

Management's Discussion and Analysis for the third quarter of 2023 ended September 30, 2023, for Thai Airways International Public Company Limited and Its Subsidiaries

1. Executive summary

In the third quarter of 2023, the world economy began to demonstrate slowing down signal over the lengthened conflict between Russia and Ukraine including inflation and continuously high interest rates throughout the world affecting not only large economic countries such as Eurozone, China but emerging and developing countries as well. However, the high inflation in many countries is likely to ease resulting in many central banks maintain economic stability by maintaining interest rates while The International Monetary Fund (IMF) estimated global economic growth in 2023 at 3%. (Forecast as of October 2023)

The global aviation industry in the third quarter of 2023 continued to recover due to the increase in international passenger from pent-up demand and China reopening including the freight transport which improved slightly. According to the International Air Transport Association (IATA), the Revenue Passenger Kilometers: RPK in the third quarter of 2023 raised by 28.2%, 30.4% of them was international passenger transport. Revenue Freight Ton-Kilometers: RFTK increased by 0.9% compared to the same period last year. For the Asia Pacific region, the Asia Pacific Airline Association (AAPA) reported a 129.0% increase in international passengers compared to the same period last year. Passenger traffic (RPK) and passenger production (Available Seat Kilometers: ASK) increased by 100.1% and 91.0%, respectively. Cabin Factor: CF increased from 78.4% to 82.1%, while freight traffic (Revenue Freight Ton-Kilometers: RFTK) and freight production (Available Dead Load Kilometers: ADTK) increased by 0.2% and 8.8%, respectively resulting freight load factor: FLF decreased from 65.2 % to 60.1%.

Thai economy in the third quarter of 2023 was likely to decelerate from the slower-than expected particularly in export sector partly from the Chinese economy. In addition, Baht was highly volatile due to uncertainty in the monetary policy while the tourism sector continued to better develop, especially domestic tourism which received positive factors from the long holiday period and various government tourism promotion measures such as increasing the number of flights in strategic markets, for instance China, India and the ASEAN region providing Free visa for China and Kazakhstan tourists from September 25, 2023 to February 29, 2024, to travel and stay in Thailand for up to 30 days. The Tourism Authority of Thailand (TAT) expected that this measure will increase the number of China tourists arriving in Thailand by approximately 500,000 - 700,000 people and generating income which greatly benefited the recovery of the tourism sector and Thai economy. Foreign tourists traveling to Thailand in the third quarter of 2023 totaled 7.1 million people, expanding 97.9% compared to the same period last year or accounting for 73.0% of the pre-crisis period of 2019, 77.4% were from within the Asia-Pacific region, of which the ASEAN region had the highest proportion at 36.5%. The first top 5 tourists entering Thailand were Malaysia, China, South Korea, India, and Vietnam, respectively. It should be noted that Chinese tourists traveling to Thailand continuously increasing from 2,963 people per day in January 2023 to 9,500 people per day in September 2023, a cumulative total of 2.5 million people in the first 9 months of 2023 in line with the recovery of Thai aviation industry. The number of passengers traveling into and out of Thailand through 6 major airports between July to September 2023 totaled approximately 25.7 million people, 47.8%, increasing with up to 15.0 million travelers, representing an outstanding growth rate of 101.6% compared to the same period last year.

The third quarter of 2023, Thai Airways International Public Company Limited “(THAI)” continued to intensely proceed as the rehabilitation plan in revenue generating from transportation activity, improving fleet efficiency and exploitation of non-core assets that were not used in business operations and also there was no repayment default per the business rehabilitation plan in any way. There were essential operations including:

- Transportation activity: introducing a new destination: Sapporo, Japan to support travel demand for Thai and foreign tourists.

- Fleet efficiency improvement plan: receiving an Airbus A350-900 aircraft, which would start operation from November 1, 2023, on the route to China to support the Free-Visa policy during the high season and to expand the fleet to support the recovery of the aviation industry. This also increased efficiency in generating revenue now and in the future and enhanced efficiency in cost management to be competitive amid changing situations.

- Exploitation of non-core assets which are no longer used in business operations by: selling two Boeing B747-400s and one Airbus A340-600 aircraft, including one spare engine which was delivered to the buyer as well. In addition, THAI sold real estate overseas, including a residence in Jakarta, Republic of Indonesia and sales office in Manila, Republic of Philippines. THAI received full payment and transferred all those assets to the buyer.

- Restructuring of business operation in aviation business of THAI group: THAI received the transfer of 3 more Airbus A320-200 aircraft from Thai Smile Airways Co., Ltd “(Thai Smile)” to a total of 6 aircraft for preparation to operate on international routes, including: Delhi, Mumbai, Dhaka, and Kolkata from 15 October 2023 onwards. THAI also would replace the operation of Thai Smile on these routes including Yangon, Vientiane, Phnom Penh, Ahmedabad, as well as Kaohsiung and Penang from 15 October 2023 onwards. THAI would continue transfer until completion of 20 aircraft from Thai Smile within the first quarter of 2024 to increase efficiency in aircraft management targeted to plan more appropriately with better route networks and fulfill customer’s need. These restructurings would process without any impact on passenger service.

Moreover, THAI recently received the TTG Travel Hall of Fame and Best Inflight Service Awards at the 32nd TTG Travel Awards 2023 Ceremony. The prestigious awards were voted by readers of TTG Travel Trade Publishing’s print and online publications such as TTG Asia, TTG China, TTG India, TTG MICE, TTG associations, TTG-BT MICE China, TTG associations, and TTG Asia Luxury, for THAI’s excellence in travel trade industry. THAI was honored the TTG Travel Hall of Fame after winning the Best Southeast Asian Airline Award at the TTG Travel Award for 10 consecutive years.

As of September 30, 2023, THAI and its subsidiaries had a total of 68 aircraft in operation. This quarter, aircraft utilization was 12.1 hours. Passenger production (ASK) increased by 21.5% and passenger traffic (RPK) increased by 22.0%. Cabin Factor averaged 77.3%, higher than last year's average of 77.0%, and the total number of passengers carried was 3.27 million, a 22.0% increase from the same period last year. Freight production (ADTK) was 20.1% higher than last year while the freight traffic (RFTK) was 7.1% higher than the previous year. The average freight load factor was 52.7%, compared to last year’s 59.1%.

In the third quarter of 2023, the operating profit before finance cost exclude the one-time items for THAI and its subsidiaries, was THB 7,719 million, THB 3,799 million higher than last year. Total revenue was THB 37,008 million, THB 4,148 million (12.6%). higher than last year from passenger and excess baggage which increased by THB 6,458 million (26.4%) from increasing more flight frequency on popular routes. In addition, the revenue from other businesses were increased by THB 232 million (12.5%), mainly due to the increase in passenger number of customer airlines. Total expenses were THB 29,289 million, higher than last year by THB 349 million (1.2%), partly resulting from an increase in variable operating expenses which in line with greater number of production and/or traffic. For the financial costs (the recognition of financial costs according to the Financial Reporting Standards No. 9: TFRS 9) was recognized in the amount of THB 3,722 million, higher than last year by THB 50 million (1.4%).

THAI and its subsidiaries had net one-time items, loss of THB 2,732 million, mainly due to loss on foreign exchange rate, rental adjustment: Don Mueang office, and impairment loss under TFRS9, even though there were gains on sale of assets and debt restructuring. Consequently, THAI and its subsidiaries reported a net profit of THB 1,546 million, THB 6,326 million higher than the previous year. Profit attributable to the parent was THB 1,538 million, equivalent to 0.70 Baht per

share compared to last year's loss per share of 2.19 Baht. EBITDA after cash paid for lease payment include Power by the Hour, amounted to THB 8,360 million, an increase of THB 2,282 million from last year.

2. Summary of Operating Results: THAI and its subsidiaries

The consolidated financial statements for the third quarter of 2023 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., "(Thai Smile)" 4) THAI Flight Training Co., Ltd., and 5) Tour Eung Luang Co., Ltd.

Financial Performance: THAI and its subsidiaries

	Jul – Sep			
	2023	2022	Variance	
			MTHB	%
Total operating revenues	37,008	32,860	+4,148	+12.6
- Passenger and excess baggage revenue	30,921	24,463	+6,458	+26.4
- Freight and mail revenue	3,461	6,427	-2,966	-46.1
- Revenue from other businesses	2,093	1,861	+232	+12.5
- Other income	533	109	+424	+389.0
Total operating expenses	29,289	28,940	+349	+1.2
- Fuel and oil	11,995	12,871	-876	-6.8
- Non-fuel operating expenses	17,294	16,069	+1,225	+7.6
Operating Profit before finance cost exclude the one-time items	7,719	3,920	+3,799	+96.9
Finance cost	3,722	3,672	+50	+1.4
Operating Profit exclude the one-time items	3,997	248	+3,749	+1,511.7
Gains from sale of asset	157	107	+50	+46.7
Gains from debt restructuring	33	420	-387	-92.1
Share of gain of associates using the equity method	12	10	+2	+20.0
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts	(11)	(4)	-7	-175.0
Severance Pay	(13)	(1)	-12	-1,200.0
Mutual Separation Plan (MSP)	(87)	50	-137	-274.0
Impairment loss in accordance with TFRS 9	(115)	4	-119	-2,975.0
Rental adjustment: Don Mueang office	(400)	-	-400	-
Loss on foreign currency exchange	(2,308)	(5,798)	+3,490	+60.2
Profit (Loss) before tax	1,265	(4,964)	+6,229	+125.5
Net Profit (Loss)	1,546	(4,780)	+6,326	+132.3
Profit (Loss) attribute to owners of the parent	1,538	(4,785)	+6,323	+132.1
Net Profit (Loss) per share (THB)	0.70	(2.19)	+2.89	+132.0

		Jul - Sep			
		2023	2022	Variance	
				MTHB	%
Significant operating data					
EBITDA - Lease Payment	(MTHB)	8,360	6,078	+2,282	+37.5
Number of passengers	(Million)	3.27	2.68	+0.59	+22.0
Available Seat-Kilometers	(Million)	13,578	11,174	+2,404	+21.5
Revenue Passenger-Kilometers	(Million)	10,502	8,609	+1,893	+22.0
Cabin Factor	(%)	77.3	77.0		+0.3
Passenger Yield	(THB/RPK)	2.93	2.83	+0.10	+3.5
Available Dead Load Ton-Kilometers	(Million)	716	596	+120	+20.1
Revenue Freight Ton-Kilometers	(Million)	377	352	+25	+7.1
Freight Load Factor	(%)	52.7	59.1		-6.4
Freight carried	(Ton)	86,259	92,229	-5,970	-6.5
Freight Yield	(THB/RFTK)	8.95	17.93	-8.98	-50.1
Number of aircraft (As of Sep 30)	(Aircraft)	75	91	-16	-17.6
Flight hours	(Hours)	67,469	54,958	+12,511	+22.8
Aircraft utilization	(Hours/Aircraft/Day)	12.1	11.4	+0.7	+6.1
Average foreign currency exchange rate					
1 USD : THB		35.1671	36.4147	-1.2476	-3.4
1 EUR : THB		38.2575	36.6730	+1.5845	+4.3
100 JPY : THB		24.3518	26.3435	-1.9917	-7.6
Average jet fuel price	(USD/BBL)	111.94	146.53	-34.59	-23.6

Note: EBITDA - 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.

Performance Summary of THAI and its subsidiaries

Revenues

In the third quarter of 2023, the total revenue (excluded the one-time items) was THB 37,008 million, an increase of THB 4,148 million (12.6%). As the following details:

- **Passenger and excess baggage revenue**

Passenger and excess baggage revenue amounted to THB 30,921 million, THB 6,458 million (26.4%) higher than last year's resulting from

- Passenger traffic (RPK) increased by 22.0% or approximate THB 5,300 million compared to last year while Production traffic (ASK) increased by 21.5%. The average cabin factor was 77.3% higher than last year's 77.0%.

- Average passenger yield (including fuel and insurance surcharges) increased by 0.10 THB (3.5%) or around THB 1,000 million.

- **Freight and mail revenue**

Freight and mail revenue amounted to THB 3,461 million, a decrease of THB 2,966 million (46.1%) resulting from freight yield (included fuel and insurance surcharges) was THB 8.95, decreased by THB 8.98 (50.1%) or around THB 3,400 million. Freight load factor average at 52.7% lower than last year's 59.1%. While there was an increase in freight traffic (RFTK) by 7.1% or approximately by THB 400 million.

- **Revenue from other businesses**

Revenue from other businesses consisted of revenues from business units which were Ground services, Catering, Cargo handling services, and other supporting activities totalled THB 2,093 million, an increase of THB 232 million (12.5%) over last year due to the increase in passenger number of customer airlines, except the cargo handling services and technical department.

- **Other income**

Other income was higher than last year by THB 424 million mainly from more interest income from an increasing in cash and cash equivalents.

Expenses

In the third quarter of 2023, total expenses (excluded the one-time items) amounted to THB 29,289 million, an increase of THB 349 million (1.2%). A summary of the operating expenses was as follows:

- **Fuel and oil expenses**, amount of THB 11,995 million or represented 41.0% of total expenses, a decrease of THB 876 million (6.8%) from lower average fuel price by 23.6% with the appreciation of Thai Baht against the US dollars compared to the previous year resulting lower expense when translated to Thai Baht. However, there were more flights resulting in more oil consumption.

- **Non-fuel operating expenses** totaled THB 17,294 million, an increase of THB 1,225 million (7.6%), details as follows:

Unit: Million Baht	Jul - Sep			
	2023	2022	Variance	
			MTHB	%
Expense				
Employee benefit expenses	2,438	1,930	+508	+26.3
Flight service expenses	3,486	2,638	+848	+32.1
Crew expenses	969	728	+241	+33.1
Aircraft maintenance and overhaul costs	1,873	3,287	-1,414	-43.0
Depreciation and amortization expenses	2,957	2,336	+621	+26.6
Lease of aircraft and spare parts	678	1,645	-967	-58.8
Inventories and supplies	1,455	862	+593	+68.8
Selling and advertising expenses	1,659	1,370	+289	+21.1
Other expenses	1,779	1,273	+506	+39.7
Non-fuel Operating Expense	17,294	16,069	+1,225	+7.6

Summary of expenses that have changed significantly are as follows:

- Variable cost consisted of flight service expenses, crew expenses, aircraft maintenance and overhaul cost, inventories and supplies and selling and advertising expenses including Power by the Hour which THAI had entered the Letter of Intent (LOI) totalled THB 10,120 million, lower than last year by THB 410 million (3.9%), mainly caused by decrease in aircraft maintenance and overhaul expenses by THB 1,414 million due to receiving a credit note from Rolls Royce for engine Trent XWB, including aircraft rental fees (Power by the Hour) which decreased under the contract expiration. Without the above 2 expenses, variable costs increased.

- Fixed cost comprised of Employee benefits expenses, depreciation and amortization expenses and other expenses totaled THB 7,174 million, THB 1,635 million (29.5%) higher than last year. Details are as follows:

- Employee benefits expenses (excluded compensation reserves for employees participating in Mutual Separation Program, severance pay for terminating station aboard employee and the adjustments of holiday compensation for retired employees) amounted to THB 2,438 million, an increase of THB 508 million (26.3%) resulting from the adjustment in salary increment of pilot and cabin crew which were changed caused by the COVID-19 situation. In addition, there were a base salary modification and increase in outsourcing.

- Depreciation and amortization amounted to THB 2,957 million, an increase of THB 621 million (26.6%), mainly due to the adjustment in depreciation of aircraft which impairment was reversed at the end of 2022. In addition, the right of use of aircraft under the lease agreement was adjusted as per the interest rate specified in contract.

- Other expenses amounted to THB 1,779 million, an increase of THB 506 million (39.7%) due to the increase in outsourcing.

- **Finance cost** amounted to THB 3,722 million, an increase of THB 50 million (1.4%) per TFRS 9.

Gains on debt restructuring amounted to THB 33 million, comprising of gains per an Order from the Official Receiver and gains on de-recognition of financial liabilities measured at amortized cost. (Also see Note to the financial statements No. 4.2).

Gains on sale of assets amounted to THB 157 million, comprising of

- Gains on the sale of other assets THB 99 million comprised of foreign real-estate THB 96 million and THB 3 million for the rests of them

- Gains on sale of spare engines THB 53 million. (1 PW4164 spare engines)

- Gains on sale of aircraft THB 5 million. (Gains from sales of aircraft 2 Boeing B747-400 and Loss from 1 Airbus A340-600)

Mutual Separation Plan (“MSP”)

THAI paid the compensation for employees granted approval to extend the term of retirement to MSP B, C and D amounted to THB 87 million.

Severance pay amounted to THB 13 million due to termination of employees abroad from entering the business rehabilitation process needed to improve all areas of costs reduction and increase competitiveness as well as cash management in accordance with the business rehabilitation plan.

Rental adjustment: Don Mueang office amounted to THB 400 million.

Impairment loss on aircraft, right-of-use assets and rotatable aircraft’s spare parts amounted to THB 11 million from deteriorate.

Impairment loss under TFRS 9 amounted to THB 115 million.

Loss on foreign currency exchange was THB 2,308 million consisted of THB 1,965 million unrealized FX loss resulting from the revaluation of foreign currency loans including operating lease aircraft, assets, and liabilities, especially the depreciation of Thai Baht against the US Dollar and the Euro as of September 30, 2023, when compared to June 30, 2023, and realized FX loss of THB 343 million.

- **Share of profits of associates** amounted to THB 12 million, higher than the previous year by THB 2 million. Details as follow:

- Suvarnabhumi Airport Hotel Ltd.'s profit of THB 6 million, increased by THB 1 million from last year.
- Don Mueang International Airport Hotel Ltd.'s profit of THB 5 million, increased by THB 4 million from last year.
- Phuket Air Catering Ltd.'s profit of THB 1 million lower from last year by THB 3 million.

EBITDA after cash paid for lease payment include Power by the Hour for the third quarter of 2023 amounted to THB 8,360 million, increased by THB 2,282 million from last year (37.5%).

Performance Summary:

THAI and its subsidiaries for the first 9 months of 2023 (January 1 - September 30, 2023)

Financial Performance: THAI and its subsidiaries

	Jan - Sep			
	2023	2022	Variance	
			MTHB	%
Total operating revenues	115,897	65,567	+50,330	+76.8
- Passenger and excess baggage revenue	97,024	42,328	+54,696	+129.2
- Freight and mail revenue	11,657	18,062	-6,405	-35.5
- Revenue from other businesses	5,995	4,810	+1,185	+24.6
- Other income	1,221	367	+854	+232.7
Total operating expenses	86,567	66,115	+20,452	+30.9
- Fuel and oil	34,291	26,064	+8,227	+31.6
- Non-fuel operating expenses	52,276	40,051	+12,225	+30.5
Operating Profit (Loss) before finance cost exclude the one-time items	29,330	(548)	+29,878	+5,452.2
Finance cost	11,237	8,965	+2,272	+25.3
Operating Profit (Loss) exclude the one-time items	18,093	(9,513)	+27,606	+290.2
Gain from debt restructuring	3,615	7,415	-3,800	-51.2
Gains on sale of asset	523	723	-200	-27.7
Share of gain (loss) of associates using the equity method	40	(7)	+47	+671.4
Gains from sale of investment	-	16	-16	-100.0
Adjust Employee Benefit	-	237	-237	-100.0
Mileage accumulation adjustment	-	(628)	+628	+100.0
Items adjustment related to the right of use in aircraft	-	(656)	+656	+100.0
Severance Pay	(13)	(116)	+103	+88.8
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts	(77)	(12)	-65	-541.7
Adjustment of holiday compensation for retired employees	(92)	-	-92	-
Mutual Separation Plan (MSP)	(229)	683	-912	-133.5
Impairment loss in accordance with TFRS 9	(235)	(99)	-136	-137.4
Rental adjustment: Don Mueang office	(400)	-	-400	-
Loss on foreign currency exchange	(5,522)	(8,744)	+3,222	+36.8
Profit (Loss) before tax	15,703	(10,701)	+26,404	+246.7
Net Profit (Loss)	16,342	(11,237)	+27,579	+245.4
Profit (Loss) attribute to owners of the parent	16,314	(11,253)	+27,567	+245.0
Net Profit (Loss) per share (THB)	7.47	(5.16)	+12.63	+244.8

		Jan - Sep			
		2023	2022	Variance	
				MTHB	%
Significant operating data					
EBITDA - Lease Payment	(MTHB)	31,720	6,762	+24,958	+369.1
Number of passengers	(Million)	10.13	5.71	+4.42	+77.4
Available Seat-Kilometers	(Million)	40,083	26,153	+13,930	+53.3
Revenue Passenger-Kilometers	(Million)	32,069	15,975	+16,094	+100.7
Cabin Factor	(%)	80.0	61.1		+18.9
Passenger Yield	(THB/RPK)	3.01	2.63	+0.38	+14.4
Available Dead Load Ton-Kilometers	(Million)	2,110	1,375	+735	+53.5
Revenue Freight Ton-Kilometers	(Million)	1,067	931	+136	+14.6
Freight Load Factor	(%)	50.6	67.7		-17.1
Freight carried	(Ton)	245,968	244,508	+1,460	+0.6
Freight Yield	(THB/RFTK)	10.70	19.14	-8.44	-44.1
Number of aircraft (As of Sep 30)	(Aircraft)	75	91	-16	-17.6
Flight hours	(Hours)	199,733	131,174	+68,559	+52.3
Aircraft utilization	(Hours/Aircraft/Day)	12.0	9.8	+2.2	+22.4
Average foreign currency exchange rate					
1 USD : THB		34.5192	34.6215	-0.1023	-0.3
1 EUR : THB		37.3843	36.8023	+0.5820	+1.6
100 JPY : THB		25.0453	27.1198	-2.0745	-7.6
Average jet fuel price	(USD/BBL)	109.83	138.98	-29.15	-21.0

Note: EBITDA - 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.

In the first nine months of 2023, THAI and its subsidiaries reported operating profit before finance cost exclude the one-time items of THB 29,330 million, THB 29,878 million higher than last year. Total revenue amounted to THB 115,897 million, an increase of THB 50,330 million (76.8%) mainly from transportation activity which increased by THB 48,291 million (80.0%) resulting from passenger and excess baggage revenue increased by 129.2% from growth of passenger traffic as well as passenger yield (included fuel and insurance surcharges). On the other hand, Freight and mail revenue decreased by 35.5% resulting from a decrease in freight yield by 44.1%. However, Revenue Freight Ton-Kilometers (RFTK) has increased by 14.6%. In addition, revenue from other businesses increased by 24.6% mainly due to the increase in number of customer airlines and passenger number of customer airlines.

Total expenses (excluded the one-time items) amounted to THB 86,567 million, an increase of THB 20,452 million (30.9%) mainly from the increase in fuel expense by THB 8,227 million (31.6%) from an increase in number of flights resulting in higher oil consumption, while average fuel price decreased by 21.0%. Variable costs increased in line with more traffic production, fixed cost increased by 22.5%, partially from increase in employee benefits and other expenses by 19.3% and 50.9%, respectively.

THAI and its subsidiaries had net one-time items mainly due to loss on foreign exchange rate, rental adjustment: Don Mueang office, and impairment loss under TFRS9, even though there were gains on sale of assets and debt restructuring. Therefore, THAI and its subsidiaries reported net one-time expense totaled THB 2,390 million causing the net profit of THB 16,342 million, higher than the same period last year by THB 27,579 million. Profit attributable to owners of the parent amounted to THB 16,314 million. Profit per share was THB 7.47, THB 12.63 higher than last year's.

EBITDA deducted aircraft lease payment included Power by the Hour for the first nine month of 2023 amounted to THB 31,720 million increased by THB 24,958 million.

3. Financial Position and Liquidity

Capital Expenditures

Unit: Million Baht	Jan - Sep	
	2023	2022
Aircraft and aircraft spare parts	4,895	388
Non-Aircraft	106	19
Total	5,001	407

In the first nine months of 2023, capital expenditures were THB 5,001 million, an increase of THB 4,594 million from last year. Most of the investment expenses were mainly from procurements of aircraft spare engines and rotatable aircraft spare parts.

Liquidity

As of September 30, 2023, THAI and its subsidiaries had cash and cash equivalent amount of THB 53,594 million or represented 22.9% of total assets, increased from December 31, 2022, by THB 19,054 million.

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

Unit : Million Baht	Jan – Sep	
	2023	2022
Net cash from operating activities	36,445	16,107
Net cash from (used in) investing activities	(11,953)	2,451
Net cash used in financing activities	(6,669)	(878)
Effect of exchange rate changes on cash and cash equivalents	1,242	128
Effect of changes in credit loss on cash and cash equivalents	(11)	(15)
Increase in cash and cash equivalents	19,054	17,793

In the first nine month of 2023, THAI and its subsidiaries had net cash from operating activities totalled THB 36,445 million, an increase of THB 20,338 million over last year resulting from operating profit. Net cash used in investing activities amounted to THB 11,953 million, over than last year by THB 14,404 million from investing in bill of exchange, procurement in aircraft spare engines and rotatable aircraft spare parts. Net cash used in financing amounted to THB 6,669 million, increased by THB 5,791 million was mostly due to the repayment of lease liabilities. As a result, cash and cash equivalents as of September 30, 2023 was THB 53,594 million, THB 19,054 million increased from the amount as of December 31, 2022, which was THB 34,540 million.

Fleet

As of September 30, 2023, THAI and its subsidiaries had total 68 active aircraft (including A320-200 under the operation of Thai Smile) with 7 long-termed parking and 26 decommission aircraft which the Business Rehabilitation Plan Administrators approved to sell to the awarded bidder, on process of drafting the contract and property inspection.

Assets

As of September 30, 2023, Total assets of THAI and its subsidiaries was THB 234,290 million, an increase of THB 36,112 million (18.2%) from December 31, 2022. These comprised of:

	Consolidated					
	Sep 30, 2023		Dec 31, 2022		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	53,594	22.9	34,540	17.4	+19,054	+55.2
Non-current assets held for sale	2,818	1.2	2,746	1.4	+72	+2.6
Other current assets	34,764	14.8	22,518	11.4	+12,246	+54.4
Current Assets	91,176	38.9	59,804	30.2	+31,372	+52.5
Property, plant and equipment-net	45,396	19.4	45,969	23.2	-573	-1.2
Right-of-use Assets	62,935	26.9	61,869	31.2	+1,066	+1.7
Other non-current assets	34,783	14.8	30,536	15.4	+4,247	+13.9
Total Assets	234,290	100.0	198,178	100.0	+36,112	+18.2

Current assets were THB 91,176 million or represented 38.9% of total assets, an increase of THB 31,372 million (52.5%) from as of December 31, 2022. The significant items consisted of

- Cash and cash equivalent increased by THB 19,054 million (55.2%) mainly from net cash from operating activities was higher than net cash used in investing and financing activities.

- Non-current assets held for sale increased by THB 72 million (2.6%), from reclassification of sold aircraft approved by the Business Rehabilitation Plan Administrators to buyers which consisted of 6 Boeing B777-200 and 6 Boeing B777-300, with a net total book value of THB 1,386 million and transferred from Property, Plant and Equipment and land and the office in London, England to other non-current assets. Finally, there was the sale of assets comprised of 4 Boeing B747-400 aircraft, 1 Boeing B737-400 aircraft, 1 Boeing A340-600 aircraft, engine spare parts and other assets with the total net book value of THB 1,091 million. (Also see Note to the financial statements no. 9 and 11).

- Other current assets increased by THB 12,246 million (54.4%) mainly due to an increase in bill of exchange time deposit and debenture with maturity more than 3 months and less than 12 months. (Also see Note to the financial statements no.6.1) including of increase in trade and other current receivables of THB 1,892 million (11.2%).

- Property, Plant and Equipment-net amounted to THB 45,396 million or 19.4% of total assets, a decrease from December 31, 2022, by THB 573 million (1.2%) since the resolution of the Business Rehabilitation Plan Administrator approved 12 aircraft to the buyers and then reclassified as non-current assets held for sale including depreciation for the period. However, in this quarter there was a procurement of 1 Trent XWB engines and rotatable spare parts. (Also see Note to the financial statements No.11).

- Right-of-use assets amounted to THB 62,935 million or 26.9% of total assets which consists of assets under finance lease agreements and obligations under the aircraft operating lease agreement and other fixed asset under operating leases increased from December 31, 2022, amounting to THB 1,066 million (1.7%), resulting from taking delivery of 3 Airbus A350-900 leased aircraft, although there were termination of 2 Airbus A330-300 financial lease contract which returned the aircraft to lessors including depreciation for the period that caused the reducing in assets value. (Also see Note to the financial statements No.12).

- Other non-current assets increased by THB 4,247 million (13.9%) mainly from
 - Maintenance reserve for aircraft under lease agreement was secured for lessors as a guarantee for engine and aircraft maintenance in accordance with flight condition and maintenance schedule which can be refunded when the aircraft was overhauled according to the maintenance plan under conditions specified in the contract increased by THB 1,460 million (10.2%) partly due to the adjustments of foreign exchange. (Also see Note to the financial statements No.13).
 - Security deposit under aircraft lease agreements increased by THB 933 million. (Also see Note to the financial statements No.14).
 - Non-performing assets increased by THB 222 million (96.1%), due to reclassification of land and the office in London, England from held for sale. (Also see Note to the financial statements No.9 and No.14).

Return on Asset of the first nine months of 2023 reported 7.56% while last year's -6.52%.

Liabilities

As of September 30, 2023, Total liabilities of THAI and its subsidiaries was THB 288,996 million, an increase of THB 19,794 million (7.4%) from December 31, 2022. These comprised of:

	Consolidated					
	Sep 30, 2023		Dec 31, 2022		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	73,392	25.4	61,222	22.7	+12,170	+19.9
Current portion of long-term liabilities	5,479	1.9	2,434	0.9	+3,045	+125.1
Long-term liabilities	159,253	55.1	159,532	59.3	-279	-0.2
Other non-current liabilities	50,872	17.6	46,014	17.1	+4,858	+10.6
Total Liability	288,996	100.0	269,202	100.0	+19,794	+7.4

Current liabilities which accounted for 25.4% of the total liabilities amounted to THB 73,392 million, an increase of THB 12,170 million (19.9%) from December 31, 2022, due to an increase in trade and other payables amount of THB 8,361 million. (Also see Note to the financial statements No. 17).

Long-term liabilities (included the current portion of long-term liabilities) represented 57.0% of total liabilities, an increase of THB 2,766 million (1.7%) from the change in accounting value of debentures increased by THB 3,040 million under TFRS 9 measured at amortized cost and increasing in long-term liabilities. Although lease liabilities repayment and reclassified A380-800 aircraft lease liabilities to payable. (Also see Note to the financial statements No.5.2, 6.3, 15.1, 15.2, 16).

Other non-current liabilities accounted for 17.6% of total liabilities, an increase of THB 4,858 million (10.6%). The main reason was from the increasing of trade payables and other non-current payables by THB 2,328 million. (Also see Note to the financial statements No.17) The provisions from the estimated overhaul costs of airframe, engines, and other components for the future obligation per contract terms increased by THB 2,468 million which were calculated along with usage time proportion. (Also see Note to the financial statements No.20).

As of September 30, 2023, THAI and its subsidiaries had Interest Bearing Debt to Equity -3.01 times, compare to as of December 31, 2022, at -2.28 times and Total Debt to Equity ratio of -5.28 times, and compared to the same period last years was -3.22 times.

Shareholders' Equity

As of September 30, 2023, the shareholders' equity of THAI and its subsidiaries amounted to THB -54,706 million, marking an improvement of THB 16,318 million compared to December 31, 2022 caused by this year's profit.

Commitment and Contingent Liabilities

As of September 30, 2023, THAI had contingent liabilities arising from commitments which have not been recognized in the financial statements from the guaranteed letter issued by local and foreign banks. Also, THAI had an obligated payment for an operating lease agreement. (Also see Note to the financial statements No.25).

Financial Performance Summary: Thai Airways Public Company Limited (“THAI”)

In the third quarter of 2023, THAI had total revenues (excluded one-time items) of THB 34,835 million, higher than the previous year by THB 4,162 million (13.6%). Mainly from Passenger and excess baggage revenue increased in total of THB 6,649 million (30.3%) resulting from the increase in production with frequency on popular routes. In addition, other income decreased by THB 16 million (0.7%) due to the cargo handling and technical department decreased. Fortunately, income from Ground handling and Catering increased from an increase in the number of passengers of airline customers. Total expenses (excluded one-time items) totaled THB 26,148 million, an increase of THB 87 million (0.3%) from last year, mainly due to an increase in non-fuel operating expenses by 5.7% but fuel expenses decreased by 6.3%. As a result, the operating profit before finance cost excluded the one-time items was THB 8,687 million, an increase of THB 4,075 million from the same period last year.

THAI had net one-time items, as expenses, totaling THB 3,488 million, mainly due to loss on foreign exchange rates, THB 2,052 million, the provision for the maintenance of the Airbus A320-200 aircraft from the transfer of 3 Thai Smile's aircraft according to the business restructuring plan, THB 1,088 million. Moreover, THAI recognized rental adjustment: Don Mueang office, THB 400 million, while there were gains on debt restructuring and gains on sale of assets.

THAI had a net profit of THB 1,916 million compared to last year's loss of THB 4,037 million, representing a profit per share of 0.88 Baht while last year's loss of 1.85 Baht per share. EBITDA deducted aircraft lease payment included Power by the Hour for the third quarter of 2023 was THB 8,054 million, higher than last year's by THB 1,495 million.

Financial Performance: THAI

	Jul - Sep			
	2023	2022	Variance	
			MTHB	%
Total operating revenues	34,835	30,673	+4,162	+13.6
- Passenger and excess baggage revenue	28,599	21,950	+6,649	+30.3
- Freight and mail revenue	3,461	6,413	-2,952	-46.0
- Revenue from other businesses	2,215	2,231	-16	-0.7
- Other income	560	79	+481	+608.9
Total operating expenses	26,148	26,061	+87	+0.3
- Fuel and oil	10,925	11,658	-733	-6.3
- Non-fuel operating expenses	15,223	14,403	+820	+5.7
Operating Profit before finance cost exclude the one-time items	8,687	4,612	+4,075	+88.4
Finance cost	3,569	3,168	+401	+12.7
Operating Profit exclude the one-time items	5,118	1,444	+3,674	+254.4
Gain from sale of asset	157	107	+50	+46.7
Gain from debt restructuring	33	420	-387	-92.1
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts	(11)	(4)	-7	-175.0
Severance Pay	(13)	(1)	-12	-1,200.0
Mutual Separation Plan (MSP)	(87)	50	-137	-274.0
Impairment loss in accordance with TFRS 9	(27)	(1,027)	+1,000	+97.4
Rental adjustment: Don Mueang office	(400)	-	-400	-
Overhaul provision of Airbus A320 aircraft transferred from Thai Smile	(1,088)	-	-1,088	-
Loss on foreign currency exchange	(2,052)	(5,215)	+3,163	+60.7
Profit (Loss) before tax	1,630	(4,226)	+5,856	+138.6
Net Profit (Loss)	1,916	(4,037)	+5,953	+147.5
Net Profit (Loss) per share (THB)	0.88	(1.85)	+2.73	+147.6

		Jul - Sep			
		2023	2022	Variance	
				MTHB	%
Significant operating data					
EBITDA - Lease Payment	(MTHB)	8,054	6,559	+1,495	+22.8
Number of passengers	(Million)	2.19	1.54	+0.65	+42.2
Available Seat-Kilometers	(Million)	12,584	10,115	+2,469	+24.4
Revenue Passenger-Kilometers	(Million)	9,698	7,798	+1,900	+24.4
Cabin Factor	(%)	77.1	77.1		-
Passenger Yield	(THB/RPK)	2.94	2.80	+0.14	+5.0
Available Dead Load Ton-Kilometers	(Million)	716	596	+120	+20.1
Revenue Freight Ton-Kilometers	(Million)	377	352	+25	+7.1
Freight Load Factor	(%)	52.7	59.1		-6.4
Freight carried	(Ton)	83,697	78,358	+5,339	+6.8
Freight Yield	(THB/RFTK)	8.95	17.89	-8.94	-50.0
Number of aircraft (As of Sep 30)	(Aircraft)	61	71	-10	-14.1
Flight hours	(Hours)	55,132	42,003	+13,129	+31.3
Aircraft utilization	(Hours/Aircraft/Day)	13.3	12.6	+0.7	+5.6
Average foreign currency exchange rate					
1 USD : THB		35.1671	36.4147	-1.2476	-3.4
1 EUR : THB		38.2575	36.6730	+1.5845	+4.3
100 JPY : THB		24.3518	26.3435	-1.9917	-7.6
Average jet fuel price	(USD/BBL)	111.94	146.53	-34.59	-23.6

Note: EBITDA- 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.

In the first nine months of 2023, THAI had total revenues (excluded one-time items) of THB 108,741 million, higher than the previous year by THB 48,129 million (79.4%). Revenue from passenger and cargo transportation increased in total of THB 45,947 million (84.1%) resulting from an increasing in production and traffic. In addition, revenue from other businesses increased by THB 1,369 million (24.2%) due to the increase in number of customer airlines and passenger number of customer airlines. Total expenses (excluded one-time items) totaled THB 78,778 million, an increase of THB 20,491 million (35.2%), mainly due to variable expense. As a result, the operating profit before finance cost exclude the one-time items was THB 29,963 million an increase of THB 27,638 million from the same period last year (1,188.7%).

THAI had net one-time items, as expenses, totaling THB 4,099 million. Therefore, THAI had a net profit of THB 15,825 million compared to last year's loss of THB 8,457 million, representing a profit per share of 7.25 Baht while last year's loss of 3.87 Baht per share. EBITDA deducted aircraft lease payment included Power by the Hour was THB 29,667 million, higher than last year's by THB 20,603 million (227.3%).

Accumulated Financial Performance: THAI

	Jan - Sep			
	2023	2022	Variance	
			MTHB	%
Total operating revenues	108,741	60,612	+48,129	+79.4
- Passenger and excess baggage revenue	88,902	36,595	+52,307	+142.9
- Freight and mail revenue	11,661	18,021	-6,360	-35.3
- Revenue from other businesses	7,028	5,659	+1,369	+24.2
- Other income	1,150	337	+813	+241.2
Total operating expenses	78,778	58,287	+20,491	+35.2
- Fuel and oil	31,417	23,251	+8,166	+35.1
- Non-fuel operating expenses	47,361	35,036	+12,325	+35.2
Operating Profit before finance cost exclude the one-time items	29,963	2,325	+27,638	+1,188.7
Finance cost	10,694	7,938	+2,756	+34.7
Operating Profit exclude the one-time items	19,269	(5,613)	+24,882	+443.3
Gain from debt restructuring	3,615	7,415	-3,800	-51.2
Gain from sale of asset	523	723	-200	-27.7
Gain from sale of investment	-	16	-16	-100.0
Adjust Employee Benefit	-	237	-237	-100.0
Mileage accumulation adjustment	-	(628)	+628	+100.0
Severance Pay	(13)	(116)	+103	+88.8
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts	(77)	(12)	-65	-541.7
Adjustment of holiday compensation for retired employees	(92)	-	-92	-
Mutual Separation Plan (MSP)	(229)	683	-912	-133.5
Impairment loss in accordance with TFRS 9	(455)	(2,675)	+2,220	+83.0
Rental adjustment: Don Mueang office	(400)	-	-400	-
Provision of overhaul for Airbus A320 aircraft transferred from Thai Smile	(2,120)	-	-2,120	-
Loss on foreign currency exchange	(4,851)	(7,962)	+3,111	+39.1
Profit (Loss) before tax	15,170	(7,932)	+23,102	+291.3
Net Profit (Loss)	15,825	(8,457)	+24,282	+287.1
Net Profit (Loss) per share (THB)	7.25	(3.87)	+11.12	+287.3

		Jan - Sep			
		2023	2022	Variance	
				MTHB	%
Significant operating data					
EBITDA - Lease Payment	(MTHB)	29,667	9,064	+20,603	+227.3
Number of passengers	(Million)	6.50	2.69	+3.81	+141.6
Available Seat-Kilometers	(Million)	36,692	23,345	+13,347	+57.2
Revenue Passenger-Kilometers	(Million)	29,344	13,916	+15,428	+110.9
Cabin Factor	(%)	80.0	59.6		+20.4
Passenger Yield	(THB/RPK)	3.02	2.61	+0.41	+15.7
Available Dead Load Ton-Kilometers	(Million)	2,110	1,375	+735	+53.5
Revenue Freight Ton-Kilometers	(Million)	1,067	931	+136	+14.6
Freight Load Factor	(%)	50.6	67.7		-17.1
Freight carried	(Ton)	237,441	209,648	+27,793	+13.3
Freight Yield	(THB/RFTK)	10.70	19.10	-8.40	-44.0
Number of aircraft (As of Sep 30)	(Aircraft)	61	71	-10	-14.1
Flight hours	(Hours)	158,056	96,720	+61,336	+63.4
Aircraft utilization	(Hours/Aircraft/Day)	13.7	10.6	+3.1	+29.2
Average foreign currency exchange rate					
1 USD : THB		34.5192	34.6215	-0.1023	-0.3
1 EUR : THB		37.3843	36.8023	+0.5820	+1.6
100 JPY : THB		25.0453	27.1198	-2.0745	-7.6
Average jet fuel price	(USD/BBL)	109.83	138.98	-29.15	-21.0

Note: EBITDA- 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 September 30, 2023, total assets totaled THB 234,021 million, an increase of THB 35,722 million (18.0%) from December 31, 2022. These comprise of:

	Separate Financial Statement					
	Sep 30, 2023		Dec 31, 2022		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	52,701	22.5	34,042	17.1	+18,659	+54.8
Non-current assets held for sale	2,818	1.2	2,746	1.4	+72	+2.6
Other current assets	34,751	14.8	22,582	11.4	+12,169	+53.9
Current Assets	90,270	38.5	59,370	29.9	+30,900	+52.0
Property, plant and equipment-net	45,372	19.4	45,918	23.2	-546	-1.2
Right-of-use Assets	58,626	25.1	56,296	28.4	+2,330	+4.1
Other non-current assets	39,753	17.0	36,715	18.5	+3,038	+8.3
Total Assets	234,021	100.0	198,299	100.0	+35,722	+18.0

- Current assets increased by THB 30,900 million (52.0%), mainly due to an increase in cash and cash equivalents of THB 18,659 million, bill of exchange, fixed deposits, and debentures (Also see Note to the financial statements No. 6.1), and trade and other current receivables increased by THB 1,945 million. Non-current assets held for sale increased by THB 72 million, from reclassification of sold aircraft approved by the Business Rehabilitation Plan Administrators to buyers which consisted of 6 Boeing B777-200 and 6 Boeing B777-300 and transferred from Property, Plant and Equipment and land and the office in London, England to other non-current assets. Finally, there was the sale of aircraft, spare engine spare parts and other assets (Also see Note to the financial statements No.9 and 11).

- Property, Plant and Equipment-net decreased by THB 546 million (1.2%) mainly due to the transfer aircraft per the resolution of Business Rehabilitation Plan Administrators to sell them to the buyer as non-current assets held for sale. (Also see Note to the financial statements No.11).

- Right-of-use assets consisted of assets under finance lease agreements and obligations under the aircraft operating lease agreement and other fixed asset under operating leases increased from December 31, 2022 increased by THB 2,330 million (4.1%), resulting from taking delivery of 3 Airbus A350-900 leased aircraft, although there were termination of 2 Airbus A330-300 financial lease contract which returned the aircraft to lessors including depreciation for the period. (Also see Note to the financial statements No.12).

Liabilities of THAI

Total liabilities as of September 30, 2023 were THB 281,699 million, an increase of THB 19,907 million (7.6%) from December 31, 2022. These comprised of:

	Separate Financial Statement					
	Sep 30, 2023		Dec 31, 2022		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	70,460	25.0	58,956	22.5	+11,504	+19.5
Current portion of long-term liabilities	5,471	2.0	2,430	0.9	+3,041	+125.1
Long-term liabilities	159,253	56.5	159,531	61.0	-278	-0.2
Other non-current liabilities	46,515	16.5	40,875	15.6	+5,640	+13.8
Total Liabilities	281,699	100.0	261,792	100.0	+19,907	+7.6

Current liabilities increased by THB 11,504 million (19.5%) from December 31, 2022, due to an increase in trade and other payables amount of THB 7,816 million. (Also see Note to the financial statements No. 17).

Long-term liabilities (included the current portion of long-term liabilities) increased by THB 2,763 million (1.7%) resulting from the change in accounting value of debentures increased by THB 3,040 million under TFRS 9 measured at amortized cost and increasing in long-term liabilities. Although lease liabilities repayment and reclassified A380-800 aircraft lease liabilities to payable. (Also see Note to the financial statements No.5.2, 6.3, 15.1, 15.2, 16).

Other non-current liabilities accounted for 16.5% of total liabilities, an increase of THB 5,640 million (13.8%). The main reason was from the increase of trade payables and other non-current payables by THB 2,328 million. (Also see Note to the financial statements No.17) The provisions from the estimated overhaul costs of airframe, engines, and other components for the future obligation per contract terms increased by THB 3,949 million which were calculated along with usage time proportion. (Also see Note to the financial statements No.20).

Shareholders' Equity of THAI

As of September 30, 2023, THAI had shareholders' equity of THB -47,678 million, marking an improvement of THB 15,815 million compared to December 31, 2022, mainly due to the operations profit this year.

4. Outlook

IATA forecasts that global passengers will continue to grow amid uncertainties in the Chinese economy that affects the recovery of both domestic and international aviation industry in the Asia-Pacific region. As for the cargo transportation sector, it is likely to improve amid various challenges from high inflation and the global economic slowdown. The unrest situation in the Middle East region at the beginning of October 2023 had a high impact on the world economy and the aviation industry causing many airlines suspended or cancelled flight from/to Israel. By the way, THAI, a national flag carrier, is ready to support the missions to evacuate Thai people from those jeopardized areas back to Thailand in close coordination with the Thai government and related government agencies such as Ministry of Foreign Affairs and so forth. THAI's first flight to Tel Aviv Israel, using a Boeing B777-200ER aircraft will start on October 17, 2023 until the mission is completed.

World economic outlook for the rest of 2023, the Bank of Thailand "(BOT)" forecasts that the recovery of the service sector will continue to expand cause the export sector from Asian countries this year has received virtuous results and continues to next year, it is expected that the economies of trading partners countries will expand at a slower rate partly from the additional impact of tight monetary policy and the recovery of the Chinese economy which is still being pressured by problems in the real estate sector and the financial market. There are various factors caused volatility due to concerns over the still fragile Chinese economy and the direction of the monetary policy of the US Federal Reserve is to stabilize monetary policy at a tight level for a longer time. As a result, the Thai economy, especially the export and tourism sectors, recovers more slowly than expected as showed by the expected number of foreign tourists traveling to Thailand to reach 28.5 in 2023 and 35 million people in 2024.

For THAI, it has managed and improved its fleet by adding 5 Airbus A350-900 aircraft to the fleet in Quarter 4 this year, aiming to support more traffic demand from recovery of airline industry. Furthermore, THAI has developed a strategic partner: Turkish Airlines. THAI will begin its operation to Istanbul, Turkey, 7 flights per week from December 2023 onwards, as well as the feasibility study which to provide more flights in the form of Joint Venture Operations in the future, to enhance the connectivity between the Asia-Pacific region Europe and Australia. Stimulate travel between Thailand and Turkey and to support government policies to create economic links between Turkey and Eastern European countries by promoting tourism, trading and investment. THAI, as the national airline, is pleased and ready to join in driving the promotion of the country's tourism industry to promote tourism, trade and investment and from the Free-Visa policy for Chinese tourists announced by the government, to support the growth in travel demand of both Thai and foreign tourists, especially Chinese tourists, who are expected to see an increase from the said policy during the upcoming high season. THAI, therefore, plans to increase flight frequencies on China routes and in the winter flight schedule of 2023, In order to preparation, THAI provides 51 routes around the world to support passenger demand and be ready to increase flight frequencies on popular routes including Beijing, Shanghai, Guangzhou, Kunming, Chengdu, Sapporo, Singapore, Taipei and Hong Kong.

For the restructuring of business operation in aviation business of THAI group in the 4th quarter of 2023, THAI will operate with Airbus A320-200 replacing Thai Smile on Kaohsiung, Penang, Kolkata routes from October 15, 2023 onwards while start the operation to Hanoi, Ho Chi Minh, Kathmandu route from October 29, 2023 onwards. Finally, THAI will operate to Siem Reap and Gaya from December 1, 2023 onwards. For domestic routes, THAI will operate replacing Thai Smile with 9 routes: Chiang Mai, Phuket, Udon Thani, Krabi, Khon Kaen, Narathiwat, Chiang Rai, Hat Yai and Ubon Ratchathani. Currently, THAI and Thai Smile on aircraft transferring process which expected to be completed within the first quarter of 2024.

In addition, THAI has adjusted its plan to begin operating on the Bangkok-Phuket route faster than originally scheduled with wide body aircraft from October 1, 2023 onwards to support the demand of tourists from China and India which is expected to tremendous increase due to the government's Free-Visa policy during this travel season. This is the first time in many years that THAI resuming service on domestic routes after the outbreak of Covid-19.

THAI is now evaluating the restructuring of the group business with the goal of decreasing redundant processes and overall expenses while concurrently increasing revenue. In addition, THAI plans to invest in establishing an aircraft repair center (MRO) at U-Tapao Airport for customer airlines to foster the expansion of the aircraft maintenance industry as the airline business rebounds.

To enhance passenger satisfaction through a new culinary experience, was curated by Chef Duangporn “(Bo)” Songvisava, Asia’s Best Female Chef of 2013, selected the finest local ingredients and blended with Thai culinary, then, designed these premium inflight meals for Royal First and Royal Silk classes on flights to Europe, Australia, and Japan since July 2023 onward as another pride to support and promote quality agricultural products, one of Thai soft power to the international market. Moreover, in order to add more value to the circular economy, THAI also carefully operates under concerns of the environmental impact, especially in these greenhouse gases emission reduction initiatives: in-office resources reduction and upcycling project which would enhance the circular economy, sustainable development, as well as the net zero emission goal in 2050. These projects have recently been developed under the Zero Waste Living principle consisting three pillars namely From Planes to Planet, From Waste to Wealth and From Purple to Purpose. THAI plans to launch the new uniform for female cabin crew, a combination of the national identity and sustainable development, which will be implemented on January 1, 2024.

5. Financial Ratios

		Jan - Sep			
		Consolidated		The Company	
		2023	2022	2023	2022
Liquidity Ratio					
Current Ratio	(times)	2.22	1.49	2.34	1.64
Profitability Ratio					
Operating Profit (Loss) Margin	%	15.61	(14.51)	17.72	(9.26)
Net Profit (Loss) Margin	%	14.10	(17.14)	14.55	(13.95)
Return on Equity	%	(25.99)	(14.62)	(28.47)	(11.93)
Efficiency Ratio					
Return on Total Assets	%	7.56	(6.52)	7.32	(4.85)
Financial Policy Ratio					
Interest Bearing Debt to Equity	(times)	(3.01)	(1.89)	(3.45)	(2.07)
Total Debt to Equity	(times)	(5.28)	(3.22)	(5.91)	(3.48)
Interest Coverage Ratio	(times)	3.33	0.81	3.30	1.21
Net Debt to EBITDA	(times)	6.30	33.22	6.48	24.85
Debt Service Coverage Ratio	(times)	2.03	0.81	1.93	1.06

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, 2023 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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
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>12,360.54</p> <p>0.00</p> <p>0.00</p> <p>638.75</p> <p>6.54</p>	<p>11,721.78</p> <p>0.00</p> <p>0.00</p> <p>135.90</p> <p>8.63</p>	<p>6,082.08</p> <p>0.00</p> <p>0.00</p> <p>351.95</p> <p>8.03</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>- Also see Notes No.1 and 2</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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
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</p> <p>0.00</p> <p>89.17</p> <p>89.17</p> <p>0.27</p> <p>0.00</p>	<p>3,500.00</p> <p>0.00</p> <p>119.22</p> <p>119.22</p> <p>0.63</p> <p>0.00</p>	<p>3,500.00</p> <p>0.00</p> <p>212.96</p> <p>212.96</p> <p>0.18</p> <p>0.00</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><u>Note:</u> - The interest rate for the year 2021-23 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>-</p> <p>-</p> <p>-</p>	<p>605.90</p> <p>37.45</p>	<p>568.48</p> <p>19.44</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 nine months period ended September 30 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
		<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>1,502.44</p> <p>16.90</p>	<p>1,485.55</p> <p>22.18</p>	<p>1,452.83</p> <p>11.93</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>
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>1,542.82</p> <p>103.39</p>	<p>1,273.73</p> <p>78.36</p>	<p>1,195.37</p> <p>54.06</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 nine months period ended September 30 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
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. - Outstanding loans - Interest expenses - Accrued interests	2,260.73 57.49 57.49	2,260.73 76.86 76.86	2,260.73 63.84 63.84	- The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties. <u>Note:</u> - The interest rate for the year 2021-23 were the effective interest rate according to the original contract.
		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 - Interest expenses - Accrued interests	3,500.00 29.84 29.84	3,500.00 39.90 39.90	3,500.00 128.63 128.63	- The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties. <u>Note:</u> - The interest rate for the year 2021-23 were the effective interest rate according to the original contract.

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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
		3. THAI sold debentures to KTB. - Debenture value - Interest expenses - Accrued interests - Interest in accordance with the business rehabilitation plan 4. THAI provided office space rental, ATM space, utilities, and leased line to KTB. - Total revenue - Account receivable 5. THAI paid service fees to KTB for cash delivery and debentures distribution fee. - Total expenses - Account payable	832.00 9.33 1.94 0.00 0.00 0.13	832.00 12.48 2.72 0.16 0.00 0.13	832.00 6.80 3.30 0.22 2.84 0.13	- 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. - The pricing is on an arms' length basis and on commercial terms as unrelated parties.
Thailand Post Company Limited	Thailand Post and THAI have a common major shareholder, namely MOF.	1. THAI bought postal services, both domestic and international, and postal tools from Thailand Post. - Total expenses - Account payable	0.24 0.01	0.27 0.00	0.14 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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
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	0.15 0.55	0.00 0.52	0.00 0.24	- 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	38.15 8.65	16.17 5.23	10.15 1.13	- 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 - Account payable under the rehabilitation plan - Deferred interests	0.00 0.00 0.84 0.05	0.00 0.87 - -	0.00 0.87 - -	- 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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
PTT Public Company Limited (PTT)	PTT and THAI have a common major shareholder, namely MOF.	1. THAI bought fuel and lubricant for its 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 - Account payable under the rehabilitation plan - Deferred interests	0.00 0.14 1.24 0.07	0.00 0.17 1.17 0.09	0.06 1.66	
		2. THAI sold tickets and provided AC dielectric tester service to PTT.				- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total revenue - Account receivable	12.67 6.14	16.33 -	- -	
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.				- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total expenses - Account payable	4,751.93 834.26	3,865.62 890.11	8,642.18 891.05	
		2. THAI sold tickets to AOT and received 2% of passenger service charge collected for AOT.				- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total revenue - Account receivable	34.74 64.39	18.52 33.70	0.51 13.97	

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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
CAT Telecom Public Company Limited (CAT)	CAT and THAI have a common major shareholder, namely MOF.	1. THAI sold debentures to CAT.				- 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	933.00	933.00	933.00	
		- Interest expenses				
		- Accrued interests				
		- Interest in accordance with the business rehabilitation plan	10.47	13.99	17.48	
		2. THAI rents communication channels from CAT.				- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total expense	0.00	0.00	0.25	
		- Account payable	2.51	2.51	2.51	
TOT Public Company Limited (TOT)	TOT and THAI have a common major shareholder, namely MOF.	1. THAI sold debentures to TOT				- 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	415.00	415.00	415.00	
		- Interest expenses				
		- Accrued interests				
		- Interest in accordance with the business rehabilitation plan	4.65	6.22	7.11	
		2. THAI rents optical fibers from TOT				- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total expense	0.00	0.00	0.42	
		- Account payable	7.09	7.09	7.07	

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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
Civil Aviation Training Center (CATC)	CATC is controlled by the MOF, a major shareholder of THAI.	<p>1. CATC provided aviation training for THAI's pilots.</p> <p>- Total expenses - Account payable - Account payable under the rehabilitation plan - Deferred interests</p>	<p>0.00 0.00 9.18 0.48</p>	<p>0.00 10.00</p>	<p>0.00 10.00</p>	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
Thai-Amadeus Southeast Asia Company Limited (Subsidiary Company)	<p>THAI is the major shareholder of Thai-Amadeus Southeast Asia, with 55% shares.</p> <p>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; - Mr. Tras Prommobol is a Director of Thai-Amadeus Southeast Asia.</p>	<p>1. THAI sold tickets and provided office space and computer rental to Thai-Amadeus Southeast Asia Co., Ltd.</p> <p>- Total revenue - Account receivable</p>	<p>2.59 0.50</p>	<p>6.20 1.04</p>	<p>6.62 0.99</p>	- 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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
Wingspan Services Company Limited (WSC) (Subsidiary Company)	THAI is the major shareholder of WSC, with 49% shares and controlling authority.	1. WSC outsourced its staff to THAI. - Total expenses - Account payable	743.88 274.09	376.97 166.36	178.60 128.93	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
	THAI's executive officers: - Mrs. Chuntarica Jotikasthira is a Director of WSC.	2. THAI provided office space and equipment rental to WSC. - Total revenue - Account receivable	2.29 1.80	3.56 1.37	0.50 1.59	- 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	1. THAI provided aviation training equipment, office space and equipment rental to TFTA. - Total revenue - Account receivable	23.61 0.70	22.14 4.23	15.08 1.19	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
	THAI's executive officers: - Lt.JG. Supoj Charoensuk is a Director of TFTA;	2 TFTA provided flight attendant training to THAI - Total expenses -Account payable	0.34 0.00	0.00 0.00	0.39 0.00	

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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
	- Mrs. Onanong Junhaman is a Director of TFTA.					
Tour Eurng Luang Company Limited (Subsidiary Company)	THAI holds 49 % shares in Tour Eurng Luang Co., Ltd via WSC and with controlling authority. THAI's executive officers: - Mr. Korakot Chatasingha is a Director of Tour Eurng Luang Co., Ltd.	1. THAI paid commission fees from the sale of Eurng Luang services to Tour Eurng Luang. - Total expenses 2. THAI sold Eurng Luang tours to Tour Eurng Luang. - Total revenue - Account receivable	0.97 3.37 0.26	2.05 12.31 0.00	0.00 0.04 1.55	- 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 nine months period ended September 30 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
Thai Smile Airways Company Limited (Subsidiary Company)	THAI wholly owns Thai Smile Airways. THAI's executive officers: - Mr. Chai Eamsiri is a Director of Thai Smile Airways; - Mr. Korakot Chatasingha is a Director of Thai Smile Airways; - Mrs. Chuntarica Jotikasthira is a Director of Thai Smile Airways; - Mrs. Cherdchome Therdsteerasukdi is a Director of Thai Smile Airways.	1. THAI bought Block Space and other services from Thai Smile Airways. - Total expenses - Account payable	3,249.65 274.51	2,995.72 490.16	342.06 0.00	- 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	3,098.20 11,308.99	3,346.78 10,885.92	1,323.53 8,384.46	- 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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
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 Therdsteerasukdi is a Director of 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.
Phuket Air Catering Company Limited (PACCO) (Associated Company)	THAI holds 30% shares in PACCO. THAI's executive officers: - Mrs. Varangkana Luerojvong is a Director of PACCO; - Mr. Tras Prommobol is a Director of PACCO.	1. THAI bought catering services from PACCO. - Total expenses - Account payable - Account payable under the rehabilitation plan - Deferred interests	113.63 0.00 16.89 0.95	38.93 0.00 15.95 1.19	0.04 20.44	- 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	0.00 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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
Suvarnabhumi Airport Hotel Company Limited (Associated Company)	THAI holds 30% shares in Suvarnabhumi Airport Hotel. THAI's executive officer: - Mrs. Varangkana Luerojvong is a Director of Suvarnabhumi Airport Hotel; - Mr. Cherdphan Chotikhun is a Director of Suvarnabhumi Airport Hotel.	1. THAI bought hotel rooms for its passengers from Suvarnabhumi Airport Hotel. - Total expenses - Account payable - Account payable under the rehabilitation plan - Deferred interests	0.00 1.78 0.10	0.16 2.16	0.00 2.16	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
Aeronautical Radio of Thailand Limited (AEROTHAI) (Joint-Venture Company)	AEROTHAI and THAI have a common major shareholder, namely MOF. THAI holds 0.54% shares in AEROTHAI.	1. THAI bought navigation services and rented communication equipment from AEROTHAI - Total expense - Account payable - Account payable under the rehabilitation plan - Deferred interests	502.52 0.00 93.45 4.91	438.31 107.31	145.30 105.14	- 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	0.00	- 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 2021-23 were the rate according to the court's order approving the business rehabilitation plan (June 15, 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).