

## **Management's Discussion and Analysis for the first quarter of 2025 ended March 31, 2025, for Thai Airways International Public Company Limited and Its Subsidiaries**

### **1. Executive summary**

The first quarter of 2025, the global economy showed signs of slowing down, impacted by the economic policies of the U.S. government (Trump 2.0). However, it was supported by fiscal and monetary policies implemented by various countries to prop up their economies, along with declining inflation rates. The Eurozone and Chinese economies experienced a less severe slowdown than initially anticipated due to increased fiscal measures. The Japanese economy showed improved recovery driven by higher consumption due to wage increases. According to the World Economic Outlook (WEO) report, issued in April 2025 by the International Monetary Fund (IMF) projected global economic growth for 2025 at 2.8%, a decrease from 3.3% forecast in January 2025.

Regarding the global airline industry in the first quarter of 2025, the International Air Transport Association (IATA) reported a 5.3% growth in Revenue Passenger Kilometers (RPK), compared to the same period last year. This was driven by a 7.7% expansion in international passenger traffic. Revenue Freight Ton-Kilometers (RFTK) increased by 2.4%. In the Asia Pacific region, the Association of Asia Pacific Airlines (AAPA) reported a 12.8% increase in international passengers, compared to the same period last year. RPK and Available Seat Kilometers (ASK) increased from the same period last year by 14.4% and 12.8%, respectively. The cabin factor rose from 81.3% to 82.5%. Meanwhile, RFTK and Available Dead Load Kilometers (ADTK) increased by 5.1% and 6.7%, respectively, resulting in a decrease in the Freight Load Factor (FLF) from the same period last year at 60.1% to 59.2%. The aviation industry is supported by the expansion of international flight routes, relaxed visa policies, and robust economic activity across the region.

The Thai economy in the first quarter of 2025 continued to be supported by tourism, driven by the "Amazing Thailand Grand Tourism & Sports Year 2025" tourism promotion policy, additional economic stimulus measures, particularly the next phase of the digital wallet project, and continuous expansion in public sector investment. However, U.S. trade protectionism policies will put pressure on exports and private sector investment, impacting the Thai manufacturing sector and potentially affecting the Thai economy in the future. The IMF has revised down its 2025 growth forecast for Thailand to 1.8% from the previously forecasted 2.9% in January 2025.

In the tourism sector, during the first quarter of 2025, Thailand welcomed a total of 9.5 million international tourists, an increase of 1.9% compared to the same period last year, representing 88.5% of the pre-crisis level in 2019. Notably, 62.7% of these tourists originated from the Asia Pacific region. The top five countries with the highest number of visitors to Thailand are from China, Malaysia, Russia, India and South Korea. The total number of passengers traveling through Thailand's 6 main airports reached approximately 34.8 million, an increase of 7.6%. International passengers accounted for approximately 61.7%, or about 21.5 million, representing a growth of 7.8% compared to the same period last year.

Thai Airways International Public Company Limited ("THAI")'s key operational highlights, according to a rehabilitation plan, during the first quarter of 2025, included:

- Enhancing Fleet and Cabin Efficiency to Strengthen Passenger Satisfaction: The installation of high-speed In-flight Connectivity (IFC) on the Airbus A330-300 aircraft. The service has commenced on the first 2 aircraft. Passengers can enjoy unlimited complimentary chat and messaging services. Free full-service internet access will be offered to Royal Orchid Plus members, based on their membership tier, starting from May 1, 2025.

- Exploitation on non-core assets: Selling 1 Airbus A340-500 aircraft, 1 Boeing 777-200 aircraft, one spare engine, and other assets.

- THAI registered a reduction in capital by reducing the par value of shares from THB 10.00 per share to THB 1.30 per share to offset accumulated accounting losses as close to zero as possible, to strengthen the company's financial position and enable its sustainable business rehabilitation. This capital reduction does not affect shareholder's equity the number of shares held by each shareholder.

- Environmental Commitment for Sustainable Growth: THAI is committed to achieving net-zero greenhouse gas emissions by 2050, under three pillars: FROM PLANES TO PLANET (flying for the environment); FROM WASTE TO WEALTH (enhancing the economic value); and FROM PURPLE TO PURPOSE (driven from the heart toward sustainable goals). THAI has developed and launched a line of bags made from recycled life vests, with a focus on both aesthetics and sustainability. These bags feature the unique qualities of life vests, including durability, light weight, water resistance, and vibrant colors.

Furthermore, during the first quarter of 2025, Thai Airways International Public Company Limited received awards from various institutions, including:

- Readers' Choice Awards 2025 from DestinAsian Magazines in 4 categories :
  - The third in Best Airlines
  - The third in Best Airlines: Economy Class
  - The fourth in Best Airlines: Premium Class
  - The fifth in Best Frequent Flier Programs

The Readers' Choice Awards 2025 are organized by DestinAsian, a leading travel magazine in the Asia Pacific region established in 2001 and distributed in Singapore, Hong Kong, Malaysia, Thailand, the Philippines, and other countries worldwide. The annual awards, now in their 18th year, recognize excellence in various categories within the tourism industry based on the satisfaction of readers worldwide.

- Organizational Awards:
  - Ranked 28th in "Top 50 Companies in Thailand" by WorkVenture, based on a survey of opinions from the new generation workforce.
  - Ranked 28th in "Most Attractive Companies 2025" by QGEN Consultant QMAC 2025, a leading expert consultant on people & organization in Thailand.
  - Mr. Chai Eamsiri, Chief Executive Officer of Thai Airways International Public Company Limited, received the Pride of Asia - Industry's No.1 Thailand Edition award, which honors individuals who have contributed to the advancement of the aviation and tourism industries. The award was presented at the ERTC Global Business Symposium 2025, provides a platform for executives from around the world to share their vision and contribute to driving the international

economy. The award received reflects the dedication of the employees in strengthening the organization and striving for excellence.

As of March 31, 2025, THAI operated a total of 78 aircraft, and in the first quarter of 2025, THAI had an average aircraft utilization of 13.7 hours, with a total of 4.33 million passengers, an increase of 11.6 % from the same period last year. Available Seat Kilometers (ASK) increased 3,083 million or 21.1% and Revenue Passenger Kilometers (RPK) increased 2,549 million or 20.8% compared to the same period last year. The average cabin factor was 83.3%, consistent with the same period last year, driven by route network optimization and strategic partnerships through codeshare agreements. The average passenger yield (including fuel and insurance surcharges, excluding excess baggage revenue) was 2.91 THB, 7.3% lower than the same period last year. Available Dead Load Ton-Kilometers (ADTK) increased 191 million or 24.4%, and Revenue Freight Ton-Kilometers (RFTK) increased 65 million by 15.6% from the same period last year. The average freight load factor decreased from 53.1% in the same period last year to 49.4%. The average freight yield (including fuel and insurance surcharges, excluding mail revenue) was 8.58 THB, decreased by 3.2% from the same period last year.

For the first quarter ended March 31, 2025, THAI and its subsidiaries had total revenue (excluding one-time items) of THB 51,625 million, an increase of THB 5,670 million (12.3%) from the same period last year, mainly due to an increase in transportation revenue of THB 5,116 million (12.1%), with an increase in passenger revenue by THB 4,702 million (12.2%) due to the increase in number of flights and routes operated to accommodate the rising passenger travel demand. THAI resumed the service to Perth, Colombo, Oslo, Milan, Brussels and launched new flight to Kochi. In addition, THAI increases flight frequencies on regional routes, resulting in a network covering 62 destinations in 27 countries worldwide, 8 of which are domestic (excluding Bangkok). Freight and mail revenue increased by THB 414 million (11.0%) from a 65 million increase in RFTK or 15.6%, even though average freight yield decreased by 3.2%. In addition, THAI and its subsidiaries had revenue from other businesses increased by THB 277 million (10.6%), mainly due to an increase in revenue from business units, driven by the increase in both the number of flights and passengers of customer airlines. Other income increased by THB 277 million (25.8%). Total expenses (excluding one-time items) increased from the same period last year by THB 3,084 million (8.8%) in line with the increase in production and/or traffic, number of flights, destinations and passengers, as well as the increase in operating expenses from other factors, such as rising in raw material prices, higher flight services expenses per flight and sales and advertising expenses increase in line with higher bookings. As a result, THAI and its subsidiaries reported an operating profit before finance costs (excluding one-time items) of THB 13,661 million, an increase of THB 2,586 million (23.3%) from the same period last year.

THAI and its subsidiaries recognized finance costs (according to Thai Financial Reporting Standards No. 9: TFRS 9) amounted of THB 3,481 million, a decrease of THB 1,127 million (24.5%) from the same period last year, and had net one-time items as expenses totaling THB 339 million, mainly due to impairment losses of assets, impairment losses in accordance with TFRS 9 and loss from measurement derivatives. Whereas, net gain from foreign exchange rates. As a result, in the first quarter of 2025, THAI and its subsidiaries had a net profit of THB 9,839 million, an increase of THB 7,416 million (306.1%) from the same period last year, with profit attributed to the owners of the parent company of THB 9,832 million. Resulting in profit per share of 0.35 THB, lower than last year, which had a profit per share of 1.10 THB. This was due to an increase in the Company's ordinary shares

resulting from the capital restructuring under the business rehabilitation plan. EBITDA after deducting cash for debts payment according to the terms of the aircraft lease agreement including aircraft lease fees calculated from actual aircraft use (Power by the Hour) was THB 12,728 million, THB 1,103 million (8.0%) lower than the same period last year.

## 2. Summary of Operating Results: THAI and its subsidiaries

The consolidated financial statements for first quarter of 2025 consists of THAI's financial statement and 5 subsidiary companies which are 1) Thai-Amadeus Southeast Asia Co., Ltd., 2) WingSpan Services Co., Ltd., 3) Thai Smile Airways Co., Ltd., 4) Thai Flight Training Co., Ltd., and 5) Tour Eurng Luang Co., Ltd.

### Financial Performance: THAI and its subsidiaries

	Jan – Mar			
	2025	2024	Variance	
			MTHB	%
<b>Total operating revenues</b>	<b>51,625</b>	<b>45,955</b>	<b>+5,670</b>	<b>+12.3</b>
- Passenger and excess baggage revenue	43,219	38,517	+4,702	+12.2
- Freight and mail revenue	4,176	3,762	+414	+11.0
- Revenue from other businesses	2,879	2,602	+277	+10.6
- Other income	1,351	1,074	+277	+25.8
<b>Total operating expenses</b>	<b>37,964</b>	<b>34,880</b>	<b>+3,084</b>	<b>+8.8</b>
- Fuel and oil	12,703	12,926	-223	-1.7
- Non-fuel operating expenses	25,261	21,954	+3,307	+15.1
<b>Operating Profit before finance costs exclude one-time items</b>	<b>13,661</b>	<b>11,075</b>	<b>+2,586</b>	<b>+23.3</b>
Finance costs	3,481	4,608	-1,127	-24.5
<b>Operating Profit exclude one-time items</b>	<b>10,180</b>	<b>6,467</b>	<b>+3,713</b>	<b>+57.4</b>
Gain (Loss) on foreign exchange rates	137	(5,372)	+5,509	+102.6
Share of profit from investments in associates	32	36	-4	-11.1
Gain (Loss) from debt restructuring	(4)	493	-497	-100.8
Loss on sale of assets	(7)	(33)	+26	+78.8
Outdated passenger ticket revenue adjustment	-	4,136	-4,136	-100.0
Mutual Separation Plan (MSP)	-	(11)	+11	+100.0
Impairment loss of assets	(273)	(3,338)	+3,065	+91.8
Loss from measurement derivatives	(107)	-	-107	-
(Reversal of) loss on impairment in accordance with TFRS 9	(117)	53	-170	-320.8
Profit before tax	9,841	2,431	+7,410	+304.8
Net Profit	9,839	2,423	+7,416	+306.1
<b>Profit attributable to owners of parent company</b>	<b>9,832</b>	<b>2,410</b>	<b>+7,422</b>	<b>+308.0</b>
Net Profit per share (THB)	0.35	1.10	-0.75	-68.2

		Jan – Mar			
		2025	2024	Variance	
				Amount	%
<b>Significant operating data</b>					
EBITDA – Aircraft Lease Payment	(MTHB)	12,728	13,831	-1,103	-8.0
Number of passengers	(Million)	4.33	3.88	+0.45	+11.6
Available Seat Kilometers	(Million)	17,729	14,646	+3,083	+21.1
Revenue Passenger Kilometers	(Million)	14,776	12,227	+2,549	+20.8
Cabin Factor	(%)	83.3	83.5		-0.2
Passenger Yield	(THB/RPK)	2.91	3.14	-0.23	-7.3
Available Dead Load Ton-Kilometers	(Million)	975	784	+191	+24.4
Revenue Freight Ton-Kilometers	(Million)	482	417	+65	+15.6
Freight Load Factor	(%)	49.4	53.1		-3.7
Freight carried	(Ton)	113,379	95,679	+17,700	+18.5
Freight Yield	(THB/RFTK)	8.58	8.86	-0.28	-3.2
Number of aircraft in operations (As of Mar 31)	(Aircraft)	78	73	+5	+6.8
Flight hours	(Hours)	87,212	73,164	+14,048	+19.2
Aircraft utilization	(Hours/Aircraft/Day)	13.7	12.8	+0.9	+7.0
Average foreign currency exchange rate					
1 USD : THB		33.9542	35.6601	-1.7059	-4.8
1 EUR : THB		35.7005	38.7080	-3.0075	-7.8
100 JPY : THB		22.2813	24.0491	-1.7678	-7.4
Currency foreign exchange rate as at Mar 31					
1 USD : THB		34.0859	36.6318	-2.5459	-6.9
1 EUR : THB		37.0723	39.6486	-2.5763	-6.5
100 JPY : THB		23.0368	24.4332	-1.3964	-5.7
Average jet fuel price	(USD/BBL)	100.29	111.85	-11.56	-10.3

Note: EBITDA - Aircraft Lease Payment = Total Revenue (exclude gain on foreign exchange rates, gain from debt restructuring and gain from measurement derivatives) - Expenses (excluded Power by the Hour, loss from debt restructuring, finance costs, tax, depreciation and amortization, impairment loss of assets, impairment loss in accordance with TFRS 9, loss on foreign exchange rates and loss from measurement derivatives) after cash paid for lease liabilities included Power by the Hour.

## Summary of THAI and its subsidiaries

### Revenues

The first quarter of 2025, THAI and its subsidiaries had total revenue (excluding one-time items) of THB 51,625 million, an increase of THB 5,670 million (12.3%) from the same period last year. As for the following details:

- **Passenger and excess baggage revenue**

The majority income of THAI, accounted for 83.7% of total income (excluding one-time items), amounted to THB 43,219 million, an increase of THB 4,702 million (12.2%) from the same period last year.

**Passenger and Excess Baggage Revenue by Region – THAI and its subsidiaries**

Unit: Million Baht	Jan - Mar			
	2025	2024	Variance	
			MTHB	%
Domestic Routes	2,191	2,239	-48	-2.1
International Routes	41,028	36,278	+4,750	+13.1
<i>Asia</i>	21,400	20,201	+1,199	+5.9
<i>Europe</i>	15,642	13,260	+2,382	+18.0
<i>Australia</i>	3,986	2,817	+1,169	+41.5
<b>Total Passenger and excess baggage revenue (excluding one-time items)</b>	<b>43,219</b>	<b>38,517</b>	<b>+4,702</b>	<b>+12.2</b>

**Passenger Operations Performance by Region – THAI and its subsidiaries**

	Variance from Last Year (%)		Cabin Factor (%)	
	ASK	RPK	Jan - Mar	
			2025	2024
Domestic Routes	-5.1	-4.9	93.8	93.6
International Routes	+22.1	+22.0	83.0	83.1
<i>Asia</i>	+14.0	+13.3	78.5	79.0
<i>Europe</i>	+25.9	+26.0	90.2	90.1
<i>Australia</i>	+51.7	+52.6	77.5	77.0
<b>Total</b>	<b>+21.1</b>	<b>+20.8</b>	<b>83.3</b>	<b>83.5</b>

- Revenue Passenger Kilometers (RPK) increased by 20.8%, while Available Seat Kilometers (ASK) increased by 21.1% from the same period last year. This growth was driven by the resumed flights to European routes to Oslo, Milan and Brussels as well as the Australian route to Perth, combined with increased flight frequencies on regional routes to accommodate the rising passenger travel demand.

- Cabin factor was 83.3%, which is comparable to the same period last year at 83.5%, driven by route network optimization and strategic partnerships through codeshare agreements.

**Average Passenger Yield by Region – THAI and its subsidiaries**

Unit: THB/RPK	Jan - Mar			
	2025	2024	Variance	
			THB	%
Domestic Routes	4.21	4.09	+0.12	+2.9
International Routes	2.87	3.09	-0.22	-7.1
<i>Asia</i>	3.25	3.48	-0.23	-6.6
<i>Europe</i>	2.55	2.73	-0.18	-6.6
<i>Australia</i>	2.53	2.69	-0.16	-6.0
<b>Total Average Passenger Yield</b>	<b>2.91</b>	<b>3.14</b>	<b>-0.23</b>	<b>-7.3</b>

- Average passenger yield (including fuel and insurance surcharges, excluding excess baggage revenue) was 2.91 THB, lower than last year by 0.23 THB. Although THAI was able to increase average passenger yield on domestic routes, the average passenger yield on international routes declined due to increased competition.

- **Freight and mail revenue**

Freight and mail revenue accounted for 8.1% of total revenue (excluding one-time items), amounted to THB 4,176 million, an increase of THB 414 million (11.0%), from the same period last year, as a result of a 15.6% increase in Revenue Freight Ton-Kilometers (RFTK), due to the increase in the number of flights. The average freight load factor was 49.4%, decreased from last year's average of 53.1%. The average freight yield (including fuel and insurance surcharges, excluding mail revenue) was THB 8.58, THB 0.28 lower than the same period last year, due to the decline in market prices caused by intensified competition.

- **Revenue from other businesses** consists of revenues from business units which include Ground services, Catering, Cargo handling services and other supporting activities such as aircraft maintenance, etc. amounted to THB 2,879 million, THB 277 million (10.6%) higher than the same period last year. Primarily due to the increase in the number of passengers and flights of customer airlines following the recovery of the aviation industry.

- **Other income** consisting of interest income, penalty fee income and other income, amounted to THB 1,351 million, THB 277 million (25.8%) higher than the same period last year, due to an increase in interest income from the increased in cash and cash equivalents.

## **Expenses**

The first quarter of 2025, THAI and its subsidiaries had total expenses (excluding one-time items) of THB 37,964 million, an increase of THB 3,084 million (8.8%) from the same period last year. Details of the expenses as follows:

- **Fuel and oil expenses** amounted to THB 12,703 million, accounted for 33.5% of total expenses (excluding one-time items), decreased by THB 223 million (1.7%). This is primarily due to a 10.3% decrease in the average fuel price compared to the same period last year and the appreciation of Baht against US Dollar from 35.66 THB/USD in the same period last year to 33.95 THB/USD, representing a 4.8% appreciation. Although fuel consumption increased in line with the higher number of flights operated.

- **Non-fuel operating expenses** total THB 25,261 million, increased by THB 3,307 million (15.1%) from the same period last year, with details as follows:

Unit: Million Baht	Jan - Mar			
	2025	2024	Variance	
			MTHB	%
<b>Expenses (excluding one-time items)</b>				
Employee benefits expenses	2,821	2,496	+325	+13.0
Flight service expenses	4,942	4,112	+830	+20.2
Crew expenses	1,389	1,118	+271	+24.2
Aircraft repair and maintenance costs	5,370	5,263	+107	+2.0
Depreciation and amortization expenses	3,076	2,966	+110	+3.7
Inventories and supplies used expenses	2,425	2,114	+311	+14.7
Selling and advertising expenses	2,388	1,985	+403	+20.3
Other expenses	2,850	1,900	+950	+50.0
<b>Non-fuel Operating Expenses</b>	<b>25,261</b>	<b>21,954</b>	<b>+3,307</b>	<b>+15.1</b>

Summary of expenses that have changed significantly are as follows:

- Variable cost totaled THB 16,514 million, higher than the same period last year by THB 1,922 million (13.2%). Details as follows:

- Flight service expenses, consisted of ground handling charges, airport fees, navigation fees and other flight services fee mainly are passenger lounge expenses, amounted to THB 4,942 million, an increase of THB 830 million (20.2%) from the same period last year, mainly from increased number of flights and higher ground service expenses per flight.

- Crew expenses, mainly consisted of cockpit and cabin crew flight per diem, accommodation and transportation expenses abroad, amounted to THB 1,389 million, an increase of THB 271 million (24.2%) from the same period last year, from the increase in the number of flights and destinations as well as the increase in expenses per flight, flight allowances that vary with flight hours, accommodation expenses, etc..

- Aircraft repair and maintenance costs amounted to THB 5,370 million, an increase of THB 107 million (2.0%) from the same period last year. Although, THAI had 5 additional aircraft and a 19.2% increase in flight hours, resulting in higher estimated provisions and monthly payments for aircraft repairs and maintenance costs. However, in the previous year, there were engine maintenance adjustments for Airbus A320-200 aircraft transferred from Thai Smile, as well as engine overhauls and aircraft spare parts replacements due to scheduled maintenance based on usage cycles.

- Inventories and supplies used expenses amounted to THB 2,425 million, an increase of THB 311 million (14.7%) from the same period last year, mainly from the increase in passenger numbers and raw material costs, along with higher aircraft consumable spare parts expenses, due to an increase in maintenance activities. While, Power by the Hour and other types of right-of-use asset lease expenses with a contract term of less than 12 months decreased, mainly from lease agreements for aircraft calculated based on actual aircraft usage (Power by the Hour) reached the end of the contract term and reverted to monthly payments under normal operating leases.

- Selling and advertising expenses total THB 2,388 million, an increase of THB 403 million (20.3%) from the same period last year, mainly due to the increase in reservation expenses and fees, in line with the increase



in the number of bookings from higher number of passengers. Additionally, credit card fees was higher in line with sales revenue.

- Fixed cost comprises of employee benefits expenses, depreciation and amortization expenses, and other expenses total THB 8,747 million, THB 1,385 million (18.8%) higher than the same period last year. Details as follows:

- Employee benefits expenses consisted of employee salaries, outsource, overtime pay and other benefits. (excluding compensation for employees participating in Mutual Separation Plan program and the termination compensation) amounted to THB 2,821 million, THB 325 million (13.0%) higher than the same period last year, mainly from annual salary adjustment for employees, the increase in number of employees and outsource staff to support business growth.

- Depreciation and amortization expenses amounted to THB 3,076 million, THB 110 million (3.7%) higher than the same period last year, mainly due to the delivery of 3 Airbus A350-900, 2 Airbus A330-300 and 1 Boeing 787-9 aircraft.

- Other expenses, mainly consisted of office rental fees, insurance expenses, utility expenses and outjob covering routine general services, such as waste and industrial waste treatment, wastewater quality inspection, or laundry services, etc. amounted to THB 2,850 million, THB 950 million (50.0%) higher than the same period last year, mainly due to the adjustment of related items following THAI's signing of purchase agreements for 4 Boeing 777-300ER aircraft, which currently under operating lease. Including higher service demand and rate adjustments by service providers, IT system development costs and external contracting rates.

- **Finance costs** amounted to THB 3,481 million, decreased by THB 1,127 million (24.5%) from the same period last year, mainly due to a decrease in debt resulting from a debt-to-equity conversion under the business rehabilitation plan. Although interest expenses from operating lease aircraft were recognized due to the adoption of Thai Financial Reporting Standard No. 16 (TFRS 16), in relation to the increased number of operating lease aircraft.

**Gain on foreign exchange rates-Net** of THB 137 million, consisting of unrealized foreign exchange rates gain of THB 315 million, from the appreciation of Thai Baht against the US Dollar of as March 31, 2025, when compared to as of December 31, 2024. As a result, the value of loans, lease liabilities for aircraft, and foreign currency-denominated assets and liabilities decreased after currency conversion, while realized foreign exchange rates loss of THB 178 million.

**Share of profit from investments in associates** consisted of Don Mueang International Airport Hotel Ltd., Suvarnabhumi Airport Hotel Ltd. and Phuket Air Catering Ltd. amounted to THB 32 million, lower than the same period last year by THB 4 million (11.1%).

**Loss on debt restructuring** of THB 4 million consisting of loss from liability adjustments in accordance with the orders from the Official Receiver, gain derecognition of financial liabilities measured at amortized costs

and gain on modification of financial liabilities measured at amortized cost. (Also see Note 4.2.3 to the financial statements.)

**Loss on sale of assets** amounted to THB 7 million, consisted of:

- Loss on sale of aircraft and engine of THB 9 million
- Gain on sale of other assets of THB 2 million

**Impairment Loss of Assets** amounted to THB 273 million, from recorded on impairment loss of 6 Boeing 777-300 aircraft, which in the process of selling the assets, that have an expected sale value lower than book value.

**Loss from measurement derivatives** amounted to THB 107 million. THAI undertakes transactions denominated in foreign currencies to decrease the fluctuation of gain or loss from foreign exchange rates in the financial statements. THAI manages sources of fund and has a policy to enter into a Cross Currency Swap (CCS) when the financial market is favorable to and Forward contracts to hedge the future obligation that have underlying exposures, which the exchanges were made from US dollars to Thai Baht. (Also see Note 23.2.1 to the financial statements.)

**Loss on impairment in accordance with TFRS 9** of THB 117 million, mainly due to the estimated impairment of financial assets, which are cash, trade receivables and other assets.

EBITDA after deducting cash payment of debt under aircraft lease terms including Power by the hour for the first quarter of 2025 was THB 12,728 million, THB 1,103 million (8.0%) lower than the same period last year.

### 3. Financial Position and Liquidity

#### Capital Expenditures

Unit: Million Baht	Jan - Mar	
	2025	2024
Aircraft	438	812
Non-Aircraft	53	90
<b>Total</b>	<b>491</b>	<b>902</b>

In the first quarter of 2025, capital expenditures were THB 491 million, THB 411 million lower than the same period last year. Details as follows:

- Investment in aircraft of THB 438 million, mostly from the purchase of rotatable aircraft spare part.
- Investment in other fixed assets of THB 53 million, mostly from maintenance equipment services for Technical department.

## Liquidity

As of March 31, 2025, THAI and its subsidiaries had cash and cash equivalents of THB 92,526 million, represented 31.1% of total assets, an increase from December 31, 2024 of THB 8,314 million (9.9%).

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

Unit: Million Baht	Jan - Mar	
	2025	2024
Net cash from operating activities	16,589	15,959
Net cash used in investing activities	(4,502)	(12,719)
Net cash used in financing activities	(4,467)	(4,653)
Effects from unrealized foreign exchange rate changes		
on cash and cash equivalents	700	1,209
Effects from credit loss on cash and cash equivalents	(6)	-
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>8,314</b>	<b>(204)</b>

In the first quarter of 2025, THAI and its subsidiaries had net cash from operating activities of THB 16,589 million, an increase of THB 630 million from the same period last year. Net cash used in investing activities was THB 4,502 million, a decrease of THB 8,217 million from the same period last year, mainly due to pre-delivery payment for aircraft procuring amounted to THB 7,974 million in the previous year. Net cash used in financing activities amounted to THB 4,467 million, consisted of payments for aircraft lease liabilities, debentures interest, and long-term borrowings interest. As a result, cash and cash equivalents as of March 31, 2025, amounting to THB 92,526 million, an increase of THB 8,314 million from THB 84,212 million as of December 31, 2024. (Also see Note 6 to the financial statements.)

## Fleet

As of March 31, 2025, THAI and its subsidiaries had 78 aircraft in operations and 8 unused aircraft.

## Assets of THAI and its subsidiaries

As of March 31, 2025, THAI and its subsidiaries had total assets of THB 297,753 million, an increase of THB 5,245 million (1.8%) from December 31, 2024. Details as follows:

	Consolidated					
	Mar 31, 2025		Dec 31, 2024		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	92,526	31.1	84,212	28.8	+8,314	+9.9
Non-current assets classified as held for sale	1,634	0.5	1,734	0.6	-100	-5.8
Other current assets	52,293	17.6	49,063	16.8	+3,230	+6.6
<b>Current Assets</b>	<b>146,453</b>	<b>49.2</b>	<b>135,009</b>	<b>46.2</b>	<b>+11,444</b>	<b>+8.5</b>
Property, plant and equipment - net	36,458	12.2	37,025	12.7	-567	-1.5
Right-of-use assets	71,653	24.1	75,367	25.7	-3,714	-4.9
Other non-current assets	43,189	14.5	45,107	15.4	-1,918	-4.3
<b>Total Assets</b>	<b>297,753</b>	<b>100.0</b>	<b>292,508</b>	<b>100.0</b>	<b>+5,245</b>	<b>+1.8</b>

Current assets amounted to THB 146,453 million, represented 49.2% of total assets, increased by THB 11,444 million (8.5%) from as of December 31, 2024. The significant items consisted of

- Cash and cash equivalents amounted to THB 92,526 million, an increase of THB 8,314 million (9.9%) from December 31, 2024, with net cash provided by operating activities exceeding net cash used in financing and investing activities. (Also see Note 6.1 to the financial statements.)
- Non-current assets classified as held for sale amounted to THB 1,634 million, a decrease of THB 100 million (5.8%) from December 31, 2024, mainly from the selling of 1 Airbus A340-500, 1 Boeing 777-200 and 1 spare engines. (Also see Note 9 to the financial statements.)
- Other current assets amounted to THB 52,293 million, an increase of THB 3,230 million (6.6%) from December 31, 2024. Mainly from an increase of THB 1,621 million in trade and other current receivables, from the increase in revenue from sales and services and an increase of THB 1,544 million in other current financial assets, from more investments in fixed deposits with a maturity period more than 3 months and not over 1 year. (Also see Notes 5.2, 7, 8, 23.2.3 to the financial statements.)

Property, plant and equipment amounted to THB 36,458 million, representing 12.2% of total assets, a decrease of THB 567 million (1.5%) from December 31, 2024, mainly from the depreciation for the period and also recorded an impairment loss of 6 Boeing 777-300 aircraft. Although there were procuring of rotatable aircraft's spare parts. (Also see Note 11 to the financial statements.)

Right-of-use assets amounted to THB 71,653 million, representing 24.1% of total assets, consisting of aircraft operating lease obligations, and other fixed asset operating leases, decreased by THB 3,714 million (4.9%) from December 31, 2024, mainly from depreciations for the period and remeasurement of lease liabilities, based on the remaining lease term, according to THAI's entered into the aircraft sale agreements for 4 Boeing 777-300ER aircraft, which currently under operating lease. (Also see Note 12 to the financial statements.)

Other non-current assets amounted to THB 43,189 million, represented 14.5% of total assets, decreased by THB 1,918 million (4.3%) from December 31, 2024, mainly from aircraft maintenance reserves decreased due to the change of lease contracts. (Also see Note 10.1, 10.2, 12, 13, 14, 23.2.1 to the financial statements.)

Return on Assets (ROA) for the first quarter of 2025 was 3.33%, higher than the 0.98% recorded in the same period last year, primarily due to profit from operations.

### Liabilities of THAI and its subsidiaries

As of March 31, 2025, total liabilities of THAI and its subsidiaries amounted to THB 242,314 million, a decrease from December 31, 2024 of THB 4,605 million (1.9%), details as follows:

	Consolidated					
	Mar 31, 2025		Dec 31, 2024		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	67,270	27.8	67,077	27.1	+193	+0.3
Current portion of long-term liabilities	7,346	3.0	9,510	3.9	-2,164	-22.8
Long-term liabilities	116,459	48.1	119,231	48.3	-2,772	-2.3
Other non-current liabilities	51,239	21.1	51,101	20.7	+138	+0.3
<b>Total Liabilities</b>	<b>242,314</b>	<b>100.0</b>	<b>246,919</b>	<b>100.0</b>	<b>-4,605</b>	<b>-1.9</b>

Current liabilities amounted to THB 67,270 million, represented 27.8% of total liabilities, an increase of THB 193 million (0.3%) from December 31, 2024, due to an increase of THB 1,362 million in trade and other current payables in line with increased operations. Although deferred revenue decreased by THB 1,173 million. (Also see Note 5.2, 17 to the financial statements.)

Long-term liabilities, including the current portion of long-term liabilities amounted to THB 123,805 million, represented 51.1% of total liabilities, a decrease of THB 4,936 million (3.8%) from December 31, 2024, mainly from repayment of lease liabilities and remeasurement of lease liabilities, according to THAI's entered into the aircraft sale agreements for 4 Boeing 777-300ER aircraft, which currently under operating lease. (Also see Note 5.2, 6.3, 12, 15, 16 to the financial statements.)

Other non-current liabilities amounted to THB 51,239 million, representing 21.1% of total liabilities, an increase of THB 138 million (0.3%) from December 31, 2024, mainly due to an increase in other non-current provisions of THB 512 million (1.5%) from long-term provision for repair and maintenance of aircraft, maintenance reserve for aircraft overhaul, aircraft's engines and others component of aircraft which has to pay maintenance in the future in accordance with the agreement. THAI has obligation under operating lease of aircraft maintenance, aircraft's engines and other components maintenance over the lease period including preparation of aircraft conditions before handover to lessors at the end of the lease. THAI shall estimate expected maintenance expenses upon flight hour, flight cycle, overhaul period, and lease period which were calculated along with usage time proportion. (Also see Notes 5.2, 17, 18, 19, 20, 23.2.1 to the financial statements.)

### Shareholders' Equity of THAI and its subsidiaries

As of March 31, 2025, shareholders' equity of THAI and its subsidiaries amounted to THB 55,439 million, an increase of THB 9,850 million (21.6%) from December 31, 2024, which was THB 45,589 million, due to operational profit and capital restructuring pursuant to the Rehabilitation Plan. (Also see Notes 4.2.2 to the financial statements.)

### **Contingent Liabilities**

As of March 31, 2025, THAI had contingent liabilities arising from commitments which have not been recognized in the financial statements from bank guarantee issued by domestic and foreign banks and future obligations under aircraft lease agreements and asset acquisition agreements, which are awaiting delivery. (Also see Note 24 to the financial statements.)

### **Financial Performance Summary, Thai Airways Public Company Limited**

In the first quarter of 2025, Thai Airways Public Company Limited (“THAI”) had total revenue (excluding one-time items) of THB 51,602 million, THB 5,708 million (12.4%) higher than the same period last year, mainly from an increase in transportation revenue amounted to THB 5,116 million (12.1%). Passenger revenue increased THB 4,702 million (12.2%), due to increasing production and traffic. Resulting from THAI resumed flights to European routes to Oslo, Milan and Brussels as well as the Australian route to Perth, combined with increased flight frequencies on regional routes to accommodate the rising passenger travel demand. Freight and mail revenue increased by THB 414 million (11.0%) from an increase in freight traffic. Furthermore, revenue from other businesses increased by THB 277 million (11.0%) from the same period last year, driven by the increase in both the number of flights and passengers on customer airlines. Other income also increased by THB 315 million (28.9%). Total expenses (excluding one-time items) amounted to THB 37,960 million, THB 3,182 million (9.1%) higher than the same period last year, resulting from an increase in production/traffic, number of flights, routes and number of passengers. Moreover, operating costs have increased due to several factors, such as rising in raw material prices, higher flight services expenses per flight and sales and advertising expenses have grown in line with an increase in ticket reservations. As a result, THAI reported an operating profit before finance costs (excluding one-time items) of THB 13,642 million, THB 2,526 million (22.7%) higher than the same period last year.

THAI recognized finance costs, which was the recognition of financial costs according to Financial Reporting Standards No. 9: TFRS 9 in the amount of THB 3,481 million, THB 1,126 million (24.4%) lower than the same period last year and net one-time items as expenses of THB 450 million, mainly from loss on impairment loss of assets, impairment loss in accordance with TFRS 9 and loss from measurement derivatives. However, there was a net gain on foreign exchange rates. As a result, the first quarter of 2025, THAI had net profit of THB 9,714 million, THB 7,207 million (287.5%) higher than the same period last year. Earnings per share was 0.34 THB, while last year was 1.15 THB, due to an increase in the Company’s ordinary shares resulting from the capital restructuring under the business rehabilitation plan. EBITDA after deducting cash payment of debt under aircraft lease terms including Power by the hour was THB 12,706 million, THB 1,165 million (8.4%) lower than the same period last year.

**Financial Performance: THAI**

	Jan – Mar			
	2025	2024	Variance	
			MTHB	%
<b>Total operating revenues</b>	<b>51,602</b>	<b>45,894</b>	<b>+5,708</b>	<b>+12.4</b>
- Passenger and excess baggage revenue	43,219	38,517	+4,702	+12.2
- Freight and mail revenue	4,176	3,762	+414	+11.0
- Revenue from other businesses	2,801	2,524	+277	+11.0
- Other income	1,406	1,091	+315	+28.9
<b>Total operating expenses</b>	<b>37,960</b>	<b>34,778</b>	<b>+3,182</b>	<b>+9.1</b>
- Fuel and oil	12,703	12,926	-223	-1.7
- Non-fuel operating expenses	25,257	21,852	+3,405	+15.6
<b>Operating Profit before finance costs exclude one-time items</b>	<b>13,642</b>	<b>11,116</b>	<b>+2,526</b>	<b>+22.7</b>
Finance costs	3,481	4,607	-1,126	-24.4
<b>Operating Profit exclude one-time items</b>	<b>10,161</b>	<b>6,509</b>	<b>+3,652</b>	<b>+56.1</b>
Gain (Loss) on foreign exchange rates	139	(5,379)	+5,518	+102.6
Outdated passenger ticket revenue adjustment	-	4,136	-4,136	-100.0
Mutual Separation Plan (MSP)	-	(11)	+11	+100.0
Impairment loss of assets	(273)	(3,338)	+3,065	+91.8
Gain (Loss) from debt restructuring	(4)	493	-497	-100.8
Loss on sale of assets	(7)	(33)	+26	+78.8
Loss from measurement derivatives	(107)	-	-107	-
(Reversal of) loss on impairment in accordance with TFRS9	(198)	130	-328	-252.3
Profit before tax	9,711	2,507	+7,204	+287.4
<b>Net Profit</b>	<b>9,714</b>	<b>2,507</b>	<b>+7,207</b>	<b>+287.5</b>
Net Profit per share (THB)	0.34	1.15	-0.81	-70.4

		Jan – Mar			
		2025	2024	Variance	
				Amount	%
Significant operating data					
EBITDA – Aircraft Lease Payment	(MTHB)	12,706	13,871	-1,165	-8.4
Number of passengers	(Million)	4.33	3.88	+0.45	+11.6
Available Seat Kilometers	(Million)	17,729	14,646	+3,083	+21.1
Revenue Passenger Kilometers	(Million)	14,776	12,227	+2,549	+20.8
Cabin Factor	(%)	83.3	83.5		-0.2
Passenger Yield	(THB/RPK)	2.91	3.14	-0.23	-7.3
Available Dead Load Ton-Kilometers	(Million)	975	784	+191	+24.4
Revenue Freight Ton-Kilometers	(Million)	482	417	+65	+15.6
Freight Load Factor	(%)	49.4	53.1		-3.7
Freight Carried	(Ton)	113,379	95,679	+17,700	+18.5
Freight Yield	(THB/RFTK)	8.58	8.86	-0.28	-3.2
Number of aircraft in operations (As of Mar 31)	(Aircraft)	78	73	+5	+6.8
Flight hours	(Hours)	87,212	73,164	+14,048	+19.2
Aircraft utilization	(Hours/Aircraft/Day)	13.7	12.8	+0.9	+7.0
Average foreign currency exchange rate					
1 USD : THB		33.9542	35.6601	-1.7059	-4.8
1 EUR : THB		35.7005	38.7080	-3.0075	-7.8
100 JPY : THB		22.2813	24.0491	-1.7678	-7.4
Currency foreign exchange rate as at Mar 31					
1 USD : THB		34.0859	36.6318	-2.5459	-6.9
1 EUR : THB		37.0723	39.6486	-2.5763	-6.5
100 JPY : THB		23.0368	24.4332	-1.3964	-5.7
Average jet fuel price	(USD/BBL)	100.29	111.85	-11.56	-10.3

Note: EBITDA - Aircraft Lease Payment = Total Revenue (exclude gain on foreign exchange rates, gain from debt restructuring and gain from measurement derivatives) - Expenses (excluded Power by the Hour, loss from debt restructuring, finance costs, tax, depreciation and amortization, impairment loss of assets, impairment loss in accordance with TFRS 9, loss on foreign exchange rates and loss from measurement derivatives) after cash paid for lease liabilities included Power by the Hour.

### Assets of THAI

As of March 31, 2025, THAI had total assets of THB 297,274 million, an increase of THB 5,124 million (1.8%) from December 31, 2024. Details as follows:

	Separate Financial Statement					
	Mar 31, 2025		Dec 31, 2024		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	92,347	31.1	84,012	28.7	+8,335	+9.9
Non-current assets classified as held for sale	1,634	0.5	1,734	0.6	-100	-5.8
Other current assets	52,378	17.6	49,268	16.9	+3,110	+6.3
<b>Current Assets</b>	<b>146,359</b>	<b>49.2</b>	<b>135,014</b>	<b>46.2</b>	<b>+11,345</b>	<b>+8.4</b>
Property, plant and equipment - net	36,412	12.3	36,979	12.7	-567	-1.5
Right-of-use assets	71,634	24.1	75,345	25.8	-3,711	-4.9
Other non-current assets	42,869	14.4	44,812	15.3	-1,943	-4.3
<b>Total Assets</b>	<b>297,274</b>	<b>100.0</b>	<b>292,150</b>	<b>100.0</b>	<b>+5,124</b>	<b>+1.8</b>



Current assets amounted to THB 146,359 million, represented 49.2% of total assets, increased by THB 11,345 million (8.4%) from December 31, 2024. Mainly from an increase of THB 8,335 million in cash and cash equivalents and an increase of THB 1,544 million in other current financial assets from more investments in fixed deposits with a maturity period of more than 3 months and not over 1 year. (Also see Notes 5.2, 6.1, 7, 8, 9, 23.2.3 to the financial statements.)

Property, plant and equipment amounted to THB 36,412 million, representing 12.3% of total assets, a decrease of THB 567 million (1.5%) from December 31, 2024, mainly from the depreciation for the period and also recorded an impairment loss of 6 Boeing 777-300 aircraft. Although there were procuring of rotatable aircraft's spare parts. (Also see Note 11 to the financial statements.)

Right-of-use assets amounted to THB 71,634 million, representing 24.1% of total assets, consisting of aircraft operating lease obligations, and other fixed asset operating leases, decreased by THB 3,711 million (4.9%) from December 31, 2024, mainly from depreciation for the period and remeasurement of lease liabilities, based on the remaining term, according to THAI's entered into the aircraft sale agreements for 4 Boeing 777-300ER aircraft, which currently under operating lease. (Also see Note 12 to the financial statements.)

Other non-current assets amounted to THB 42,869 million, represented 14.4% of total assets, decreased by THB 1,943 million (4.3%) from December 31, 2024, mainly from aircraft maintenance reserves decreased due to the change of lease contracts. (Also see Note 10.1, 10.2, 12, 13, 14, 23.2.1 to the financial statements.)

### Liabilities of THAI

As of March 31, 2025, THAI had total liabilities of THB 242,053 million, a decrease of THB 4,602 million (1.9%) from December 31, 2024. Details as follows:

	Separate Financial Statement					
	Mar 31, 2025		Dec 31, 2024		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	67,082	27.7	66,883	27.1	+199	+0.3
Current portion of long-term liabilities	7,335	3.0	9,501	3.9	-2,166	-22.8
Long-term liabilities	116,448	48.1	119,217	48.3	-2,769	-2.3
Other non-current liabilities	51,188	21.2	51,054	20.7	+134	+0.3
<b>Total Liabilities</b>	<b>242,053</b>	<b>100.0</b>	<b>246,655</b>	<b>100.0</b>	<b>-4,602</b>	<b>-1.9</b>

Current liabilities amounted to THB 67,082 million, represented 27.7% of total liabilities, an increase of THB 199 million (0.3%) from December 31, 2024, mainly due to an increase of THB 1,372 million in trade and other current payables in line with increased operations. Although deferred revenue decreased by THB 1,173 million. (Also see Note 5.2, 17 to the financial statements.)

Long-term liabilities, including the current portion of long-term liabilities amounted to THB 123,783 million, represented 51.1% of total liabilities, a decrease of THB 4,935 million (3.8%) from December 31, 2024, mainly from repayment of lease liabilities and remeasurement of lease liabilities, according to THAI's entered into

the aircraft sale agreements for 4 Boeing 777-300ER aircraft, which currently under operating lease. (Also see Note 5.2, 6.3, 12, 15, 16 to the financial statements.)

Other non-current liabilities amounted to THB 51,188 million, representing 21.2% of total liabilities, an increase of THB 134 million (0.3%), mainly due to an increase in other non-current provisions of THB 512 million (1.5%) from long-term provision for repair and maintenance of aircraft, maintenance reserve for aircraft overhaul, aircraft's engines and others component of aircraft which has to pay maintenance in the future in accordance with the agreement. THAI has obligation under operating lease of aircraft maintenance, aircraft's engines and other components maintenance over the lease period including preparation of aircraft conditions before handover to lessors at the end of the lease. THAI shall estimate expected maintenance expenses upon flight hour, flight cycle, overhaul period, and lease period which were calculated along with usage time proportion. (Also see Notes 5.2, 17, 18, 19, 20, 23.2.1 to the financial statements.)

### **Shareholders' Equity of THAI**

As of March 31, 2025, shareholders' equity of THAI amounted to THB 55,221 million, an increase of THB 9,726 million (21.4%) from December 31, 2024, from operational profit and capital restructuring pursuant to the Rehabilitation Plan. (Also see Notes 4.2.2 to the financial statements.)

## **4. Outlook**

In early April 2025, global economic conditions faced uncertainty following the announcement of reciprocal tariffs by the United States of America. These tariffs were to be imposed on imports from over 180 countries and territories, including members of the European Union, which would be subject to broad new trade policies. However, shortly thereafter, President Donald Trump announced the suspension of all tariff increases on imported goods and a reduction of import tariffs to a base rate of 10% for most of the United States' trade allies for a period of three months to pave the way for trade negotiations, with the exception of the People's Republic of China. However, the announcement of such measures prompted the International Monetary Fund (IMF) to express concern regarding the impact on global economic activity, as well as on consumer and investor confidence, which may affect global economic growth prospects.

The aviation industry continues to show steady growth. In the long term, the global aviation industry (during the period 2024–2034) is projected to grow at an average annual rate of 4.0%. The Asia-Pacific region remains the largest air travel market, with a forecasted annual growth rate of 5.1%, primarily driven by rising travel demand in China and India. Nevertheless, the aviation industry continues to face several challenges, including ongoing supply chain disruptions that have led to persistent aircraft shortages, a slowdown in yield growth as ticket prices normalize following post-COVID-19 surges, and rising operating costs particularly in labor and aircraft repair and maintenance. Additionally, the industry faces risks from the trade war, which has escalated due to the imposition of tariff measures.

Thailand's economy continues to face uncertainty due to the trade war, which has put pressure on exports and investment, and also led to a slowdown in investment activities. Nevertheless, the tourism and services sectors are expected to continue expanding, supported by government stimulus measures. These include the declaration of 2025 as the "Amazing Thailand Grand Tourism and Sports Year 2025," the implementation of ongoing tourism and sports promotional campaigns, and various government initiatives to facilitate travel. Key measures include the visa-free policy, the exemption of TM6 immigration form, as well as initiatives to encourage airlines to increase flight frequencies.

THAI remains committed to continuously enhancing its fleet and cabin services, by signing a lease agreement for 5 Airbus A321neo aircraft, equipped with high-efficiency, fuel-saving engines. This marks a significant milestone in our efforts to elevate service standards through the deployment of new-generation aircraft that offer both fuel efficiency and enhanced passenger comfort. In addition, THAI has signed a Letter of Intent (LOI) with Airbus to initiate a comprehensive cabin retrofit program for its entire fleet of Airbus A350-900 aircraft. This project, which is scheduled to commence in 2028, aims to deliver a premium travel experience. The retrofitted aircraft will be progressively integrated into the fleet and will feature a new three-class cabin layout: Royal Silk Class, Premium Economy Class, and Economy Class, designed to maximize passenger satisfaction. This initiative aligns with THAI's business rehabilitation plan and long-term strategy to expand its route network sustainably.

In addition, to enhance Thailand's capabilities in the aircraft maintenance industry, repair, and overhaul (MRO) industry in line with the national strategy to position the country as an aviation hub of Southeast Asia, THAI and Bangkok Airways Public Company Limited signed a Memorandum of Understanding (MoU) to conduct a feasibility study on a potential business collaboration for the development of an MRO center in the Eastern Economic Corridor (EEC) at U-Tapao Airport. The purpose is to explore the opportunity for joint development of MRO operations and other related businesses to support the growing aviation industry in Thailand and the Asia-Pacific region, and to enhance the country's competitiveness in the aviation sector. Furthermore, THAI signed an MoU with Kansas Modification Center, LLC (KMC) to establish a joint venture for the conversion of Boeing 777-300ER passenger aircraft into freighter aircraft (Passenger-to-Freighter: P2F). Operations are expected to commence in the second quarter of 2026 at Thai Airways' MRO Center at Don Mueang Airport, with plans to expand into the EEC area in the future.

THAI has entered into an academic collaboration with Chulalongkorn University under the project 'Chula-Thai Airways: Be the Star in the Sky of Knowledge.' The initiative aims to promote lifelong learning, facilitate knowledge exchange, and develop curricula that respond to the evolving global landscape, particularly in the service industry, which is increasingly challenged by workforce demands, technological advancements, and rapidly changing consumer expectations. A variety of activities are planned under the project, such as the production of the 'Series of the President,' an interview program featuring THAI's top executives. The program aims to share leadership insights, organizational vision, and management strategies in a dynamic and challenging environment. Additionally, the 'School of Hospitality' curriculum is being developed, focusing on experiential training integrated with knowledge in service psychology, cross-cultural communication, and consumer behavior in the digital age. This initiative seeks to elevate the skill set of service industry professionals to meet international standards.

On April 18, 2025, THAI held the Extraordinary General Meeting of Shareholders No. 1/2025, which is the meeting of shareholders held as stipulated in the business rehabilitation plan, resolved to approve the determination of the number of directors, the appointment of new directors and the determination of authorized directors of the Company. Subsequently, on April 28, 2025, the Plan Administrator submitted a petition to the Central Bankruptcy Court, notifying the successful implementation of the rehabilitation plan and requesting the Court to issue an order to terminate the rehabilitation process. THAI aims to resume trading on the Stock Exchange of Thailand (SET) by July 2025 under the concept 'THE NEW WORLDS OF TOMORROW,' which envisions Thai Airways in a new era-ready to move forward with stability, strength, and sustainable growth. This transformation reflects the airline's commitment to showcasing the unique essence of Thai identity to the world with pride, while continuously enhancing service quality to international standards and stepping confidently into a new chapter of global excellence.

## 5. Financial Ratios

		Jan - Mar			
		Consolidated		The Company	
		2025	2024	2025	2024
Liquidity Ratio					
Current Ratio	(times)	3.91	2.42	3.93	2.45
Profitability Ratio					
Operating Profit Margin	%	19.72	14.07	19.70	14.18
Net Profit Margin	%	19.06	5.27	18.83	5.46
Return on Equity	%	19.48	n/a	19.29	n/a
Efficiency Ratio					
Return on Total Assets	%	3.33	0.98	3.30	1.02
Financial Policy Ratio					
Interest Bearing Debt to Equity	(times)	2.23	n/a	2.24	n/a
Total Debt to Equity	(times)	4.37	n/a	4.38	n/a
Interest Coverage Ratio	(times)	4.81	3.94	4.80	3.94
Net Debt to EBITDA	(times)	8.95	13.52	8.96	13.46
Debt Service Coverage Ratio	(times)	2.10	1.93	2.09	1.94

**GLOSSARY**

<b>Current Ratio</b>	= Current Assets (Exclude Non-Current Assets classified held for sale / Current Liabilities (Exclude Deferred Transportation Revenues)
<b>Operating Profit (Loss) Margin</b>	= Operating Profit (Loss) (Include finance costs, exclude one-time items) / Total Revenue (Exclude one-time items)
<b>Net Profit (Loss) Margin</b>	= Net Profit (Loss) / Total Revenue (Exclude one-time items)
<b>Return on Equity</b>	= Net Profit (Loss) / Average Shareholders' Equity
<b>Return on Total Assets</b>	= Net Profit (Loss) / Average total assets
<b>Interest Bearing Debt to Equity</b>	= (Short-term Loan + Long-term Loan including current portion of Long-term Loan within 1 year) / Shareholders' Equity
<b>Total Debt to Equity</b>	= Total liabilities / Shareholders' Equity
<b>Interest Coverage Ratio</b>	= EBITDA / Interest
<b>Net Debt to EBITDA</b>	= (Total liabilities - Cash and cash equivalents) / EBITDA
<b>Debt Service Coverage Ratio</b>	= 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 March 31, 2025 are detailed as follow:

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
Ministry of Finance (MOF)	MOF is the major shareholder of THAI with 38.90% 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	0.00	0.00	12,583.54	
		- Interest Expenses	0.00	845.73	861.76	
		- Deferred interests	0.00	0.00	997.66	- 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.
		2. THAI leased the lands from the Treasury Department.	0.41	1.98	7.80	
		3. THAI sold tickets to MOF.				
		- Total revenue	0.00	0.00	1.43	
		- 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 first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
Government Savings Bank (GSB)	GSB is controlled by the MOF, a major shareholder of THAI.	1. THAI entered into a committed revolving credit line with GSB credit limit up to THB 3.5 billion, the credit line was used.				- The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties.
		<ul style="list-style-type: none"> <li>- Outstanding loans</li> <li>- Interest expenses</li> <li>- Accrued interests</li> </ul>	0.00 0.00 531.10	0.00 79.48 531.10	3,500.00 119.22 451.52	Note: - The interest rate for the year 2022-Aug 31, 2024 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. - Also see Notes No.1 and 3
		<ul style="list-style-type: none"> <li>- Outstanding loans under the rehabilitation plan</li> <li>- Interest Expenses</li> <li>- Deferred interests</li> </ul>	1,625.37 32.86 101.40	1,597.40 68.54 68.54		
		2. THAI sold tickets, rented out space, and other services to GSB.				- The pricing, terms and interest rates are on an arms' length basis and on commercial term as unrelated parties.
		- Total revenue	0.07	0.45	0.36	
Export-Import Bank of Thailand (EXIM)	EXIM is controlled by the MOF, a major shareholder of THAI.	1. THAI entered into a long-term loan agreement with EXIM:				- The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties.
		<ul style="list-style-type: none"> <li>- Outstanding loans</li> <li>- Outstanding loans under the rehabilitation plan</li> <li>- Interest Expenses</li> </ul>	0.00 0.00	0.00 0.00	0.00 17.11	- Also see Notes No.1 and 3

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
		2. THAI entered into a committed revolving credit line with EXIM credit limit up to THB 1.5 billion, the credit line was used.  - Outstanding loans under the rehabilitation plan - Interest Expenses - Deferred interests	1,107.55  4.12 83.32	1,105.52  22.49 79.20	1,508.18  22.63 56.71	- The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties.  - Also see Note No.1
Islamic Bank of Thailand (IBANK)	IBANK is controlled by the MOF, a major shareholder of THAI.	1. THAI entered into a long-term loan agreement with IBANK:  - Outstanding loans under the rehabilitation plan - Interest Expenses - Deferred interests	956.65  21.68 501.96	938.46  149.97 480.28	1,579.31  139.89 303.31	- 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.3
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	0.00 333.59	51.24 333.59	2,260.73 76.86 282.34	- The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties.  Note: - The interest rate for the year 2022-Aug 31, 2024 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 first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
		- 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	   0.00 170.31	   26.60 170.31	   3,500.00 39.90 143.71	- The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties.
		- Outstanding loans under the rehabilitation plan - Interest expenses - Deferred interests	2,926.30 13.79 48.94	2,920.56 35.15 35.15		- 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

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
		2. THAI sold debentures to KTB. - Debenture value - Interest in accordance with the business rehabilitation plan - Deferred interests  3. THAI provided office space rental, ATM space, utilities, and leased line to KTB.  - Total revenue - Account receivable  4. THAI paid service fees to KTB for cash delivery and debentures distribution fee.  - Total expenses - Account payable	437.94 1.64  45.39    0.35 0.00   0.15 0.00	437.94 11.99  43.75    2.45 0.00   0.47 0.00	832.00 12.48  31.76    2.58 0.21   0.00 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 Note 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  2. THAI sold tickets to Thailand Post. - Total revenue	0.98  0.38	0.68  0.88	0.38  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 first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
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	0.53 0.49	0.76 0.49	1.32 0.52	- 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	0.86 2.08	5.14 2.33	4.57 0.87	- 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 - Interest expenses - Deferred interests	0.00 0.00 0.68 0.01 0.23	0.00 0.00 0.67 0.06 0.22	0.00 0.00 0.86 0.06 0.16	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
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 Note No.3
		- Total expenses	0.00	0.47	0.01	
		- Account payable	0.13	0.13	0.13	
		- Account payable under the rehabilitation plan	1.00	0.98	1.26	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Interest expenses	0.02	0.09	0.09	
		- Deferred interests	0.33	0.31	0.22	
		2. THAI sold tickets to PTT.				
		- Total revenue	8.13	27.51	28.07	
PTT Oil and Retail Business Public Company Limited (PTTOR)	PTT is the major shareholder of PTTOR with 75% shares.	1. THAI purchased JET A-1 aviation fuel and fuel for vehicles from PTTOR.				- The pricing is on an arms' length basis and on commercial terms as unrelated parties. - Also see Note No.3
		- Total expenses	2,240.37	12,856.15	7,183.63	
		- Account payable	825.09	825.09	665.95	
		- Account payable under the rehabilitation plan	513.38	502.42	603.27	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Interest expenses	11.52	57.34	144.00	
		- Deferred interests	661.06	649.54	594.14	
		2. THAI sold tickets to PTTOR.				
		- Total revenue	2.32	10.27	11.84	
		- Account receivable	1.13	1.10		

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
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	1,918.57 889.78	8,975.21 889.99	6,676.54 889.86	
		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	17.03 19.02	63.17 19.09	49.20 78.08	
National Telecom Public Company Limited (NT)	NT and THAI have a common major shareholder, namely MOF.	1. THAI sold debentures to NT.				- The pricing, terms, interest rates and commitment fees are on an arms' length basis and on commercial term as unrelated parties.
		- Debenture value - Interest in accordance with the business rehabilitation plan - Deferred interests	1,017.74 3.82 74.44	1,017.74 19.81 70.62	1,348.00 20.22 50.81	- Also see Note No.3
		2. THAI rents communication channels from NT.				- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total expenses - Account payable - Account payable under the rehabilitation plan - Interest expenses - Deferred interests	0.00 0.00 8.19 0.16 2.60	0.00 0.00 9.26 0.59 2.44	0.00 0.00 10.33 0.77 1.85	

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
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 - Interest expenses - Deferred interests	  0.00 5.05  0.09 2.27	  0.00 4.96  0.61 2.18	  0.00 9.35  0.65 1.57	- 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	  0.94 0.31	  3.94 0.32	  3.53 0.30	- 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 first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
Wingspan Services Company Limited (WSC) (Subsidiary Company)	THAI is the major shareholder of WSC, with 49% shares and controlling authority.	1. THAI provided office space and equipment rental to WSC.  - Total revenue - Account receivable	1.20 282.44	8.59 283.85	3.42 2.24	- 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. WSC outsourced its staff to THAI.  - Total expenses - Account payable	377.21 198.43	1,324.70 199.81	1,062.82 306.78	- 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	8.88 0.48	56.94 8.67	34.75 0.77	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
	THAI's executive officers: - Mr. Chawan Ratanawaraha is a Director of TFTA; - Mrs. Onanong Junhaman is a Director of TFTA.	2 TFTA provided flight attendant training to THAI  - Total expenses - Account payable	7.34 0.34	12.98 0.34	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 first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
Tour Eurng Luang Company Limited (Subsidiary Company)	THAI holds 49 % shares in Tour Eurng Luang Co., Ltd via WSC and with controlling authority.	1. THAI sold Eurng Luang tours to Tour Eurng Luang.  - Total revenue - Account receivable	1.11 0.84	17.17 2.22	2.16 0.18	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		2. THAI paid commission fees from the sale of Eurng Luang services to Tour Eurng Luang.  - Total expenses - Account payable	8.69 0.00	32.15 0.00	2.16 0.18	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
Thai Smile Airways Company Limited (Subsidiary Company)	THAI wholly owns Thai Smile Airways.  THAI's executive officers: - Mr. 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	1. 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	0.00 9,718.23	150.17 9,729.82	3,911.55 10,353.67	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		2. THAI bought Block Space and other services from Thai Smile Airways.  - Total expenses - Account payable	0.00 0.00	276.13 0.00	3,943.73 130.91	- 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 first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
	Director of Thai Smile Airways.					
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 Don Mueang 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. Rut Rugsumruad is a Director of PACCO.	1. THAI bought catering services from PACCO.  - Total expenses - Account payable - Account payable under the rehabilitation plan - Interest expenses - Deferred interests	88.93 31.07 17.57  0.26 4.64	261.88 25.47 13.42  1.29 4.38	148.48 0.00 17.23  1.29 3.09	- The pricing is on an arms' length basis and on commercial terms as unrelated parties.  - Also see Note No.1

Name of Entities with Potential Conflicts of Interest	Relationship	Type of Transaction	Value (Million THB)			Terms / Pricing Policy
			For the first three months period ended March 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023	
Suvarnabhumi Airport Hotel Company Limited (Associated Company)	THAI holds 30% shares in Suvarnabhumi Airport Hotel.  THAI's executive officer: - Mr. Cherdphan Chotikhun is a Director of Suvarnabhumi Airport Hotel.	1. THAI bought hotel rooms for its passengers from Suvarnabhumi Airport Hotel.				- The pricing is on an arms' length basis and on commercial terms as unrelated parties.  - Also see Note No.1
		- Total expenses	0.75	1.79	0.32	
		- Account payable	0.35	0.57	0.00	
		- Account payable under the rehabilitation plan	1.44	1.42	1.82	
		- Interest expenses	0.03	0.13	0.13	
		- Deferred interests	0.48	0.45	0.32	
Aeronautical Radio of Thailand Limited (AEROTHAI) (Joint-Venture Company)	AEROTHAI and THAI have a common major shareholder, namely MOF.  THAI holds 1.20% shares in AEROTHAI.	1. THAI bought navigation services and rented communication equipment from AEROTHAI				- The pricing is on an arms' length basis and on commercial terms as unrelated parties.
		- Total expenses	335.47	1,262.58	713.56	
		- Account payable under the rehabilitation plan	50.57	46.68	94.90	
		- Interest expenses	0.89	6.18	6.61	
		- Deferred interests	23.00	22.11	15.93	
	THAI's executive officers: - Mr. Chawan Ratanawaraha is a Director of AEROTHAI.	2. THAI sold tickets, rented out space, and other services to AEROTHAI.				
		- Total revenue	0.48	1.76	0.00	
		- Account receivable	0.70	0.37	0.00	

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 2022-25 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 March 31, 2025, 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).