

## **Management's Discussion and Analysis for the first quarter of 2026 ended March 31, 2026, for Thai Airways International Public Company Limited**

### **1. Executive summary**

The first quarter of 2026, the global economy slowed down more than anticipated, due to geopolitical tensions in the Middle East. The situation has intensified since February 28, 2026, impacting economic activities and leading to a rising inflation trend driven by higher production and transportation costs. This occurred despite continued investment in Artificial Intelligence (AI) and digital infrastructure. According to the World Economic Outlook (WEO) report issued in April 2026 by the International Monetary Fund (IMF), global economic growth for 2026 is projected at 3.1%, a decrease from the 3.3% forecast in January 2026, under the condition that the conflict in the Middle East remains limited.

The global airline industry in the first quarter of 2026, the International Air Transport Association (IATA) reported a 4.0% growth in Revenue Passenger Kilometers (RPK), compared to the same period last year. This was driven by a 3.9% expansion in international passenger traffic. Also, Revenue Freight Ton-Kilometers (RFTK) increased by 3.3%. In the Asia Pacific region, the Association of Asia Pacific Airlines (AAPA) reported a 6.2% 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 7.5% and 4.3%, respectively. The cabin factor rose from 82.3% to 84.8%. Meanwhile, RFTK and Available Dead Load Kilometers (ADTK) increased by 5.7% and 5.1%, respectively, resulting in an increase in the Freight Load Factor (FLF) from the same period last year at 58.9% to 59.3%. The expansion is a result of an upsurge in demand on Asia-Europe routes, as travelers shifted to alternative routings following airspace closures and operational disruptions at Middle East hubs.

The Thai economy slowed down in the first quarter of 2026, pressured by the war in the Middle East, which resulted in decreased export volumes, rapidly rising energy prices, and inflation. These factors affected consumer purchasing power and confidence. However, supporting factors remained, such as the formation of the government, investment and exports of electronic goods and a temporary reduction in US import tariffs on Thai products. The IMF has revised down its 2026 growth forecast for Thailand to 1.5%, a slight decrease from the 1.6% projected in January 2026.

In the tourism sector, the first quarter of 2026, Thailand welcomed a total of 9.3 million international tourist arrivals, a 2.4% decrease compared to the same period last year. This was due to pressures from the slowing global economy and geopolitical uncertainty, representing 86.3% of the pre-COVID-19 crisis levels in 2019. Most of these travelers originated from the Asia-Pacific region, accounting for 60.8%. The top five countries with the highest number of visitors to Thailand are China, Malaysia, Russia, India, and South Korea. Nevertheless, the total number of passengers traveling through Thailand's 6 main airports amounted to 36.8 million, an increase of 5.8%. International passengers accounted for 60.9% or 22.4 million,

reflecting a growth rate of 4.4% compared to the same period last year. Domestic passengers accounted for 39.1% or 14.4 million, a growth rate of 8.1% compared to the same period last year.

THAI's key operational highlights during the first quarter of 2026 included:

- Enhancing Fleet and Cabin Efficiency to Enhance Passenger Satisfaction: On January 16, 2026, THAI introduced the first Airbus A321neo aircraft to serve short-haul and medium-haul routes. The cabin features "Royal Silk Class" seats designed under the "Your Personal Room Concept," offering 180-degree full-flat beds. Economy class seats are ergonomically designed. The In-Flight Entertainment (IFE) system features 4K resolution screens, which support personal device connectivity with a new, intuitive, and responsive User Interface (UI). Additionally, the aircraft is also equipped with a high-speed internet system via the Multi-Orbit SES Open Orbits network, supporting speeds of 200-300 Megabits per second, commenced service in this first quarter of 2026.
- Supplementary flights: THAI added supplementary flights on the Bangkok-Frankfurt and Bangkok-Paris routes to alleviate stranded passengers and accommodate increased travel demand resulting from the Middle East situation during March 2026.
- Exploitation on non-core assets: Selling 1 Airbus A380-800 aircraft, 1 Boeing 777-200 aircraft, and other assets.
- Environmental Commitment for Sustainable Growth:
  - Signed a cooperation agreement with LH Bank regarding "Green Deposit" products, utilizing deposits to support environmentally friendly businesses such as clean energy projects, green building projects, and businesses that reduce greenhouse gas emissions. The Green Deposit products are designed under a Sustainable Finance Framework covering sustainable green funding standards, marking another significant step in extending Environmental, Social, and Governance (ESG) concepts while elevating liquidity management for maximum benefit to ensure stable and sustainable long-term growth.
  - Distributing products made from recycled materials, prioritizing both aesthetics and sustainability, such as travel ID tags and utility bags made from life vests, and laptop bags made from aircraft seat covers, which possess special durable and flame-retardant properties.

Furthermore, during the first quarter of 2026, THAI received awards from various institutions, including:

- Best Airline of the Year-Service Excellence (Asia) was awarded to the airline with outstanding service quality and excellence in travel experience. Furthermore, Mr. Chai Eamsiri, Chief Executive Officer, received the Person of the Year-Airlines (Asia) award for his leadership and

vision in driving the organization toward sustainable growth at the PATWA International Travel Awards 2026, organized by the Pacific Area Travel Writers Association (PATWA). The PATWA International Travel Awards is highly recognized among the tourism and aviation industry, presented to agencies, organizations, and individuals who have a significant role in developing the travel and tourism industry at regional and global levels.

- Best Overall Passenger Experience from the PAX International Readership Awards 2026, organized by PAX International and PAX Tech, which are leading media outlets in the global aviation industry. The award aims to honor airlines and operators with excellence in service and passenger experience.
- Corporate awards include:
  - Best Restructuring Deal of the Year in Asia at the Alpha Southeast Asia's 19th Annual Best Deal & Solution Awards 2025, organized by Alpha Southeast Asia, a leading magazine in investment, finance, banking and capital markets in Southeast Asia.
  - Best Corporate Issuer in Asia Pacific and Best Equity Deal in Thailand, reflecting the efficiency in capital market management and regional recognition from the FinanceAsia Achievement Awards 2025, organized by FinanceAsia, a leading finance and investment magazine in Asia.
  - People Outperform Index™ 2025 Top HR Practice Excellence from Hewitt Consulting Co., Ltd., in collaboration with the Sasin School of Management, Chulalongkorn University. This award is presented to organizations with outstanding People Excellence and excellent human resource management practices.
  - Awards from QGEN Consultant QMAC 2026, a survey of the most attractive companies to work for in 2026 by QGEN Consultant, a Thai consultancy specializing in People & Organization. The Company was ranked 29th among the “Most Attractive Companies 2026”

As of March 31, 2026, THAI operated a total of 80 aircraft. During the first quarter of 2026, average aircraft utilization was 13.8 hours/aircraft/day, with a total of 4.18 million passengers, a decrease of 3.5% compared to the same period last year. Available Seat Kilometers (ASK) declined by 340 million (-1.9%) while Revenue Passenger Kilometers (RPK) decreased by 323 million (-2.2%) compared to the same period last year. THAI's route network covering 61 destinations in 27 countries worldwide, including 8 domestic destinations (excluding Bangkok). The cabin factor was 83.1%, in line with the same period last year at 83.3%. The average passenger yield (including fuel and insurance surcharges, excluding excess baggage revenue) was 2.92 THB, which is in line with 2.91 THB recorded during the same period last year. Available Dead Load Ton-Kilometers (ADTK) and Revenue Freight Ton-Kilometers (RFTK) were in line with the same period last year. The average freight load factor increased from 49.4% in the same period last year to

50.5%. The average freight yield (including fuel and insurance surcharges, excluding mail revenue) was 8.36 THB, lower than the same period last year by 2.6%.

THAI reported total revenues (excluding one-time items) of THB 51,029 million, a decrease of THB 596 million (-1.2%), compared to the same period last year. Mainly from a decrease in transportation revenue of THB 927 million (-2.0%), with a decrease in passenger revenue of THB 879 million (-2.0%). Mainly from lower production and traffic compared to the same period last year, However, the average passenger yield (including fuel and insurance surcharges, excluding excess baggage revenue) remained in line compared with the previous year, despite the impact of the Thai Baht's appreciation, reflecting the effectiveness of pricing strategies and revenue structure management. Freight and mail revenue decreased by THB 48 million (-1.1%). Revenue from other businesses increased by THB 345 million (+12.0%), primarily due to higher business unit revenue arising from the growing number of customer airlines' flights. Other income decreased by THB 14 million (-1.0%). Total expenses (excluding one-time items) were THB 37,282 million, decreased by THB 682 million (-1.8%) compared to the same period last year. Mainly due to lower fuel expenses, aligned with the decrease in production from the same period last year and the appreciation of Thai Baht, despite a slight increase in average fuel prices. Also, a decrease in variable costs associated with lower production and/or traffic, including the number of flights and passengers. As a result, THAI reported an operating profit before finance costs (excluding one-time items) of THB 13,747 million, an increase of THB 86 million (+0.6%) compared to the same period last year.

THAI recognized finance costs amounted to THB 2,987 million, a decrease of THB 494 million (-14.2%) compared to the same period last year. Net one-time items were recognized as revenue totaling THB 1,088 million, mainly due to gains on the termination of aircraft lease contracts, gains on the measurement of derivatives and net loss on foreign exchange rates. As a result, in the first quarter of 2026, THAI had net profit of THB 10,107 million, an increase of THB 268 million (+2.7%), compared to the same period last year, with profit attributable to owners of the parent of THB 10,093 million. Profit per share amounted to 0.36 THB, increased from the same period last year, which was 0.35 THB. EBITDA amounted to THB 17,548 million, an increase of THB 819 million (+4.9%) compared to the same period last year.

## 2. Summary of Operating Results

The consolidated financial statements for the first quarter of 2026 consist of THAI's financial statement and 6 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. 5) Thai MRO Group Co., Ltd. and 6) Thai MRO Services Co., Ltd.

## Financial Performance

	Jan - Mar			
	2026	2025	Variance	
			MTHB	%
<b>Total operating revenues</b>	<b>51,029</b>	<b>51,625</b>	<b>-596</b>	<b>-1.2</b>
- Passenger and excess baggage revenue	42,340	43,219	-879	-2.0
- Freight and mail revenue	4,128	4,176	-48	-1.1
- Revenue from other businesses	3,224	2,879	+345	+12.0
- Other income	1,337	1,351	-14	-1.0
<b>Total operating expenses</b>	<b>37,282</b>	<b>37,964</b>	<b>-682</b>	<b>-1.8</b>
- Aircraft fuel expenses	11,347	12,703	-1,356	-10.7
- Non-fuel operating expenses	25,935	25,261	+674	+2.7
<b>Operating profit before finance costs excludes one-time items</b>	<b>13,747</b>	<b>13,661</b>	<b>+86</b>	<b>+0.6</b>
Finance costs	2,987	3,481	-494	-14.2
<b>Operating profit excludes one-time items</b>	<b>10,760</b>	<b>10,180</b>	<b>+580</b>	<b>+5.7</b>
Gain on termination of aircraft lease contracts	1,435	-	+1,435	-
Gain (loss) on measurement of derivatives	649	(107)	+756	+706.5
Share of profit of investments in associates	29	32	-3	-9.4
Gain (loss) on sale of assets	1	(7)	+8	+114.3
Loss on debt restructuring	-	(4)	+4	+100.0
Loss from impairment of assets	-	(273)	+273	+100.0
Loss on impairment in accordance with TFRS 9	(5)	(117)	+112	+95.7
Gain (loss) on foreign exchange rates-net	(1,021)	137	-1,158	-845.3
Profit before income tax	11,848	9,841	+2,007	+20.4
Net Profit	10,107	9,839	+268	+2.7
<b>Profit attributable to owners of the parent company</b>	<b>10,093</b>	<b>9,832</b>	<b>+261</b>	<b>+2.7</b>
Profit per share (THB)	0.36	0.35	+0.01	+2.9

		Jan - Mar			
		2026	2025	Variance	
				Amount	%
<b>Significant operating data</b>					
EBITDA	(MTHB)	17,548	16,729	+819	+4.9
Number of passengers	(Million)	4.18	4.33	-0.15	-3.5
Available Seat Kilometers	(Million)	17,389	17,729	-340	-1.9
Revenue Passenger Kilometers	(Million)	14,453	14,776	-323	-2.2
Cabin Factor	(%)	83.1	83.3		-0.2
Passenger Yield	(THB/RPK)	2.92	2.91	+0.01	+0.3
Available Dead Load Ton-Kilometers	(Million)	972	975	-3	-0.3
Revenue Freight Ton-Kilometers	(Million)	491	482	+9	+1.9
Freight Load Factor	(%)	50.5	49.4		+1.1
Freight carried	(Ton)	111,964	113,379	-1,415	-1.2
Freight Yield	(THB/RFTK)	8.36	8.58	-0.22	-2.6
No. of aircraft in operations (As at Mar 31)	(Aircraft)	80	78	+2	+2.6
Flight hours	(Hours)	86,779	87,212	-433	-0.5
Aircraft utilization	(Hours/Aircraft/Day)	13.8	13.7	+0.1	+0.7
Average foreign currency exchange rate					
1 USD	: THB	31.6014	33.9542	-2.3528	-6.9
1 EUR	: THB	36.9815	35.7005	+1.2810	+3.6
100 JPY	: THB	20.1638	22.2813	-2.1175	-9.5
Currency foreign exchange rate as at Mar 31					
1 USD	: THB	32.9936	34.0859	-1.0923	-3.2
1 EUR	: THB	37.9563	37.0723	+0.8840	+2.4
100 JPY	: THB	20.8457	23.0368	-2.1911	-9.5
Average jet fuel price	(USD/BBL)	100.35	100.29	+0.06	+0.1

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

## Performance Summary

### Revenues

In the first quarter of 2026, THAI had total revenues (excluding one-time items) of THB 51,029 million, a decrease of THB 596 million (-1.2%) from the same period last year, with details as follows:

- **Passenger and excess baggage revenue**

The majority revenue of THAI, accounted for 83.0% of total revenues (excluding one-time items), amounted to THB 42,340 million, a decrease of THB 879 million (-2.0%) from the same period last year.

Revenue Passenger Kilometers (RPK) decreased by 2.2%, Available Seat Kilometers (ASK) decreased by 1.9% compared to the same period last year. This was primarily due to the suspension of Kochi route, the reduction in flight frequencies to Nagoya, and the seat retrofit of 20 Airbus A320-200 aircraft to include Business Class seats. The cabin factor was 83.1%, consistent with the same period last year which was 83.3%. The average passenger yield (including fuel and insurance surcharges, excluding excess baggage revenue) amounted to 2.92 THB, which is in line with 2.91 THB recorded during the same period last year. Nevertheless, the appreciation of the Thai Baht against main revenue currencies which are the Japanese Yen and US Dollar, resulted in a decrease of average passenger yield when converted to Thai Baht by 0.08 THB/RPK (-2.7%). Excluding the impact of foreign exchange fluctuations, the average passenger yield should increase by approximately 3.1% compared to the same period last year, reflecting the effectiveness of pricing strategies and revenue structure management.

#### Passenger Operational Data by Region

	Variance from Last Year (%)		Cabin Factor (%)	
	ASK	RPK	Jan - Mar	
			2026	2025
Domestic Routes	-3.9	-5.9	91.9	93.8
International Routes	-1.9	-2.1	82.8	83.0
<i>Asia</i>	-4.7	-5.6	77.7	78.5
<i>Europe</i>	+0.9	+1.2	90.5	90.2
<i>Australia</i>	+0.6	+0.01	77.0	77.5
<b>Total</b>	<b>-1.9</b>	<b>-2.2</b>	<b>83.1</b>	<b>83.3</b>

#### Passenger and Excess Baggage Revenue by Region

Unit: Million Baht	Jan - Mar			
	2026	2025	Variance	
			MTHB	%
Domestic Routes	2,143	2,191	-48	-2.2
International Routes	40,197	41,028	-831	-2.0
<i>Asia</i>	20,063	21,400	-1,337	-6.2
<i>Europe</i>	16,082	15,642	+440	+2.8
<i>Australia</i>	4,052	3,986	+66	+1.7
<b>Total passenger and excess baggage revenue (excluding one-time items)</b>	<b>42,340</b>	<b>43,219</b>	<b>-879</b>	<b>-2.0</b>

### Average Passenger Yield by Region

Unit: THB/RPK	Jan - Mar			
	2026	2025	Variance	
			THB	%
Domestic Routes	4.37	4.21	+0.16	+3.8
International Routes	2.87	2.87	-	-
<i>Asia</i>	3.22	3.25	-0.03	-0.9
<i>Europe</i>	2.59	2.55	+0.04	+1.6
<i>Australia</i>	2.57	2.53	+0.04	+1.6
<b>Total average passenger yield</b>	<b>2.92</b>	<b>2.91</b>	<b>+0.01</b>	<b>+0.3</b>

Note: Average passenger yield excludes excess baggage revenue.

- Passenger and excess baggage revenue from Asia routes amounted to THB 20,063 million, a decrease of THB 1,337 million (-6.2%) compared to the same period last year. This decline was primarily due to a 4.7% decrease in production from the same period last year, resulting from the suspension of Kochi route and the reduction of flight frequencies to Nagoya from 14 to 7 flights per week. RPK decreased by 5.6% compared to the same period last year. The cabin factor decreased from 78.5% in the first quarter of 2025 to 77.7% in the first quarter of 2026 and the average passenger yield declined by 0.9%, reflecting heightened competition on Asian routes.

- Passenger and excess baggage revenue from Europe routes amounted to THB 16,082 million, an increase of THB 440 million (+2.8%) compared to the same period last year. ASK and RPK increased by 0.9% and 1.2% respectively. Due to geopolitical tensions in the Middle East, passenger demand shifted toward non-stop flights over connecting flights. In addition, THAI operated additional special flights to accommodate stranded passengers on the Bangkok-Paris and Bangkok-Frankfurt round trip routes. Consequently, the cabin factor increased from 90.2% in the first quarter of 2025 to 90.5% in the first quarter of 2026, and the average passenger yield increased by 1.6% compared to the same period last year.

- Passenger and excess baggage revenue from Australia routes amounted to THB 4,052 million, an increase of THB 66 million (+1.7%) compared to the same period last year. ASK increased by 0.6% compared to the same period last year, while RPK was in line with the same period last year. The cabin factor slightly declined from 77.5% in the first quarter of 2025 to 77.0% in the first quarter of 2026. While the average passenger yield increased by 1.6% compared to the same period last year, partly supported by higher connecting traffic from Europe routes because of the Middle East conflict.

- Passenger and excess baggage revenue for domestic routes amounted to THB 2,143 million, a decrease of THB 48 million (-2.2%) compared to the same period last year. ASK and RPK declined by 3.9% and 5.9% respectively. This was mainly due to the seat retrofit of 20 Airbus A320-200 aircraft to include

Business Class seats. The cabin factor decreased from 93.8% in the first quarter of 2025 to 91.9% in the first quarter of 2026. However, the average passenger yield increased by 3.8% compared to the same period last year, driven by a 12.9% increase in Business Class yield.

- **Freight and mail revenue**

Freight and mail revenue accounted for 8.1% of total revenues (excluding one-time items), amounted to THB 4,128 million, a decrease of THB 48 million (-1.1%) compared to the same period last year. This decline resulted from the average freight yield (including fuel and insurance surcharges, excluding mail revenue) of 8.36 THB, a decrease of 0.22 THB (-2.6%) compared to the same period last year following the appreciation of the Thai Baht and increased competition. However, Revenue Freight Ton-Kilometers (RFTK) increased by 1.9% from the same period last year, resulting in the average freight load factor improving to 50.5%, compared with 49.4% in the same period last year.

- **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 to THB 3,224 million, an increase of THB 345 million (+12.0%) compared to the same period last year. This growth was primarily driven by higher revenue from business units following the growth in flights of customer airlines.

- **Other income** consists of interest income, penalty fees income, and other income, amounted to THB 1,337 million, a decrease of THB 14 million (-1.0%) compared to the same period last year.

### **Expenses**

In the first quarter of 2026, THAI had total expenses (excluding one-time items) of THB 37,282 million, a decrease of THB 682 million (-1.8%) from the same period last year, with details as follows:

- **Aircraft fuel expenses** amounted to THB 11,347 million, representing 30.4% of total expenses (excluding one-time items), a decrease of THB 1,356 million (-10.7%) compared to the same period last year. This reduction was mainly due to lower production compared to the same period last year, as well as the appreciation of the Thai Baht against the US Dollar, with the average exchange rate from 33.95 THB/USD in the same period last year to 31.60 THB/USD, or an appreciation of 6.9%, despite a slight increase in average fuel prices of 0.1%.

- **Non-fuel operating expenses** amounted to THB 25,935 million, an increase of THB 674 million (+2.7%) from the same period last year, with details as follows:

Unit: Million Baht	Jan - Mar			
	2026	2025	Variance	
			MTHB	%
<b>Expenses (excluding one-time items)</b>				
Employee benefits expenses	3,589	2,821	+768	+27.2
Flight service expenses	4,914	4,942	-28	-0.6
Crew expenses	1,409	1,389	+20	+1.4
Aircraft repair and maintenance costs	5,077	5,370	-293	-5.5
Depreciation and amortization expenses	3,800	3,076	+724	+23.5
Inventories and supplies used expenses	2,605	2,425	+180	+7.4
Selling and advertising expenses	2,478	2,388	+90	+3.8
Other expenses	2,063	2,850	-787	-27.6
<b>Non-fuel Operating Expenses</b>	<b>25,935</b>	<b>25,261</b>	<b>+674</b>	<b>+2.7</b>

- Variable cost totaled THB 16,483 million, a decrease of THB 31 million (-0.2%), compared to the same period last year, with details as follows:

- Flight service expenses, consisting of ground handling charges, airport fees, navigation fees and other flight services fees, mainly are passenger lounge expenses, amounted to THB 4,914 million, a decrease of THB 28 million (-0.6%), compared to the same period last year. This reduction was mainly due to a lower number of flights and the appreciation of the Thai Baht against major expenditure currencies, resulting in lower expenses.

- Crew expenses, primarily consisting of cockpit and cabin crew flight per diem, transportation, and overseas accommodation expenses, amounted to THB 1,409 million, an increase of THB 20 million (+1.4%) compared to the same period last year. This increase was due to the adjustment of crew composition on flights, in compliance with the additional requirements mandated by the Civil Aviation Authority of Thailand (CAAT).

- Aircraft repair and maintenance costs amounted to THB 5,077 million, a decrease of THB 293 million (-5.5%) compared to the same period last year. Resulting from the conversion of lease agreements to purchase agreements for 5 Boeing 777-300ER aircraft and 1 Airbus A320-200 aircraft, the appreciation of the Thai Baht, the recognition of guarantee claims for Boeing 787-8 aircraft grounded pending for repair, and lower flight hours compared to the same period last year.

- Inventories and supplies used expenses amounted to THB 2,605 million, an increase of THB 180 million (+7.4%), compared to the same period last year, primarily due to higher 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 2,478 million, an increase of THB 90 million (+3.8%) compared to the same period last 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 comprising employee benefits expenses, depreciation and amortization, and other expenses, totaled THB 9,452 million, an increase of THB 705 million (+8.1%) compared to the same period last year, with details as follows:

- Employee benefits expenses primarily consisting of salaries, outsource, overtime pay, and other benefits amounted to THB 3,589 million, an increase of THB 768 million (+27.2%), compared to the same period last year. This increase was mainly due to annual salary adjustments, as well as an increase in the number of employees and outsourced staff to support business growth.

- Depreciation and amortization expenses amounted to THB 3,800 million, an increase of THB 724 million (+23.5%) compared to the same period last year. This increase was mainly due to the recognition of engine overhaul depreciation for 5 Boeing 777-300ER aircraft and 1 Airbus A320-200 aircraft following the conversion of lease agreements to purchase agreements and depreciation expenses of right-of-use assets for the period following the delivery of 1 Airbus A330-300, 2 Airbus A321neo and 1 Boeing 787-9 aircraft.

- Other expenses, mainly consisting of office rent expenses, insurance expenses, utility costs, and outsourced services covering routine general operations, such as waste and industrial waste treatment, wastewater quality inspection, and laundry services etc., amounted to THB 2,063 million, a decrease of THB 787 million (-27.6%) compared to the same period last year. This reduction was primarily due to lower outjob and utility expenses in line with reduced production levels and the reclassification of non-active to active supplies.

**Finance costs** amounted to THB 2,987 million, a decrease of THB 494 million (-14.2%) compared to the same period last year, mainly due to the conversion of lease agreements to purchase agreements for 5 Boeing 777-300ER aircraft and 1 Airbus A320-200 aircraft. While there are interest expenses recognition from operating lease aircraft following the delivery of additional 4 operating lease aircraft, consisting of 1 Airbus A330-300, 2 Airbus A321neo and 1 Boeing 787-9 aircraft.

**Gain on termination of aircraft lease contracts** amounted to THB 1,435 million, representing an accounting adjustment arising from the purchase of 1 Boeing 777-300ER and 1 Airbus A320-200 aircraft that were previously under operating lease contracts.

**Gain on measurement of derivatives** amounted to THB 649 million. As of March 31, 2026, THAI had foreign currency exchange contracts with financial institutions using financial instruments, such as Cross Currency Swap (CCS) by converting from US Dollar to Thai Baht, to reduce the impact of foreign exchange fluctuations on the financial statements.

**Share of profit of investments in associates**, consisting of Don Mueang International Airport Hotel Ltd., Suvarnabhumi Airport Hotel Ltd., and Phuket Air Catering Ltd., amounted to THB 29 million, a decrease of THB 3 million (-9.4%) compared to the same period last year.

**Gain on sale of assets** amounted to THB 1 million, primarily arising from the sale of aircraft, engines, and other assets.

**Loss on impairment in accordance with TFRS 9** amounted to THB 5 million, mainly due to the estimated impairment of financial assets, including cash, trade receivables and other financial assets.

**Loss on foreign exchange rates-net** amounted to THB 1,021 million, consisting of unrealized loss on foreign exchange rates at THB 517 million from the depreciation of the Thai Baht against the US Dollar, Euro and Japanese Yen as of March 31, 2026, compared to December 31, 2025. As a result, the value of loans, aircraft lease liabilities, as well as assets and liabilities denominated in foreign currencies, increased after conversion into Thai Baht. Meanwhile, the realized foreign exchange loss amounted to THB 504 million.

EBITDA for the first quarter of 2026 amounted to THB 17,548 million, an increase of THB 819 million (+4.9%) compared to the same period last year.

### 3. Financial Position and Liquidity

#### Capital Expenditures

Unit: Million Baht	Jan - Mar	
	2026	2025
Aircraft	5,285	345
Others (non-aircraft)	382	54
<b>Total</b>	<b>5,667</b>	<b>399</b>

In the first quarter of 2026, THAI incurred capital expenditures of THB 5,667 million, an increase of THB 5,268 million (+1,320.3%) compared to the same period last year, with details as follows:

- Investment in aircraft amounted to THB 5,285 million, mainly from the purchase of 1 Boeing 777-300ER and 1 Airbus A320-200 aircraft that previously operated under operating lease agreements, as well as the purchase of rotatable aircraft spare parts.

- Investment in other fixed assets amounted to THB 382 million. These investments were mainly related to maintenance services equipment for the Technical Department.

### Liquidity

As of March 31, 2026, THAI had cash and cash equivalents of THB 85,318 million, represented 26.3% of total assets, an increase of THB 6,739 million (+8.6%) compared to December 31, 2025.

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

Unit: Million Baht	Jan - Mar	
	2026	2025
Net cash flows provided by operating activities	14,375	16,589
Net cash flows used in investing activities	(6,292)	(4,502)
Net cash flows used in financing activities	(4,168)	(4,467)
Effects from unrealized foreign exchange rate changes on cash and cash equivalents	2,823	700
Effects from (reversal of) credit loss on cash and cash equivalents	1	(6)
<b>Increase in cash and cash equivalents</b>	<b>6,739</b>	<b>8,314</b>

In the first quarter of 2026, THAI reported net cash flows provided by operating activities of THB 14,375 million, a decrease of THB 2,214 million (-13.3%) compared to the same period last year. This decline was primarily due to changes in working capital. However, operating performance improved, with operating profit before finance costs (excluding one-time items) and net profit exceeding the first quarter of 2025. Net cash flows used in investing activities amounted to THB 6,292 million, an increase of THB 1,790 million (+39.8%) compared to the same period last year, mainly due to higher pre-delivery payments for aircraft procurement, including the conversion of lease agreements to purchase agreements for 1 Boeing 777-300ER and 1 Airbus A320-200 aircraft. Net cash flows used in financing activities amounted to THB 4,168 million, comprising payments of aircraft lease liabilities, interest expenses on debentures, and interest expenses on long-term borrowings. As a result, cash and cash equivalents as of March 31, 2026, amounted to THB 85,318 million, an increase of THB 6,739 million (+8.6%) compared to December 31, 2025, which were THB 78,579 million.

Notably, including other current financial assets, THAI had cash and cash equivalents, including other current financial assets amounted to THB 132,320 million, an increase of THB 8,760 million (+7.1%) from as of December 31, 2025.

### Fleet

As of March 31, 2026, THAI had 80 aircraft in operations and 4 aircraft unused in operations. The total operational aircraft consisted of 11 company-owned aircraft and 69 aircraft under lease agreements.

## Assets

As of March 31, 2026, THAI had total assets of THB 324,542 million, an increase of THB 20,483 million (+6.7%) from December 31, 2025, with details as follows:

	Consolidated					
	Mar 31, 2026		Dec 31, 2025		Variance	
	MTHB	% of Total Assets	MTHB	% of Total Assets	MTHB	%
Current assets						
Cash and cash equivalents	85,318	26.3	78,579	25.9	+6,739	+8.6
Other current financial assets	47,002	14.5	44,981	14.8	+2,021	+4.5
Non-current assets classified as held for sale	1,405	0.4	1,615	0.5	-210	-13.0
Other current assets	26,059	8.0	18,324	6.0	+7,735	+42.2
<b>Current Assets</b>	<b>159,784</b>	<b>49.2</b>	<b>143,499</b>	<b>47.2</b>	<b>+16,285</b>	<b>+11.3</b>
Property, plant and equipment	46,480	14.3	42,356	13.9	+4,124	+9.7
Right-of-use assets	68,448	21.1	69,283	22.8	-835	-1.2
Other non-current assets	49,830	15.4	48,921	16.1	+909	+1.9
<b>Total Assets</b>	<b>324,542</b>	<b>100.0</b>	<b>304,059</b>	<b>100.0</b>	<b>+20,483</b>	<b>+6.7</b>

Current assets amounted to THB 159,784 million, representing 49.2% of total assets, an increase of THB 16,285 million (+11.3%) from December 31, 2025, with details as follows:

- Cash and cash equivalents amounted to THB 85,318 million, an increase of THB 6,739 million (+8.6%) from December 31, 2025. Primarily driven by net cash flows provided by operating activities exceeding net cash flows used in investing and financing activities, reflecting the ability to generate cash flows from operations. Cash used in investing activities mainly related to planned investments and financing activities were in line with debt and obligation repayments.

- Other current financial assets amounted to THB 47,002 million, an increase of THB 2,021 million (+4.5%) from December 31, 2025, primarily due to higher investments in bills of exchange with redemption rights and fixed deposits with maturities of more than 3 months but not exceeding 1 year.

- Non-current assets classified as held for sale amounted to THB 1,405 million, a decrease of THB 210 million (-13.0%) from December 31, 2025, mainly due to the selling of 1 Airbus A380-800, 1 Boeing 777-200 aircraft, and other assets.

- Other current assets amounted to THB 26,059 million, an increase of THB 7,735 million (+42.2%) from December 31, 2025, primarily due to an increase in trade receivables in line with higher ticket sales volume, as well as an increase in short-term derivative assets, mainly derived from the fair value assessment of fuel forward contracts, intended to hedge against fuel price fluctuations.

Property, plant and equipment amounted to THB 46,480 million, representing 14.3% of total assets, an increase of THB 4,124 million (+9.7%) from December 31, 2025, mainly due to the conversion of lease agreements to purchase agreements for 1 Boeing 777-300ER and 1 Airbus A320-200 aircraft. Meanwhile, depreciation expenses were recorded for the period.

Right-of-use assets amounted to THB 68,448 million, representing 21.1% of total assets, consisting of aircraft operating leases agreements and other operating lease fixed assets, a decrease of THB 835 million (-1.2%) from December 31, 2025. Primarily due to depreciation for the period and reclassification to property, plant and equipment following the conversion of lease agreements to purchase agreements for 1 Boeing 777-300ER and 1 Airbus A320-200 aircraft. Meanwhile, there was an additional delivery of 1 Airbus A321neo aircraft.

Other non-current assets amounted to THB 49,830 million, representing 15.4% of total assets, an increase of THB 909 million (+1.9%) from December 31, 2025. Primarily due to higher pre-delivery payments for aircraft awaiting delivery.

The Return on Assets (ROA) for the first quarter of 2026 was 3.22%, decreased from 3.33% in the same period last year.

### Liabilities

As of March 31, 2026, total liabilities of THAI amounted to THB 235,920 million, an increase of THB 7,773 million (+3.4%) from December 31, 2025. Details are as follows:

	Consolidated					
	Mar 31, 2026		Dec 31, 2025		Variance	
	MTHB	% of Total Liabilities	MTHB	% of Total Liabilities	MTHB	%
Current liabilities	72,039	30.5	67,716	29.7	+4,323	+6.4
Current portion of long-term liabilities	9,880	4.2	9,871	4.3	+9	+0.1
Long-term liabilities	110,020	46.6	107,801	47.3	+2,219	+2.1
Other non-current liabilities	43,981	18.7	42,759	18.7	+1,222	+2.9
<b>Total Liabilities</b>	<b>235,920</b>	<b>100.0</b>	<b>228,147</b>	<b>100.0</b>	<b>+7,773</b>	<b>+3.4</b>

Current liabilities amounted to THB 72,039 million, represented 30.5% of total liabilities, an increase of THB 4,323 million (+6.4%) from December 31, 2025, mainly due to an increase in deferred revenue.

Long-term liabilities, including the current portion of long-term liabilities amounted to THB 119,900 million, represented 50.8% of total liabilities, an increase of THB 2,228 million (+1.9%) from December 31, 2025. Mainly due to higher lease liabilities resulting from aircraft deliveries, as well as the remeasurement of foreign currency-denominated liabilities based on exchange rates at the end of the period.

Other non-current liabilities amounted to THB 43,981 million, represented 18.7% of total liabilities, an increase of THB 1,222 million (+2.9%) from December 31, 2025, mainly due to an increase in other non-current provisions of THB 2,037 million, resulting from the recognition of long-term provisions for aircraft repair and maintenance, including maintenance reserves for aircraft overhauls, engines, and other aircraft components in accordance with contractual obligations. Despite a decrease in long-term derivative liabilities resulting from changes in the fair value of foreign currency exchange contracts, to reduce the impact of foreign exchange fluctuations.

As of March 31, 2026, Interest Bearing Debt to Equity of THAI was 1.35 times, decreased from December 31, 2025 which was 1.55 times. Debt to equity was 2.66 times decreased from December 31, 2025 which was 3.01 times.

### **Shareholders' Equity**

As of March 31, 2026, shareholders' equity of THAI amounted to THB 88,622 million, an increase of THB 12,710 million (+16.7%) from December 31, 2025, which was THB 75,912 million. Equity attributable to owners of the parent amounted to THB 88,529 million, an increase of THB 12,695 million (+16.7%) from December 31, 2025, which was THB 75,834 million, driven by the net profit generated during the period.

### **Contingent Liabilities**

As of March 31, 2026, THAI had contingent liabilities arising from commitments, disclosed in the notes to 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.

## **4. Outlook**

In 2026, the global economic outlook faces primary risk factors from the war in the Middle East and geopolitical tensions, which may intensify inflation and public debt, particularly in developing countries. However, the economy has the potential to recover if AI-driven productivity materializes quickly or trade tensions ease. The IMF noted that the global economy is facing a significant test from the outbreak of war in the Middle East; if prolonged, it could lead the global economy into a slowdown.

The International Air Transport Association (IATA) expressed short-term concerns regarding potential jet fuel shortages and predicted that by May 2026, some flight cancellations might begin in Europe and parts of Asia. However, in the long term, IATA's travel demand forecast indicates that global air travel demand is likely to more than double by 2050, primarily driven by the Asia-Pacific region. Growth rates in each region will vary, depending on demographic structures, market saturation levels, economic development, and connectivity potential.

The Thai economy faces risks from the Middle East war and US import tariff measures. In the tourism sector, the Tourism Authority of Thailand (TAT) revised its 2026 tourist arrival target to 30-34 million, an 18% decrease from the original target, due to the slowdown in Middle Eastern, European, and American markets, flight route constraints, fuel price volatility, trade wars, and intense global competition. TAT has adjusted its marketing strategy from a focus on volume to "Value over Volume," aiming to increase tourists' spending per trip and develop high-quality tourism products and experiences, while communicating an image of safety and value alongside the effective use of technology and digital platforms.

For the Summer 2026 flight schedule, THAI operates services to a total of 62 destinations across domestic and international networks. THAI will resume its Bangkok-Amsterdam round-trip service with daily operations, totaling 7 flights per week, effective from July 1, 2026, onward. Considering the uncertainties surrounding geopolitical situations and international conflicts, THAI has closely monitored and implemented proactive management measures to mitigate potential impacts on performance, such as:

1. Fuel cost management involves fuel hedging in accordance with Company policy, improving fuel efficiency, and regularly monitoring fuel price trends to align operational plans with the evolving situations.
2. Route network management focuses on adjusting flight routes and frequencies to optimally match passenger demand.
3. Revenue management is executed by adjusting ticket prices in line with seasonal demand and shifting focus toward high-potential, low-risk markets.
4. Strict expense control includes delaying or suspending non-urgent investment projects.
5. Liquidity management aims to maintain adequate cash and liquidity levels to withstand uncertainty while monitoring cash flow closely.
6. Monitoring and proactive management involves closely tracking geopolitical situations and assessing impacts through stress tests and scenario analysis to ensure business plans can be adjusted promptly.

On April 20, 2026, THAI held the 2026 Annual General Meeting of Shareholders with the following agenda items: to acknowledge the report on the Company's performance for the year 2025, to consider and approve the financial statements for the year ended December 31, 2025, to consider the allocation of the net profit for the year 2025 and to consider and approve the payment of dividends for the operating results of the year 2025, to consider and approve the election of directors in place of directors who will be retired by rotation, to consider and approve the appointment of the auditors and the determination of the audit fees for the year 2026, to consider and approve the determination of the remuneration of directors and members of subcommittees and to consider and approve the amendments to the articles of association of Thai Airways International Public Company Limited.

## 5. Financial Ratios

		Jan – Mar	
		2026	2025
<b>Liquidity Ratio</b>			
Current Ratio	(times)	3.90	3.91
<b>Profitability Ratio</b>			
Operating Profit Margin before Finance Costs	%	26.94	26.46
Operating Profit Margin after Finance Costs	%	21.09	19.72
Net Profit Margin	%	19.81	19.06
Return on Equity	%	12.29	19.48
<b>Efficiency Ratio</b>			
Return on Total Assets	%	3.22	3.33
<b>Financial Policy Ratio</b>			
Interest Bearing Debt to Equity	(times)	1.35	2.23
Total Debt to Equity	(times)	2.66	4.37
Interest Coverage Ratio	(times)	5.88	4.81
Net Debt to EBITDA	(times)	8.58	8.95
Debt Service Coverage Ratio	(times)	2.44	2.10

### GLOSSARY

<b>Current Ratio</b>	= Current assets (exclude non-current assets classified held for sale) / Current liabilities (exclude deferred transportation revenue)
<b>EBIT Margin</b>	= Operating profit before finance costs and tax (exclude one-time items) / Total revenues (exclude one-time items)
<b>Operating Profit after Finance Costs before Tax Margin</b>	= Operating profit after finance costs before tax (exclude one-time items) / Total revenues (exclude one-time items)
<b>Net Profit Margin</b>	= Net profit (loss) / Total revenues (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) / Shareholders' equity
<b>Total Debt to Equity</b>	= Total liabilities / Shareholders' equity
<b>Interest Coverage Ratio</b>	= EBITDA / Finance costs
<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 + finance costs + lease of spare parts)