.

Impairment loss in accordance with TFRS 9 (reversal), amounting to THB 4 million.

Loss on foreign currency exchange was THB 5,798 million consisted of THB 5,777 million unrealized FX loss resulting from the revaluation of foreign currency loans for operating lease aircraft, assets, and liabilities, especially the depreciation of Thai Baht against US Dollar as of September 30, 2022, when compared to December 31, 2021, and realized FX loss of THB 21 million.

- **Share of Gain of associates using the equity method** amounted to THB 10 million, higher than the previous year by THB 14 million. Details as follow:

- THAI reduced the shareholding in BAFS then reclassified from investment in associate to other long-term investment resulting unrecognition its result where last year’s profit of THB 4 million,
- Phuket Air Catering Ltd.’s gain of THB 4 million, where last year’s loss of THB 4 million,
- Suvarnabhumi Airport Hotel Ltd.’s profit of THB 5 million, equal to last year’s result, and
- Don Mueang International Airport Hotel Ltd.’s profit of THB 1 million, where last year’s loss of THB 10 million.

EBITDA after cash paid for lease liabilities for the third quarter of 2022 amounted to THB 6,181 million compared to last year’s THB -3,100 million, increased by THB 9,281 million.

Accumulated Financial Performance: THAI and its subsidiaries

	Jan - Sep			
	2022	2021	Variance	
			MTHB	%
Total operating revenues	65,567	14,837	+50,730	+341.9
- Passenger and excess baggage revenue	42,328	2,529	+39,799	+1,573.7
- Freight and mail revenue	18,062	6,435	+11,627	+180.7
- Revenue from other activities	4,810	4,058	+752	+18.5
- Other income	367	1,815	-1,448	-79.8
Total operating expenses	66,115	31,592	+34,523	+109.3
- Fuel and oil	26,064	2,933	+23,131	+788.6
- Non-fuel operating expenses	40,051	28,659	+11,392	+39.8
Operating loss before finance cost exclude the one-time items	(548)	(16,755)	+16,207	+96.7
Finance cost	8,965	4,371	+4,594	+105.1
Operating loss exclude the one-time items	(9,513)	(21,126)	+11,613	+55.0
Gain from debt restructuring	7,415	60,730	-53,315	-87.8
Mutual Separation Plan (MSP)	683	(5,150)	+5,833	+113.3
Gain from sale of asset	579	626	-47	-7.5
Adjust Employee Benefit	237	8,087	-7,850	-97.1
Gain from sale of aircraft	144	172	-28	-16.3
Gain from sale of investment	16	2,202	-2,186	-99.3
Share of losses of associates using the equity method	(7)	(68)	+61	+89.7
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts	(12)	18,440	-18,452	-100.1
Impairment loss in accordance with TFRS 9	(99)	116	-215	-185.3
Severance Pay	(116)	(1,239)	+1,123	+90.6
Mileage accumulation adjustment	(628)	-	-628	-
Items adjustment related to the right of use in aircraft	(656)	-	-656	-
Loss on foreign currency exchange	(8,744)	(11,197)	+2,453	+21.9
Profit (Loss) before tax	(11,701)	51,593	-62,294	-120.7
Net Profit (Loss)	(11,237)	51,115	-62,352	-122.0
Profit (Loss) attribute to owners of the parent	(11,253)	51,121	-62,374	-122.0
Net Profit (Loss) per share (THB)	(5.16)	23.42	-28.58	-122.0

		Jan - Sep			
		2022	2021	Variance	
				MTHB	%
Significant operating data					
EBITDA - Lease Payment	(MTHB)	6,411	(4,012)	+10,423	+259.8
Number of passengers	(Million)	5.71	0.82	+4.89	+596.3
Available Seat-Kilometers	(Million)	26,153	6,469	+19,684	+304.3
Revenue Passenger-Kilometers	(Million)	15,975	897	+15,078	+1,680.9
Cabin factor	(%)	61.1	13.9		+47.2
Passenger yield	(THB/RPK)	2.63	2.78	-0.15	-5.4
Available Dead Load Ton-Kilometers	(Million)	1,375	332	+1,043	+314.2
Revenue Freight Ton-Kilometers	(Million)	931	331	+600	+181.3
Freight load factor	(%)	67.7	99.7		-32.0
Freight carried	(Ton)	244,508	82,980	+161,528	+194.7
Freight Yield	(THB/RFTK)	19.14	19.13	+0.01	+0.1
Number of aircraft (As of Sep 30)	(Aircraft)	91	103	-12	-11.7
Flight hours	(Hours)	131,174	33,163	+98,011	+295.5
Aircraft utilization	(Hours/Aircraft/Day)	9.8	4.7	+5.1	+108.5
Average foreign currency exchange rate					
1 USD	: THB	34.6215	31.5100	+3.1115	+9.9
1 EUR	: THB	36.8023	37.6893	-0.8870	-2.4
100 JPY	: THB	27.1198	29.0659	-1.9461	-6.7
Average jet fuel price	(USD/BBL)	138.98	73.94	+65.04	+88.0

Note: EBITDA-Lease Payment = Total Revenue (exclude gain on foreign exchange, gain from debt restructuring and gain from sale of investment) - Expenses (Excluded finance cost, tax, depreciation and amortization, impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts, impairment loss in accordance with TFRS 9 and loss on foreign currency exchange) after cash paid for lease liabilities

In the first nine months of 2022, THAI and subsidiaries reported the operating loss before finance cost (excluded the one-time items) amounted to THB 548 million, less loss than last year's THB 16,207 million (96.7%).

Total revenue (excluded one-time items) was THB 65,567 million, an increase of THB 50,730 million (341.9%) due to transportation revenue which increased by THB 51,426 million (573.7%). Revenue from passenger and excess baggage increased 1,573.7% resulting from dramatic growth of Passenger traffic (RPK). However, passenger yield (included fuel and insurance surcharges) was lower than last year mainly from last year's special flights. Fortunately, freight and mail revenue increased by 180.7% because of growth of freight traffic by 181.3% while freight yield increased by 0.1%. Finally, other revenues from other activities increased by 18.5% resulting from more number of customer airlines.

Total expenses (excluded the one-time items) amounted to THB 66,115 million, increased by THB 34,523 million (109.3%) mainly from the increase in fuel expense by 23,131 million (788.6%) from increasing fuel usage causing higher variable cost while fuel price itself increased by 88% while both loaded and none-loaded variable expenses increased but fixed expense decreased 23.5% resulting from 18.2% decrease of employee benefit based upon the business rehabilitation plan with effectiveness cost control measures.

THAI and subsidiaries had a net one-time items which was loss on foreign currency exchange and impairment loss of assets. However, there were gain on debt restructuring, and sales of assets. In this period, there was one-time expense amounted to THB 1,188 million while last year there was one-time revenue amounted to THB 72,719 million resulting net loss of THB 11,237 million more loss than last year by THB 62,352 million. Loss attribute to owners of the parent was THB 11,253 million representing a loss per share of 5.16 Baht more loss per share than last year by 28.58 Baht.

EBITDA after cash paid for lease liabilities (9 months accumulation) was THB 6,411 million which was better than the previous year by 10,423 million (259.8%).

3. Financial Position and Liquidity

Capital Expenditures

Unit : Million Baht	Jan - Sep	
	2022	2021
Aircraft and aircraft spare parts	388	82
Non-Aircraft	19	17
Total	407	99

In the first nine-month period of 2022, Capital expenditures totaled THB 407 million, THB 308 million higher than last year. The investment expenses were mainly from procurements of rotatable aircraft spare part.

Liquidity

As of September 30, 2022, THAI and its subsidiaries had cash and cash equivalents of THB 23,308 million, accounting for 12.7% of total assets, an increase from 31 December 2021 of THB 17,793 million.

Summary of cash from and used in each activity are as follows:

Unit : Million Baht	Jan - Sep	
	2022	2021
Net cash from (used in) operating activities	16,107	(7,919)
Net cash from (used in) investing activities	2,451	5,354
Net cash from (used in) financing activities	(878)	(826)
Effect of exchange rate changes on cash and cash equivalents	128	153
Effect of changes in credit loss on cash and cash equivalents	(15)	2
Increase (Decrease) in cash and cash equivalents	17,793	(3,236)

In the first nine-month period of 2022, Thai and its subsidiaries had cash from operating activities of THB 16,107 million, THB 24,026 million higher than last year from unearned passenger revenue. The net cash used in financing activities amounted to THB 878 million, THB 52 million higher than last year primarily from the liabilities under the lease agreement repayment. Besides, ThaiSmile contracted the financial support agreement with the Export-Import Bank of Thailand in the form of special loan to maintain employment conditions of THB 50 million and withdrew by THB 41 million. Net cash from investing activities was THB 2,451 million, THB 2,903 million lower than last year because cash received from the sale of assets and investments was lower than the previous year. As a result, cash and cash equivalents as of September 30, 2022 amounted to THB 23,308 million, increased by THB 17,793 million from cash and cash equivalents as of December 31, 2021, which amounted to THB 5,515 million.

Fleet

As of September 30, 2022, the total active aircraft was 61 aircraft (included 20 Airbus A320-200 under the operation of ThaiSmile) with 3 Airbus A330-300 aircraft with in process for future return to service in this October. Furthermore, there were 27 long-term parking aircraft and 18 decommission aircraft which were on selling process and considering the buyers.

Assets of THAI and its subsidiaries

As of September 30, 2022, total assets totaled THB 183,289 million, an increase of THB 22,070 million (13.7%) from December 31, 2021.

	Consolidated					
	Sep 30, 2022		Dec 31, 2021		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	23,308	12.7	5,515	3.4	+17,793	+322.6
Non-current assets held for sale	2,267	1.3	4,321	2.7	-2,054	-47.5
Other current assets	25,530	13.9	14,959	9.3	+10,571	+70.7
Current Assets	51,105	27.9	24,795	15.4	+26,310	+106.1
Property, plant and equipment-net	33,114	18.1	34,493	21.4	-1,379	-4.0
Right-of-use Assets	69,189	37.7	69,652	43.2	-463	-0.7
Other non-current assets	29,881	16.3	32,279	20.0	-2,398	-7.4
Total Assets	183,289	100.0	161,219	100.0	+22,070	+13.7

Current assets were THB 51,105 million or represented 27.9% of total assets, an increase of THB 26,310 million (106.1%) from as of December 31, 2021. The significant items consisted of

- Cash and cash equivalent increased by THB 17,793 million (322.6%) mainly from cash received from operating activities and the sale of asset and investment.
- Non-current assets held for sale decreased by THB 2,054 million (47.5%), mainly due to transferring of 3 Airbus A330-300 returned to service whose book value were THB 723 million to Property, Plant and Equipment. Moreover, during this nine month period there were sale of aircraft, engines and some land and buildings. (Also see Notes to the financial statements No. 8)
- Other current assets increased by THB 10,571 million (70.7%) mainly due to an increase of THB 10,848 million (108.2%) in trade and other current receivables from increased sale together with the increase in prepaid expenses mainly from prepaid fuel expense.
- Property, Plant and Equipment-net amounted to THB 33,114 million or 18.1% of total assets, a decrease from December 31, 2021 by THB 1,379 million (4%), mainly due to the depreciation estimate while 3 Airbus A330-300 were transferred from non-current assets held for sale (Also see Notes to the financial statements No.10)
- Right-of-use assets amounted to THB 69,189 million or 37.7% of total assets which consisted of assets under finance lease agreements and obligations under the aircraft operating lease agreement and other fixed asset operating leases decreased from December 31, 2021, amounting to THB 463 million, mainly due to the adjustment in right-of-use assets in accordance with the lease terms and as stipulated in the letter of agreement or the new lease agreement of each lease agreement with the additional aircraft. However, there were 3 new delivered operating aircraft. (Also see Notes to the financial statements No. 11)

- Other non-current assets reduced by THB 2,398 million (7.4%) where partly from the reduction in the security deposit under aircraft lease agreement. (Also see Notes to the financial statements No. 12 and 13) while there was less deferred tax assets.

Return on Asset of the third quarter of 2022 was -2.67% while last year's 24.07%

Liabilities of THAI and its subsidiaries

Total liabilities as of September 30, 2022 were THB 265,788 million, an increase of THB 33,318 million (14.3%) from December 31, 2021. These comprised of:

	Consolidated					
	Sep 30, 2022		Dec 31, 2021		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	65,849	24.8	46,742	20.1	+19,107	+40.9
Current portion of long-term liabilities	1,094	0.4	606	0.3	+488	+80.5
Long-term liabilities	154,689	58.2	139,269	59.9	+15,420	+11.1
Other non-current liabilities	44,156	16.6	45,853	19.7	-1,697	-3.7
Total Liability	265,788	100.0	232,470	100.0	+33,318	+14.3

Current liabilities which accounted for 24.8% of the total liabilities amounted to THB 65,849 million, an increase of THB 19,107 million (40.9%) from December 31, 2021, mainly due to an increase of THB 16,357 million in unearned revenue from increasing sale volume.

Long-term liabilities (Included the current portion of long-term liabilities) represented 58.6% of total liabilities, an increase of THB 15,908 million (11.4%) resulting from mainly due to an increase in lease liabilities from the delivery of 3 new leased aircraft. (Also see Notes to the financial statements no. 5.2, 6.3, 14.1, 14.2,15)

Other non-current liabilities accounted for 16.6% of total liabilities, a decrease of THB 1,697 million (3.7%). The main reason was there were decrease in trade payables and other non-current payables by THB 5,299 million. (Also see Notes to the financial statements no. 16) While the provision for non-current liabilities increased by THB 3,846 million from the estimated cost of overhaul aircraft, engines, and other components in the future under the contract obligations under the operating lease aircraft and foreign currency adjustment.

As of September 30, 2022, the Interest Bearing Debt to equity was -1.89 times, compare to as of December 31, 2021, at -1.96 times and total debt to equity ratio of -3.22 times compared to last year's -3.14 times.

Shareholders' Equity of Thai Airways International PCL., and its subsidiaries

As of September 30, 2022, the shareholders' equity of THAI and its subsidiaries amounted to THB -82,499 million, greater loss from December 31, 2021, amounting to THB 11,248 million, mainly due to operations loss of THAI and its subsidiaries.

Contingent Liabilities

As of September 30, 2022, THAI and its subsidiaries had contingent liabilities arising from obligations that are not presented in the financial statements from the guaranteed letter issued by local and foreign banks. These obligations under the meeting resolution of the Plan Administrator were to terminate these onerous contracts which had been negotiated under the rehabilitation plan and lease obligation of 2 Airbus A350-900 aircraft with 12 years term. (Also see Notes to the financial statements No. 25)

Financial Performance Summary, THAI

In the third quarter of 2022, THAI had total revenue (excluded one-time items) of THB 30,673 million, higher than the previous year THB 25,828 million (533.1%) resulting from the growth of both passenger and cargo revenue by THB 25,260 million or 814% after THAI resumed its normal operation by increasing its production while last year essentially seized its operation temporarily. In addition, other revenues from other activities from more customer increased by THB 582 million (35.3%). Total expenses of the third quarter of 2022 (excluded the one-time items) was THB 26,061 million. A total increase of THB 17,085 million 190.3% caused by growth in production and traffic, especially higher fuel price by 80.3%. Moreover, the reduction in employee benefit expenses and other operating expenses with harsh cost control resulted in operating gain before financial costs (Excluded one-time items) amounted to THB 4,612 million, increased by THB 8,743 million (211.6%) from the previous year. It should be noted that this is the first quarter to realized profit since COVID pandemic.

THAI has net one-time expense amount of THB 5,670 million while last year's revenue of THB 46,553 million. Most of one-time items were loss on foreign currency exchange and impairment loss of assets. However, THAI had gain on debt restructuring, organization restructure with employee benefit welfare, and gain on sales of investment and assets.

THAI had a net loss of THB 4,037 million compared to last year's profit of THB 40,932 million, representing a loss per share of 1.85 Baht while last year's profit of 18.75 Baht per share. EBITDA after cash paid for lease liabilities was THB 6,665 million, higher than last year's by THB 8,910 million. In the first nine months of 2022, THAI reported net loss of THB 8,457 million, greater loss of THB 62,725 million from the same period last year. Loss per share was THB 3.87 compared to last year's profit per share was THB 24.86, with EBITDA after cash paid for lease liabilities (9 months accumulation) amounted to THB 8,720 million, higher than last year's by THB 10,249 million.

3rd quarter Financial Performance: Thai Airways International PCL.

	Jul - Sep			
	2022	2021	Variance	
			MTHB	%
Total operating revenues	30,673	4,845	+25,828	+533.1
- Passenger and excess baggage revenue	21,950	526	+21,424	+4,073.0
- Freight and mail revenue	6,413	2,577	+3,836	+148.9
- Revenue from other activities	2,231	1,649	+582	+35.3
- Other income	79	93	-14	-15.1
Total operating expenses	26,061	8,976	+17,085	+190.3
- Fuel and oil	11,658	1,167	+10,491	+899.0
- Non-fuel operating expenses	14,403	7,809	+6,594	+84.4
Operating profit (loss) before finance cost exclude the one-time items	4,612	(4,131)	+8,743	+211.6
Finance cost	3,168	1,455	+1,713	+117.7
Operating loss exclude the one-time items	1,444	(5,586)	+7,030	+125.9
Gain from debt restructuring	420	52,055	-51,635	-99.2
Gain from sale of asset	121	585	-464	-79.3
Mutual Separation Plan (MSP)	50	(85)	+135	+158.8
Adjust Employee Benefit	-	(236)	+236	+100.0
Gain from sale of investment	-	121	-121	-100.0
Severance Pay	(1)	(616)	+615	+99.8
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts	(4)	(18)	+14	+77.8
Loss from sale of aircraft	(14)	-	-14	-
Impairment loss in accordance with TFRS 9	(1,027)	(682)	-345	-50.6
Loss on foreign currency exchange	(5,215)	(4,571)	-644	-14.1
Profit (Loss) before tax	(4,226)	40,967	-45,193	-110.3
Net Profit (Loss)	(4,037)	40,932	-44,969	-109.9
Net Profit (Loss) per share (THB)	(1.85)	18.75	-20.60	-109.6
Significant operating data				
EBITDA - Lease Payment (MTHB)	6,665	(2,245)	+8,910	+396.9
Number of passengers (Million)	1.54	0.03	+1.51	+5,033.3
Available Seat-Kilometers (Million)	10,115	2,331	+7,784	+333.9
Revenue Passenger-Kilometers (Million)	7,798	193	+7,605	+3,940.4
Cabin factor (%)	77.1	8.3		+68.8
Passenger yield (THB/RPK)	2.80	2.65	+0.15	+5.7
Available Dead Load Ton-Kilometers (Million)	596	135	+461	+341.5
Revenue Freight Ton-Kilometers (Million)	352	124	+228	+183.9
Freight load factor (%)	59.1	91.9		-32.8
Freight carried (Ton)	78,358	29,486	+48,872	+165.7
Freight Yield (THB/RFTK)	17.89	20.29	-2.40	-11.8
Number of aircraft (As of Sep 30) (Aircraft)	71	83	-12	-14.5
Flight hours (Hours)	42,003	9,304	+32,699	+351.5
Aircraft utilization (Hours/Aircraft/Day)	12.6	4.1	+8.5	+207.3
Average foreign currency exchange rate				
1 USD : THB	36.4147	32.9179	+3.4968	+10.6
1 EUR : THB	36.6730	38.8066	-2.1336	-5.5
100 JPY : THB	26.3435	29.9253	-3.5818	-12.0
Average jet fuel price (USD/BBL)	146.53	81.25	+65.28	+80.3

Note: EBITDA-Lease Payment = Total Revenue (exclude gain on foreign exchange, gain from debt restructuring and gain from sale of investment) - Expenses (Excluded finance cost, tax, depreciation and amortization, impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts, impairment loss in accordance with TFRS 9 and loss on foreign currency exchange) after cash paid for lease liabilities

Accumulated Financial Performance: Thai Airways International PCL.

	Jan - Sep			
	2022	2021	Variance	
			MTHB	%
Total operating revenues	60,612	14,198	+46,414	+326.9
- Passenger and excess baggage revenue	36,595	1,320	+35,275	+2,672.3
- Freight and mail revenue	18,021	6,421	+11,600	+180.7
- Revenue from other activities	5,659	4,706	+953	+20.3
- Other income	337	1,751	-1,414	-80.8
Total operating expenses	58,287	27,525	+30,762	+111.8
- Fuel and oil	23,251	2,573	+20,678	+803.7
- Non-fuel operating expenses	35,036	24,952	+10,084	+40.4
Operating Profit (loss) before finance cost exclude the one-time items	2,325	(13,327)	+15,652	+117.4
Finance cost	7,938	4,196	+3,742	+89.2
Operating loss exclude the one-time items	(5,613)	(17,523)	+11,910	+68.0
Gain from debt restructuring	7,415	60,730	-53,315	-87.8
Mutual Separation Plan (MSP)	683	(5,150)	+5,833	+113.3
Gain from sale of asset	579	626	-47	-7.5
Adjust Employee Benefit	237	8,087	-7,850	-97.1
Gain from sale of aircraft	144	172	-28	-16.3
Gain from sale of investment	16	2,848	-2,832	-99.4
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts	(12)	18,440	-18,452	-100.1
Severance Pay	(116)	(1,239)	+1,123	+90.6
Mileage accumulation adjustment	(628)	-	-628	-
Impairment loss in accordance with TFRS 9	(2,675)	(1,721)	-954	-55.4
Gain (Loss) on foreign currency exchange	(7,962)	(10,524)	+2,562	+24.3
Profit (Loss) before tax	(7,932)	54,746	-62,678	-114.5
Net Profit (Loss)	(8,457)	54,268	-62,725	-115.6
Net Profit (Loss) per share (THB)	(3.87)	24.86	-28.73	-115.6
Significant operating data				
EBITDA - Lease Payment (MTHB)	8,720	(1,529)	+10,249	+670.3
Number of passengers (Million)	2.69	0.07	+2.62	+3,742.9
Available Seat-Kilometers (Million)	23,345	5,708	+17,637	+309.0
Revenue Passenger-Kilometers (Million)	13,916	444	+13,472	+3,034.2
Cabin factor (%)	59.6	7.8		+51.8
Passenger yield (THB/RPK)	2.61	2.90	-0.29	-10.0
Available Dead Load Ton-Kilometers (Million)	1,375	332	+1,043	+314.2
Revenue Freight Ton-Kilometers (Million)	931	331	+600	+181.3
Freight load factor (%)	67.7	99.7		-32.0
Freight carried (Ton)	209,648	80,401	+129,247	+160.8
Freight Yield (THB/RFTK)	19.10	19.09	+0.01	+0.1
Number of aircraft (As of Sep 30) (Aircraft)	71	83	-12	-14.5
Flight hours (Hours)	96,720	23,437	+73,283	+312.7
Aircraft utilization (Hours/Aircraft/Day)	10.6	4.5	+6.1	+135.6
Average foreign currency exchange rate				
1 USD : THB	34.6215	31.5100	+3.1115	+9.9
1 EUR : THB	36.8023	37.6893	-0.8870	-2.4
100 JPY : THB	27.1198	29.0659	-1.9461	-6.7
Average jet fuel price (USD/BBL)	138.98	73.94	+65.04	+88.0

Note: EBITDA-Lease Payment = Total Revenue (exclude gain on foreign exchange, gain from debt restructuring and gain from sale of investment)
- Expenses (Excluded finance cost, tax, depreciation and amortization, impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts, impairment loss in accordance with TFRS 9 and loss on foreign currency exchange) after cash paid for lease liabilities

Assets of Thai Airways International PCL.

As of September 30, 2022, total assets totaled THB 186,373 million, an increase of THB 23,714 million (14.6%) from December 31, 2021.

	Separate Financial Statement					
	Sep 30, 2022		Dec 31, 2021		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	22,874	12.3	5,122	3.1	+17,752	+346.6
Non-current assets held for sale	2,267	1.2	4,321	2.7	-2,054	-47.5
Other current assets	27,939	15.0	17,456	10.7	+10,483	+60.1
Current Assets	53,080	28.5	26,899	16.5	+26,181	+97.3
Property, plant and equipment-net	33,059	17.8	34,443	21.2	-1,384	-4.0
Right-of-use Assets	63,441	34.0	62,326	38.3	+1,115	+1.8
Other non-current assets	36,793	19.7	38,991	24.0	-2,198	-5.6
Total Assets	186,373	100.0	162,659	100.0	+23,714	+14.6

- Current assets increased by THB 26,181 million (97.3%) mainly due to cash and cash equivalents and trade and other current receivables increased by THB 17,752 and 10,763 million respectively. These growths were resulted by sales volume couple with prepaid expenses increased mainly from prepaid fuel expense while non-current assets held for sale reduced by THB 2,054 million from transferring 3 Airbus A330-300 back to service and sale of aircraft, engines and some land and buildings. (Also see Notes to the financial statements No. 8)

- Property, Plant and Equipment-net decreased by THB 1,384 million (4%) mainly due to depreciation estimate while transferring 3 return-to-service aircraft were transferred from non-current assets held for sale (Also see Notes to the financial statements No.10)

- Right-of-use assets consisted of assets under finance lease agreements and obligations under the aircraft operating lease agreement and other fixed asset operating leases increased by THB 1,115 million from December 31, 2021, resulting from there were 3 new delivered operating aircraft. However, the right-of-use of assets re-measurement under the new conditions in the letter of intent (LOI) with each lessor and return aircraft under financial lease aircraft including depreciation of assets. (Also see Notes to the financial statements No. 11)

Liabilities of Thai Airways International PCL.

Total liabilities as of September 30, 2022 were THB 261,473 million, an increase of THB 32,156 million (14%) from December 31, 2021. These comprised of:

	Separate Financial Statement					
	Sep 30, 2022		Dec 31, 2021		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	63,598	24.3	45,680	19.9	+17,918	+39.2
Current portion of long-term liabilities	1,089	0.4	594	0.3	+495	+83.3
Long-term liabilities	154,687	59.2	139,267	60.7	+15,420	+11.1
Other non-current liabilities	42,099	16.1	43,776	19.1	-1,677	-3.8
Total Liability	261,473	100.0	229,317	100.0	+32,156	+14.0

- Current liabilities increased by THB 17,918 million (39.2%) mainly due to an increase by THB 16,276 million in unearned revenue from increasing sale volume.

- Long-term liabilities (Included the current portion of long-term liabilities) increased by THB 15,915 million (11.4%) resulting from mainly due to an increase in lease liabilities from the delivery of 3 new leased aircraft. (Also see Notes to the financial statements no. 5.2, 6.3, 14.1, 14.2,15)

Shareholders' Equity of Thai Airways International PCL.

As of September 30, 2022, THAI had shareholders' equity of THB -75,100 million, a negative increase from December 31, 2021 by THB 8,442 million, mainly due to the operations loss in first nine months of 2022.

4. Outlook

The expectation for world economy is in the positive since many countries have eased restrictions and facilitate for travelling, especially in Japan one of THAI foremost market. However, the China's Zero-COVID policy continues to hold the entire tourism industry. Simultaneously, geopolitical conflicts has been causing high inflation and the volatility of the financial markets while the largest economic country: the United States, is trying to solve this rising inflation by using monetary policy. Thus, for the world economy from the end of 2022 to 2023 will not fully recovered and is feasible for future recession.

The International Air Transport Association (IATA) has the study of advance bookings for European travel in late 2022 to analyze the relationship between economic conditions and air travel finding the critical anxieties is economy challenges from the Russian-Ukraine incident, and travel policy of China. It is expected that in 2023 the global economy could be alteration, especially the European region because energy prices may return higher and cause tendency for energy shortages.

As for THAI, on October 20, 2022, the court ordered the request to amend the Company's business rehabilitation plan by the essence of the revision of the plan is to provide new financing through the debt-to-equity conversion process and capital increase from the existing creditors and existing shareholders in the amount of THB 25 billion within 2024. THAI also expects to be able to complete the capital restructuring by 2024 as well as its Equity will return to positive in 2024. If so, THAI securities will be able to resume trading in 2025.

During the high season in the fourth quarter of this year to the first quarter of 2023, THAI plans to support the continued growth in travel demand from the recovering aviation situation by gradually bringing three A330-300 aircraft back into service on the Fukuoka and Tokyo routes from the end of October onwards. Moreover, THAI increases two B777-200ER aircraft to the fleet for additional service on the Mumbai, Jakarta and Denpasar routes, the company is confident that it will be able to satisfy passengers and meet the revenue targets set forth in the rehabilitation plan.

5. Financial Ratios

		Jan - Sep			
		Consolidated		The Company	
		2022	2021	2022	2021
Liquidity Ratio					
Current Ratio	(times)	1.49	0.47	1.64	0.56
Profitability Ratio					
Operating Profit (Loss) Margin	%	(14.51)	(142.39)	(9.26)	(123.44)
Net Profit (Loss) Margin	%	(17.14)	344.52	(13.95)	382.26
Return on Equity	%	(14.62)	(49.83)	(11.93)	(54.50)
Efficiency Ratio					
Return on Total Assets	%	(6.52)	27.41	(4.85)	28.90
Financial Policy Ratio					
Interest Bearing Debt to Equity	(times)	(1.89)	(1.88)	(2.07)	(2.00)
Total Debt to Equity	(times)	(3.22)	(3.14)	(3.48)	(3.31)
Interest Coverage Ratio	(times)	0.81	(0.79)	1.21	(0.23)
Net Debt to EBITDA	(times)	33.22	(68.05)	24.85	(238.76)
Debt Service Coverage Ratio	(times)	0.81	(0.49)	1.06	(0.08)

GLOSSARY

Current Ratio = Current Assets (Excluding Non-Current Assets held for sale / Current Liabilities (Excluding Unearned Transportation Revenues)

Operating Profit (loss) Margin = Operating Profit (loss) / Total Revenue (excluded gain on foreign currency exchange, profit from debt restructuring and mileage accumulation adjustment)

Net Profit (Loss) Margin = Net Profit (Loss) / Total Revenue (excluded gain on foreign currency exchange, profit from debt restructuring and mileage accumulation adjustment)

Return on Equity = Net Profit (Loss) / Average Shareholders' Equity

Return on Total Assets = Net Profit (Loss) / Average total assets

Interest Bearing Debt to Equity = (Short-term Loan + Long-term Loan including current portion of Long-term Loan within 1 year) / Shareholders' Equity

Total debt to equity ratio = Total liabilities / Shareholders' Equity

Interest Coverage ratio = EBITDA / Interest

Net Debt to EBITDA = (Total liabilities – Cash and cash equivalents) / EBITDA

Debt Service Coverage Ratio = EBITDAR / (Long-term Loan repayment and Lease liabilities + Interest payment + Lease of aircraft and spare part)

6. Related Party Transactions

6.1 Significant related party transactions carried between the company and major shareholders and entities that may have conflicts of interest for the nine months period ended September 30, 2022 are detailed as follow:

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
Ministry of Finance (MOF)	MOF is the major shareholder of THAI with 47.86% shares.	<p>1. International loans take through the MOF consist of:</p> <ul style="list-style-type: none"> - Outstanding loans - Outstanding loans under the rehabilitation plan - Interest expenses - Accrued interests - Deferred interests <p>2. THAI leased the lands from the Treasury Department.</p> <p>3. THAI sold tickets to the MOF.</p> <ul style="list-style-type: none"> - Total revenue - Account receivable 	<p>6,493.27</p> <p>0.00</p> <p>0.00</p> <p>502.89</p> <p>6.17</p> <p>0.00</p> <p>0.00</p>	<p>6,082.08</p> <p>0.00</p> <p>0.00</p> <p>351.95</p> <p>8.03</p> <p>0.00</p> <p>0.00</p>	<p>12,496.88</p> <p>1,158.94</p> <p>1,146.23</p> <p>0.00</p> <p>8.47</p> <p>0.00</p> <p>0.16</p>	<p>The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties.</p> <p>Also see Notes No.1</p> <p>The pricing is on an arms' length basis and on commercial terms as unrelated parties.</p> <p>The pricing is on an arms' length basis and on commercial terms as unrelated parties.</p>

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
Government Savings Bank (GSB)	GSB is controlled by the MOF, a major shareholder of THAI.	1. THAI entered into a committed revolving credit line with GSB credit limit up to THB 3.5 billion, the credit line was used.				The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties. Note: - The interest rate for the year 2020 was the default rate. - The interest rate for the year 2021-22 were the effective interest rate according to the original contract.
		- Outstanding loans - Commitment fee - Interest expenses - Accrued interests	3,500.00 0.00 89.17 89.17	3,500.00 0.00 212.96 212.96	3,500.00 1.37 530.08 522.89	
		2. THAI sold tickets, rented out space, and other services to GSB.				The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total revenue - Account receivable	0.27 0.00	0.18 0.00	2.51 2.03	
Export-Import Bank of Thailand (EXIM)	EXIM is controlled by the MOF, a major shareholder of THAI.	1. THAI entered into a long-term loan agreement with EXIM:				The pricing, terms and interest rates are on an arms' length basis and on commercial term as unrelated parties. Also see Notes No.1
		- Outstanding loans - Outstanding loans under the rehabilitation plan - Interest expenses - Accrued interests - Deferred interests	596.23 27.79	568.48 19.44	398.74 39.92 37.62	

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
		<p>2. THAI entered into a committed revolving credit line with EXIM credit limit up to THB 1.5 billion, the credit line was used.</p> <ul style="list-style-type: none"> - Outstanding loans - Outstanding loans under the rehabilitation plan - Commitment fee - Interest expenses - Accrued interests - Deferred interests <p>3. THAI sold tickets to EXIM.</p> <ul style="list-style-type: none"> - Total revenue 	<p>1,469.36</p> <p>16.53</p> <p>0.00</p>	<p>1,452.83</p> <p>11.93</p> <p>0.00</p>	<p>1,500.00</p> <p>1.50</p> <p>170.67</p> <p>165.38</p> <p>0.04</p>	<p>The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties.</p> <p>Also see Notes No.1</p> <p>The pricing is on an arms' length basis and on commercial terms as unrelated parties.</p>
Islamic Bank of Thailand (IBANK)	IBANK is controlled by the MOF, a major shareholder of THAI.	<p>1. THAI entered into a long-term loan agreement with IBANK:</p> <ul style="list-style-type: none"> - Outstanding loans - Outstanding loans under the rehabilitation plan - Interest expenses - Accrued interests - Deferred interests 	<p>1,273.73</p> <p>78.36</p>	<p>1,195.37</p> <p>54.06</p>	<p>2,500.00</p> <p>253.72</p> <p>233.68</p>	<p>The pricing, terms and interest rates are on an arms' length basis and on commercial term as unrelated parties.</p> <p>Also see Notes No.1</p>

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
Krung Thai Bank Public Company Limited (KTB)	MOF controlled via the Bank of Thailand and Financial Institutions Development Fund, which is the major shareholder of KTB.	1. THAI entered into a committed revolving credit line with KTB credit limit up to THB 3.0 billion, the credit line was used.				The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties. Note: - The interest rate for the year 2020 was the default rate. - The interest rate for the year 2021-22 were the effective interest rate according to the original contract. The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties. Note: - The interest rate for the year 2020 was the default rate. - The interest rate for the year 2021-22 were the effective interest rate according to the original contract. Note: - The interest rate for the year 2020 was the default rate. - The interest rate for the year 2021-22 were the effective interest rate according to the original contract. Also see Notes No.1
		- Outstanding loans	2,260.73	2,260.73	2,260.73	
		- Commitment fee			0.86	
		- Interest expenses	57.49	63.84	284.66	
		- Accrued interests	57.49	63.84	260.69	
		2. THAI entered into a committed revolving credit line with KTB credit limit up to THB 3.5 billion, the credit line was used.				
		- Outstanding loans	3,500.00	3,500.00	3,500.00	
		- Interest expenses	29.84	128.63	385.11	
		- Accrued interests	29.84	128.63	378.00	
		3. THAI sold debentures to KTB.				
		- Debenture value	832.00	832.00	832.00	
		- Interest expenses			32.15	
		- Accrued interests			33.33	
		- Deferred interests	9.33	6.80		

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
		<p>4. THAI provided office space rental, ATM space, utilities, and leased line to KTB.</p> <p>- Total revenue - Account receivable</p>	<p>2.06 0.21</p>	<p>3.30 0.22</p>	<p>3.05 0.11</p>	<p>The pricing is on an arms' length basis and on commercial terms as unrelated parties.</p>
		<p>5. THAI paid service fees to KTB for cash delivery and debentures distribution fee.</p> <p>- Total expenses - Account payable</p>	<p>0.00 0.13</p>	<p>2.84 0.13</p>	<p>3.92 0.15</p>	<p>The pricing is on an arms' length basis and on commercial terms as unrelated parties.</p>
Thailand Post Company Limited	Thailand Post and THAI have a common major shareholder, namely MOF.	<p>1. THAI bought postal services, both domestic and international, and postal tools from Thailand Post.</p> <p>- Total expenses - Account payable</p>	<p>0.16 0.00</p>	<p>0.14 0.00</p>	<p>0.62 0.01</p>	<p>The pricing is on an arms' length basis and on commercial terms as unrelated parties.</p>
		<p>2. THAI sold tickets to Thailand Post.</p> <p>- Total revenue - Account receivable</p>	<p>0.00 0.00</p>	<p>0.00 0.00</p>	<p>0.22 0.00</p>	<p>The pricing is on an arms' length basis and on commercial terms as unrelated parties.</p>

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
Tourism Authority of Thailand (TAT)	TAT is controlled by the MOF, a major shareholder of THAI.	1. THAI paid for advertising and sales promotion to TAT.				The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total expenses - Account payable	0.00 0.52	0.00 0.24	0.00 0.11	
		2. THAI sold tickets and provided office space rental to TAT.				The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total revenue - Account receivable	14.26 4.51	10.15 1.13	18.17 0.73	
MCOT Public Company Limited (MCOT)	MCOT and THAI have a common major shareholder, namely MOF.	1. THAI paid for advertising to MCOT.				The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total expenses - Account payable	0.00 0.87	0.00 0.87	1.63 0.87	
PTT Public Company Limited (PTT)	PTT and THAI have a common major shareholder, namely MOF.	1. THAI bought fuel for its aircraft and vehicles from PTT.				The pricing is on an arms' length basis and on commercial terms as unrelated parties. Also see Notes No.1
		- Total expenses - Account payable - Outstanding loans under the rehabilitation plan - Deferred interests	0.06 0.17 1.15 0.06	0.06 1.66	18.60 1.50	

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
		2. THAI sold tickets and provided AC dielectric tester service to PTT. - Total revenue	10.71	0.00	3.37	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
Airports of Thailand Public Company Limited (AOT)	AOT and THAI have a common major shareholder, namely MOF.	1. AOT provided space rental at several airports for THAI's offices, aircraft/ vehicle parking, cargo loading/ unloading, stores for ground service equipment, containers, and other services. - Total expenses - Account payable 2. THAI sold tickets to AOT and received 2% of passenger service charge collected for AOT. - Total revenue - Account receivable	2,280.80 929.80 9.69 24.31	8,642.18 891.05 0.51 13.97	4,577.76 892.59 23.18 13.42	The pricing is on an arms' length basis and on commercial terms as unrelated parties. The pricing is on an arms' length basis and on commercial terms as unrelated parties.
CAT Telecom Public Company Limited (CAT)	CAT and THAI have a common major shareholder, namely MOF.	1. THAI sold debentures to CAT. - Debenture value - Interest expenses - Accrued interests - Deferred interests	933.00 10.47	933.00 17.48	933.00 46.54 49.47	The pricing, terms, interest rates and Commitment fees are on an arms' length basis and on commercial term as unrelated parties. Also see Notes No.1

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
		2. THAI rents communication channels from CAT. - Total expense - Account payable	 0.00 2.51	 0.25 2.51	 3.20 2.42	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
TOT Public Company Limited (TOT)	TOT and THAI have a common major shareholder, namely MOF.	1. THAI sold debentures to TOT - Debenture value - Interest expenses - Accrued interests - Deferred interests 2. THAI rents optical fibers from TOT - Total expense - Account payable	 415.00 4.66	 415.00 7.11	 415.00 15.93 16.80	The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties. Also see Notes No.1 The pricing is on an arms' length basis and on commercial terms as unrelated parties.
Civil Aviation Training Center (CATC)	CATC is controlled by the MOF, a major shareholder of THAI.	1. CATC provided aviation training for THAI's pilots. - Total expenses - Account payable	 0.00 10.00	 0.00 10.00	 9.34 10.00	The pricing is on an arms' length basis and on commercial terms as unrelated parties.

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
Thai-Amadeus Southeast Asia Company Limited (Subsidiary Company)	THAI is the major shareholder of Thai-Amadeus Southeast Asia, with 55% shares. THAI's executive officers: Mr. Chai Eamsiri is a Director of Thai-Amadeus Southeast Asia.	1. THAI sold tickets and provided office space and computer rental to Thai-Amadeus Southeast Asia Co., Ltd. - Total revenue - Account receivable	4.93 0.52	6.62 0.99	9.26 0.78	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
Wingspan Services Company Limited (WSC) (Subsidiary Company)	THAI is the major shareholder of WSC, with 49% shares and controlling authority. THAI's executive officers: Mr. Suvadhana Sibunruang is a Director of WSC.	1. WSC outsourced its staff to THAI. - Total expenses - Account payable	211.02 0.45	178.60 128.93	604.38 138.81	The pricing is on an arms' length basis and on commercial terms as unrelated parties.

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
		2. THAI provided office space and equipment rental to WSC. - Total revenue - Account receivable	 2.61 1.11	 0.50 1.59	 2.02 2.05	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
Thai Flight Training Company Limited (TFTA) (Subsidiary Company)	THAI is the major shareholder of TFTA, with 49% shares and controlling authority THAI's executive officers: Lt.JG. Supoj Charoensuk is a Director of TFTA Mrs. Chuntarica Jotikasthira and Mrs. Busakorn Amornvivat are Director of TFTA.	1. THAI provided aviation training equipment, office space and equipment rental to TFTA. - Total revenue - Account receivable	 13.38 0.64	 15.08 1.19	 20.23 2.58	The pricing is on an arms' length basis and on commercial terms as unrelated parties.

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
		2 TFTA provided flight attendant training to THAI - Total expenses	0.00	0.39	0.45	The pricing is on an arms' length basis and on commercial terms as unrelated parties and according to market price
Tour Eurng Luang Company Limited (Subsidiary Company)	THAI holds 49 % shares in Tour Eurng Luang Co., Ltd via WSC and with controlling authority.	1. THAI paid commission fees from the sale of Eurng Luang services to Tour Eurng Luang. - Total expenses	1.18	0.00	0.00	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		2. THAI sold Eurng Luang tours to Tour Eurng Luang. - Total revenue - Account receivable	3.03 0.52	0.04 1.55	11.79 1.55	The pricing is on an arms' length basis and on commercial terms as unrelated parties.

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
Thai Smile Airways Company Limited (Subsidiary Company)	THAI wholly owns Thai Smile Airways. THAI's executive officers: Mr. Suvadhana Sibunruang is a Director of Thai Smile Airways; Ms. Piyanee Sungtong is a Directors of Thai Smile Airways.	1. THAI bought Block Space and other services from Thai Smile Airways. - Total expenses - Account payable	1,800.72 302.64	342.06 0.00	1,884.16 2.93	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		2. THAI provided aircraft rental, ground services, parking space, aircraft insurance premium, boarding passes, pilot training and catering to Thai Smile Airways. - Total revenue - Account receivable	2,313.02 11,123.29	1,323.53 8,384.46	5,015.00 7,763.06	
Don Mueang International Airport Hotel Company Limited (Associated Company)	THAI holds 40% shares in Don Mueang International Airport Hotel.	1. THAI bought hotel rooms for its passengers from Donmueang International Airport Hotel. - Total expenses	0.00	0.00	0.00	The pricing is on an arms' length basis and on commercial terms as unrelated parties.

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
Phuket Air Catering Company Limited (PACCO) (Associated Company)	THAI holds 30% shares in PACCO.	1. THAI bought catering services from PACCO.				The pricing is on an arms' length basis and on commercial terms as unrelated parties. Also see Notes No.1
		- Total expenses	15.60	0.04	99.02	
		- Account payable	1.64	20.44	20.52	
		- Outstanding loans under the rehabilitation plan	15.64			
		- Deferred interests	0.88			
		2. THAI sold raw materials and services to PACCO.				The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total revenue	0.00	0.00	0.06	
		- Account receivable	0.01	0.00	0.00	
Suvarnabhumi Airport Hotel Company Limited (Associated Company)	THAI holds 30% shares in Suvarnabhumi Airport Hotel. THAI's executive officer: Ms. Piyanee Sungtong is a Director of Suvarnabhumi Airport Hotel	1. THAI bought hotel rooms for its passengers from Suvarnabhumi Airport Hotel.				The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total expenses	0.07	0.00	5.69	
		- Account payable	2.16	2.16	2.16	

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the nine months period ended September 30 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
Aeronautical Radio of Thailand Limited (AEROTHAI) (Joint-Venture Company)	AEROTHAI and THAI have a common major shareholder, namely MOF. THAI holds 0.24% shares in AEROTHAI.	1. THAI bought navigation services and rented communication equipment from AEROTHAI - Total expense - Account payable	297.72 106.81	145.30 105.14	364.52 105.53	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		2. THAI sold tickets and provided transportation services to AEROTHAI. - Total revenue	0.00	0.00	0.12	The pricing is on an arms' length basis and on commercial terms as unrelated parties.

Notes:

1. After the Central Bankruptcy Court has issued an order approving the rehabilitation plan and the request for an amendment to the plan following the resolution of the meeting of creditors on May 19, 2021. THAI has made improvements in debt to a financial liability that has been measured at amortized cost using the effective interest method and considered a pre-adjusted financial liability. In addition, whether there has been a significant difference after the adjustment for financial liabilities that differ materially, the new financial liabilities have been recognized at fair value using the discounted cash flow method which used the market interest rate. The difference between the carrying amount of the adjusted financial liability and the present value of the recalculated financial liability where THAI recognizes gains on debt restructuring in the statements of income and other comprehensive income and the interest expense is recognized at the market rate. If such financial liabilities do not have a significant difference THAI would adjust its cash flows under new conditions by using the effective interest rate under the original contract resulting difference is recognized as gain on debt restructuring in the statements of income and other comprehensive income and the interest expense is recognized at the effective interest rate according to the original contract

- The interest rate for the year 2020 was the default rate

- The interest rate for the year 2021-22 were the rate according to the court's order approving the business rehabilitation plan (15 June 2021)

6.2 Necessity and reasonableness of related party transactions

For the above related transactions, THAI aims to create maximum benefits. This is the normal course of business or provide/receive services from related companies determined from the normal price of the business as THAI has given to individuals or other unrelated businesses. This is in accordance with the appropriateness of the conditions and the use of reference market prices which brings benefits to the whole company and related companies without the purpose of transferring benefits between each other or have any special transactions so that all shareholders and stakeholders are treated fairly and equally in accordance with the Company's good corporate governance policy.

6.3 Connected Transaction Approval Procedures

Performing the aforementioned related transactions is aligned with THAI's normal business operations and has been approved in accordance with THAI's procedures, which have stringent measures, including directors and executives with vested interests in such matters not being involved in the transaction's approval.

6.4 Future related party transaction policy

The Audit Committee and THAI will jointly ensure that the aforementioned related transactions that may occur in the future are reasonable and have a fair rate of return as well as being properly approved in accordance with the relevant procedures and regulations, and will disclose the type and value of THAI's related party transactions with individuals who may have conflicts of interest under the announcements and regulations of the Securities and Exchange Commission (SEC), the Capital Market Supervisory Board (CMSB) under the SEC, and the Stock Exchange of Thailand (SET).