



Management’s Discussion and Analysis for the year ended December 31, 2025, for Thai Airways International Public Company Limited and Its Subsidiaries

1. Executive summary

The global economy in 2025 faced challenges from policy uncertainty, particularly U.S. import tariff measures that impacted global supply chains, as well as geopolitical conflicts, structural problems from a declining labor force, and international trade and investment barriers. These factors are all pressuring global economic growth potential. However, there were supporting factors from declining inflation rates and more accommodative monetary policies implemented by major central banks worldwide. The International Monetary Fund (IMF) projected global economic growth for 2025 at 3.3%, which showed steady growth from the previous year.

Nevertheless, the global airline industry in 2025 continued to show growth in both passenger and cargo transportation. This reflects increasing demand from consumers and businesses. The International Air Transport Association (IATA) reported a 5.3% growth in Revenue Passenger Kilometers (RPK), compared to the previous year, which was a 7.1% expansion in international passenger traffic. The cabin factor was 83.6%, remaining consistent with the 83.5% recorded in the previous year. Revenue Freight Ton-Kilometers (RFTK) was 3.4% higher than the previous year. Freight load factor was 45.7%, which in line with the previous year's figure of 45.6%. In the Asia Pacific region, the Association of Asia Pacific Airlines (AAPA) reported that international passengers in 2025 reached approximately 390 million, a 9.4% increase compared to the previous year. Available Seat Kilometers (ASK) and Revenue Passenger Kilometers (RPK) increased by 10.2% and 11.0%, respectively. The cabin factor was 82.2%, an increase from last year which was 81.7%. Meanwhile, Available Dead Load Kilometers (ADTK) and RFTK increased by 6.8% and 5.6%, respectively, resulting in the Freight Load Factor (FLF) of 60.3%, a decrease from last year which was 61.0%.

IMF projected Thailand’s economic growth for 2025 at 2.1%, a decrease compared to the 2.5% expansion in the previous year. The main factors were the global economy and trade conditions, along with exchange rate volatility from the appreciation of the Thai Baht, which impacted the competitiveness of the export and tourism sectors. In 2025, Thailand had 33.0 million tourists, a decrease of 2.5 million or 7.0% from the previous year. The number of tourists represented 82.6% of the 2019 level, which was the pre-COVID-19 period. The majority of these travelers originated from the Asia-Pacific region, accounting for 67.3% of total tourist arrivals, while Europe was the market with the highest increase in number of tourists compared to other regions. The top five countries with the highest number of visitors to Thailand are Malaysia, China, India, Russia, and South Korea. The total number of passengers traveling through Thailand’s 6 main airports in 2025 amounted to 126.8 million, a 2.3% increase compared to the previous year. International passengers accounted for 60.5%, or 76.7 million, remaining consistent with last year.

THAI's key operational highlights during 2025 included:

- Enhancing fleet capability and strengthening route network strategy: THAI took delivery of 3 aircraft, namely 1 Airbus A330-300, 1 Boeing 787-9, and 1 Airbus A321neo. The Airbus A321neo is part of the fleet acquisition and improvement plan, to support services on short-haul and medium-haul routes. This aircraft type features continuously developed aviation technology, highlighted by fuel efficiency, reduced carbon dioxide emissions, and noise reduction, aligning with THAI's sustainable business goals, as well as developing and enhancing the passenger travel experience with comfortable and modern cabins and products.
- Developing and designing products and services that meet passenger needs: Royal Orchid Plus (ROP) has redesigned its logo and membership cards, aiming to continuously create the best services for members under the "Power of Plus" concept, which consists of superior benefits, value from special offers, and special experiences provided to members.
- Exploitation on non-core assets: Disposal of decommissioned aircraft, including 1 Airbus A340-500, 1 Airbus A380-800, 2 Boeing 777-200, 1 Boeing 777-300, 4 spare engines, and other assets.
- Capital restructuring and implementation of the business rehabilitation plan:
 - On March 5, 2025, THAI reduced the par value of its shares from THB 10.00 per share to THB 1.30 per share, in order to offset accumulated accounting losses as close to zero as possible. This capital reduction did not affect shareholder's equity or the number of shares held by each shareholder.
 - On April 18, 2025, THAI held the Extraordinary General Meeting of Shareholders No. 1/2025 to consider and approve the number of directors, the appointment of new directors, and the authorized signatory directors. The meeting resolved to approve the Board of Directors to consist of 11 members, comprising 3 existing directors and 8 new directors.
 - On April 28, 2025, the business rehabilitation Plan Administrators filed a petition with the Central Bankruptcy Court to report the successful implementation of the business rehabilitation plan and requested the Court to issue an order to terminate the business rehabilitation process of THAI.
 - On June 16, 2025, the Central Bankruptcy Court issued an order to terminate the business rehabilitation process, following the successful implementation of the business rehabilitation plan. Subsequently, on August 4, 2025, "THAI" securities resumed trading on the Stock Exchange of Thailand.
 - On December 19, 2025, THAI held the 2025 Annual General Meeting of Shareholders to consider and approve the increase in the number of directors from 11 to 15, the election of additional directors, the election of directors in place of those retiring by rotation, the election

of directors in place of a director who resigned, and to approve the remuneration of directors and members of subcommittees. The meeting resolved to approve the Board of Directors, to consist of 15 members, comprising 6 existing directors, 9 directors elected by the meeting, and approved the remuneration of directors and members of subcommittees.

- Sustainable growth coupled with social and environmental responsibility:
 - Designed and sold bags made from recycled life vest materials, considering both aesthetics and sustainability.
 - Collaborated with the Board of Airline Representatives Business Association (BAR), organized the "Flying Green: Thailand's Sustainable Aviation Fuel Forum", to discuss the vital role of Sustainable Aviation Fuel (SAF) in shaping an environmentally friendly future for the aviation industry, this stands as a clear testament to the strong commitment of both the aviation and energy sectors to accelerate the tangible adoption of SAF.
 - Installed a solar power generation system at the Head Office on office building roofs and parking areas to increase space efficiency and reduce long-term energy costs.
 - PUFF & PIE, in collaboration with the Doi Tung Development Project, Mae Fah Luang Foundation, launched "Carbon Neutral Coffee" under Royal Patronage through environmentally friendly production processes.
 - Collaborated with the Faculty of Architecture, Art and Design, King Mongkut's Institute of Technology Ladkrabang, to organize the "TG UPCYCLING DESIGN CAMP 2025: From Cart to Creation" activity, promoting the Circular Economy concept through product design from waste materials, repurposing decommissioned meal carts into art and functional furniture to support Thai youth in using creativity and driving the Zero Waste Living concept into reality.
 - Signed a Memorandum of Understanding (MOU) with the Civil Aviation Authority of Thailand (CAAT) and airlines in Thailand, on promoting the use of Sustainable Aviation Fuel (SAF). This cooperation will support the achievement of the Long Term Global Aspirational Goal (LTAG) for net-zero carbon emissions by 2050.

In 2025, THAI received awards from various institutions, including:

- Readers' Choice Awards 2025 from DestinAsian Magazines: total 4 awards, including third place for Best Airlines, third place for Best Airlines: Economy Class, fourth place for Best Airlines: Premium Class, and fifth place for Best Frequent Flier Programs.
- The Most Improved Airline award from the PAX International Readership Awards 2025, which recognizes outstanding organizations in various categories within the aviation industry.

- Hall of Fame – Best South-East Asian Airline award, presented at the 34th TTG Travel Awards 2025. This annual ceremony is held to honor outstanding individuals and organizations in the Asia-Pacific region tourism industry. THAI received the Hall of Fame – Best South-East Asian Airline award for over 10 consecutive years and has been honored with inclusion in the TTG Travel Hall of Fame since 2016 to the present.
- Winner of the PRODUCT OF THE YEAR AWARDS 2025, in the Service Product category (Airlines Business), organized by Business+ magazine to choose the best products and services of the year in various categories.
- The Next Generation Inflight Entertainment Provider of the Year in Asia 2025 award from Aerospace and Defense Review magazine, reflecting the commitment to developing modern inflight entertainment systems that meet the evolving needs of passengers.
- The Business Class of the Year and Regional Airline of the Year awards, from the TDM Travel Trade Excellence Awards 2025 – Thailand, organized by Travel Daily Media, which honors the achievements of organizations in the tourism and hospitality industry.
- The Asia-Pacific’s Top Outstanding Airlines award from NOW Travel Asia Media Group, awarded to prominent brands and organizations in the premium travel industry under the “Redefined Luxury Travel” concept, which aims to set new standards for travel in the Asia-Pacific region.
- Corporate awards: Ranked 28th in “Top 50 Companies in Thailand” by WorkVenture and 28th in “Most Attractive Companies” by QGEN Consultant QMAC 2025.
- Mr. Chai Eamsiri, Chief Executive Officer of THAI, received the Pride of Asia - Industry's No. 1 award, was named CEO of the Year 2025 for Enterprise Transformation Excellence from Bangkok Post, and was honored as Thairath's CEO of the Year 2025.

As of December 31, 2025, THAI operated a total of 80 aircraft. In 2025, THAI had an average aircraft utilization of 13.6 hours/aircraft/day, with a total of 16.46 million passengers, an increase of 2.0% compared to the previous year. Available Seat Kilometers (ASK) increased by 5,030 million (+7.7%) and Revenue Passenger Kilometers (RPK) increased by 4,290 million (+8.3%) from the previous year, due to THAI resumed services to Milan and Oslo, 7 flights per week, starting from July 2024. Also, resumed services to Brussels, 7 flights per week, starting from December 2024, combined with increased flight frequencies on popular routes such as Shanghai and Denpasar, to accommodate rising passenger travel demand. This resulted in THAI's flight network covering 63 destinations in 27 countries worldwide, whereas 8 destinations were domestic (excluding Bangkok). The cabin factor was 79.2%, higher than the 78.8% recorded last year. The average passenger yield (including fuel and insurance surcharges, excluding excess baggage revenue) was 2.77 THB, decreased by 7.0% from the previous year. Available Dead Load Ton-

Kilometers (ADTK) increased by 346 million (+9.7%) and Revenue Freight Ton-Kilometers (RFTK) increased by 154 million (+8.3%) from the previous year. The average freight load factor decreased from last year which was 52.0% to 51.3%. The average freight yield (including fuel and insurance surcharges, excluding mail revenue) was 8.50 THB, decreased from last year by 7.3%.

THAI and its subsidiaries had total revenues (excluding one-time items) of THB 190,277 million, THB 2,288 million (+1.2%) higher than the previous year. Mainly from an increase in transportation revenue of THB 720 million (+0.4%), with an increase in passenger revenue by THB 737 million (+0.5%) due to the increase in the number of flights to accommodate the increasing passenger demand. Freight and mail revenue was in line with to the previous year. Moreover, revenue from other businesses increased by THB 576 million (+5.3%), primarily due to an increase in business units revenue, from the increasing customer airlines' passenger. Also, other income increased by THB 992 million (+20.3%). Total expenses (excluding one-time items) increased by THB 2,964 million (+2.0%) from last year, according to higher production and/or traffic, more flights, and an increase in passenger numbers, despite lower fuel expenses in line with lower average fuel prices. As a result, THAI and its subsidiaries reported an operating profit before finance costs (excluding one-time items) of THB 40,839 million, a decrease of THB 676 million (-1.6%) from last year.

THAI and its subsidiaries recognized finance costs (according to Thai Financial Reporting Standards No. 9: TFRS 9) amounted to THB 13,154 million, a decrease of THB 5,627 million (-30.0%) from last year, and had net one-time items as revenue totaling THB 782 million, mainly due to gain on termination of aircraft lease agreements, gain on foreign exchange rates-net, loss on impairment of assets, loss on measurement derivatives, revision of the estimate of expiring miles, and loss on impairment in accordance with TFRS 9. While last year, one-time items were expenses totaling THB 49,260 million, mainly from loss on debt restructuring of THB 45,271 million, which is a one-time accounting loss, resulting from the debt-to-equity conversion under the business rehabilitation plan. Consequently, in 2025, THAI and its subsidiaries had a net profit of THB 30,940 million, an increase of THB 57,841 million (+215.0%) from last year, with profit attributable to owners of the parent company of THB 30,910 million. Resulting in profit per share of 1.09 THB, increased from last year which was loss per share of 6.26 THB. EBITDA amounted to THB 53,880 million, a decrease of THB 5,244 million (-8.9%) from last year.

2. Summary of Operating Results

The consolidated financial statements for 2025 consist of THAI's financial statement and 7 subsidiary companies which are 1) Thai-Amadeus Southeast Asia Co., Ltd., 2) WingSpan Services Co., Ltd., 3) Thai Flight Training Co., Ltd., 4) Tour Eurng Luang Co., Ltd. and 5) Thai MRO Group Co., Ltd. 6) Thai

MRO Services Co., Ltd., and 7) Thai Smile Airways Co., Ltd., which completed the registration of its dissolution.

Financial Performance: THAI and its subsidiaries

	Jan – Dec			
	2025	2024	Variance	
			MTHB	%
Total operating revenues	190,277	187,989	+2,288	+1.2
- Passenger and excess baggage revenue	155,705	154,968	+737	+0.5
- Freight and mail revenue	17,251	17,268	-17	-0.1
- Revenue from other businesses	11,453	10,877	+576	+5.3
- Other income	5,868	4,876	+992	+20.3
Total operating expenses	149,438	146,474	+2,964	+2.0
- Aircraft fuel expenses	47,376	50,474	-3,098	-6.1
- Non-fuel operating expenses	102,062	96,000	+6,062	+6.3
Operating profit before finance costs exclude one-time items	40,839	41,515	-676	-1.6
Finance costs	13,154	18,781	-5,627	-30.0
Operating profit exclude one-time items	27,685	22,734	+4,951	+21.8
Gain on termination of aircraft lease agreements	4,230	-	+4,230	-
Gain (loss) on foreign exchange rates-net	653	(906)	+1,559	+172.1
Share of profit of investments in associates	34	63	-29	-46.0
Gain on sale of assets	18	51	-33	-64.7
Loss on debt restructuring	(7)	(45,271)	+45,264	+100.0
Loss on impairment in accordance with TFRS 9	(153)	(22)	-131	-595.5
Revision of the estimate of expiring miles	(968)	-	-968	-
Gain (loss) on measurement derivatives	(1,384)	106	-1,490	-1,405.7
Loss from impairment of assets	(1,641)	(6,483)	+4,842	+74.7
Adjustment of inventory for non-fleet aircraft	-	(1,329)	+1,329	+100.0
Outdated passenger ticket revenue adjustment	-	4,136	-4,136	-100.0
Tickets fee expiration adjustment	-	539	-539	-100.0
Severance Pay	-	(119)	+119	+100.0
Mutual Separation Plan (MSP)	-	(25)	+25	+100.0
Profit (loss) before tax	28,467	(26,526)	+54,993	+207.3
Net Profit (loss)	30,940	(26,901)	+57,841	+215.0
Profit (loss) attributable to owners of the parent company	30,910	(26,934)	+57,844	+214.8
Net Profit (loss) per share (THB)	1.09	(6.26)	+7.35	+117.4

		Jan – Dec			
		2025	2024	Variance	
				Amount	%
Significant operating data					
EBITDA	(MTHB)	53,880	59,124	-5,244	-8.9
Number of passengers	(Million)	16.46	16.14	+0.32	+2.0
Available Seat Kilometers	(Million)	70,726	65,696	+5,030	+7.7
Revenue Passenger Kilometers	(Million)	56,031	51,741	+4,290	+8.3
Cabin Factor	(%)	79.2	78.8		+0.4
Passenger Yield	(THB/RPK)	2.77	2.98	-0.21	-7.0
Available Dead Load Ton-Kilometers	(Million)	3,921	3,575	+346	+9.7
Revenue Freight Ton-Kilometers	(Million)	2,013	1,859	+154	+8.3
Freight Load Factor	(%)	51.3	52.0		-0.7
Freight carried	(Ton)	466,168	431,320	+34,848	+8.1
Freight Yield	(THB/RFTK)	8.50	9.17	-0.67	-7.3
No. of aircraft in operations (As of Dec 31)	(Aircraft)	80	79	+1	+1.3
Flight hours	(Hours)	346,251	323,289	+22,962	+7.1
Aircraft utilization	(Hours/Aircraft/Day)	13.6	13.2	+0.4	+3.0
Average foreign currency exchange rate					
1 USD	: THB	32.8828	35.2935	-2.4107	-6.8
1 EUR	: THB	37.0902	38.1751	-1.0849	-2.8
100 JPY	: THB	22.0028	23.3253	-1.3225	-5.7
Currency foreign exchange rate as at Dec 31					
1 USD	: THB	31.7436	34.1461	-2.4025	-7.0
1 EUR	: THB	37.5016	35.7819	+1.7197	+4.8
100 JPY	: THB	20.5195	21.8877	-1.3682	-6.3
Average jet fuel price	(USD/BBL)	96.46	104.64	-8.18	-7.8

Note: EBITDA = Revenues (excluded gain on foreign exchange rates-net, gain on termination of aircraft lease agreements and gain on measurement derivatives) - Expenses (excluded loss on debt restructuring, finance costs, tax, depreciation and amortization, loss on impairment of assets, loss on impairment in accordance with TFRS 9, adjustment of inventory for non-fleet aircraft, loss on foreign exchange rates-net, and loss on measurement derivatives)

Summary of THAI and its subsidiaries

Revenues

In 2025, THAI and its subsidiaries had total revenues (excluding one-time items) of THB 190,277 million, an increase of THB 2,288 million (+1.2%) from the previous year with details as follows:

- **Passenger and excess baggage revenue**

The majority revenue of THAI and its subsidiaries, accounted for 81.8% of total revenues (excluding one-time items), amounted to THB 155,705 million, an increase of THB 737 million (+0.5%) from the previous year.

Revenue Passenger Kilometers (RPK) increased by 8.3%, while Available Seat Kilometers (ASK) increased by 7.7% compared to the previous year. Due to the aircraft in operations and the average aircraft utilization has increased from last year. Also, the resumption of services to Brussels since December 2024 and the increase in flight frequencies on popular routes such as Shanghai and Denpasar in order to accommodate passenger travel demand. The cabin factor was 79.2%, higher than the previous year level of 78.8%, driven by route network optimization and strategic partnerships through codeshare agreements.

Average Passenger Yield (including fuel and insurance surcharges, excluding excess baggage revenue) was at 2.77 THB, lower than the previous year by 0.21 THB (-7.0%), or approximately THB 11,700 million. Primarily due to the appreciation of the Thai Baht against main revenue currencies which are the Japanese Yen, Euro, and US Dollar, resulted in a decrease of average passenger yield when converted to Thai Baht by 0.12 THB/RPK (-4.0%) or approximately THB 6,700 million. Excluding the impact of foreign exchange fluctuations, the average passenger yield was lower than the previous year by approximately 3.0% or THB 5,000 million due to the increased price competition.

Passenger Operational Data by Region – THAI and its subsidiaries

	Variance from Last Year (%)		Cabin Factor (%)	
	ASK	RPK	2025	2024
Domestic Routes	-7.2	-9.2	89.0	91.0
International Routes	+8.2	+9.0	78.9	78.3
<i>Asia</i>	+2.4	+3.0	75.5	75.1
<i>Europe</i>	+14.7	+15.6	83.2	82.6
<i>Australia</i>	+11.8	+11.2	77.9	78.3
Total	+7.7	+8.3	79.2	78.8

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

Unit: Million Baht	2025	2024	Variance	
			MTHB	%
Domestic Routes	7,602	8,300	-698	-8.4
International Routes	148,103	146,668	+1,435	+1.0
<i>Asia</i>	76,965	79,623	-2,658	-3.3
<i>Europe</i>	55,841	52,637	+3,204	+6.1
<i>Australia</i>	15,297	14,408	+889	+6.2
Total passenger and excess baggage revenue (excluding one-time items)	155,705	154,968	+737	+0.5

Average Passenger Yield by Region – THAI and its subsidiaries

Unit: THB/RPK	2025	2024	Variance	
			THB	%
Domestic Routes	3.94	3.93	+0.01	+0.3
International Routes	2.72	2.95	-0.23	-7.8
<i>Asia</i>	3.10	3.32	-0.22	-6.6
<i>Europe</i>	2.42	2.64	-0.22	-8.3
<i>Australia</i>	2.37	2.48	-0.11	-4.4
Total average passenger yield	2.77	2.98	-0.21	-7.0

Note: Average passenger yield excludes excess baggage revenue.

- Passenger and excess baggage revenue for Asia routes amounted to THB 76,965 million, a decrease of THB 2,658 million (-3.3%) from last year. Due to the average passenger yield was lower than the previous year by 6.6% from the impact of Thai Baht appreciation and the increased price competition. Meanwhile, the production increased by 2.4% from last year following the increase in flight frequencies to Shanghai from 7 to 14 flights per week starting December 2024, and Denpasar from 7 to 14 flights per week starting October 27, 2024 under the winter schedule. RPK increased by 3.0% with a cabin factor from 75.1% in 2024 to 75.5% in 2025.

- Passenger and excess baggage revenue for Europe routes amounted to THB 55,841 million, an increase of THB 3,204 million (+6.1%) from the previous year. ASK increased by 14.7% due to the flight resumption to Milan and Oslo, 7 flights per week, starting July 2024, and Brussels, 7 flights per week, starting December 2024. RPK increased by 15.6%. The cabin factor increased from 82.6% in 2024 to 83.2% in 2025. While the average passenger yield decreased by approximately 8.3%, partly due to the appreciation of Thai Baht against Euro.

- Passenger and excess baggage revenue for Australia routes amounted to THB 15,297 million, an increase of THB 889 million (+6.2%) from the previous year. ASK increased by 11.8% due to the flight resumption to Perth, 7 flights per week and an increase in Sydney flight frequencies from 7 to 14 flights per week starting April 2024. RPK increased by 11.2%, while the cabin factor decreased from 78.3% in 2024 to 77.9% in 2025. The average passenger yield decreased by approximately 4.4%, partly due to the appreciation of Thai Baht against Australian Dollar.

- Passenger and excess baggage revenue for domestic routes amounted to THB 7,602 million, a decrease of THB 698 million (-8.4%) from the previous year. ASK and RPK decreased by 7.2% and 9.2% respectively, due to the seat retrofit of the Airbus A320-200 cabin and the suspension of flights to Narathiwat, resulting in a reduction in number of flights and passengers. The cabin factor for domestic routes decreased from 91.0% in 2024 to 89.0% in 2025. However, the average passenger yield increased by 0.3% following the Airbus A320-200 configuration seat upgrade to include Business Class.

- **Freight and mail revenue**

Freight and mail revenue accounted for 9.1% of total revenues (excluding one-time items), amounted to THB 17,251 million, a decrease of THB 17 million (-0.1%) from last year. Resulted from the average freight yield (including fuel and insurance surcharges, excluding mail revenue) was 8.50 THB, lower from last year by 0.67 THB (-7.3%), due to the Thai Baht appreciation and the increased competition. The average freight load factor was 51.3%, lower than the previous year's average of 52.0%. Although, Revenue Freight Ton-Kilometers (RFTK) increased by 8.3% due to the increase in the number of flights.

- **Revenue from other businesses** consist of revenues from business units which include Ground Services, Catering, Cargo Handling Services, and other supporting activities such as aircraft maintenance, etc., amounted THB 11,453 million, an increase of THB 576 million (+5.3%) from the previous year. This was primarily driven by an increase in revenue from business units following the growth in passengers and flights of customer airlines.

- **Other income** consists of interest income, penalty fees income, and other income, amounted to THB 5,868 million, an increase of THB 992 million (+20.3%) compared to the previous year, mainly due to an increase in interest income from the increase in cash and cash equivalents.

Expenses

In 2025, THAI and its subsidiaries had total expenses (excluding one-time items) of THB 149,438 million, an increase of THB 2,964 million (+2.0%) from the previous year with details as follows:

- **Aircraft fuel expenses** amounted to THB 47,376 million, accounted for 31.7% of total expenses (excluding one-time items), a decrease of THB 3,098 million (-6.1%) from the previous year. This was

primarily due to a 7.8% decrease in average fuel price and the appreciation of Thai Baht against US Dollar from an average of 35.29 THB/USD in 2024 to 32.88 THB/USD in 2025, or a 6.8% appreciation. Although fuel consumption increased in line with the higher number of flights operated.

- **Non-fuel operating expenses** amounted to THB 102,062 million, an increase of THB 6,062 million (+6.3%) from the previous year, with details as follows:

Unit: Million Baht	Jan – Dec			
	2025	2024	Variance	
			MTHB	%
Expenses (excluding one-time items)				
Employee benefits expenses	15,204	11,964	+3,240	+27.1
Flight service expenses	19,682	18,332	+1,350	+7.4
Crew expenses	5,587	4,983	+604	+12.1
Aircraft repair and maintenance costs	18,732	20,428	-1,696	-8.3
Depreciation and amortization expenses	13,991	13,026	+965	+7.4
Inventories and supplies expenses	9,475	8,766	+709	+8.1
Selling and advertising expenses	10,126	9,239	+887	+9.6
Other expenses	9,265	9,262	+3	-
Non-fuel Operating Expenses	102,062	96,000	+6,062	+6.3

- Variable cost totaled THB 63,602 million, higher than last year by THB 1,854 million (+3.0%).

Details as follows:

- Flight service expenses, consisted of ground handling charges, airport fees, navigation fees and other flight services fees, mainly are passenger lounge expenses, amounted to THB 19,682 million, an increase of THB 1,350 million (+7.4%) from the previous year, mainly due to higher expenses per flight and an increase in the number of flights, despite the appreciation of the Thai Baht against major expenditure currencies, which resulted in lower expenses.

- Crew expenses, mainly consisted of cockpit and cabin crew flight per diem, transportation and accommodation expenses for cockpit and cabin crew abroad, amounted to THB 5,587 million, an increase of THB 604 million (+12.1%) from the previous year, in line with the increase in production volume and flight hours.

- Aircraft repair and maintenance costs amounted to THB 18,732 million, a decrease of THB 1,696 million (-8.3%) from the previous year. Resulting from the conversion of lease agreements to purchase agreements for 4 Boeing 777-300ER aircraft, the revision of the maintenance provisions for 1 Airbus A320-200 aircraft as it is certain that the underlying obligation will no longer utilize, which will be

converted from a lease to a purchase agreement in January 2026, the appreciation of the Thai Baht and the recognition of guarantee claim for Boeing 787-8 aircraft grounded pending for repair. Despite an increase in flight hours and the number of operational aircraft.

- Inventories and supplies expenses amounted to THB 9,475 million, an increase of THB 709 million (+8.1%) from the previous year, mainly from the increase in raw material prices as well as the rising costs of consumable spare parts following the increased maintenance activities.

- Selling and advertising expenses amounted to THB 10,126 million, an increase of THB 887 million (+9.6%) from the previous year, mainly from an increase in credit card fees following a higher volume of sales settled by credit card and the estimation of commission expenses for sales agents generated sales in accordance with the established criteria, despite lower reservation expenses and fees due to the Thai Baht appreciation.

- Fixed cost comprises of employee benefits expenses, depreciation and amortization expenses and other expenses totaled THB 38,460 million, an increase of THB 4,208 million (+12.3%) from last year. Details as follows:

- Employee benefits expenses primarily consisted of salaries, outsource, overtime pay, and other benefits (excluding compensation for employees participating in Mutual Separation Plan program and severance pay), amounted to THB 15,204 million, an increase of THB 3,240 million (+27.1%) from the previous year. This was mainly due to the annual salary adjustment for employees, restructuring employee compensation to be competitive within the industry, special remuneration, the increase in number of employees and outsource staff in order to support business growth.

- Depreciation and amortization expenses amounted to THB 13,991 million, an increase of THB 965 million (+7.4%) from the previous year. Mainly due to the recording of engine overhaul depreciation for 4 Boeing 777-300ER aircraft following the conversion of their lease agreements to purchase agreements and depreciation of right-of-use assets for the period, following the delivery of 1 Airbus A330-300, 1 Boeing 787-9 and 1 Airbus A321neo aircraft this year.

- 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 9,265 million, an increase of THB 3 million from the previous year. This was primarily due to higher outjob and utility expenses following the growth in production volume, including Information Technology development costs. Despite, the reclassification of non-active to active supplies.

Finance costs amounted to THB 13,154 million, a decrease of THB 5,627 million (-30.0%) from the previous year, mainly due to a decrease in debt resulting from a debt-to-equity conversion under the business rehabilitation plan, as well as the conversion of lease agreements to purchase agreements for 4 Boeing 777-300ER aircraft. Although, there are interest expenses recognition from operating lease aircraft following the adoption of Thai Financial Reporting Standard No. 16 (TFRS 16), in relation to the increased number of operating lease aircraft.

Gain on termination of aircraft lease agreements amounted to THB 4,230 million, representing an accounting adjustment resulting from the purchase of 4 Boeing 777-300ER aircraft that were previously under operating leases.

Gain on foreign exchange rates-net amounted to THB 653 million, consisting of unrealized gain on foreign exchange rates at THB 2,111 million from the appreciation of Thai Baht against the US Dollar and Japanese Yen as of December 31, 2025, when compared to December 31, 2024. Consequently, the value of loans, including aircraft lease liabilities as well as assets and liabilities denominated in foreign currency, decreased after conversion into Thai Baht. The realized loss on foreign exchange rates was at THB 1,458 million.

Share of profit of investments in associates consisted of Don Mueang International Airport Hotel Ltd., Suvarnabhumi Airport Hotel Ltd. and Phuket Air Catering Ltd., amounted to THB 34 million, and share of profit last year was at THB 63 million.

Gain on sale of assets amounted to THB 18 million, from gain on sales of aircraft, engines and other assets.

Loss on debt restructuring amounted to THB 7 million, resulting from liabilities adjustment in accordance with the orders from the Official Receiver.

Loss on impairment in accordance with TFRS 9 amounted to THB 153 million, mainly due to the estimated impairment of financial assets, including cash, trade receivables, and other assets.

Revision of the estimate of expiring miles amounted to THB 968 million, from the revision of the estimate expiring miles driven by updated assumption on the proportion of mileage expected to expire unredeemed.

Loss on impairment of assets amounted to THB 1,641 million. THAI has recognized the impairment loss on 20 aircraft, consisting of 6 Boeing 777-300, 2 Boeing 777-200, and 6 Airbus A380-800 aircraft which currently in the asset disposal process. And also, the impairment loss on 6 Boeing 777-200ER aircraft which had an expected sale value lower than net book value. As well as the impairment loss on spare engines.

Loss on measurement derivatives amounted to THB 1,384 million. As of December 31, 2025, THAI had foreign currency exchange contracts with financial institutions using financial instruments which is Cross Currency Swap (CCS) by converting from US Dollar to Thai Baht. In order to reduce the impact of foreign exchange fluctuations on the financial statements.

EBITDA for the year 2025 amounted to THB 53,880 million, a decrease of THB 5,244 million (-8.9%) from the previous year. Due to total revenues increased at a lower rate compared to the increase in total expenses. However, the non-fuel operating expenses per Available Seat Kilometers decreased from 1.461 THB in 2024 to 1.443 THB in 2025.

3. Financial Position and Liquidity

Capital Expenditures

Unit : Million Baht	Jan – Dec	
	2025	2024
Aircraft	12,168	3,088
Others (Non-Aircraft)	846	606
Total	13,014	3,694

In 2025, THAI and its subsidiaries had capital expenditures of THB 13,014 million, THB 9,320 million (+252.3%) higher than last year with details as follows:

- Investment in aircraft of THB 12,168 million, mainly due to the purchase of 4 Boeing 777-300ER aircraft that THAI previously operated under the operating lease agreements and the purchase of rotatable aircraft spare parts.
- Investment in other fixed assets of THB 846 million, mostly for maintenance equipment services for Technical Department.

Liquidity

As of December 31, 2025, THAI and its subsidiaries had cash and cash equivalents of THB 78,579 million, represented 25.9% of total assets, a decrease from December 31, 2024 by THB 5,633 million (-6.7%).

In summary, net cash provided by and used in various activities are as follows:

Unit : Million Baht	Jan – Dec	
	2025	2024
Net cash provided by operating activities	40,379	55,235
Net cash used in investing activities	(24,928)	(26,213)
Net cash provided by (used in) financing activities	(18,245)	3,044
Effects of exchange rate changes on cash and cash equivalents	(2,866)	(772)
Effects of loss on impairment determined in accordance with TFRS 9 on cash and cash equivalents	35	(21)
Decrease in cash and cash equivalents from loss of control of subsidiary	(8)	-
Increase (Decrease) in cash and cash equivalents	(5,633)	31,273

In 2025, THAI and its subsidiaries had net cash provided by operating activities of THB 40,379 million, a decrease of THB 14,856 million (-26.9%) from the previous year. Despite reporting a net profit in 2025, net cash flow from operating activities decreased compared to the previous year. This was primarily due to the adjustment to reconcile profit and loss and an increase in working capital. Net cash used in investing activities amounted to THB 24,928 million, a decrease of THB 1,285 million (-4.9%) from the previous year, primarily due to lower investments in other current financial assets and pre-delivery payments for aircraft procuring compared to the previous year, higher interest income, while the conversion of lease agreements to purchase agreements for 4 Boeing 777-300ER aircraft. THAI recorded the net cash used in financing activities of THB 18,245 million, consisted of payments for aircraft lease liabilities, interest expenses of debentures and interest expenses of long-term borrowings. While last year, net cash from financing activities amounted to THB 3,044 million from the issuance of common shares. As a result, cash and cash equivalents as of December 31, 2025, amounted to THB 78,579 million, a decrease of THB 5,633 million (-6.7%) from December 31, 2024, which were THB 84,212 million. (Also see Note 7.1 to the financial statements.)

Notably, including other current financial assets, THAI and its subsidiaries had cash and cash equivalents, including other current financial assets amounted to THB 123,560 million, an increase of THB 8,571 million (+7.5%) from as of December 31, 2024.

Fleet

As of December 31, 2025, THAI and its subsidiaries had 80 aircraft in operations and 3 aircraft unused in operations. The total operational aircraft consisted of 10 company-owned aircraft and 70 aircraft under lease agreements. (Also see Note 13 to the financial statements.)

Assets

As of December 31, 2025, THAI and its subsidiaries had total assets of THB 304,059 million, an increase of THB 11,551 million (+3.9%) from December 31, 2024, with details as follows:

	Consolidated					
	Dec 31, 2025		Dec 31, 2024		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	78,579	25.9	84,212	28.8	-5,633	-6.7
Other current financial assets	44,981	14.8	30,777	10.5	+14,204	+46.2
Non-current assets classified as held for sale	1,615	0.5	1,734	0.6	-119	-6.9
Other current assets	18,324	6.0	18,286	6.3	+38	+0.2
Current Assets	143,499	47.2	135,009	46.2	+8,490	+6.3
Property, plant and equipment	42,356	13.9	37,025	12.7	+5,331	+14.4
Right-of-use assets	69,283	22.8	75,367	25.7	-6,084	-8.1
Other non-current assets	48,921	16.1	45,107	15.4	+3,814	+8.5
Total Assets	304,059	100.0	292,508	100.0	+11,551	+3.9

Current assets amounted to THB 143,499 million, represented 47.2% of total assets, an increase of THB 8,490 million (+6.3%) from December 31, 2024. Details as follows:

- Cash and cash equivalents amounted to THB 78,579 million, a decrease of THB 5,633 million (-6.7%) from December 31, 2024, mainly due to an increase in investments in bill of exchange with the right to be redeemed and higher fixed deposits with maturity period more than 3 months and not over 1 year, the conversion of lease agreements to purchase agreements for 4 Boeing 777-300ER aircraft, payments of aircraft lease liabilities and interest expenses of debentures. (Also see Note 7.1 to the financial statements.)

- Other current financial assets amounted to THB 44,981 million, an increase of THB 14,204 million (+46.2%) from December 31, 2024, due to an investments in bill of exchange with the right to be redeemed and fixed deposits with a maturity period more than 3 months but not over 1 year. (Also see Note 10.1 to the financial statements.)

- Non-current assets classified as held for sale amounted to THB 1,615 million, a decrease of THB 119 million (-6.9%) from December 31, 2024, mainly from the selling of 1 Airbus A340-500, 1 Airbus A380-800, 2 Boeing 777-200, and 1 Boeing 777-300 aircraft. Moreover, the selling of 4 Trent 970-84 spare engines and sale of other assets. Although there were the reclassification of 6 Boeing 777-300 aircraft from property, plant, and equipment. (Also see Note 11 to the financial statements.)

- Other current assets amounted to THB 18,324 million, an increase of THB 38 million (+0.2%) from December 31, 2024. Mainly from an increase in inventories in line with expanded operations, as well as security deposits under aircraft lease agreement. Despite, a decrease in trade and other current receivables. (Also see Notes 6.2, 8, 9, 17.1, 34.2.3 to the financial statements.)

Property, plant, and equipment amounted to THB 42,356 million, represented 13.9% of total assets, an increase of THB 5,331 million (+14.4%) from December 31, 2024. Mainly from the conversion of lease agreements to purchase agreements for 4 Boeing 777-300ER aircraft. Although depreciations for the period was recorded, the reclassification of 6 Boeing 777-300 aircraft to non-current assets classified as held for sale and the recognition of the allowance for impairment loss. (Also see Note 13 to the financial statements.)

Right-of-use assets amounted to THB 69,283 million, represented 22.8% of total assets, consisted of aircraft operating lease agreements and other operating lease fixed assets, decreased by THB 6,084 million (-8.1%) from December 31, 2024. Primarily resulting from depreciations for the period and a decrease due to the reclassification and recognition as property, plant, and equipment from the conversion of lease agreements to purchase agreements for 4 Boeing 777-300ER aircraft. (Also see Note 14 to the financial statements.)

Other non-current assets amounted to THB 48,921 million, represented 16.1% of total assets, an increase of THB 3,814 million (+8.5%) from December 31, 2024. The main causes were an increase in pledged bank deposits and pre-delivery payments for aircraft procuring. Meanwhile, the aircraft maintenance reserves decreased due to the conversion of lease agreements to purchase agreements for 4 Boeing 777-300ER aircraft. (Notes to the financial statements No. 10.2, 12, 15, 16, 17.2, 34.2.1)

The Return on Assets (ROA) for the year 2025 was 10.37%, while last year was -10.12%

Liabilities

As of December 31, 2025, total liabilities of THAI and its subsidiaries amounted to THB 228,147 million, a decrease of THB 18,772 million (-7.6%) from December 31, 2024. Details are as follows:

	Consolidated					
	Dec 31, 2025		Dec 31, 2024		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	67,716	29.7	67,077	27.1	+639	+1.0
Current portion of long-term liabilities	9,871	4.3	9,510	3.9	+361	+3.8
Long-term liabilities	107,801	47.3	119,231	48.3	-11,430	-9.6
Other non-current liabilities	42,759	18.7	51,101	20.7	-8,342	-16.3
Total Liabilities	228,147	100.0	246,919	100.0	-18,772	-7.6

Current liabilities amounted to THB 67,716 million, represented 29.7% of total liabilities, an increase of THB 639 million (+1.0%) from December 31, 2024, mainly due to an increase in trade and other current payables, although decrease in deferred revenue driven by the recognition of passenger revenue during the high season at the end of the year. (Also see Note 6.2, 20, 21, 34.2.3 to the financial statements.)

Long-term liabilities, including the current portion of long-term liabilities amounted to THB 117,672 million, represented 51.6% of total liabilities, a decrease of THB 11,069 million (-8.6%) from December 31, 2024. Mainly from payments of lease liabilities and a decrease in right-of-use assets from the conversion from lease agreements to purchase agreements for 4 Boeing 777-300ER aircraft. (Also see Note 6.2, 7.3, 18, 19 to the financial statements.)

Other non-current liabilities amounted to THB 42,759 million, represented 18.7% of total liabilities, a decrease of THB 8,342 million (-16.3%) from December 31, 2024, mainly due to a decrease in other non-current provisions of THB 6,206 million, resulting from a revision of the accounting estimate for long-term aircraft repair and maintenance provisions, major maintenance reserves for aircraft overhauls, aircraft engines and other related components. These adjustments reflect a decrease in estimated future maintenance payment under contractual agreement, driven by the conversion from lease agreements to purchase agreements for 4 Boeing 777-300ER aircraft. And also, the adjustment of unrealized foreign exchange rate. (Also see Note 6.2, 20, 22, 23, 24, 34.2.1 to the financial statements.)

As of December 31, 2025, Interest Bearing Debt to Equity of THAI and its subsidiaries was 1.55 times, decreased from December 31, 2024 which was 2.82 times. Debt to equity was 3.01 times decreased from December 31, 2024 which was 5.42 times.

Shareholders' Equity

As of December 31, 2025, shareholders' equity of THAI and its subsidiaries amounted to THB 75,912 million, an increase of THB 30,323 million (+66.5%) from December 31, 2024, which was at THB 45,589 million, driven by the increased operating profit.

Contingent Liabilities

As of December 31, 2025, THAI had contingent liabilities arising from commitments which have not been recognized in the financial statements from bank guarantees issued by domestic and foreign banks and future obligations under aircraft lease agreements and asset acquisition agreements, which are awaiting delivery. (Also see Note 35 to the financial statements.)

4. Outlook

The global economic growth outlook for 2026, according to the World Economic Outlook (WEO) report issued in January 2026 by the International Monetary Fund (IMF), projects global economy to grow at 3.3%, a slight improvement from the 3.2% forecasted in October 2025. This is driven by positive factors, including investments in Artificial Intelligence (AI) technology, the capability to adapt to the changing business and economic landscape, and supportive fiscal and monetary measures. However, risks remain from geopolitical tensions and trade wars, and the re-evaluation of productivity growth expectations related to AI, which could lead to investment reduction.

The International Air Transport Association (IATA) projects that the aviation industry growth trend for 2026 will continue expanding at 4.9%, with the Asia Pacific region showing the most prominent growth rate at 7.3%. However, supply constraints in the aviation industry have resulted in an aircraft shortage, are contributing to the projected cabin factor as high as 83.8%. This factor directly impacts yield and overall industry profitability, leading to record-high net profits for the aviation industry. Nevertheless, the overall net margin of airlines is expected to remain stable at 3.9%.

The International Monetary Fund (IMF) estimated the Thai economy in 2026 to expand by 1.6%, slowing down from the 2.1% expansion in the previous year, due to impacts from trade wars, intense global market competition, household debt problems, and domestic structural constraints. However, the tourism sector remains the key driver, despite challenges in regional tourism competition, the appreciation of the Thai Baht, and safety confidence. It is expected that in 2026, the number of international tourists arriving in Thailand will increase to 36.7 million. The Tourism Authority of Thailand (TAT) aims to drive tourism under the “Amazing 5 Economy” framework: 1) Life Economy, elevating Thai products and services to be a Wellness & Medical Tourism hub; 2) Sub-Culture Economy, targeting niche market with specific preferences; 3) Night Economy, extending tourist stays and distributing travel activities across both major and emerging cities; 4) Circular Economy, focusing on resource efficiency, waste reduction, and circulating income back to communities and the environment based on Reduce-Reuse-Recycle principles; and 5) Platform Economy, online tourism through digital trading and payment systems to facilitate seamless travel.

In response to the expansion of the aviation and tourism industries, THAI has a fleet improvement and route network plans as follows:

- In 2026, THAI is scheduled to take delivery of an additional 14 Airbus A321neo aircraft. This follows the delivery of the first aircraft in December 2025. According to the plan, all 32 aircraft will be delivered by 2028 to support services on short-haul and medium-haul routes, such as ASEAN and Asia markets. Additionally, THAI will take delivery of 4 Boeing 787-9 aircraft to enhance long-haul flight operations.

- Negotiations are underway to lease 10 Boeing 787-8 wide-body aircraft, with deliveries expected to begin in June 2026 to replace decommissioned aircraft.
- Resume service between Bangkok and Amsterdam, Netherlands, with 7 flights per week as part of the summer 2026 flight schedule, operations for this route are scheduled to commence on July 1, 2026 onward. Additionally, service between Bangkok and Auckland, New Zealand, will be launched with 7 flights per week, with the start of operations expected in late 2026 onward.

In addition, THAI is implementing the "Silk Hub" strategy to restructure its flight network for maximum efficiency, focusing on increasing profitability through a three-tiered market structure: The ASEAN region, serving as the "Base" network to feed passengers into the primary network; China and India, acting as the "Core" markets for high-volume traffic; Long-haul routes, such as Europe and Australia, which serve as "Value Creator" by generating high yield and value for the network. Furthermore, THAI is optimizing its flight schedules and routes to achieve a strategic balance between passenger services and cargo operations. This approach aims to ensure stable and sustainable long-term profitability.

5. Financial Ratios

		Jan – Dec	
		2025	2024
Liquidity Ratio			
Current Ratio	(times)	3.61	3.52
Profitability Ratio			
Operating Profit Margin before Finance Costs	%	21.46	22.08
Operating Profit Margin after Finance Costs	%	14.55	12.09
Net Profit (Loss) Margin	%	16.26	(14.31)
Return on Equity	%	50.93	n/a
Efficiency Ratio			
Return on Total Assets	%	10.37	(10.12)
Financial Policy Ratio			
Interest Bearing Debt to Equity	(times)	1.55	2.82
Total Debt to Equity	(times)	3.01	5.42
Interest Coverage Ratio	(times)	4.10	3.15
Net Debt to EBITDA	(times)	2.78	2.75
Debt Service Coverage Ratio	(times)	1.71	1.51

GLOSSARY

Current Ratio	= Current assets (exclude non-current assets classified held for sale) / Current liabilities (exclude deferred transportation revenue)
EBIT Margin	= Operating profit before finance costs and tax (exclude one-time items) / Total revenues (exclude one-time items)
Operating Profit after Finance Costs before Tax Margin	= Operating profit after finance costs before tax (exclude one-time items) / Total revenues (exclude one-time items)
Net Profit (Loss) Margin	= Net profit (Loss) / Total revenues (exclude one-time items)
Return on Equity	= Net profit / Average shareholders' equity
Return on Total Assets	= Net profit / 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	= Total liabilities / Shareholders' equity
Interest Coverage Ratio	= EBITDA / Finance costs
Net Debt to EBITDA	= (Total liabilities - cash and cash equivalents) / EBITDA
Debt Service Coverage Ratio	= EBITDAR / (Long-term loan repayment and lease liabilities + finance costs + lease of spare parts)