



**Management  
Discussion and Analysis  
For the Second Quarter of 2021**

## Executive Summary

During the second quarter of 2021 (“Q2/2021”), the global economy continually recovered after easing the Coronavirus (“COVID-19”) control measurements in the leading economic countries, which fuelled economic activities and international trades. In addition, the ongoing government stimulus measures and monetary policy also supported the growth. However, the economic disparity has expanded due to a slower pace of the developing countries economic recovery, mainly from the unequal vaccine access and limited fiscal support. Furthermore, the delay of vaccine distribution and the severe outbreak of virus variants led to strict epidemic control measures, which pressured the global economic recovery.

In Q2/2021, the US economy grew by an annualised 6.5 percent, continually grow from 6.3 percent from the last quarter, primarily due to reopening measurement, growing vaccination rate, government stimulus and relief package, and maintaining quantitative easing (“QE”). Therefore, it showed a positive result in private consumption, investment, export, government spending and economic activities. Meanwhile, the Chinese economy soared 7.9 percent in Q2/2021, resulted in a 12.7 percent expansion in the first half of this year, mainly from the solid industrial sector, export sectors and retail sales. Furthermore, the Eurozone economy expanded by 2.0 percent, compared to a 0.3 percent contraction in the previous quarter, primarily from the opening of economic activities, accelerating the vaccine distribution, and the recovery of manufacturing and service sectors reflected from Purchasing Managers Index (“PMI”).

The recovery of the Thai economy in Q2/2021 grew at a slower pace than the previous quarter due to the effect of new COVID-19 variants that were more severe and prolonged and the uneven vaccine distribution. Consequently, the government implemented a restricted measurement to control the situation that directly affected

the household purchasing power and the private sector confidence. Even, the government continued to implement various economic stimulus measures to help support the purchasing power. Simultaneously, the exports continually showed a positive sign of expansion, in tandem with trading partners’ economic growth. In contrast, the tourism sector is still in a slowdown. Thai tourists in the first half of 2021 decreased to 36.4 million-time or 38 percent compared to the first half of 2020. While the number of tourists in Q2/2021 was 9.8 million-time, comprised of Thai and international travellers inclined by 88 percent and declined by 69 percent, respectively, compared to the same period last year. Due to the travel restriction owing to the COVID-19 situation, the inbound tourists were only 40,447 people in this first six-month of 2021 or decreased by 99 percent compared to the previous year. Whereas the foreign tourists in Q2/2021 were 20,275 people.

In Q2/2021, Thai AirAsia posted 721,794 passengers, or up 155 percent compared to the same period last year, in line with an increase in Available Seat Kilometres (“ASK”) and seat capacity, on the back of travel demands during the Songkran festival in April 2021 and a low base from the previous year due to the fleet hibernation in April 2020. Furthermore, due to the pandemic mentioned above, the load factor in the said period was reported at 61 percent. In addition, Thai AirAsia completed the reduction of aircraft as planned, bringing its total fleet to 60 aircraft at the end of the period.

Given the aforesaid impact, Asia Aviation Public Company Limited posted total revenues in Q2/2021 of Baht 1,080.7 million. Accordingly, a net loss for the period increased from last year to Baht 1,691.9 million, and a net loss in the statement of comprehensive income amounted to Baht 1,688.0 million.

## Financial Performance Summary

Asia Aviation Public Company Limited (“Asia Aviation”) is a major shareholder of Thai AirAsia Company Limited (“Thai AirAsia”) who is an airline operator of Thai AirAsia, in which the Company currently holds 55 percent.

Asia Aviation’s financial performance for the three-month and the six-month ended 30 June 2020 and 2021 have been summarised below:

### Statement of Comprehensive Income

Asia Aviation Public Company Limited	Consolidated			Consolidated		
Unit: Baht million	For the three-month period		Change	For the six-month period		Change
	ended 30 June			ended 30 June		
	2021	2020		2021	2020	
Total revenues	1,080.7	2,221.0	-51%	2,431.4	9,675.5	-75%
Total expenses	3,894.0	4,021.4	-3%	8,451.1	12,844.6	-34%
Profit (loss) from operating activities	(2,813.3)	(1,800.4)	-56%	(6,019.7)	(3,169.1)	-90%
Profit (loss) for the period	(3,077.9)	(2,075.4)	-48%	(6,468.5)	(3,297.4)	-96%
Equity holders of the Company	(1,691.9)	(1,141.3)	-48%	(3,556.5)	(1,812.8)	-96%
Non-controlling interests of the subsidiary	(1,386.0)	(934.1)	-48%	(2,912.0)	(1,484.6)	-96%
Total comprehensive income for the period	(3,070.9)	(1,210.6)	->100%	(6,268.6)	(4,869.8)	-29%
Equity holders of the Company	(1,688.0)	(665.7)	->100%	(3,446.5)	(2,677.6)	-29%
Non-controlling interests of the subsidiary	(1,382.9)	(544.9)	->100%	(2,822.1)	(2,192.2)	-29%
Earnings (loss) Per Share (Baht)	(0.3488)	(0.2353)	-48%	(0.7333)	(0.3738)	-96%

In Q2/2021, Asia Aviation had total revenues of Baht 1,080.7 million, which decreased by 51 percent compared to Baht 2,221.0 million in the second quarter of 2020 (“Q2/2020”). Meanwhile, total expenses were a total of Baht 3,894.0 million, declined by 3 percent from Q2/2020. As a result, a net loss for the period attributable to equity holders of the Company in Q2/2021 of Baht 1,691.9 million, compared to the net loss in an amount of Baht 1,141.3 million from the previous year; thereby a basic loss was at Baht 0.3488 per share. With other comprehensive income from the gain on cash flow hedges net of income tax in an amount of Baht 7.0 million, the Company posted a loss in total comprehensive income attributable to equity holders in an amount of Baht 1,688.0 million from net loss in an amount of Baht 665.7 million in Q2/2020.

For the first half year of 2021 (“1H2021”), Asia Aviation had total revenues of Baht 2,431.4 million, decreased by 75 percent compared to the same period last year. While, total expenses were a total of Baht 8,451.1 million, declined by 34 percent from the first half year of 2020 (“1H2020”). Consequently, a net loss for the period attributable to equity holders of the Company in 1H2020 amounted to Baht 3,556.5 million, from the net loss of Baht 1,812.8 million for 1H2020, and having a basic loss was at Baht 0.7333 per share. With other comprehensive income from a gain on cash flow hedges net of income tax in an amount of Baht 199.9 million, it had a loss in total comprehensive income

attributable to equity holders of the Company in an amount of Baht 3,446.5 million, from the net loss in an amount of Baht 2,677.6 million for 1H2020.

#### Statement of Financial Position

Asia Aviation Public Company Limited	Consolidated		Change
Unit: Baht million	As at 30 June 2021	As at 31 December 2020	
Total assets	64,601.4	67,977.7	-5%
Total liabilities	53,509.6	50,617.4	+6%
Equity attributable to owners of the Company	10,819.6	14,266.1	-24%
Non-controlling interests of the subsidiary	272.2	3,094.2	-91%
Total shareholders' equity	11,091.8	17,360.3	-36%

#### Assets

As at 30 June 2021, total assets amounted to Baht 64,601.4 million, decreased by 5 percent compared to as at 31 December 2020, due to;

- (1) Current assets decreased by Baht 1,045.3 million, primarily due to a decrease in cash and cash equivalents in an amount of Baht 876.8 million from a decrease in passengers and the partial repayment of debentures, as well as, a decrease in prepaid expenses by Baht 177.8 million from receiving of the fuel prepayment.
- (2) Non-current assets decreased by Baht 2,331.1 million, primarily due to the right-of-use assets, the property, aircraft, leasehold improvements and equipment decreased from accumulated depreciation.

#### Liabilities

As at 30 June 2021, total liabilities amounted to Baht 53,509.6 million, increased by 6 percent compared to as at 31 December 2020, due to;

- (1) Current liabilities increased by Baht 3,856.8 million, primarily due to an increase in liabilities under lease agreements in an amount of Baht 1,803.5 million as the reclassified from non-current liabilities to current liabilities, as well as, an increase in the amounts due to related parties in an amount of Baht 1,489.8 million, mainly from the aircraft lease. Whereas long-term debentures increased by Baht 300 million from the debentures due in May 2022 of Baht 600 million and the partial repayment of debentures due in June 2021 of Baht 300 million.
- (2) Non-current liabilities decreased by Baht 964.6 million, primarily due to derivative liabilities decreased by Baht 319.8 million, mainly from the foreign exchange rate forward contracts.

## Equity

As at 30 June 2021, total shareholders' equity amounted to Baht 11,091.8 million, decreased by Baht 6,268.6 million or 36 percent compared to as at 31 December 2020, mainly due to the operating loss for the period. Hence, equity attributable to owners of the Company and non-controlling interests of the subsidiary as at 30 June 2021 amounted to Baht 10,819.6 million and Baht 272.2 million, respectively. The return on equity (ROE) was at -47.7 percent.

## Statement of Cash Flows

Asia Aviation Public Company Limited	Consolidated	
Unit: Baht million	For the six-month period 30 June	
	2021	2020
Net cash generated from (used in) operating activities	(440.7)	(774.2)
Net cash generated from (used in) investing activities	(64.2)	12,558.1
Net cash generated from (used in) financing activities	<u>(379.1)</u>	<u>(12,972.0)</u>
Net increase (decrease) in cash and cash equivalents	(884.0)	(1,188.1)
Unrealised exchange gain (loss) on cash and cash equivalents	7.2	39.3
Cash and cash equivalents at the beginning of the period	<u>1,110.4</u>	<u>3,982.2</u>
Cash and cash equivalents at the end of the period	<u><b>233.5</b></u>	<u><b>2,833.4</b></u>

For the six-month period ended 30 June 2021, Asia Aviation had net cash used in operating activities in an amount of Baht 440.7 million mainly due to the operating loss in the period under review. Meanwhile, net cash used in investing activities was at Baht 64.2 million, primarily from the payments for improvement employee training centre. Net cash used in financing activities was Baht 379.1million, mainly due to the repayment for liabilities under lease agreements, interest paid, and the partial repayment of debentures. As a result, the net decrease in cash and cash equivalents amounted to Baht 884.0 million, while the cash and cash equivalents at the end of the period amounted to Baht 233.5 million.

Thai AirAsia's financial performance for the three-month and the six-month ended 30 June 2020 and 2021 have been summarised below

#### Statement of Comprehensive Income

Thai AirAsia Company Limited Unit: Baht million	For the three-month period			For the six-month period		
	ended 30 June		Change	ended 30 June		Change
	2021	2020		2021	2020	
Total Revenues	1,079.9	2,221.0	-51%	2,430.7	9,675.3	-75%
Total Expenses	3,839.8	4,021.7	-5%	8,398.2	12,846.6	-35%
Profit (loss) from operating activities	(2,759.8)	(1,800.7)	-53%	(5,967.5)	(3,171.2)	-88%
Net Profit (loss) for the period	(3,035.1)	(2,075.6)	-46%	(6,426.2)	(3,299.1)	-95%
Total comprehensive income for the year	(3,028.1)	(1,210.9)	->100%	(6,226.3)	(4,871.4)	-28%
Earnings (loss) per share (Baht)	(69.68)	(47.66)	-46%	(147.54)	(75.74)	-95%

In Q2/2021, total revenues of Thai AirAsia amounted to Baht 1,079.9 million, decreased by 51 percent from Baht 2,221.0 million in Q2/2020. Primarily, revenues from sales and services amounted to Baht 983.2 million, increased by 269 percent compared to the same period last year, on the back of travel demands during the Songkran festival in April 2021 and a low base from the previous year due to the fleet hibernation in April 2020. Consequently, the passenger carried in Q2/2021 recorded at 0.72 million or up by 155 percent, despite the third wave of the COVID-19 pandemic in Thailand hit in mid-April 2021 and the government travel restriction. Due to active rearrangement of its flights and capacity to match the travel demand, the load factor of this quarter increased to 61 percent or nine percentage points ("ppts") from last year. Besides, the average fare in Q2/2021 was Baht 1,129 per passenger, increased by 10 percent compared to the same period previous year, on the support of domestic travel demands. This quarter, the total ancillary revenues amounted to Baht 169.8 million, mainly from checked baggage, freight, booking fees, and seat selection. In contrast, the total ancillary revenues in Q2/2020 were impacted by the fleet hibernation, social distancing and restrictions on food and beverage services.

In Q2/2021, total expenses of Thai AirAsia amounted to Baht 3,839.8 million, decreased by 5 percent compared to the same period last year at Baht 4,021.7 million. The cost of sales and services amounted to Baht 2,733.5 million, reduced by 22 percent from Q2/2020 at Baht 3,520.1 million. Primarily, the fuel cost decreased 52 percent compared to Q2/2020 from a loss in fuel hedging of Baht 638.4 million, despite a higher fuel consumption and reference fuel price this quarter. The decrement also reflected in staff costs from the leave without pay and furlough schemes. Besides, a decrease in depreciation expenses was partly from the impairment of the right-of-use asset at the end of 2020. In contrast, the ramp and airport operations, and repair and maintenance expenses increased in line with the number of flights. Due to the higher number of stages flown, Thai AirAsia had a 155 percent increase in ASK and a 17 percent growth in average stage length. As a result, cost per available seat kilometres ("CASK") in Q2/2021 was Baht 3.94 or decreased from Baht 12.63 in Q2/2020, owing to a reduction in staff, fuel, and depreciation expenses.

Meantime, Thai AirAsia had the utilisation of aircraft in Q2/2021 at 6.1 hours per day of the operating aircraft, rose from 4.8 hours per day from Q2/2020.

In Q2/2021, Thai AirAsia recorded the other expenses at 791.0 million, in part from a loss on the exchange rate in an amount of Baht 733.5 million, reversed from the gain of Baht 1,814.5 million in Q2/2020, due to the unrealised loss on the exchange rate difference of lease liabilities where Thai Baht weaken against US Dollar. Whereas, the other income was Baht 96.7 million, in part from the gain on derivatives of Baht 66.1 million, reversed from the loss of Baht 169.6 million in Q2/2020. Hence, loss from operating activities in Q2/2021 amounted to Baht 2,759.8 million. Besides, finance costs amounted to Baht 424.8 million, rose by 9 percent, primarily from the interest charges from an aircraft lease deferment. Meanwhile, the income tax revenue amounted to Baht 140.9 million, mainly from the carry forward of unused tax loss to calculate income tax for the period. In consequence, Thai AirAsia had a net loss for the period of amounted to Baht 3,035.1 million. With other comprehensive income from the gain on cash flow hedges net of income tax in an amount of Baht 7.0 million, it had a loss in total comprehensive income the period amounted to Baht 3,028.1 million.

Thai AirAsia Company Limited	Q2/2021	Q2/2020	Change	1H2021	1H2020	Change
Passenger Carried (Million)	0.72	0.28	>100%	1.70	4.81	-65%
Capacity (Million seats)	1.18	0.54	>100%	2.66	5.97	-55%
Load Factor (%)	61	52	9 ppts	64	81	-17 ppts
Revenue Passenger Kilometres (Million seats-km)	536	172	>100%	1,236	4,159	-70%
Available seat kilometres (Million seats-km)	839	329	>100%	1,873	5,163	-64%
Average fare (Baht)	1,129	1,031	10%	1,027	1,379	-26%
Revenue per Available seat kilometres (Baht)	1.17	0.81	45%	1.14	1.56	-27%
Cost per Available seat kilometres (Baht)	3.94	12.63	-69%	3.56	2.53	41%
Cost per Available seat kilometres (ex-fuel)(Baht)	3.53	10.48	-66%	3.16	1.87	69%

For 1H2021, total revenues of Thai AirAsia amounted to Baht 2,430.7 million or decreased by 75 percent from Baht 9,675.3 million in 1H2020. Mainly, revenues from sales and services amounted to Baht 2,129.7 million, decreased by 74 percent compared to the same period last year, due to less domestic travel demands caused by the COVID-19 outbreak at the end of December 2020 and mid-April 2021, together with the strictly travel restrictions. Consequently, Thai AirAsia recorded a 65 percent decrease in passengers to 1.7 million with a load factor of 64 percent or declined by 17 ppts from 1H2020. Besides, the average fare in 1H2021 decreased 26 percent from 1H2020 to Baht 1,027 per passenger, as having revenues primarily from the domestic route. Whereas, the total ancillary revenues in 1H2021 amounted to Baht 390.9 million, or down by 73 percent compared to the same period last year, in part from checked baggage and inflight service incomes, according to a decline in international and domestic passengers. On the other hand, the freight revenue increased along with cargo flights.

For 1H2021, total expenses of Thai AirAsia amounted to Baht 8,398.2 million, decreased by 35 percent from Baht 12,846.6 million in 1H2020. The cost of sales and services amounted to Baht 5,549.8 million, decreased by 52 percent from Baht 11,570.7 million in 1H2020. Primarily, the fuel cost decreased by 78 percent from 1H2020, in part from lower fuel consumptions and no fuel over-hedging losses. Staff costs also decreased in part from the leave without pay and furlough schemes. At the same time, a decline in ramp and airport operations, guest services and distribution, maintenance and overhaul expenses decreased along with operating flights. Besides, a decrease in depreciation expenses was partly from the impairment of the right-of-use asset at the end of 2020. Furthermore, the selling and administrative expenses declined by 35 percent, mainly from the staff cost from the organisational restructuring to agility team with the optimal headcount. As a result, the cost per available seat kilometres excluding fuel cost (“CASK ex-fuel”) was at Baht 3.16, rose from Baht 1.87 in 1H2020, due to a decrease in ASK outpacing a decline in the operating cost. Consequently, Thai AirAsia had the utilisation of aircraft in operations at 6.0 hours per day of the active aircraft, declining from 8.8 hours per day in 1H2020. While, fuel cost per available seat kilometres was at Baht 0.40, or down by 39 percent from the same period last year, partly due to lower fuel consumptions and no fuel hedging losses. Nevertheless, Thai AirAsia continuously monitors our punctuality, reflecting in the on-time-performance (“OTP”) of 98 percent, increased from 93 percent compared to the same period last year.

In 1H2021, Thai AirAsia recorded the other expense Baht 2,228.0 million, primarily from a loss on exchange in an amount of Baht 2,120.5 million, increased from the loss of Baht 282.3 million in 1H2020, due to the unrealised loss on exchange rate difference of lease liabilities where Thai Baht weaken against US Dollar. Whereas the other income was Baht 301.0 million, in part from the gain on derivatives of Baht 237.6 million, reversed from the loss of Baht 39.5 million and the recognition of gain on the aircraft disposal in 1H2020. Hence, loss from operating activities in 1H2021 amounted to Baht 5,967.5 million. Moreover, finance costs were Baht 850.5 million, or decreased Baht from 942.3 million in 1H2020, primarily from the payment of early termination of the long-term borrowings last year. Whereas, the income tax revenue amounted to Baht 353.6 million, mainly from the carry forward of unused tax loss to calculate income tax for the period. In consequence, Thai AirAsia had a net loss for the period amounted to Baht 6,426.2 million. With other comprehensive income from a gain on cash flow hedges in an amount of Baht 199.9 million, it had a loss in total comprehensive income for the period amounted to Baht 6,226.3 million.



## Statement of Financial Position

Thai AirAsia Company Limited	As at	As at	Change
Unit: Baht million	30 June 2021	31 December 2020	
Total assets	42,239.3	45,129.8	-6%
Total liabilities	51,961.3	48,625.6	+7%
Total shareholders' equity	(9,722.0)	(3,495.8)	->100%

### Assets

As at 30 June 2021, total assets amounted to Baht 44,239.3 million, decreased by 6 percent compared to as at 31 December 2020, due to;

- (1) Current assets decreased by Baht 943.9 million, primarily due to a decrease in cash and cash equivalents in an amount of Baht 779.4 million from a decrease in passengers and the partial repayment of debentures, as well as, a decrease in prepaid expenses by Baht 176.6 million from receiving of the fuel prepayment.
- (2) Non-current assets decreased by Baht 1,946.5 million, primarily due to the right-of-use assets, the property, aircraft, leasehold improvements and equipment decreased from accumulated depreciation.

### Liabilities

As at 30 June 2021, total liabilities amounted to Baht 51,961.3 million, increased by 7 percent compared to as at 31 December 2020, due to;

- (1) Current liabilities increased by Baht 3,963.2 million, primarily due to an increase in liabilities under lease agreements in an amount of Baht 1,803.5 million as the reclassified from non-current liabilities to current liabilities, as well as, an increase in the amounts due to related parties in an amount of Baht 1,496.5 million, mainly from the aircraft lease. Whereas, long-term debentures increased by Baht 300 million from the debentures due in May 2022 of Baht 600 million and the partial repayment of debentures due in June 2021 of Baht 300 million.
- (2) Non-current liabilities decreased by Baht 627.4 million, primarily due to derivative liabilities decreased by Baht 319.8 million, mainly from the foreign exchange rate forward contracts.

### Equity

As at 30 June 2021, total shareholders' equity deficit amounted to Baht 9,722.0 million, from the deficit of Baht 3,495.8 million the previous year, mainly due to the operating loss for the period. Thai AirAsia's Debt-to-Equity ratio (Interest Bearing Debt) and Net Gearing ratio as at 30 June 2021 were -4.17x and -4.15x, respectively. Excluding the operating lease liabilities, D/E Ratio and Net Gearing Ratio were -1.25x and -1.23x, respectively.

## Statement of Cash Flows

Thai AirAsia Company Limited	For the six-month period 30 June	
Unit: Baht million	2021	2020
Net cash generated from (used in) operating activities	(440.9)	(776.3)
Net cash generated from (used in) investing activities	(64.2)	12,558.0
Net cash generated from (used in) financing activities	<u>(281.5)</u>	<u>(12,972.0)</u>
Net increase (decrease) in cash and cash equivalents	(786.6)	(1,190.3)
Unrealised exchange gain (loss) on cash and cash equivalents	7.2	39.3
Cash and cash equivalents at the beginning of the period	<u>1,012.1</u>	<u>3,889.6</u>
Cash and cash equivalents at the end of the period	<u>232.7</u>	<u>2,738.6</u>

For the six-month period ended 30 June 2021, Thai AirAsia had net cash used in operating activities in an amount of Baht 440.9 million mainly due to the operating loss in the period under review. Meanwhile, net cash used in investing activities was at Baht 64.2 million, primarily from the payments for improvement employee training centre. Net cash used in financing activities was Baht 281.5 million, mainly due to the repayment for liabilities under lease agreements, interest paid, and the partial repayment of debentures. As a result, the net decrease in cash and cash equivalents amounted to Baht 786.6 million, while the cash and cash equivalents at the end of the period amounted to Baht 232.7 million.

## Business Outlook

The global economic outlook in the second half of 2021 (“2H2021”) is expected to recover, but the economic disparity has diverged further across countries. The developed countries recovery will sharply rebound, driven by the progress of COVID-19 vaccination, less restrictive containment measures and the enormous stimulus package. On the other hand, the developing countries have recovered slowly due to a delayed vaccine distribution rate, actively restrictive containment measures, and limited fiscal support. In addition, the recovery in tourism-dependent countries is expected to be weaker than the others. Nonetheless, the economic recovery remains uncertain under pressure from several aspects such as the widespread of COVID-19 variants, especially in Asia, the delay in vaccines distribution and the instability of the global financial market. Meantime, the Federal Reserve (“Fed”) maintained a stable interest rate at 0 to 0.25 percent to promote maximum employment, maintain inflation stability and continued the QE. Simultaneously, the US dollars strengthened with support from the strong economic recovery. As the Company has expenses in various currencies such as repair and maintenance costs, and aircraft rentals, the Company has adopted the practice of natural hedging by matching cash expenses and revenues in the same currency as practically possible. Moreover, the structure of the foreign currency loans is made to be in accordance with the highest currency net operating cash flow. The Company also used financial instruments for currency risk management when deemed applicable.

The global crude oil price tends to rise more than the previous forecast at the beginning of this year, on the back of the acceleration of vaccination in large

economies such as the US and EU. It has a positive effect on economic activities such as travel, tourism and transportation. Nevertheless, the COVID-19 epidemic situation is still challenging in many countries, especially India, the world's third-largest oil importer. At the same time, the Petroleum Exporting Countries (OPEC+) will increase the production capacity from August to December this year. Those factors will pressure oil prices. In this quarter, the Company had no Fuel Price Swap Agreements.

In August 2021, the Bank of Thailand (“BoT”) forecasted Thailand's economic growth for 2021 at 0.7 percent, revised down from 1.8 percent in June 2021. This projection is reflected in COVID-19 outbreaks that are prolonged, severed, accelerated infection rate, especially the Delta variant. In addition, the pandemic could lead to tighter containment measures, resulting in a sluggish in economic activities, private consumption, and inbound tourists. Nevertheless, the government stimulus measures and the strong exports could enhance the Thai economy. Meanwhile, the tourism sector is predicted to have a slow recovery reflecting the BoT prediction given into two scenarios. The inbound tourists are estimated at 0.15 million for the base case and 0.10 million for the worst case, assuming that the domestic outbreak is controllable and will gradually ease containment measures within the beginning and the end of the fourth quarter of 2021, respectively. However, the economic recovery may delay owing to several risks such as the domestic outbreak situation, the extension of the border reopening timeline, the vaccine efficiency, and the delay in vaccine rollout.

In 2H2021, Thai AirAsia expected that its operation would be modest step forward as the government has

imposed a strict lockdown. At the same time, the Civil Aviation Authority of Thailand (“CAAT”) issued an announcement prohibiting airlines from flying passengers in/out of the maximum control zone beginning since July 21, 2021, until further notice. Simultaneously, Thai AirAsia announced the temporary suspension of all scheduled domestic flight operations starting July 12, 2021, until August 31, 2021, in support of the containment efforts by the government.

Nonetheless, Thai AirAsia focuses on growth in the non-airline business by dedicated an aircraft for cargo flights to support the increasing e-commerce and cargo demands. Furthermore, the digital business unit under AirAsia group has partnered with Gojek, the leading e-commerce and mobile payment platforms, by acquiring Gojek’s Thailand operations to strengthen and leverage the existing AirAsia’s ecosystem. For Thailand, the airasia super app will launch airasia food and other services within the second half of this year.

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## Glossary

**Load factor** : Represents the number of passengers carried as a proportion to capacity, which is the number of seats available for passengers

**Available seat kilometres (ASK)** : which is the total number of seats available on all flights multiplied by the number of kilometres these seats were flown (2021: actual distance; 2020: standard distance)

**Revenue passenger kilometres (RPK)** : Revenue passenger kilometres, which is the number of paying passengers carried on all flights multiplied by the number of kilometres those seats were flown (2021: actual distance; 2020: standard distance)

**Average fare** : Calculated as Thai AirAsia's total passenger revenues and fuel surcharge divided by total number of passengers carried

**Revenue per ASK (RASK)** : Calculated as Thai AirAsia's revenues divided by ASK

**Cost per ASK (CASK)** : Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses divided by ASK

**Cost per ASK (CASK ex-fuel)** : Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses less fuel costs divided by ASK

**Average stage length (kilometres)** : Represents the average number of kilometres flown per flight

**Aircraft utilisation**: Represents the average block hours per day per aircraft during the relevant period. Block

hours is calculated by measuring the duration between the time of departure of an aircraft and the time of arrival at its destination.

**Debt to Equity ratio (D/E)** : Calculated as Thai AirAsia's total interest bearing debt divided by total equity

**Net Gearing ratio**: Calculated as Thai AirAsia's total interest bearing debt less (cash and cash equivalents + short-term investment + deposit) divided by total equity

**Gross profit margin**: Calculated as revenues from sales and services less cost of sales and service divided by revenues from sales and services.

**The earnings before interest and tax, depreciation, and amortisation (EBITDA) margin** : Calculated as total income (excluding dividend income, gain on sale of investments, gain on sale of assets, finance income, gain on exchange rate, and gain on derivative ) less total expenses plus depreciation and amortisation expenses divided by revenues from sales and services

**Net profit margin** : Calculated as profit for the period divided by revenues from sales and services