

## **Management's Discussion and Analysis for year 2022 ended December 31, 2022 for Thai Airways International Public Company Limited and Its Subsidiaries**

### **1. Executive summary**

In 2022, the global economy continued to encounter downside risks with inflationary pressures brought high energy prices from impacts of geopolitical conflicts including Russia vs. Ukraine since the beginning of 2022 and more pressure relations between China and U.S. potentially caused economic recession in many countries. In addition, the China's Zero-COVID policy which extended lockdown period instigated under-investment in real estate sector resulting Chinese economy recession that finally resulted in global trade slowdown, more difficultly resilient growth, and trade fragmentation.

Moreover, the global aviation industry in 2022, tended to strongly improve in passenger demand, both business and international tourism, which had continued to increase since the first quarter due to pent-up travel demand and countries in the Asia-Pacific region opened their countries for foreign tourists. For instance, Japan relaxed travel restrictions in October 2022 and China began to relax COVID-19 control measures in some groups at the end of November 2022 while cargo transport was affected by economic slowdown, including higher operating costs from higher oil prices and foreign exchange fluctuation. According to the Association of Asia Pacific Airlines (AAPA), in 2022, the number of international passengers increased by 507% compared to last year. Passenger traffic (RPK) Passenger Production (ASK) increased from last year by 439% and 144% respectively. Cabin Factor increased by 32.9% to 72.8%. During that period, China still focused on Zero-COVID policy, freight traffic (Revenue Freight Ton-Kilometers: RFTK) decreased by 8.2%, Freight Production (Available Dead Load Kilometer: ADTK) increased by 2.2%. Freight Load Factor declined from 74.1% of last year to 66.6% this year, corresponding to the International Air Transport Association (IATA) report, overall industry air passenger traffic showed a strong recovery in 2022. Total passenger traffic was 64.4% this year, an increase of 152.7% in international passenger traffic, while total freight traffic encountered the decrease in expansion situation by 8% compared to the same period last year. (Information as of December 2022)

The Thai economy in 2022 continued to recover with tourism and service sectors as the main driver. After the government had gradually relaxed measures to enter Thailand since October 1, 2022, and canceled the verification of documents related to the COVID-19 for entering resulting in more numbers of inbound foreign tourists. According to the Ministry of Tourism and Sports, there were 11,153,026 people, an outstanding increase compared to last year. While the first 10 months of 2021 that the country was not open to tourists which in line with report from Airports of Thailand PLC (AOT) that the number of passengers entering and leaving the Kingdom through six major airports significantly increased, with a total number of approximately 62.8 million in 2022, an increase of 287.7% compared to the previous year approximately 43.9% of the year 2019. However, the recovery of the aviation business was still principally driven by domestic travel. Moreover, international travel continued to recover strongly while the Thai export sector tended to slow down. However, the Thai economy remained fragile from the pressure of inflation that continued to increase while the Bank of Thailand (BOT) attempted to control by increasing in the interest rate to appropriate level for long-term economic growth and stability.

In 2022, Thai Airways International Public Company Limited “(THAI)” continued to operate and provide full services on international routes since Thai government announced the opening the country at the end of 2021 to drive and revitalize Thai economy. THAI operated covering Europe, Asia, and Australia, and recurrently increased its flight frequency on international routes and resumed service on additional routes from temporary seized its operation since the COVID-19 outbreak such as Tokyo (Haneda), Fukuoka, Sapporo, Brussels, Melbourne, Jeddah, etc. Thai Smile Airway Co., Ltd., “(ThaiSmile)” a subsidiary, operated on domestic and Asian routes in order to seamlessly operate with THAI to enhance potential tourism aimed to connect both Thai and Asian cultures to

support the increasing passenger travel. The achievement was lucidly exhibited by the rising cabin factor since the beginning of the year with the success of the implementation of THAI's business rehabilitation plan both earning from transportation that has grown significantly since November 2021 onwards with organization downsizing, fleet rationalization by negotiations to reduce the contractual expenses in terms of aircraft lease and maintenance and pursuing the benefits from non-core assets resulting a healthier operating cash flow with less level for new funding request. According to the Plan Administrators Filed a petition to amend the business rehabilitation plan with the official receiver on July 1, 2022. Later on September 1, 2022, the official receiver held a meeting with the creditors of the company. The meeting resolved to accept the proposal to amend the rehabilitation plan as proposed by the plan administrator. And on October 20, 2022, the Central Bankruptcy Court has an order approving the request to amend the business rehabilitation plan. The essence of the amendment was summarized as follows:

1. Fleet rationalization aimed to manage and improve efficiency by increasing the number of aircraft in the fleet by bringing existing aircraft back into operation or adding more aircraft to the fleet to be consistent with market demand in particular period.

2. Modification of debt repayment methods. Detail of creditors as follows: Group 1 was secured creditors. Group 4 was loan creditors from major shareholders who were not financial institutions. Group 5 was financial institution creditors who had the right under the contract to transfer the right to receive money from the sale of aircraft. Group 6 was unsecured financial institution creditors and groups 18 - 31 were debenture holders' creditors. Group 9 was passenger requesting a refund.

3. Debt and capital mobilization including sources of funds and terms of liabilities and funds new credit requirements of THAI decreased from the original THB 50,000 million to THB 25,000 million by providing new credit in the amount of THB 12,500 million in the form of long-term loans and/or debt instruments with a maturity of not less than 6 years with collateral for use as working capital for normal business expenses, capital expenses for THAI and its subsidiaries improvements or repairs to assets improvement and developing the management system within the organization, information technology and commerce systems, fleet rationalization to market situations. In addition, THAI prepared a revolving facility in the amount of not more than THB 12,500 million.

4. The capital restructuring was capital increase by share allotment which consisted of the increase in registered capital of no more than 31,500 million shares with the goal of making the capital positive to create stability in the financial position. Thus, that the company's securities can be traded on the stock exchange again. However, on December 14, 2022, THAI increased the registered capital from the original amount. 21,827,719,170 Baht to 336,824,601,650 Baht.

5. Completion of business rehabilitation plan consisted of registered capital increase and proceeded according to the business rehabilitation plan without incident of default and EBITDA after deducting cash payments for aircraft lease liabilities of at least THB 20,000 million in the 12 months before the court report on the success of the business rehabilitation, and finally, the shareholders' equity in the financial statements is positive and the appointment of new Board of directors.

In 2022, THAI received a silver medal prize for the necessary basic cyber security standards organizations and passed the 2022 Certificate of Cyber Hygiene: Silver Level assessment of the National Cyber Security Agency (NCSA). Also, THAI was honored to host the annual general meeting "AAPA 66th Assembly of Presidents Bangkok 2022" on November 10-11, 2022 with attendees from member airlines of 13 leading airlines in the Asia Pacific region, including All Nippon Airways, Air Astana, Bangkok Airways, Cathay Pacific Airways, China Airlines, EVA Airways, Garuda Indonesia, Japan Airlines, Malaysia Airlines, Philippine Airlines, Royal Brunei Airlines, Singapore Airlines and Thai Airways including agencies involved in the aviation industry participate in meetings to discuss various issues from experts on issues and perspectives on global economic trends affecting the aviation and tourism industry in the Asia-Pacific region and aviation regulations that affected member airlines both now and in the future in order to develop and drive the aviation business to be efficient and keep up with the current world situation.

As of December 31, 2022, THAI and its subsidiaries had a total of 64 aircraft in operation with an aircraft utilization of 10.4 hours with increasing Passenger Production (ASK) by 243.2%. Passenger traffic (RPK) increasing to 1,118.6 %. The average cabin factor was 67.9% higher than the previous year's average of 19.1% and the total number of passenger was 9.01 million, an increase of 449.4% from the previous year. Freight production (ADTK) was 249.7% higher than the previous year. Freight traffic (RFTK) was 134.6% higher than the previous year resulting average Freight Load Factor was 63.1%, compared to last year's average was 94.1%.

In 2022, THAI and its subsidiaries reported their operating profit before finance costs (exclude one-time items) of THB 7,797 million, higher than last year by THB 27,499 million (139.6%), with total revenues of THB 105,041 million, THB 81,294 million (342.3%). higher than the previous year. Revenues from passenger and freight increased by THB 81,363 million (494.4%) because this year THAI returned to operate and provide regular flights on international routes covering Asia, Europe and Australia to support the passengers demand while in the first 10 months of the previous year, THAI had not operated regular flights. There were only special flights and flights that supported the Phuket Sandbox policy with an average cabin factor of 67.9% which had been increasing steadily since the first quarter with additional revenue from other services up to THB 1,559 million (30.5%) from more customer flights. The total expenses were THB 97,244 million, higher than the previous year by THB 53,795 million (123.8%) due to increase of variable operating expenses. In particular, the rising fuel expense from higher oil price by 63.8% while lower fixed expenses compared to the previous year. However, there was a financial cost (realized transaction under TFRS 9) of THB 12,387 million, THB 2,897 million (30.5%) higher than the previous year.

THAI and its subsidiaries had one-time items mainly due to reversal of loss on impairment of assets and profit from the sale of assets despite the loss from debt restructuring, loss on foreign exchange from book valuation due to the depreciation of Baht. In 2022, there were net one-time revenue of THB 2,904 million compared to last year's THB 81,525 million. As a result, THAI and its subsidiaries had net loss of THB 252 million, lower than the previous year by THB 55,365 million. Net loss attributable to the parent was THB 272 million, equivalent to loss per share of 0.12 Baht compared to last year's profit 25.25 Baht. EBITDA after deducting aircraft lease payments included Power by the Hour was profit of THB 17,241 million, an increase of THB 19,953 million from the previous year.

## **2. Summary of Operating Results for THAI and its subsidiaries**

The consolidated financial statements for 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.

## Financial Performance: THAI and its subsidiaries

	Jan - Dec			
	2022	2021	Variance	
			MTHB	%
<b>Total operating revenues</b>	<b>105,041</b>	<b>23,747</b>	<b>+81,294</b>	<b>+342.3</b>
- Passenger and excess baggage revenue	74,036	5,529	+68,507	+1,239.0
- Freight and mail revenue	23,784	10,928	+12,856	+117.6
- Revenue from other activities	6,674	5,115	+1,559	+30.5
- Other income	547	2,175	-1,628	-74.9
<b>Total operating expenses</b>	<b>97,244</b>	<b>43,449</b>	<b>+53,795</b>	<b>+123.8</b>
- Fuel and oil	38,378	5,926	+32,452	+547.6
- Non-fuel operating expenses	58,866	37,523	+21,343	+56.9
<b>Operating Profit (Loss) before finance cost exclude the one-time items</b>	<b>7,797</b>	<b>(19,702)</b>	<b>+27,499</b>	<b>+139.6</b>
Finance cost	12,387	9,490	+2,897	+30.5
<b>Operating Loss exclude the one-time items</b>	<b>(4,590)</b>	<b>(29,192)</b>	<b>+24,602</b>	<b>+84.3</b>
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts (reversal)	9,521	20,013	-10,492	-52.4
Mutual Separation Plan (MSP)	610	(4,681)	+5,291	+113.0
Gain from sale of asset	783	1,593	-810	-50.8
Adjust Employee Benefit	237	8,840	-8,603	-97.3
Gain from sale of investment	16	2,834	-2,818	-99.4
Share of losses of associates using the equity method	(4)	(127)	+123	+96.9
Severance Pay	(112)	(1,306)	+1,194	+91.4
Impairment loss in accordance with TFRS 9	(113)	170	-283	-166.5
Mileage accumulation adjustment	(628)	-	-628	-
Items adjustment related to the right of use in aircraft	(656)	-	-656	-
Loss on foreign currency exchange	(1,512)	(7,618)	+6,106	+80.2
Gain (Loss) from debt restructuring	(5,238)	61,807	-67,045	-108.5
Profit (Loss) before tax	(1,686)	52,333	-54,019	-103.2
Net Profit (Loss)	(252)	55,113	-55,365	-100.5
<b>Profit (Loss) attribute to owners of the parent</b>	<b>(272)</b>	<b>55,118</b>	<b>-55,390</b>	<b>-100.5</b>
Net Profit (Loss) per share (THB)	(0.12)	25.25	-25.37	-100.5
<b>Significant operating data</b>				
EBITDA – Aircraft Lease Payment (MTHB)	17,241	(2,712)	+19,953	+735.7
Number of passengers (Million)	9.01	1.64	+7.37	+449.4
Available Seat-Kilometers (Million)	38,526	11,224	+27,302	+243.2
Revenue Passenger-Kilometers (Million)	26,163	2,147	+24,016	+1,118.6
Cabin factor (%)	67.9	19.1	+48.8	+48.8
Passenger yield (THB/RPK)	2.82	2.55	+0.27	+10.6
Available Dead Load Ton-Kilometers (Million)	2,032	581	+1,451	+249.7
Revenue Freight Ton-Kilometers (Million)	1,283	547	+736	+134.6
Freight load factor (%)	63.1	94.1	-31.0	-31.0
Freight carried (Ton)	340,390	132,347	+208,043	+157.2
Freight Yield (THB/RFTK)	18.28	19.67	-1.39	-7.1
Number of aircraft (As of Dec 31) (Aircraft)	86	87	-1	-1.2
Flight hours (Hours)	192,994	57,318	+135,676	+236.7
Aircraft utilization (Hours/Aircraft/Day)	10.4	5.4	+5.0	+92.6
Average foreign currency exchange rate				
1 USD : THB	35.0614	31.9771	+3.0843	+9.6
1 EUR : THB	36.8731	37.8123	-0.9392	-2.5
100 JPY : THB	26.7756	29.1454	-2.3698	-8.1
Average jet fuel price (USD/BBL)	135.16	82.54	+52.62	+63.8

Note: EBITDA-Aircraft Lease Payment = Total Revenue (exclude gain on foreign exchange, gain from debt restructuring and gain from sale of investment) - Expenses (Excluded Power by the Hour, 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 included Power by the Hour.

## Summary of the operating results of THAI and its subsidiaries

### Revenues

Total revenue of **THAI and its subsidiaries** for 2022 (excluded one-time items) was amounted to THB 105,041 million, an increase of THB 81,294 million (342.3%). Details are as follows:

- **Passenger and excess baggage revenue**

Passenger and excess baggage revenue amounted to THB 74,036 million, increased by THB 68,507 million (1,239%) because THAI resumed its normal operation while the first 10 months of last year THAI merely operated special flights and other flights supported the "Phuket Sandbox" project.

- Passenger traffic (RPK) increased ominously by 1,118.6% or approximate THB 61,000 million compared to last year while Production traffic (ASK) increased by 243.2% from expanding both flight frequency and more destinations in line with increasing traffic demand. Average cabin factor was 67.9% higher than last year's 19.1%, the continuing growth since the first quarter.

- Average passenger yield (included fuel and insurance surcharges) was 2.82 THB increased by 0.27 THB (10.6%) or around THB 7,000 million.

- **Freight and mail revenue**

Freight and mail revenue amounted to THB 23,784 million, an increase of THB 12,856 million (117.6%) resulting from increasing freight traffic by 134.6%, around THB 14,500 million while freight yield (included fuel and insurance surcharges) was 18.28 THB decreased by 1.39 THB (7.1%) or approximately THB 1,800 million resulting from freight charter flights. Freight load factor was 63.1% lower than last year's 94.1%.

- **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 6,674 million, an increase of THB 1,559 million (30.5%) over last year mainly due to an increase in the number of customer airlines.

- **Other revenue** decreased of THB 1,628 million because last year there were the recognition revenue from service and engine maintenance offset program mentioned in the rehabilitation plan amounted to USD 45.5 million or around THB 1,457 million.

### Expenses

Total expenses of **THAI and its subsidiaries** for 2022 (excluded the one-time items) amounted to THB 97,244 million, an increase of THB 53,795 million (123.8%) in line with the production expansion. A summary of the operating expenses was as follows:

- **Fuel and oil expenses**, amount of THB 38,378 million or represented 39.5% of total expenses, an increase of THB 32,452 million (547.6%) 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 last year by 63.8 % couple with the depreciation in Baht compared to USD causing higher expenses when translated into Baht term.

• **Non-fuel operating expenses** totaled THB 58,866 million, an increase of THB 21,343 million (56.9%), details as follows:

Unit: Million Baht	Jan - Dec			
	2022	2021	Variance	
			MTHB	%
<b>Expense</b>				
Employee benefit expenses	8,422	9,264	-842	-9.1
Flight service expenses	9,045	2,415	+6,630	+274.5
Crew expenses	2,601	615	+1,986	+322.9
Aircraft maintenance and overhaul costs	11,651	5,704	+5,947	+104.3
Depreciation and amortization expenses	9,881	12,544	-2,663	-21.2
Lease of aircraft and spare parts	5,227	1,265	+3,962	+313.2
Inventories and supplies	2,876	491	+2,385	+485.7
Selling and advertising expenses	4,731	837	+3,894	+465.2
Other expenses	4,432	4,388	+44	+1.0
<b>Non-fuel Operating Expense</b>	<b>58,866</b>	<b>37,523</b>	<b>+21,343</b>	<b>+56.9</b>

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 included 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 36,131 million, higher than the previous year THB 24,804 million (219%).

• Fixed cost comprised of Employee benefits expenses, depreciation, and amortization expenses, and other expenses totaled THB 22,735 million, THB 3,461 million (13.2%) lower than last year. Details are as follows:

- Employee benefits expenses (excluded compensation reserves for employees participating in Mutual Separation Program, the termination compensation and the improvement of employee benefits from the reorganization restructure) were THB 8,422 million, decreased by THB 842 million (9.1%) 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 9,881 million, a decrease of THB 2,663 million (21.2%), mainly due to right of use in line with lease agreement amendment based upon the business rehabilitation plan.

• **Finance cost** increase of THB 2,897 million (30.5%) mainly due to TFRS 9 adjustment.

• **Loss on debt restructuring** amounted to THB 5,238 million which comprised of from the liabilities adjustment in accordance with the business rehabilitation plan amendment, loss from termination of onerous contracts, loss from adjustment of assets and liabilities in accordance with the amendment lease agreement, gain on derecognition of financial liabilities measured at amortized cost, and gain on liabilities adjustment in accordance with an Order from the Official Receiver. (Also see Note to the financial statements No. 5.4)

**Gain on sales of assets** amounted THB 783 million, details as follows:

- **Gain on sales of aircraft** amounted of THB 96 million from sale of 3 Boeing B747-400, 2 Boeing B737-400, and 1 Airbus A300-600.

- **Gain on sales of assets** amounted to THB 687 million from sale of land and building THB 219 million, engines THB 386 million, an Airbus A330-300 aircraft simulator THB 53 million, and sale of other assets.

**Gain on sales of investment** amounted to THB 16 million from sale of shares in Bangkok Aviation Fuel Services “(BAFS)” totaled 8.91 million shares.

**Mutual Separation Plan (“MSP”)** THAI adjusted employee tax of THB 610 million of MSP B, C and D projects according to actual payment.

**The employee benefit adjustment** amounted to THB 237 million where correspond to industry standard.

**The termination compensation** amounted to THB 112 million, consisted of 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 (reversal),** amounted to THB 9,521 million mainly from aircraft and Right-of-use assets. (Also see Notes to the financial statements No. 27)

**Impairment loss in accordance with TFRS 9** amounted to THB 113 million.

**Adjustment of mileage from frequent flyer** amounted to THB 628 million from recognition of more accumulate mileage.

**Right of use in aircraft adjustment related items** as specified in each lease contract and new contract amounted to THB 656 million.

**Loss on foreign currency exchange** was THB 1,512 million consisted of THB 595 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 December 31, 2022, when compared to December 31, 2021, and realized FX loss of THB 917 million.

• **Share of Loss of associates using the equity method** amounted to THB 4 million, lower than the previous year by THB 123 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 loss of THB 76 million,
- Don Mueang International Airport Hotel Ltd.’s loss of THB 5 million, less loss than last year by THB 30 million.
- Suvarnabhumi Airport Hotel Ltd.’s profit of THB 11 million , where last year’s loss of THB 0.1 million, and
- Phuket Air Catering Ltd.’s loss of THB 10 million, less loss by THB 5 million than last year.

EBITDA deducted aircraft lease payment included Power by the Hour was positive of THB 17,241 million compared to the previous year’s negative of THB 2,712 million, increase by THB 19,953 million.

### 3. Financial Position and Liquidity

#### Capital Expenditures

Unit : Million Baht	Jan – Dec	
	2022	2021
Aircraft and aircraft spare parts	998	89
Non-Aircraft	18	30
<b>Total</b>	<b>1,016</b>	<b>119</b>

In 2022, Capital expenditures totaled THB 1,016 million, THB 897 million higher than last year. The investment expenses were mainly from procurements of rotatable aircraft spare part.

#### Liquidity

As of December 31, 2022, THAI and its subsidiaries had cash and cash equivalents of THB 34,540 million, accounting for 17.4% of total assets, an increase from December 31, 2021 of THB 29,025 million.

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

Unit : Million Baht	Jan – Dec	
	2022	2021
Net cash from (used in) operating activities	29,108	(9,847)
Net cash from investing activities	2,401	7,438
Net cash used in financing activities	(1,799)	(758)
Effect of exchange rate changes on cash and cash equivalents	(666)	7
Effect of changes in credit loss on cash and cash equivalents	(19)	1
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>29,025</b>	<b>(3,159)</b>

In 2022, THAI and its subsidiaries had cash from operating activities of THB 29,108 million, THB 38,955 million higher than last year from unearned passenger revenue. Net cash from investing activities was THB 2,401 million, THB 5,037 million lower than last year from the sale of assets and investments was lower than the previous year. Net cash used in financing activities amounted to THB 1,799 million, THB 1,041 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 actually withdrew by THB 39 million. As a result, cash and cash equivalents as of December 31, 2022 amounted to THB 34,540 million, increased by THB 29,025 million from cash and cash equivalents as of December 31, 2021, which amounted to THB 5,515 million.

#### Fleet

As of December 31, 2022, the total active aircraft was 64 aircraft (included 20 Airbus A320-200 under the operation of ThaiSmile). Furthermore, there were 22 long-term parking aircraft and 17 decommission aircraft which were on selling process and considering the buyers.

## Assets of THAI and its subsidiaries

As of December 31, 2022, total assets totaled THB 198,178 million, an increase of THB 36,959 million (22.9%) from December 31, 2021.

	Consolidated					
	Dec 31, 2022		Dec 31, 2021		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	34,540	17.4	5,515	3.4	+29,025	+526.3
Non-current assets held for sale	2,746	1.4	4,321	2.7	-1,575	-36.4
Other current assets	22,518	11.4	14,959	9.3	+7,559	+50.5
<b>Current Assets</b>	<b>59,804</b>	<b>30.2</b>	<b>24,795</b>	<b>15.4</b>	<b>+35,009</b>	<b>+141.2</b>
Property, plant and equipment-net	45,969	23.2	34,493	21.4	+11,476	+33.3
Right-of-use Assets	61,869	31.2	69,652	43.2	-7,783	-11.2
Other non-current assets	30,536	15.4	32,279	20.0	-1,743	-5.4
<b>Total Assets</b>	<b>198,178</b>	<b>100.0</b>	<b>161,219</b>	<b>100.0</b>	<b>+36,959</b>	<b>+22.9</b>

Current assets were THB 59,804 million or represented 30.2% of total assets, an increase of THB 35,009 million (141.2%) from as of December 31, 2021. The significant items consisted of

- Cash and cash equivalent increased by THB 29,025 million (526.3%) mainly from cash received from operating activities and the sale of asset and investment.
- Non-current assets held for sale decreased by THB 1,575 million (36.4%), mainly due to sales of aircraft, engines, land and office building, and other assets as well as transferring of 3 Airbus A330-300 returned to service classified as Property, Plant and Equipment. However, there was impairment loss reseversal. (Also see Notes to the financial statements No. 10)
- Other current assets increased by THB 7,559 million (50.5%) mainly due to an increase of THB 6,933 million (69.2%) in trade and other current receivables from more sale volume together with the increase in prepaid expenses mainly from prepaid fuel expense.
- Property, Plant and Equipment-net amounted to THB 45,969 million or 23.2% of total assets, an increase from December 31, 2021 by THB 11,476 million (33.3%), mainly since there were 4 Airbus A380-800 were transferred from right-of-use assets and 3 Airbus A330-300 were transferred back to services from non-current assets held for sale along with impairment loss reseversal but causing more depreciation estimate. (Also see Notes to the financial statements No.12)
- Right-of-use assets amounted to THB 61,869 million or 31.2% 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 7,783 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. Moreover, there were transfer of 4 Airbus A380-800 to Property, Plant and Equipment while 3 new operating leased aircraft to the fleet: 3 Boeing B777-300ER aircraft, 2 aircraft delivered in the first and the rests of them in the second quarter. (Also see Notes to the financial statements No. 13)
- Other non-current assets reduced by THB 1,743 million (5.4%) where partly from the reduction in the aircraft maintenance insurance, accrued income from passenger, security deposit under aircraft lease agreement amounted to THB 1,160 million, 1,126 million, and 1,077 million, respectively. (Also see Notes to the financial statements No. 16 and 17) while there was less deferred tax assets. (Also see Notes to the financial statements No. 15)

Return on Asset of 2022 was -0.14% while last year's 29.75%

## Liabilities of THAI and its subsidiaries

Total liabilities as of December 31, 2022 were THB 269,202 million, an increase of THB 36,732 million (15.8%) from December 31, 2021. These comprised of:

	Consolidated					
	Dec 31, 2022		Dec 31, 2021		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	61,222	22.7	46,742	20.1	+14,480	+31.0
Current portion of long-term liabilities	2,434	0.9	606	0.3	+1,828	+301.7
Long-term liabilities	159,532	59.3	139,269	59.9	+20,263	+14.5
Other non-current liabilities	46,014	17.1	45,853	19.7	+161	+0.4
<b>Total Liability</b>	<b>269,202</b>	<b>100.0</b>	<b>232,470</b>	<b>100.0</b>	<b>+36,732</b>	<b>+15.8</b>

Current liabilities which accounted for 22.7% of the total liabilities amounted to THB 61,223 million, an increase of THB 14,481 million (31%) from December 31, 2021, mainly due to an increase of THB 17,926 million in unearned revenue from increasing sale volume.

Long-term liabilities (Included the current portion of long-term liabilities) represented 60.2% of total liabilities, an increase of THB 22,091 million (15.8%) 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. 6.2, 7.3, 18.1, 18.2, 19)

Other non-current liabilities accounted for 17.1% of total liabilities, an increase of THB 161 million (0.4%). The main reason was the provision for non-current liabilities increased by THB 6,705 million from the estimated cost of overhaul aircraft, engines, and other components in the future under the contract obligations under the operating lease aircraft under the actual aircraft utilization (Also see Notes to the financial statements no. 24) while there were decrease in trade payables and other non-current payables by THB 5,763 million. (Also see Notes to the financial statements no. 6, 20) Moreover, the provision of employee benefits decreased by THB 677 million. (Also see Notes to the financial statements no. 23)

As of December 31, 2022, the Interest Bearing Debt to equity was -2.28 times, compare to as of December 31, 2021, at -1.96 times and total debt to equity ratio of -3.79 times compared to last year's -3.26 times.

## Shareholders' Equity of THAI and its subsidiaries

As of December 31, 2022, the shareholders' equity of THAI and its subsidiaries amounted to THB -71,024 million, less loss from December 31, 2021, amounting to THB 227 million,.

## Contingent Liabilities

As of December 31, 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. 35)

## Financial Performance Summary, THAI

In 2022, THAI had total revenue (excluded one-time items) of THB 97,514 million, higher than the previous year THB 75,415 million (341.3%) resulting from the growth of both passenger and cargo revenue by THB 75,049 million or 529.1% from THAI resumed its normal operation by increasing its production while the first 10 months of last year THAI merely operated special flights and other flights supported the "Phuket Sandbox" project. In addition, other revenues from other activities from more customer increased by THB 2,264 million (40.9%) mainly from growing customer airlines. Total expenses (excluded the one-time items) was THB 86,307 million, an increase of THB 48,302 million (127.1%) caused by growth in production and traffic, especially higher fuel price by 63.8%. However, the employee benefit expenses reduced dramatically resulted in operating profit before financial costs (excluded one-time items) amounted to THB 11,207 million, increased by THB 27,113 million (170.5%) from the previous year. The performance of THAI had continued to improve since the 4<sup>th</sup> quarter of 2021, first quarter to operate its regular flights. Finally, THAI had indicated the continuing operating profits since the previous quarter, the first operating profitable quarter since the outbreak of COVID-19.

THAI has net one-time items, mostly from the impairment reversal of assets and gain on sales of assets. However, THAI realized loss on debt restructuring and loss of foreign exchange. This year, THAI had net one-time revenue, total THB 1,187 million compared to last year's THB 80,774 million.

THAI had a net profit of THB 2,697 million compared to last year's profit of THB 58,275 million, representing a profit per share of 1.24 Baht while last year's profit of 26.70 Baht per share. EBITDA after cash paid for lease liabilities included Power by the Hour was THB 19,689 million, higher than last year's by THB 19,209 million.

## Financial Performance: THAI

	Jan - Dec			
	2022	2021	Variance	
			MTHB	%
<b>Total operating revenues</b>	<b>97,514</b>	<b>22,099</b>	<b>+75,415</b>	<b>+341.3</b>
- Passenger and excess baggage revenue	65,489	3,278	+62,211	+1,897.8
- Freight and mail revenue	23,743	10,905	+12,838	+117.7
- Revenue from other activities	7,793	5,529	+2,264	+40.9
- Other income	489	2,387	-1,898	-79.5
<b>Total operating expenses</b>	<b>86,307</b>	<b>38,005</b>	<b>+48,302</b>	<b>+127.1</b>
- Fuel and oil	34,593	5,183	+29,410	+567.4
- Non-fuel operating expenses	51,714	32,822	+18,892	+57.6
<b>Operating Profit (Loss) before finance cost exclude the one-time items</b>	<b>11,207</b>	<b>(15,906)</b>	<b>+27,113</b>	<b>+170.5</b>
Finance cost	11,148	9,371	+1,777	+19.0
<b>Operating Profit (Loss) exclude the one-time items</b>	<b>59</b>	<b>(25,277)</b>	<b>+25,336</b>	<b>+100.2</b>
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts (reversal)	9,521	20,013	-10,492	-52.4
Mutual Separation Plan (MSP)	610	(4,681)	+5,291	+113.0
Gain from sale of asset	783	1,593	-810	-50.8
Adjust Employee Benefit	237	8,840	-8,603	-97.3
Gain from sale of investment	16	3,453	-3,437	-99.5
Severance Pay	(112)	(1,306)	+1,194	+91.4
Mileage accumulation adjustment	(628)	-	-628	-
Loss on foreign currency exchange	(1,488)	(8,472)	+6,984	+82.4
Impairment loss in accordance with TFRS 9	(2,514)	(473)	-2,041	-431.5
Gain (Loss) from debt restructuring	(5,238)	61,807	-67,045	-108.5
Profit before tax	1,246	55,497	-54,251	-97.8
<b>Net Profit</b>	<b>2,697</b>	<b>58,275</b>	<b>-55,578</b>	<b>-95.4</b>
Net Profit per share (THB)	1.24	26.70	-25.46	-95.4

		Jan - Dec			
		2022	2021	Variance	
				MTHB	%
<b>Significant operating data</b>					
EBITDA – Aircraft Lease Payment	(MTHB)	19,689	480	+19,209	+4,001.9
Number of passengers	(Million)	4.71	0.19	+4.52	+2,378.9
Available Seat-Kilometers	(Million)	34,582	9,908	+24,674	+249.0
Revenue Passenger-Kilometers	(Million)	23,201	1,276	+21,925	+1,718.3
Cabin factor	(%)	67.1	12.9		+54.2
Passenger yield	(THB/RPK)	2.81	2.53	+0.28	+11.1
Available Dead Load Ton-Kilometers	(Million)	2,032	581	+1,451	+249.7
Revenue Freight Ton-Kilometers	(Million)	1,283	547	+736	+134.6
Freight load factor	(%)	63.1	94.1		-31.0
Freight carried	(Ton)	286,522	128,600	+157,922	+122.8
Freight Yield	(THB/RFTK)	18.25	19.63	-1.38	-7.0
Number of aircraft (As of Dec 31)	(Aircraft)	66	67	-1	-1.5
Flight hours	(Hours)	144,392	40,533	+103,859	+256.2
Aircraft utilization	(Hours/Aircraft/Day)	11.4	5.3	+6.1	+115.1
Average foreign currency exchange rate					
1 USD : THB		35.0614	31.9771	+3.0843	+9.6
1 EUR : THB		36.8731	37.8123	-0.9392	-2.5
100 JPY : THB		26.7756	29.1454	-2.3698	-8.1
Average jet fuel price	(USD/BBL)	135.16	82.54	+52.62	+63.8

Note: EBITDA-Aircraft Lease Payment = Total Revenue (exclude gain on foreign exchange, gain from debt restructuring and gain from sale of investment) - Expenses (Excluded Power by the Hour, 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 included Power by the Hour.

## Assets of THAI

As of December 31, 2022, total assets totaled THB 198,299 million, an increase of THB 35,640 million (21.9%) from December 31, 2021.

	Separate Financial Statement					
	Dec 31, 2022		Dec 31, 2021		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	34,042	17.1	5,122	3.1	+28,920	+564.6
Non-current assets held for sale	2,746	1.4	4,321	2.7	-1,575	-36.4
Other current assets	22,582	11.4	17,456	10.7	+5,126	+29.4
<b>Current Assets</b>	<b>59,370</b>	<b>29.9</b>	<b>26,899</b>	<b>16.5</b>	<b>+32,471</b>	<b>+120.7</b>
Property, plant and equipment-net	45,918	23.2	34,443	21.2	+11,475	+33.3
Right-of-use Assets	56,296	28.4	62,326	38.3	-6,030	-9.7
Other non-current assets	36,715	18.5	38,991	24.0	-2,276	-5.8
<b>Total Assets</b>	<b>198,299</b>	<b>100.0</b>	<b>162,659</b>	<b>100.0</b>	<b>+35,640</b>	<b>+21.9</b>

- Current assets increased by THB 32,471 million (120.7%) mainly due to the increase in cash and cash equivalents, and trade and other current receivables by THB 28,920 and THB 4,504 million, respectively in line with the growths of sales couple with prepaid expenses increased mainly from prepaid fuel expense but non-current assets held for sale reduced by THB 1,575 million from transferring 3 Airbus A330-300 back to service and reclassified as Property, Plant and Equipment. There were sale of aircraft, engines and some land and buildings. (Also see Notes to the financial statements No. 10)

- Property, Plant and Equipment-net increased by THB 11,475 million (33.3%) mainly due to the transfer of 3 Airbus A330-300 were transferred from non-current assets held for sale back to-service and 4 Airbus A380-800 form Right-of-use assets resulting an increase in depreciation estimate. (Also see Notes to the financial statements No.12)

- 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 decreased by THB 6,030 million from December 31, 2021, resulting from the adjustment of right-of-use according to 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 while there were transfer of 4 Airbus A380-800 aircraft to property, plant and equipment group including depreciation of assets while taking delivery of 3 new operating leased (Also see Notes to the financial statements No. 13)

### Liabilities of THAI

Total liabilities as of December 31, 2022 were THB 261,792 million, an increase of THB 32,475 million (14.2%) from December 31, 2021. These comprised of:

	Separate Financial Statement					
	Dec 31, 2022		Dec 31, 2021		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	58,956	22.5	45,680	19.9	+13,276	+29.1
Current portion of long-term liabilities	2,430	0.9	594	0.3	+1,836	+309.1
Long-term liabilities	159,531	61.0	139,267	60.7	+20,264	+14.6
Other non-current liabilities	40,875	15.6	43,776	19.1	-2,901	-6.6
<b>Total Liability</b>	<b>261,792</b>	<b>100.0</b>	<b>229,317</b>	<b>100.0</b>	<b>+32,475</b>	<b>+14.2</b>

- Current liabilities increased by THB 13,276 million (29.1%) mainly due to an increase by THB 17,928 million in unearned revenue from increasing sale volume.

- Long-term liabilities (Included the current portion of long-term liabilities) increased by THB 22,100 million (15.8%) resulting from mainly due to an increase in lease liabilities from the delivery of 3 new leased aircraft and the revaluation of leased liabilities. (Also see Notes to the financial statements no. 6.2, 7.3, 18.1, 18.2,19)

- Other non-current liabilities decrease of THB 2,901 million (6.6%). The main reason was there were decrease in trade payables and other non-current payables by THB 5,763 million (Also see Notes to the financial statements no. 6, 20) and the estimated provision of employee benefits decreased by THB 669 million (Also see Notes to the financial statements no. 23) while the provision for non-current liabilities increased by THB 3,720 million from the estimated cost of overhaul aircraft, engines, and other components in the future under the contract obligations under the operating lease aircraft. (Also see Notes to the financial statements no. 24)

## Shareholders' Equity of THAI

As of December 31, 2022, THAI had shareholders' equity of THB -63,493 million, a negative decrease from December 31, 2021 by THB 3,165 million, mainly due to the operations profit.

### 4. Outlook

The overall global economy in the first quarter of 2023 likely continues to be affected from 2022 which possibly slows down from many descendent factors such as geopolitical tensions, especially the crisis between Russia and Ukraine resulting higher cost of living from rising inflation, high oil prices, and exchange rate fluctuations. Consequently, the global financial conditions is tightening following by the policy from central banks around the world continued interest rate hikes while the Chinese economy indicated slowdown sign. However, the Chinese government has announced the reopening of the country since January 8, 2023 after more than 3 years of implementing a Zero-COVID policy since the outbreak in 2019) which is considered a upright emblem to international trade, the global economy, and the tourism economy. The International Air Transport Association (IATA) forecasts that the aviation industry will continue to grow and return to profit in 2023 with the amount of USD 4.7 billion while passenger traffic will account for 85% of pre-crisis level in 2019. Freight traffic will decrease by 4 % from the previous year and approximately 5% higher than pre-crisis level in 2019. Aviation industry in Europe, Middle East and North America will return to profit in 2023.

THAI plans to increase flight frequency and more new routes for the continued growing of travel demand as well as the expansion of the fleet by adding more aircraft: namely 2 Boeing B777-200ER aircraft returning to service. In 2023, THAI also plans to acquire a total of 9 additional aircraft according to the revised rehabilitation plan approved by the court on October 20, 2022. Currently, THAI has signed the operating lease agreements for 2 Airbus A350-900 aircraft, which expected to operate in the second quarter of 2023, aim to use for Stockholm, Jakarta, and Melbourne. THAI also plans to increase flight frequencies such as Tokyo (Narita and Haneda), Osaka, Seoul, Taipei, Hong Kong, Singapore, Kolkata, Mumbai, etc. and returned to provide additional flights to China in the beginning of the year, including Beijing, Shanghai, Kunming, Chengdu, Guangzhou to support the growing demand for travel. THAI is confident that it will be able to satisfy passengers and meet the revenue target set in the rehabilitation plan. THAI expects to be able to complete the capital restructuring by the year 2024, if the implementation is in accordance with the proposed revision of the plan. Equity will return to positive in 2024 and THAI's securities will be able to resume trading on the stock market in 2025, able to build confidence among creditors, existing shareholders, and investors in supporting THAI and become a part of THAI to raise stronger again in the future.

## 5. Financial Ratios

		Jan - Dec			
		Consolidated		The Company	
		2022	2021	2022	2021
<b>Liquidity Ratio</b>					
Current Ratio	(times)	2.04	0.69	2.17	0.78
<b>Profitability Ratio</b>					
Operating Profit (Loss) Margin	%	(4.37)	(122.93)	0.06	(114.38)
Net Profit (Loss) Margin	%	(0.24)	232.09	2.77	263.70
Return on Equity	%	(0.35)	(55.14)	(4.14)	(60.11)
<b>Efficiency Ratio</b>					
Return on Total Assets	%	(0.14)	29.75	1.49	31.32
<b>Financial Policy Ratio</b>					
Interest Bearing Debt to Equity	(times)	(2.28)	(1.96)	(2.55)	(2.10)
Total Debt to Equity	(times)	(3.79)	(3.26)	(4.12)	(3.44)
Interest Coverage Ratio	(times)	1.44	(0.29)	1.85	0.05
Net Debt to EBITDA	(times)	12.88	(83.69)	11.02	467.09
Debt Service Coverage Ratio	(times)	1.19	(0.13)	1.43	0.13

### 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 period ended December 31, 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 year ended December 31, 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.	1. International loans take through the MOF consist of: - Outstanding loans - Outstanding loans under the rehabilitation plan - Interest expenses - Accrued interests - Deferred interests  2. THAI leased the lands from the Treasury Department.  3. THAI sold tickets to the MOF. - Total revenue - Account receivable	   11,721.78 0.00 0.00 135.90  8.63  0.00 0.00	   6,082.08 0.00 0.00 351.95  8.03  0.00 0.00	   12,496.88  1,158.94 1,146.23 0.00  8.47  0.00 0.16	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 and 2  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.

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the year ended December 31 , 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.	<p>1. THAI entered into a committed revolving credit line with GSB credit limit up to THB 3.5 billion, the credit line was used.</p> <p>- Outstanding loans - Commitment fee - Interest expenses - Accrued interests</p> <p>2. THAI sold tickets, rented out space, and other services to GSB.</p> <p>- Total revenue - Account receivable</p>	<p>3,500.00 0.00 119.22 119.22</p> <p>0.63 0.00</p>	<p>3,500.00 0.00 212.96 212.96</p> <p>0.18 0.00</p>	<p>3,500.00 1.37 530.08 522.89</p> <p>2.51 2.03</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>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 is on an arms' length basis and on commercial terms as unrelated parties.</p>
Export-Import Bank of Thailand (EXIM)	EXIM is controlled by the MOF, a major shareholder of THAI.	<p>1. THAI entered into a long-term loan agreement with EXIM:</p> <p>- Outstanding loans - Outstanding loans under the rehabilitation plan - Interest expenses - Accrued interests - Deferred interests</p>	<p>605.90 37.45</p>	<p>568.48 19.44</p>	<p>398.74 39.92 37.62</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 and 3</p>

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the year ended December 31 , 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"> <li>- Outstanding loans</li> <li>- Outstanding loans under the rehabilitation plan</li> <li>- Commitment fee</li> <li>- Interest expenses</li> <li>- Accrued interests</li> <li>- Deferred interests</li> </ul> <p>3. THAI sold tickets to EXIM.</p> <ul style="list-style-type: none"> <li>- Total revenue</li> </ul>	<p>1,485.55</p> <p>22.18</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"> <li>- Outstanding loans</li> <li>- Outstanding loans under the rehabilitation plan</li> <li>- Interest expenses</li> <li>- Accrued interests</li> <li>- Deferred interests</li> </ul>	<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 and 3</p>

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the year ended December 31 , 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.
		- Outstanding loans	2,260.73	2,260.73	2,260.73	
		- Commitment fee			0.86	
		- Interest expenses	76.86	63.84	284.66	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.
		- Accrued interests	76.86	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	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.
		- Interest expenses	39.90	128.63	385.11	
		- Accrued interests	39.90	128.63	378.00	
		3. THAI sold debentures to KTB.				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
		- Debenture value	832.00	832.00	832.00	
		- Interest expenses			32.15	
		- Accrued interests			33.33	
		- Deferred interests	12.48	6.80		

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the year ended December 31 , 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>5. THAI paid service fees to KTB for cash delivery and debentures distribution fee.</p> <p>- Total expenses - Account payable</p>	<p>2.72 0.16</p> <p>0.00 0.13</p>	<p>3.30 0.22</p> <p>2.84 0.13</p>	<p>3.05 0.11</p> <p>3.92 0.15</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>
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>2. THAI sold tickets to Thailand Post.</p> <p>- Total revenue - Account receivable</p>	<p>0.27 0.00</p> <p>0.00 0.00</p>	<p>0.14 0.00</p> <p>0.00 0.00</p>	<p>0.62 0.01</p> <p>0.22 0.00</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 year ended December 31 , 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.  - Total expenses - Account payable	0.00 0.52	0.00 0.24	0.00 0.11	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		2. THAI sold tickets and provided office space rental to TAT.  - Total revenue - Account receivable	16.17 5.23	10.15 1.13	18.17 0.73	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
MCOT Public Company Limited (MCOT)	MCOT and THAI have a common major shareholder, namely MOF.	1. THAI paid for advertising to MCOT.  - Total expenses - Account payable	0.00 0.87	0.00 0.87	1.63 0.87	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
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.  - Total expenses - Account payable - Outstanding loans under the rehabilitation plan - Deferred interests	0.00 0.17 1.17 0.33	0.06 1.66	18.60 1.50	The pricing is on an arms' length basis and on commercial terms 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 year ended December 31 , 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	16.33	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	3,865.62 890.11  18.52 33.70	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   13.99	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 year ended December 31 , 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    6.22  0.00 7.09	415.00    7.11  0.42 7.07	415.00 15.93 16.80   7.47 6.23	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 year ended December 31 , 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; - Mr. Korakot Chatasingha 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	6.20 1.04	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 and resigned on April 30, 2022; - Mrs. Chuntarica Jotikasthira is a Director of WSC since April 8, 2022.	1. WSC outsourced its staff to THAI.  - Total expenses - Account payable	376.97 166.36	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 year ended December 31 , 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	  3.56 1.37	  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 is a Director of TFTA; - Mrs. Busakorn Amornvivat are Director of TFTA.	1. THAI provided aviation training equipment, office space and equipment rental to TFTA.  - Total revenue - Account receivable	  22.14 4.23	  15.08 1.19	  20.23 2.58	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		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

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the year ended December 31 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
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	2.05	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	12.31 0.00	0.04 1.55	11.79 1.55	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
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 and resigned on	1. THAI bought Block Space and other services from Thai Smile Airways.  - Total expenses - Account payable	2,995.72 490.16	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	3,346.78 10,885.92	1,323.53 8,384.46	5,015.00 7,763.06	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 year ended December 31 , 2022	For the year ended December 31 , 2021	For the year ended December 31 , 2020	
	November 30, 2022; - Mr. Nond Kalinta is a Directors of Thai Smile Airways since April 8, 2022 and resigned on October, 31 2022.					
Don Mueang International Airport Hotel Company Limited (Associated Company)	THAI holds 40% shares in Don Mueang International Airport Hotel.  THAI's executive officers: - Mrs. Cherdchome Therdsteeerasukdi is a Director of Don Mueang International Airport Hotel since November 10, 2022.	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 year ended December 31 , 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.  THAI's executive officers: - Mr. Suvadhana Sibunruang is a Director of PACCO since April 8, 2022.	1. THAI bought catering services from PACCO.  - Total expenses - Account payable - Outstanding loans under the rehabilitation plan - Deferred interests	38.93 0.00 15.95 1.19	0.04 20.44	99.02 20.52	The pricing is on an arms' length basis and on commercial terms as unrelated parties.  Also see Notes No.1
		2. THAI sold raw materials and services to PACCO.  - Total revenue - Account receivable	0.00 0.00	0.00 0.00	0.06 0.00	The pricing is on an arms' length basis and on commercial terms as unrelated parties.
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.  - Total expenses - Account payable	0.16 2.16	0.00 2.16	5.69 2.16	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 year ended December 31 , 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	438.31 107.31	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)

2. Debts from foreign financial institutions through major shareholders is a facility that the Ministry of Finance “(MOF)” which has entered into a facility agreement with a foreign financial institution and the MOF has extended the facility period to THAI. Later, on October 20, 2022, the Central Bankruptcy Court approved the amended plan for Group 4 creditors and debt from major shareholders who are not financial institutions by changing the repayment method to receive debt repayment by converting debt to equity accordance with the amended business rehabilitation plan. Therefore, THAI adjusts the amount of debt according to the order from the official receiver. Financial liabilities are re-measured to fair value using a discounted cash flow method using the market interest rate.

3. On October 20, 2022, the Central Bankruptcy Court ordered to approve the plan amendment of THAI’s rehabilitation plan for Group 6 Creditors, unsecured financial institution creditors, by changing their payment methods to convert debt to equity accordance with the amendment of business rehabilitation plan. For this reason, as of December 31, 2022, THAI adjusted the debt according to the order from the official receiver. Financial liabilities are re-measured to fair value using a discounted cash flow method using the market interest rate.

#### 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).