

Management’s Discussion and Analysis for year 2023 ended December 31, 2023, for Thai Airways International Public Company Limited and Its Subsidiaries

1. Executive summary

In 2023, the global economy continued to expand but at a slightly slower pace compared to the previous year. The International Monetary Fund “(IMF)” projected average growth of 3.1%, which was lower than the 3.5% average in 2022 and the 3.8% average over the period from 2000 to 2019. This slowdown was due to the impact of geopolitical tensions and conflicts in various regions around the world which had disrupted supply chain management and led to inflation, exchange rate volatility, and higher costs of living. As a result, many countries had to adopt more restrictive monetary policies.

Global aviation industry had been continue to steadily recover of both passenger demand and profitability comparing to the same period last year while Revenue Passenger Kilometers “(RPK)” rose by 36.9%, and the cabin factor increased from 78.7% to 82.3%. However, when compared to 2019, RPK still remained 5.9% lower. On the other hand, air freight side encountered some challenges due to the global trade slowdown, resulting in a 1.9% decrease in Revenue Freight Ton-Kilometers “(RFTK)” compared to last year. According to the Association of Asia Pacific Airlines “(AAPA)”, the Asia Pacific aviation industry demonstrated an increase of 161.0% in the number of international passengers reaching approximately 278 million compared to the same period last year due to the continued recovery of the industry and reopening of China. Available Seat Kilometers “(ASK)” and RPK increased by 106.2% and 131.0%, respectively. Cabin factor increased from 72.2% to 80.9%. Available Dead Load Kilometers “(ADTK)” increased by 6.4% while RFTK decreased by 2.8% resulting the Freight load factor decreased from 66.5% to 60.7%.

In 2023 tourism and domestic demand, particularly private consumption, were key drivers of Thai economy. However, IMF forecasted that Thai economy growth is projected at 2.5%, a slight slowdown from 2022 which was 2.6% due to a slowdown in the global economy and a sharper contraction in government spending. At the end of 2022, Thai government cancelled the required COVID-19 documentation for inbound travelers. Later, the Free-visa policy was implemented during September 25, 2023 to February 29, 2024 for Chinese and Kazakhstani nationals resulting there were 28.1 million tourists in 2023, an increase of 17.1 million or 154.4% from the previous year. The top three countries were Malaysia, China, and Korea, with 4.6 million, 3.5 million, and 1.7 million travelers respectively.

In 2023, Thai Airways International Public Company Limited “(THAI)” continued to implement a rehabilitation plan with vital operations include:

- Implementation of the fleet efficiency improvement and route expansion plan to support the recovery of the aviation industry and increase revenue efficiency included
 - Received five new Airbus A350-900 aircraft, designated for flights to cities like Beijing, Shanghai, and Guangzhou.
 - Resumed services to Beijing and Chengdu and increased flight frequencies to Hong Kong and Osaka.
 - Launched a new daily direct flight to Istanbul, Republic of Türkiye, from December 1, 2023 onward, also signed a Memorandum of Understanding “(MOU)” with Turkish Airlines to develop cooperation and study the feasibility of providing Joint Venture Operations flights. Istanbul is a major travel hub between Asia, Europe, and Africa. This would develop more competitive advantages in providing connecting flights to Europe and Africa.

- Exploitation of selling these non-core assets:
 - Six Boeing B747-400, one Boeing B737-400, and two Airbus A340-600 aircraft
 - Five unused engines
 - 1,868 shares of the Fuel Pipeline Transportation Limited
 - Four properties, i.e., residential unit in Singapore, sales office in Rome, Italy, house in Jakarta, Indonesia, and sales office in Manila, Republic of the Philippines
- Restructuring of business operation in aviation business of THAI group: On May 17, 2023,

THAI held a creditor committee's meeting that reached a resolution in favor of the company's restructuring of business operation in aviation as proposed by the Plan Administrators and THAI management. THAI will implement the restructuring of business operation in aviation in order to effectively improve fleet planning management, develop seamless route network for the benefits of customers. In 2023, THAI received 16 Airbus A320-200 aircraft from Thai Smile Airways "(Thai Smile)" which used to operate on domestic routes, including Chiang Mai, Phuket and Udon Thani. Also on international routes including Ahmedabad, Kolkata, Gaya, Hanoi, Kaohsiung, Kathmandu, Penang, Phnom Penh, Yangon, Siem Reap, Ho Chi Minh City, and Vientiane. In January 2024, THAI would receive 4 additional aircraft from Thai Smile for additional domestic routes, including Chiang Rai, Khon Kaen, Ubon Ratchathani, Krabi, Hat Yai, and Narathiwat. Thai Smile passengers will continue to receive consistently excellent service as passengers of THAI Airways going forward as ONE THAI ONE FLY.

- Environmental Commitment for Sustainable Growth: THAI is dedicated to reaching its net-zero emissions target by 2050 with three key principles; FROM PLANES TO PLANET, FROM WASTE TO WEALTH, AND FROM PURPLE TO PURPOSE. THAI have implemented various projects and initiatives including:

- Collaborated with PTT Oil and Retail Business Public Company Limited "(OR)" conducted a test flight using Sustainable Aviation Fuel "(SAF)" on Phuket - Bangkok route. SAF which releases 80% less carbon dioxide than regular aviation fuel throughout its life cycle and is compatible in mixing with Jet A1 regular aviation fuel where no engine conversion is needed.

- Signing an MOU with Bangchak Corporation Public Company Limited "(BCP)" aiming to share knowledge, experiences, and expertise between the two parties to conduct technical studies on enhancing the efficiency of Sustainable Aviation Fuel (SAF) usage

- Collaborated with Jim Thompson, THAI introduced a newly designed set of eco-friendly amenity kit for Royal Silk passengers. The amenity kit is crafted from a green and environmentally friendly biodegradable fabric.

- THAI unveiled a new uniform for flight attendances, which would implemented on January 1, 2024 onwards. It would showcase Thai identity and was made from Thai silk blended with recycled fibers which would represent the transformation of unused materials into useful clothing. The new uniform offers both aesthetic and utility purposes as easier for looking after, flexier in wearing and had passed the safety standards.

THAI had been recognized for its outstanding service and hospitality in 2023, receiving several prestigious awards, for instance, one of the top 10 airlines in the World's Best Airline Cabin Crew and Best Airline Staff in Asia from Skytrax. One of the top 5 airlines for Best Airlines and Best Frequent Flyer Program and one of the top 3 airlines for Best Economy Class from the DestinAsian Readers' Choice Awards 2023, which is a leading travel magazine in Asia-Pacific. THAI also was named TTG Travel Hall of Fame and Best Inflight Service Awards 2023. The awards were based on votes from readers of TTG Travel Trade Publishing magazines, including TTG Asia, TTG China, TTG India, TTG Mice, TTG Associations, TTG-BT Mice China, and TTG Asia Luxury. Furthermore, TTG Travel Hall of Fame was awarded to individuals or organizations that had won the same award for 10 consecutive years. THAI had received the award for Best Airline in Southeast Asia for 10 consecutive years and had been inducted into the TTG Travel Hall of Fame from 2016 to the present.

As of December 31, 2023, THAI and its subsidiaries operated a total of 70 aircraft, with an average aircraft utilization of 12.2 hours. ASK increased by 40.9% while RPK increased by 65.4%. Average cabin factor reached 79.7%, an increase from the previous year's average of 67.9%. The total number of passengers carried was 13.76 million, 52.7% increase from last year. ADTK increased by 40.9% and RFTK increased by 15.4% compared to the previous year. Freight load factor was 51.7%, lower than the previous year's average of 63.1%.

Operating Profit before finance cost excluding one-time items, for THAI and its subsidiaries was THB 40,211 million, an increase of THB 32,414 million (415.7%) from the previous year. Total revenue was THB 161,067 million, an increase of THB 56,026 million (53.3%) from last year. The main reason was the increase in passenger revenue of THB 58,701 million (79.3%). THAI resumed services to the People's Republic of China after its reopening, and increased frequencies on popular routes such as Tokyo (Narita, Haneda), Osaka, Seoul, Melbourne and Singapore. In addition, THAI launched a new direct flight to Istanbul, Republic of Türkiye since December 1, 2023.

Furthermore, THAI had revenue from other businesses increased by THB 2,571 million (38.5%). Most business units had increasing revenue from the rising number of other airlines passengers, except cargo handling business. Total expense of THB 120,856 million, THB 23,612 million (24.3%) higher than the previous year partially from the increase in production and/or traffic. Finance costs (the recognition of financial costs according to Thai Financial Reporting Standards No. 9: TFRS 9), was THB 15,611 million, which was THB 3,224 million (26.0%) higher than last year.

THAI and its subsidiaries had one-time items as gain of THB 2,201 million, mainly gains from debt restructuring and sale of asset while loss from foreign exchange due to the depreciation of Thai Baht and rental adjustment for Don Mueang office. Consequently, THAI and its subsidiaries reported net profit of THB 28,123 million, an increase of THB 28,375 million from the previous year. Profit attributable to the parent was THB 28,096 million, equivalent to 12.87 Baht per share compared to last year's loss per share of 0.12 Baht. EBITDA after cash paid for lease payment include Power by the Hour, amounted to THB 42,875 million, an increase of THB 25,634 million from last year.

2. Summary of Operating Results: THAI and its subsidiaries

The consolidated financial statements for 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 Eurng Luang Co., Ltd.

Financial Performance: THAI and its subsidiaries

	Jan – Dec			
	2023	2022	Variance	
			MTHB	%
Total operating revenues	161,067	105,041	+56,026	+53.3
- Passenger and excess baggage revenue	132,737	74,036	+58,701	+79.3
- Freight and mail revenue	15,464	23,784	-8,320	-35.0
- Revenue from other businesses	9,245	6,674	+2,571	+38.5
- Other income	3,621	547	+3,074	+562.0
Total operating expenses	120,856	97,244	+23,612	+24.3
- Fuel and oil	47,765	38,378	+9,387	+24.5
- Non-fuel operating expenses	73,091	58,866	+14,225	+24.2
Operating Profit before finance cost exclude the one-time items	40,211	7,797	+32,414	+415.7
Finance cost	15,611	12,387	+3,224	+26.0
Operating Profit (Loss) exclude the one-time items	24,600	(4,590)	+29,190	+635.9
Gain (Loss) from debt restructuring	3,956	(5,238)	+9,194	+175.5
Gains on sale of asset	469	783	-314	-40.1
Share of gain (loss) of associates using the equity method	64	(4)	+68	+1,700.0
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	(16)	(112)	+96	+85.7
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts	(77)	9,521	-9,598	-100.8
Adjustment of holiday compensation for retired employees	(92)	-	-92	-
Impairment loss in accordance with TFRS 9	(106)	(113)	+7	+6.2
Adjustment of per diem compensation for retired employees	(250)	-	-250	-
Mutual Separation Plan (MSP)	(281)	610	-891	-146.1
Rental adjustment: Don Mueang office	(400)	-	-400	-
Loss on foreign currency exchange	(1,066)	(1,512)	+446	+29.5
Profit (Loss) before tax	26,801	(1,686)	+28,487	+1,689.6
Net Profit (Loss)	28,123	(252)	+28,375	+11,259.9
Profit (Loss) attribute to owners of the parent	28,096	(272)	+28,368	+10,429.4
Net Profit (Loss) per share (THB)	12.87	(0.12)	+12.99	+10,825.0

		Jan - Dec			
		2023	2022	Variance	
				MTHB	%
Significant operating data					
EBITDA – Lease Payment	(MTHB)	42,875	17,241	+25,634	+148.7
Number of passengers	(Million)	13.76	9.01	+4.75	+52.7
Available Seat-Kilometers	(Million)	54,280	38,526	+15,754	+40.9
Revenue Passenger-Kilometers	(Million)	43,268	26,163	+17,105	+65.4
Cabin Factor	(%)	79.7	67.9		+11.8
Passenger Yield	(THB/RPK)	3.06	2.82	+0.24	+8.5
Available Dead Load Ton-Kilometers	(Million)	2,864	2,032	+832	+40.9
Revenue Freight Ton-Kilometers	(Million)	1,481	1,283	+198	+15.4
Freight Load Factor	(%)	51.7	63.1		-11.4
Freight carried	(Ton)	340,825	340,390	+435	+0.1
Freight Yield	(THB/RFTK)	10.21	18.28	-8.07	-44.1
Number of aircraft (As of Dec 31)	(Aircraft)	77	86	-9	-10.5
Flight hours	(Hours)	270,618	192,994	+77,624	+40.2
Aircraft utilization	(Hours/Aircraft/Day)	12.2	10.4	+1.8	+17.3
Average foreign currency exchange rate					
1 USD : THB		34.8022	35.0614	-0.2592	-0.7
1 EUR : THB		37.6238	36.8731	+0.7507	+2.0
100 JPY : THB		24.8223	26.7756	-1.9533	-7.3
Average jet fuel price	(USD/BBL)	113.01	135.16	-22.15	-16.4

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 THAI and its subsidiaries

Revenues

The total revenue (excluded the one-time items) was THB 161,067 million, an increase of THB 56,026 million (53.3%). As the following details:

• Passenger and excess baggage revenue

Passenger and excess baggage revenue amounted to THB 132,737 million, THB 58,701 million (79.3%) higher than last year's resulting from more flights and additional new routes to support the continuously increasing passengers demand including returning to service on the route to China after its reopening and increase frequencies on popular routes such as Tokyo, Osaka, Seoul, Melbourne and Singapore. In addition, THAI had started to operate the new direct flight to Istanbul, Republic of Türkiye, since December 1, 2023.

- Revenue Passenger-Kilometers (RPK) increased by 65.4% or approximate THB 48,200 million while Available Seat-Kilometers (ASK) increased by 40.9%. Average cabin factor was 79.7% higher than last year's 67.9%

- Average passenger yield (included fuel and insurance surcharges) was 3.06 THB, increased by 0.24 THB (8.5%) or around THB 10,300 million

• Freight and mail revenue

Freight and mail revenue amounted to THB 15,464 million, a decrease of THB 8,320 million (35.0%) resulting from average freight yield (included fuel and insurance surcharges) was THB 10.21, decreased by THB 8.07 (44.1%) or around THB 11,900 million. Freight load factor average at 51.7% lower than last year's 63.1%. While there was an increase in Revenue Freight Ton-Kilometers (RFTK) by 15.4% or approximate by THB 3,600 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 totaled THB 9,245 million, an increase of THB 2,571 million (38.5%) over last year mainly due to the increase in passenger number of customer airlines, except the cargo handling services.

- **Other income**

Other income was higher than last year by THB 3,074 million mainly from receiving credit note from Rolls-Royce and more interest income from an increasing in cash and cash equivalents.

Expenses

Total expenses (excluded the one-time items) amounted to THB 120,856 million, an increase of THB 23,612 million (24.3%) due to expanded operations. As the following details:

- **Fuel and oil expenses**

Fuel and oil expenses amounted of THB 47,765 million, 39.5% of total expenses, an increase of THB 9,387 million (24.5%) from more flights resulting more oil consumption than last year. While, average fuel price reduced by 16.4%.

- **Non-fuel operating expenses (excluded the one-time items)**

Non-fuel operating expenses totaled THB 73,091 million, an increase of THB 14,225 million (24.2%), details as follows:

Unit: Million Baht	Jan - Dec			
	2023	2022	Variance	
			MTHB	%
Expenses (exclude the one-time items)				
Employee benefit expenses	10,069	8,422	+1,647	+19.6
Flight service expenses	14,034	9,045	+4,989	+55.2
Crew expenses	4,000	2,601	+1,399	+53.8
Aircraft maintenance and overhaul costs	11,038	11,651	-613	-5.3
Depreciation and amortization expenses	11,389	9,881	+1,508	+15.3
Lease of aircraft and spare parts	2,967	5,227	-2,260	-43.2
Inventories and supplies	5,882	2,876	+3,006	+104.5
Selling and advertising expenses	7,240	4,731	+2,509	+53.0
Other expenses	6,472	4,432	+2,040	+46.0
Non-fuel Operating Expenses	73,091	58,866	+14,225	+24.2

The following is a summary of expenses that have changed significantly:

- Variable cost consisted of flight service expenses, crew expenses, aircraft maintenance and overhaul cost, inventories and supplies and selling and advertising expenses including lease of aircraft and spare parts with Power by the Hour agreement which THAI had entered the Letter of Intent (LOI) totaled THB 45,161 million, higher than last year by THB 9,030 million (25.0%) resulting from an increasing in production and traffic. However, aircraft maintenance and overhaul costs were lower than last year due to receiving credit note from Rolls-Royce for Trent XWB engines. Also lease of aircraft and spare parts decreased due to most of the aircraft with Power by the Hour agreement reached the end of the contract.

- Fixed cost comprised of Employee benefit expenses, depreciation and amortization expenses, and other expenses totaled THB 27,930 million, THB 5,195 million (22.9%) higher than last year. Details are as follows:

- Employee benefit expenses amounted to THB 10,069 million, an increase of THB 1,647 million (19.6%) 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 an employee base salary modification, one-time incentive, increasing number of employee and outsource staff.

- Depreciation and amortization amounted to THB 11,389 million, an increase of THB 1,508 million (15.3%), mainly due to returning Airbus A330-300 to service and the right of use of aircraft under the lease agreement were adjusted as per the interest rate specified in contract. Also, from receiving new aircraft.

- Other expenses amounted to THB 6,472 million, an increase of THB 2,040 million (46.0%) resulting from the increase in outsource labor varied in line with production growth.

- **Finance cost** amounted to THB 15,611 million, an increase of THB 3,224 million (26.0%) per TFRS 9.

Gains on debt restructuring amounted to THB 3,956 million, comprising of gains from termination of onerous contracts, gains on de-recognition of financial liabilities measured at amortized cost. However, there were loss per an Order from the Official Receiver. (Also see Note to the financial statements No. 5.2).

Gains on sale of assets amounted to THB 469 million, comprising of

- Gains on the sale of other assets THB 446 million comprised of foreign real-estate and office
- Net loss on sale of aircraft amounted to THB 45 million consisted of
 - Net loss on sale of six Boeing B747-400 aircraft amounted to THB 48 million
 - Net gains on sale of two Airbus A340-600 aircraft amounted to THB 3 million
 - Sold one Boeing B737-400 equaling to net book value
- Gains on sale of 5 spare engines amounted to THB 38 million consisted of four Trent 500 engines and one PW4164 engine
- Gains on sale of other assets amounted to THB 30 million

Mutual Separation Plan (“MSP”) THAI paid the compensation for employees granted approval to extend the term of retirement to MSP B, C and D amount to THB 281 million.

Severance pay amounted to THB 16 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.

Holiday compensation adjustment for terminated staff amounted to THB 92 million

Adjustment of per diem compensation for retired employees amounted to THB 250 million

Impairment loss on aircraft, right-of-use assets and rotatable aircraft’s spare parts amounted to THB 77 million from deteriorate.

Impairment loss under TFRS 9 amounted to THB 106 million.

Loss on foreign currency exchange was THB 1,066 million consisted of THB 1,640 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 the Euro as of December 31, 2023, when compared to December 31, 2022, and realized FX gain of THB 574 million.

• **Share of profits of associates** amounted to THB 64 million, higher than the previous year by THB 68 million. Details as follow:

- Suvarnabhumi Airport Hotel Ltd.'s profit of THB 27 million, increased by THB 15 million from last year.

- Don Mueang International Airport Hotel Ltd.'s profit of THB 20 million, where last year's loss of THB 5 million.

- Phuket Air Catering Ltd.'s profit of THB 17 million, where last year's loss of THB 11 million.

EBITDA after cash paid for lease payment include Power by the Hour for 2023 amounted to THB 42,875 million, increased by THB 25,634 million from last year (148.7%).

3. Financial Position and Liquidity

Capital Expenditures

Unit: Million Baht	Jan - Dec	
	2023	2022
Aircraft and aircraft spare parts	5,303	998
Non-Aircraft	164	18
Total	5,467	1,016

In 2023, capital expenditures were THB 5,467 million, an increase of THB 4,451 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 December 31, 2023, THAI and its subsidiaries had cash and cash equivalent amount of THB 52,939 million or represented 22.2% of total assets, increased from December 31, 2022, by THB 18,399 million.

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

Unit : Million Baht	Jan – Dec	
	2023	2022
Net cash from operating activities	43,905	29,108
Net cash from (used in) investing activities	(15,759)	2,401
Net cash used in financing activities	(9,454)	(1,799)
Effect of exchange rate changes on cash and cash equivalents	(282)	(666)
Effect of changes in credit loss on cash and cash equivalents	(11)	(19)
Increase in cash and cash equivalents	18,399	29,025

In 2023, THAI and its subsidiaries had net cash from operating activities totaled THB 43,905 million, an increase of THB 14,797 million over last year resulting from operating profit. Net cash used in investing activities amounted to THB 15,759 million, over than last year by THB 18,160 million from investing in bill of exchange, fixed deposit, and procurement in aircraft spare engines and rotatable aircraft spare parts. Net cash used in financing amounted to THB 9,454 million, increased by THB 7,655 million was mostly due to the repayment of lease liabilities. As a result, cash and cash equivalents as of December 31, 2023 was THB 52,939 million, THB 18,399 million increased from the amount as of December 31, 2022, which was THB 34,540 million.

Fleet

As of December 31, 2023, THAI and its subsidiaries had total 70 active aircraft (including A320-200 under the operations of Thai Smile) with 7 long-term parking and 20 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 of THAI and its subsidiaries

As of December 31, 2023, total assets totaled THB 238,991 million, an increase of THB 40,813 million (20.6%) from December 31, 2022. These comprised of:

	Consolidated					
	Dec 31, 2023		Dec 31, 2022		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	52,939	22.2	34,540	17.4	+18,399	+53.3
Non-current assets held for sale	2,103	0.9	2,747	1.4	-644	-23.4
Other current assets	39,034	16.3	22,517	11.4	+16,517	+73.4
Current Assets	94,076	39.4	59,804	30.2	+34,272	+57.3
Property, plant and equipment-net	44,579	18.6	45,969	23.2	-1,390	-3.0
Right-of-use Assets	65,048	27.2	61,869	31.2	+3,179	+5.1
Other non-current assets	35,288	14.8	30,536	15.4	+4,752	+15.6
Total Assets	238,991	100.0	198,178	100.0	+40,813	+20.6

Current assets were THB 94,076 million or represented 39.4% of total assets, an increase of THB 34,272 million (57.3%) from as of December 31, 2022. The significant items consisted of

- Cash and cash equivalents increased by THB 18,399 million (53.3%) mainly from net cash from operating activities was higher than net cash used in investing and financing activities. (Also see Note to the financial statements no. 7.1)

- Non-current assets held for sale decreased by THB 644 million (23.4%), from selling aircraft, consisted of six Boeing B747-400, one Boeing B737-400 and two Airbus A340-600, engines, and other assets with a net total book value of THB 1,730 million, 44 million and 9 million respectively. As well as transferring land, house and office building in London, England from Property, Plant and Equipment to other non-current assets, net book value of THB 244 million. However, there was the selling approval from the Business Rehabilitation Plan Administrators which consisted of 12 aircraft, six Boeing B777-200 and six Boeing B777-300, with the total net book value of THB 1,386 million. (Also see Note to the financial statements no. 11)

- Other current assets increased by THB 16,517 million (73.4%) mainly due to an increase in other current financial assets by THB 14,191 million from investment in bill of exchange and fixed deposit over 3 months but not exceed 12 months including an increase in trade and other current receivables of THB 2,236 million (13.2%) from increasing sales. (Also see Note to the financial statements no. 6, 8, 10)

- Property, Plant and Equipment-net amounted to THB 44,579 million or represented 18.6% of total assets, decreased by THB 1,390 million (3.0%) from December 31, 2022 mainly from transferring 12 aircraft (six Boeing B777-200 and six Boeing B777-300) with the total net book value of THB 1,386 million, which the Business Rehabilitation Plan Administrator approved to sell, to non-current assets classified as held for sale including depreciation for the period. Although, in this quarter there were purchase of three Trent XWB and one IAE V2527-A5 engines. (Also see Note to the financial statements No.13).

- Right-of-use assets totaled THB 65,048 million or represented 27.2% 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 by THB 3,179 million resulting from taking delivery of new five Airbus A350-900 aircraft under operating lease. Moreover, there were right-of-use assets adjustment by re-measuring lease liabilities from changes in variable rental payments based on reference interest rates, valued at THB 1,536 million. (Also see Note to the financial statements No.14).

- Other non-current assets increased by THB 4,752 million (15.6%) mainly from

- Other non-current assets increased by THB 2,873 million mostly from Security deposit under aircraft lease agreements increased by THB 1,411 million and land, house and office building in London, England with net book value of THB 244 million and others THB 1,631 million (Also see Note to the financial statements No.17).

- Deferred tax increased by THB 1,396 million mainly from a decrease in deferred tax liabilities from changes in amortization of intangible assets and profits from the re-measurement of financial liabilities. (Also see Note to the financial statements No. 15)

Return on Asset of 2023 was 12.87% while last year was -0.14%.

Liabilities of THAI and its subsidiaries

Total liabilities as of December 31, 2023, were THB 282,133 million, an increase of THB 12,931 million (4.8%) from December 31, 2022. These comprised of:

	Consolidated					
	Dec 31, 2023		Dec 31, 2022		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	67,009	23.8	61,222	22.7	+5,787	+9.5
Current portion of long-term liabilities	7,187	2.5	2,434	0.9	+4,753	+195.3
Long-term liabilities	157,231	55.7	159,532	59.3	-2,301	-1.4
Other non-current liabilities	50,706	18.0	46,014	17.1	+4,692	+10.2
Total Liability	282,133	100.0	269,202	100.0	+12,931	+4.8

Current liabilities which accounted for 23.8% of the total liabilities amounted to THB 67,009 million, an increase of THB 5,787 million (9.5%) from December 31, 2022, due to an increase in trade and other payables amount of THB 3,511 million and an increase in unearned revenues amount of THB 1,897 million . (Also see Note to the financial statements No. 6, 20, 21).

Long-term liabilities (included the current portion of long-term liabilities) represented 58.2% of total liabilities, an increase of THB 2,452 million (1.5%) resulting from change in accounting value of debentures increased by THB 4,061 million under TFRS 9 using the amortized cost method. Moreover, long-term loans from financial institutions and related party considering as debt adjustment at THAI, which was recorded for loans from financial institutions that have been confirmed by the official receiver to repay debts to creditors of loans from financial institutions and re-measured using the fair value method. The usage of the discounted cash flow method implemented at the market interest rate. Even though there was a decrease of THB 2,860 million in lease liabilities

resulting from repaying debts and classifying liabilities under the Airbus A380-800 lease agreement as creditors. (Also see Notes to the financial statements No. 6.2, 7.3, 18.1, 18.2, 19)

Other non-current liabilities accounted for 18.0% of total liabilities, an increase of THB 4,692 million (10.2%). Mainly from an increase in other non-current provisions of THB 2,563 million, from long-term provision for maintenance and overhaul of aircraft, maintenance reserve for aircraft overhaul, aircraft's engines and others which has to pay maintenance in the future in accordance with the agreement. The Company estimates expected maintenance expenses upon flight hour, flight cycle, overhaul period, and lease period which are calculated along with usage time proportion. Moreover, trade creditors and other non-current creditors increased by THB 1,902 million from adjustments to be in line with the debt amount as ordered by the Official Receiver to require additional debt payments to those group of creditors. (Notes to the financial statements no. 6, 20, 22, 23, 24)

As of December 31, 2023, the Interest Bearing Debt to equity was -3.81 times, compare to as of December 31, 2022, at -2.28 times and total debt to equity ratio of -6.54 times, and compared to the same period last years was -3.79 times.

Shareholders' Equity of THAI and its subsidiaries

As of December 31, 2023, the shareholders' equity of THAI and its subsidiaries amounted to THB -43,142 million, an improvement of THB 27,882 million compared to December 31, 2022.

Contingent Liabilities

As of December 31, 2023, THAI had liabilities that may arise from contingencies that was not shown in the financial statements which were letters of guarantee issued by domestic and foreign banks and obligations to pay in the future according to the aircraft lease agreement which is pending for delivery . (Details according to the notes to the financial statements no. 35).

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

In 2023, THAI had total revenues (excluded the one-time items) of THB 152,455 million, higher than the previous year by THB 54,941 million (56.3%). Mainly from Passenger and excess baggage revenue with an increase of THB 57,711 million (88.1%) resulting from expanded operations, resuming services to the People's Republic of China after its reopening, and increased frequencies on popular routes such as Tokyo, Osaka, Seoul, Melbourne, and Singapore. THAI also started operating domestic and regional routes replacing Thai Smile. In addition, THAI launched a new direct flight to Istanbul, Republic of Türkiye since December 1, 2023. In addition, revenue from other businesses were increased by THB 2,533 million (32.5%) mainly due to the increase in passengers of customer airlines, except the cargo handling services. Total expenses (excluded the one-time items) amounted to THB 112,906 million, an increase of THB 26,599 million (30.8%) mainly from expanded production and traffic, resulting in operating profits before financial costs excluded the one-time items of THB 39,549 million, an increase of THB 28,342 million from the previous year (252.9%).

THAI had net one-time items as expense amounted to THB 5,568 million while last year reported as profit of THB 1,187 million. One-time items mainly consisted loss on restructuring of business operation in aviation business and rental adjustment: Don Mueang office, while there were gains on debt restructuring and sale of assets.

THAI had a net profit of THB 20,345 million, THB 17,648 million higher than last year. Representing a profit per share of 9.32 Baht, 8.08 Baht higher than last year. EBITDA deducted aircraft lease payment included Power by the Hour for 2023 was THB 32,540 million, higher than last year's by THB 12,851 million.

Financial Performance: THAI

	Jan - Dec			
	2023	2022	Variance	
			MTHB	%
Total operating revenues	152,455	97,514	+54,941	+56.3
- Passenger and excess baggage revenue	123,200	65,489	+57,711	+88.1
- Freight and mail revenue	15,465	23,743	-8,278	-34.9
- Revenue from other businesses	10,326	7,793	+2,533	+32.5
- Other income	3,464	489	+2,975	+608.4
Total operating expenses	112,906	86,307	+26,599	+30.8
- Fuel and oil	44,263	34,593	+9,670	+28.0
- Non-fuel operating expenses	68,643	51,714	+16,929	+32.7
Operating Profit before finance cost exclude the one-time items	39,549	11,207	+28,342	+252.9
Finance cost	14,979	11,148	+3,831	+34.4
Operating Profit exclude the one-time items	24,570	59	+24,511	+41,544.1
Gain (Loss) from debt restructuring	3,956	(5,238)	+9,194	+175.5
Gain from sale of asset	469	783	-314	-40.1
Impairment loss in accordance with TFRS 9 (reversal)	194	(2,514)	+2,708	+107.7
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	(16)	(112)	+96	+85.7
Loss on foreign currency exchange	(58)	(1,488)	+1,430	+96.1
Impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare parts	(77)	9,521	-9,598	-100.8
Adjustment of holiday compensation for retired employees	(92)	-	-92	-
Adjustment of per diem compensation for retired employees	(250)	-	-250	-
Mutual Separation Plan (MSP)	(281)	610	-891	-146.1
Rental adjustment: Don Mueang office	(400)	-	-400	-
Restructuring of aviation business operation	(9,013)	-	-9,013	-
Profit before tax	19,002	1,246	+17,756	+1,425.0
Net Profit	20,345	2,697	+17,648	+654.4
Net Profit per share (THB)	9.32	1.24	+8.08	+651.6

		Jan - Dec			
		2023	2022	Variance	
				MTHB	%
Significant operating data					
EBITDA – Lease Payment	(MTHB)	32,540	19,689	+12,851	+65.3
Number of passengers	(Million)	9.43	4.71	+4.72	+100.2
Available Seat-Kilometers	(Million)	50,354	34,582	+15,772	+45.6
Revenue Passenger-Kilometers	(Million)	40,083	23,201	+16,882	+72.8
Cabin Factor	(%)	79.6	67.1		+12.5
Passenger Yield	(THB/RPK)	3.06	2.81	+0.25	+8.9
Available Dead Load Ton-Kilometers	(Million)	2,864	2,032	+832	+40.9
Revenue Freight Ton-Kilometers	(Million)	1,481	1,283	+198	+15.4
Freight Load Factor	(%)	51.7	63.1		-11.4
Freight carried	(Ton)	331,372	286,522	+44,850	+15.7
Freight Yield	(THB/RFTK)	10.21	18.25	-8.04	-44.1
Number of aircraft (As of Dec 31)	(Aircraft)	73	66	+7	+10.6
Flight hours	(Hours)	221,971	144,392	+77,579	+53.7
Aircraft utilization	(Hours/Aircraft/Day)	13.6	11.4	+2.2	+19.3
Average foreign currency exchange rate					
1 USD : THB		34.8022	35.0614	-0.2592	-0.7
1 EUR : THB		37.6238	36.8731	+0.7507	+2.0
100 JPY : THB		24.8223	26.7756	-1.9533	-7.3
Average jet fuel price	(USD/BBL)	113.01	135.16	-22.15	-16.4

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 December 31, 2023, total assets totaled THB 237,428 million, an increase of THB 39,129 million (19.7%) from December 31, 2022. These comprised of:

	Separate Financial Statement					
	Dec 31, 2023		Dec 31, 2022		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	52,359	22.0	34,042	17.1	+18,317	+53.8
Non-current assets held for sale	2,103	0.9	2,747	1.4	-644	-23.4
Other current assets	38,377	16.2	22,581	11.4	+15,796	+70.0
Current Assets	92,839	39.1	59,370	29.9	+33,469	+56.4
Property, plant and equipment-net	44,556	18.8	45,918	23.2	-1,362	-3.0
Right-of-use Assets	65,042	27.4	56,295	28.4	+8,747	+15.5
Other non-current assets	34,991	14.7	36,716	18.5	-1,725	-4.7
Total Assets	237,428	100.0	198,299	100.0	+39,129	+19.7

Current assets were THB 92,839 million, increased by THB 33,469 million (56.4%). The significant items consisted of

- Cash and cash equivalent increased by THB 18,317 million (53.8%) mainly from net cash from operating activities was higher than net cash used in investing and financing activities. (Also see Note to the financial statements No.7.1).

- Non-current assets held for sale decreased by THB 644 million (23.4%), from selling aircraft consisted of six Boeing B747-400, one Boeing B737-400 and two Airbus A340-600, engines, and other assets with a net total book value of THB 1,730 million, 44 million and 9 million respectively. As well as reclassifying land, house and office building in London, England from Property, Plant and Equipment to other non-current assets, net book value of THB 244 million. However, there was the selling approval from the Business Rehabilitation Plan Administrators which consisted of 12 aircraft, six Boeing B777-200 and six Boeing B777-300, with the total net book value of THB 1,386 million. (Also see Note to the financial statements no. 11) as non-current assets classified held for sale

- Other current assets increased by THB 15,796 million (70.0%) mainly due to an increase in other current financial assets by THB 14,091 million from investment in bill of exchange and fixed deposit over 3 months but not exceed 12 months including of increasing in trade and other current receivables of THB 1,627 million (9.5%) from increasing sales. (Also see Note to the financial statements No.6, 8, 10).

- Property, Plant and Equipment-net decreased by THB 1,362 million (3.0%) mainly from reclassifying 12 aircraft (six Boeing B777-200 and six Boeing B777-300) approved to sell by the Business Rehabilitation Plan Administrator, which had net book value of THB 1,386 million to non-current assets held for sale, including depreciation for the period. However, this year there were purchase of three Trent XWB and one IAE V2527-A5 engines. (Also see Note to the financial statements No.13).

- Right-of-use assets 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 by THB 8,747 million (15.5%) resulting from taking delivery of new twelve Airbus A320-200 from Thai Smile amounted to THB 4,960 million and five Airbus A350-900 aircraft under operating lease. Moreover, there were right-of-use assets adjustment by re-measuring lease liabilities from changes in variable rental payments based on reference interest rates, valued at THB 1,536 million. (Also see Note to the financial statements No.14).

Liabilities of THAI

Total liabilities as of December 31, 2023 were THB 280,780 million, an increase of THB 18,988 million (7.3%) from December 31, 2022. These comprised of:

	Separate Financial Statement					
	Dec 31, 2023		Dec 31, 2022		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	65,709	23.4	58,956	22.5	+6,753	+11.5
Current portion of long-term liabilities	7,180	2.6	2,430	0.9	+4,750	+195.5
Long-term liabilities	157,231	56.0	159,531	61.0	-2,300	-1.4
Other non-current liabilities	50,660	18.0	40,875	15.6	+9,785	+23.9
Total Liabilities	280,780	100.0	261,792	100.0	+18,988	+7.3

Current liabilities increased by THB 6,753 million (11.5%) from December 31, 2022, due to an increase in trade, other payables and unearned revenue. (Also see Note to the financial statements No. 6, 20, 21).

Long-term liabilities (included the current portion of long-term liabilities) increased by THB 2,450 million (1.5%) resulting from change in accounting value of debentures increased by THB 4,061 million under TFRS 9 using the amortized cost method. Moreover, long-term loans from financial institutions and related party considering as debt adjustment at THAI, which was recorded for loans from financial institutions that have been confirmed by the official receiver to repay debts to creditors of loans from financial institutions and re-measured using the fair value method. The usage of the discounted cash flow method implemented at the market interest rate. Even though there was a decrease in lease liabilities resulting from repaying debts and classifying liabilities under the Airbus A380-800 lease agreement as creditors. (Also see Notes to the financial statements No. 6.2, 7.3, 18.1, 18.2, 19)

Other non-current liabilities increased by THB 9,785 million (23.9%). The main reason was an increase in other non-current provisions of THB 9,491 million, from long-term provision for maintenance and overhaul of aircraft, maintenance reserve for aircraft overhaul, aircraft's engines and others which has to pay maintenance in the future in accordance with the agreement. The Company estimates expected maintenance expenses upon flight hour, flight cycle, overhaul period, and lease period which are calculated along with usage time proportion. THAI recognized provisions for other non-current liabilities from the transfer of twenty Airbus A320-200 aircraft from a subsidiary. In addition, trade creditors and other non-current creditors increased by THB 1,902 million from adjustments to be in line with the debt amount as ordered by the Official Receiver to require additional debt payments to those group of creditors. (Notes to the financial statements no. 6, 20, 22, 23, 24)

Shareholders' Equity of THAI

As of December 31, 2023, THAI had shareholders' equity of THB -43,352 million, an improvement of THB 20,141 million compared to December 31, 2022, mainly due to the operations profit this year.

4. Outlook

Economic trend in 2024 is expected to expand downward in every region except Europe which will initiate more monetary easing policy faster than other regions due to the uncertainty factors, such as interest rate, declining liquidity, rising commodity prices as a result of climate variability. In addition, geopolitical conflicts are still lengthened. Though, international trade will tend to improve as global supply chains begin to return to normal while the service sector has a tendency to develop.

The International Air Transport Association "(IATA)" forecasted that the number of passengers throughout the world will continue to grow steadily in 2024 surpassing pre-pandemic levels in 2019. In the long run, the Asia-Pacific region is expected to have the most rapid growth rate, at approximately 4.5% per annum with outstanding growth of India.

There has been a signing of an agreement between the Thai government and the government of the People's Republic of China regarding the exemption of visa stamping for ordinary passport holders and public affairs passport holders for entry, exit, or transit travel between both sides, each stay not exceeding 30 days and a total stay not exceeding 90 days within 180 days, which is considered a significant step in promoting people-to-people relations between the two countries in the long run, especially in tourism, business contacts, and exchanges. This agreement will come into effect on March 1, 2024, and is expected to greatly benefit the travel needs of passengers on the Thailand-China route.

THAI plans to expand its fleets and capacity to meet rising travel demand with new 3 Airbus A350-900 aircraft during the first quarter of 2024. Moreover, there is a plan to retrofit the cabin seats of Airbus A320-200 aircraft with new Royal Silk reclining seats by 2024. Furthermore, THAI also plans to install a wireless IFE system to provide in-flight entertainment services, allowing passengers to connect their personal electronic devices (BYOD: Bring Your Own Device) to the internet and access entertainment while staying connected throughout the flight. In addition, THAI will increase the frequency of flights to Sydney, Taipei, Tokyo, Kunming, Chengdu, and

Phuket during the 2024 summer flight schedule and resume flights to Perth and Colombo on March 31, 2024 as well as Milan and Oslo on July 1, 2024. Finally, THAI plans to launch a new route to Kochi, India. Furthermore, the long-term aircraft acquisition plan is crucial for replacing gradually expiring leased and aging aircraft. THAI recently entered into an agreement with the Boeing Company and GE Aerospace in acquiring mid-range and long range wide-body, 787 Dreamliner aircraft consisting of a firm order of 45 aircraft and GENx engines, with the potential to acquire up to 80 Dreamliners to be incorporated into the THAI fleet, with deliveries starting from 2027 to 2033.

THAI is now evaluating the restructuring of the group business, currently under in-depth study to evaluate directions, feasibility, and potential for business development. Seeking capable and expert partners to invest in the company to expand opportunities in aviation support services, including catering, ground services, aircraft and engine maintenance, cargo handling, and cargo and mail commercial services, to enhance competitiveness, generate revenue, and reduce overall costs for the company.

THAI signed a MOU with Bank of China (Thailand) Public Company Limited “(BOCT)” to enhance cooperation with and support by providing various services such as financial transaction, cash flow management, and money transfers to improve liquidity and reduce financial costs, as well as foreign currency exchange, and etc. This would be a great opportunity for better services in China, more financial business partner network, and better financial management capabilities and strength.

THAI expects to be able to complete the capital restructuring by 2024, according to the proposed revision of the plan, which the Central Bankruptcy Court issued an order approving the proposal for the Plan amendment of the Company Equity on October 20, 2022. Aiming to restore positive equity in 2024, and THAI’s securities will be able to resume trading on the stock market in 2025 which will create confidence among creditors, existing shareholders, and investors for supporting THAI and becoming a part of THAI to grow strongly and sustainably, generating consistent profit.

5. Financial Ratios

		Jan - Dec			
		Consolidated		The Company	
		2023	2022	2023	2022
Liquidity Ratio					
Current Ratio	(times)	2.51	2.04	2.56	2.17
Profitability Ratio					
Operating Profit (Loss) Margin	%	15.27	(4.37)	16.12	0.06
Net Profit (Loss) Margin	%	17.46	(0.24)	13.34	2.77
Return on Equity	%	(49.27)	(0.35)	(38.08)	(4.14)
Efficiency Ratio					
Return on Total Assets	%	12.87	(0.14)	9.34	1.49
Financial Policy Ratio					
Interest Bearing Debt to Equity	(times)	(3.81)	(2.28)	(3.79)	(2.55)
Total Debt to Equity	(times)	(6.54)	(3.79)	(6.48)	(4.12)
Interest Coverage Ratio	(times)	3.27	1.44	2.72	1.85
Net Debt to EBITDA	(times)	4.49	12.88	5.61	11.02
Debt Service Coverage Ratio	(times)	1.93	1.19	1.60	1.43

GLOSSARY

Current Ratio	= Current Assets (Exclude Non-Current Assets held for sale / Current Liabilities (Exclude Unearned Transportation Revenues)
Operating Profit (loss) Margin	= Operating Profit (loss) / Total Revenue (Exclude the one-time items)
Net Profit (Loss) Margin	= Net Profit (Loss) / Total Revenue (Exclude the one-time items)
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, 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 year ended December 31 , 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.	1. International loans take through the MOF consist of:				- 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	
		- Outstanding loans under the rehabilitation plan	12,583.54	11,721.78	6,082.08		
		- Deferred interests	861.76	135.90	351.95		
		2. THAI leased the lands from the Treasury Department.	7.80	8.63	8.03		- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		3. THAI sold tickets to MOF.					- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total revenue	1.43	0.00	0.00		
- Account receivable	0.00	0.00	0.00				

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the year ended December 31 , 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 - Interest expenses - Accrued interests</p> <p>2. THAI sold tickets, rented out space, and other services to GSB.</p> <p>- Total revenue</p>	<p>3,500.00 119.22 119.22</p> <p>0.36</p>	<p>3,500.00 119.22 119.22</p> <p>0.63</p>	<p>3,500.00 212.96 212.96</p> <p>0.18</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 - Deferred interests</p>	<p>- - -</p>	<p>605.90 37.45</p>	<p>568.48 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 year ended December 31 , 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> <p>- Outstanding loans under the rehabilitation plan - Deferred interests</p>	<p>1,508.18 22.63</p>	<p>1,485.55 22.18</p>	<p>1,452.83 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> <p>- Outstanding loans under the rehabilitation plan - Deferred interests</p>	<p>1,579.31 139.89</p>	<p>1,273.73 78.36</p>	<p>1,195.37 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>
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.	<p>1. THAI entered into a committed revolving credit line with KTB credit limit up to THB 3.0 billion, the credit line was used.</p> <p>- Outstanding loans - Interest expenses - Accrued interests</p>	<p>2,260.73 76.86 76.86</p>	<p>2,260.73 76.86 76.86</p>	<p>2,260.73 63.84 63.84</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.</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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
		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 39.90 39.90	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.
		3. THAI sold debentures to KTB. - Debenture value - Interest in accordance with the business rehabilitation plan	832.00 12.48	832.00 12.48	832.00 6.80	- The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties. - Also see Notes No.1
		4. THAI provided office space rental, ATM space, utilities, and leased line to KTB. - Total revenue - Account receivable	2.58 0.21	2.72 0.16	3.30 0.22	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		5. THAI paid service fees to KTB for cash delivery and debentures distribution fee. - Total expenses - Account payable	0.00 0.13	0.00 0.13	2.84 0.13	- 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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
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	0.38	0.27	0.14	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
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 2. THAI sold tickets and provided office space rental to TAT. - Total revenue - Account receivable	1.32 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. - 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 1.02 0.16	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 year ended December 31 , 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.	<p>1. THAI bought fuel and lubricant for its vehicles from PTT.</p> <p>- Total expenses 0.00</p> <p>- Account payable 0.13</p> <p>- Account payable under the rehabilitation plan 1.50</p> <p>- Deferred interests 0.23</p> <p>2. THAI sold tickets and provided AC dielectric tester service to PTT.</p> <p>- Total revenue 28.07</p>	<p>0.00</p> <p>0.17</p> <p>1.17</p> <p>0.33</p> <p>16.33</p>	<p>0.06</p> <p>1.66</p> <p>0.00</p>	<p>- The pricing is on an arms' length basis and on commercial terms 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>	
Airports of Thailand Public Company Limited (AOT)	AOT and THAI have a common major shareholder, namely MOF.	<p>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.</p> <p>- Total expenses 6,676.54</p> <p>- Account payable 889.86</p> <p>2. THAI sold tickets to AOT and received 2% of passenger service charge collected for AOT.</p> <p>- Total revenue 49.20</p> <p>- Account receivable 78.08</p>	<p>3,865.62</p> <p>890.11</p> <p>18.52</p> <p>33.70</p>	<p>8,642.18</p> <p>891.05</p> <p>0.51</p> <p>13.97</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 , 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. - Debenture value - Interest in accordance with the business rehabilitation plan 2. THAI rents communication channels from CAT. - Total expense - Account payable	933.00 13.99	933.00 13.99	933.00 17.48	- 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.
TOT Public Company Limited (TOT)	TOT and THAI have a common major shareholder, namely MOF.	1. THAI sold debentures to TOT - Debenture value - Interest in accordance with the business rehabilitation plan 2. THAI rents optical fibers from TOT - Total expense - Account payable	415.00 6.22	415.00 6.22	415.00 7.11	- 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.

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the year ended December 31 , 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.	1. CATC provided aviation training for THAI's pilots. - Account payable - Account payable under the rehabilitation plan - Deferred interests	 0.00 10.23 0.88	 10.00 - -	 10.00 - -	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
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; - Mr. Tras Prommobol 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	 3.53 0.30	 6.20 1.04	 6.62 0.99	- 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 , 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	1,062.82 306.78	376.97 166.36		- 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	3.42 2.24	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	34.75 0.77	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	0.00	0.00	0.39	

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the year ended December 31 , 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.	<p>1. THAI paid commission fees from the sale of Eurng Luang services to Tour Eurng Luang.</p> <p>- Total expenses - Account payable</p> <p>2. THAI sold Eurng Luang tours to Tour Eurng Luang.</p> <p>- Total revenue - Account receivable</p>	<p>2.16 0.18</p> <p>10.67 5.37</p>	<p>2.05 0.00</p> <p>12.31 0.00</p>	<p>0.00 0.00</p> <p>0.04 1.55</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>
Thai Smile Airways Company Limited (Subsidiary Company)	<p>THAI wholly owns Thai Smile Airways.</p> <p>THAI's executive officers: - Mr. Chai Eamsiri is a Director of Thai Smile Airways; - Mr. Korakot Chatasingha</p>	<p>1. THAI bought Block Space and other services from Thai Smile Airways.</p> <p>- Total expenses - Account payable</p>	<p>3,943.73 130.91</p>	<p>2,995.72 490.16</p>	<p>342.06 0.00</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 year ended December 31 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
	<p>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.</p>	<p>2. THAI provided aircraft rental, ground services, parking space, aircraft insurance premium, boarding passes, pilot training and catering to Thai Smile Airways.</p> <p>- Total revenue - Account receivable</p>	<p>3,911.55 10,353.67</p>	<p>3,346.78 10,885.92</p>	<p>1,323.53 8,384.46</p>	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
Don Mueang International Airport Hotel Company Limited (Associated Company)	<p>THAI holds 40% shares in Don Mueang International Airport Hotel.</p> <p>THAI's executive officers: - Mrs. Cherdchome Therdsteerasukdi is a Director of Don Mueang International Airport Hotel.</p>	<p>1. THAI bought hotel rooms for its passengers from Donmueang International Airport Hotel.</p> <p>- Total expenses</p>	<p>0.00</p>	<p>0.00</p>	<p>0.00</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 year ended December 31 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
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	148.48 0.00 20.44 3.21	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
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	0.32 0.00 2.16 0.34	0.16 2.16	0.00 2.16	- 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 , 2023	For the year ended December 31 , 2022	For the year ended December 31 , 2021	
Aeronautical Radio of Thailand Limited (AEROTHAI) (Joint-Venture Company)	AEROTHAI and THAI have a common major shareholder, namely MOF. THAI holds 0.55% shares in AEROTHAI. THAI's executive officers: - Lt.JG. Supoj Charoensuk is a Director of AEROTHAI.	1. THAI bought navigation services and rented communication equipment from AEROTHAI - Total expense - Account payable - Account payable under the rehabilitation plan - Deferred interests	713.56 0.00 103.84 8.95	438.31 107.31	145.30 105.14	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.

However, the company still has outstanding expenses related to various public utility services (including electricity) that the company has transactions with government agencies and/or state enterprises responsible for providing various public utility services. The amount is THB 3.15 million, with an outstanding balance of THB 0.31 million as of December 31, 2023.

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).