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Subject: Management Discussion and Analysis of business operation and financial statements

To: President,
The Stock Exchange of Thailand

Airports of Thailand Public Company Limited and its subsidiaries

Management discussion and analysis of business operation and financial statements
for the three-month and nine-month periods ended June 30th, 2022

Overall performance and significant events

Regarding the overall air traffic volume of Airports of Thailand Public Company Limited (AOT) from October 2021 to June 2022, the number of flights and passengers increased compared to that of the prior year's corresponding period because the pandemic situation of Coronavirus disease 2019 (COVID-19) this quarter is less severe than the situation in the prior year's period. In addition, the government has continuously relaxed the measures to enter the country. The Test & Go measure has been canceled since May 1st, 2022 and the RT-PCR is not required for those traveling to Thailand, but the registration through the Thailand Pass system is still required for travelers. Subsequently, on June 1st, 2022, the measures to enter Thailand were relaxed for travelers holding Thai nationality allowing them to enter the country without having to register through the Thailand Pass system. Recently, the government has further relaxed the measures by allowing foreign travelers to enter the country without having to register through the Thailand Pass System from July 1st, 2022 onwards. Passengers who have been vaccinated must present only a vaccination certificate without additional COVID-19 test results. However, passengers who have not been vaccinated or vaccinated but did not complete the dose must have a Professional ATK test result or an RT-PCR test result no later than 72 hours before their departure and it is recommended that passengers wear masks while traveling on the plane because it is a closed environment. In this regard, the objective of the government's relaxed measures is to stimulate the recovery of the tourism sector's economy.

Although the COVID-19 pandemic situation in this quarter was less severe than that of the prior year's corresponding period, AOT remained imposing measures to help airlines and concessionaires under its responsibility, who are the important supply chain of airport and airlines industry, to enable them to maintain and continue their operation. AOT's Board of Director's meeting on November 25th, 2021, approved measures to support the business of airlines and concessionaires by extending the period of assistance measures from March 31st, 2022 to March 31st, 2023 and extending the concession period for concessionaires operating commercial activities at six airports under AOT's responsibility for another year from the expiration date of the existing concession period. In addition, AOT postponed the collection of payments for using the Boarding Facilitation Charge system for airlines at Chiang Mai International Airport, Hat Yai International Airport and Mae Fah Luang Chiang Rai International Airport from June 15th, 2022– November 30th, 2022, and Don Mueang International Airport from November 1st, 2022 – November 30th, 2022, payment will be made in January 2023 in accordance with AOT's Board of Directors' resolution on April 27th, 2022. However, the extension and postponement mentioned above must be in accordance with the terms and conditions prescribed by AOT who reserves the right to change, amend, or cancel the conditions as appropriate, depending on the COVID-19 situation.

During the nine-month period ended June 30th, 2022, the air traffic volume of the six airports under AOT's responsibility increased by 24.97% or 271,903 flights compared to the prior year's corresponding period, comprising 87,054 international flights and 184,849 domestic flights. The total number of passengers increased by 54.15% or 29.31 million passengers compared to the prior year's corresponding period, comprising 6.45 million international passengers and 22.86 million domestic passengers.

1. Analysis of operations

1.1 Operating results for the three-month period ended June 30th, 2022

Unit: Million Baht

	Q3/2022	Q3/2021	Increase (decrease)	% YoY
Revenues from sales or services	4,666.00	1,666.51	2,999.49	179.99
<i>Aeronautical revenue</i>	2,072.03	501.92	1,570.11	312.82
<i>Portion</i>	44%	30%		
<i>Non-aeronautical revenue</i>	2,593.97	1,164.59	1,429.38	122.74
<i>Portion</i>	56%	70%		

1.1 Operating results for the three-month period ended June 30th, 2022 (cont'd)

Unit: Million Baht

	Q3/2022	Q3/2021	Increase (decrease)	% YoY
Other income	320.60	(90.86)	411.46	452.85
Total revenues	4,986.60	1,575.65	3,410.95	216.48
<u>Less</u> Total expenses	7,007.18	5,831.12	1,176.06	20.17
Operating loss	(2,020.58)	(4,255.47)	2,234.89	52.52
<u>Less</u> Share of loss from investment in associate	0.05	0.04	0.01	25.00
<u>Less</u> Finance cost	730.07	740.22	(10.15)	(1.37)
Loss before income tax	(2,750.70)	(4,995.73)	2,245.03	44.94
<u>Add</u> Income tax revenues	549.38	884.67	(335.29)	(37.90)
Net loss for the period	(2,201.32)	(4,111.06)	1,909.74	46.45
Loss attributable to:				
Equity holders of the Company	(2,207.19)	(4,078.47)	1,871.28	45.88
Non-controlling interests of the subsidiaries	5.87	(32.59)	38.46	118.01
Loss per share (Baht)	(0.15)	(0.29)	0.14	48.28

For the three-month period ended June 30th, 2022, AOT incurred a net loss of Baht 2,207.19 million. Operating results increased by Baht 1,871.28 million compared to the prior year's corresponding period of which a net loss was Baht 4,078.47 million. Revenues from sales or services increased by Baht 2,999.49 million or 179.99% as a result of an increase in aeronautical revenue of Baht 1,570.11 million or 312.82% and non-aeronautical revenue of Baht 1,429.38 million or 122.74% because of the rise in the total number of flights and passengers. Other income increased by Baht 411.46 million or 452.85%. Total expenses increased by Baht 1,176.06 million or 20.17% mainly due to higher other expenses, employee benefit expenses, loss on derivatives, repairs and maintenance, outsourcing expenses, state property rental and utilities expenses. However, finance cost decreased by Baht 10.15 million or 1.37% and income tax revenues decreased by Baht 335.29 million or 37.90%.

1.2 Operating results for the nine-month period ended June 30th, 2022

Unit: Million Baht

	Oct'21 – Jun'22	Oct'20 – Jun'21	Increase (decrease)	% YoY
Revenues from sales or services	10,010.36	5,620.39	4,389.97	78.11
<i>Aeronautical revenue</i>	4,171.66	1,964.20	2,207.46	112.38
<i>Portion</i>	42%	35%		
<i>Non-aeronautical revenue</i>	5,838.70	3,656.19	2,182.51	59.69
<i>Portion</i>	58%	65%		
Other income	1,405.64	743.30	662.34	89.11
Total revenues	11,416.00	6,363.69	5,052.31	79.39
<u>Less</u> Total expenses	21,252.29	18,096.88	3,155.41	17.44
Operating loss	(9,836.29)	(11,733.19)	1,896.90	16.17
<u>Less</u> Share of loss from investment in associate	0.13	0.07	0.06	85.71
<u>Less</u> Finance cost	2,203.02	2,231.43	(28.41)	(1.27)
Loss before income tax	(12,039.44)	(13,964.69)	1,925.25	13.79
<u>Add</u> Income tax revenues	2,388.67	2,752.34	(363.67)	(13.21)
Net loss for the period	(9,650.77)	(11,212.35)	1,561.58	13.93
Loss attributable to:				
Equity holders of the Company	(9,755.32)	(11,164.54)	1,409.22	12.62
Non-controlling interests of the subsidiaries	104.55	(47.81)	152.36	318.68
Loss per share (Baht)	(0.68)	(0.78)	0.10	12.82

For the nine-month period ended June 30th, 2022, AOT incurred a net loss of Baht 9,755.32 million. Operating results increased by Baht 1,409.22 million compared to the prior year's corresponding period of which a net loss was Baht 11,164.54 million. Revenues from sales or services increased by Baht 4,389.97 million or 78.11% as a result of an increase in aeronautical revenue of Baht 2,207.46 million or 112.38% and non-aeronautical revenue of Baht 2,182.51 million or 59.69% because of a rise in the total number of flights and passengers. Other income increased

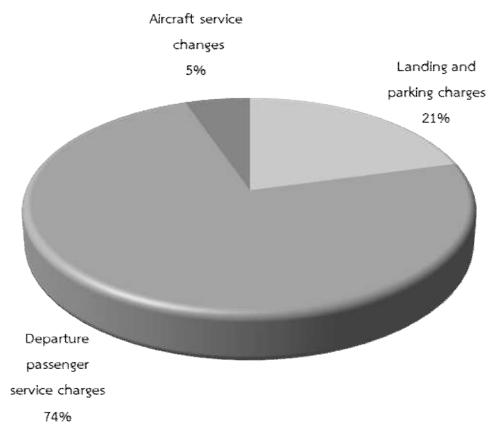
by Baht 662.34 million or 89.11%. Total expenses increased by Baht 3,155.41 million or 17.44% mainly due to a rise in other expenses, employee benefit expenses, loss on derivatives, utilities expenses, depreciation and amortisation expenses, repairs and maintenance and state property rental. However, finance cost decreased by Baht 28.41 million or 1.27% and income tax revenues decreased by Baht 363.67 million or 13.21%.

1.3 Aeronautical Revenue

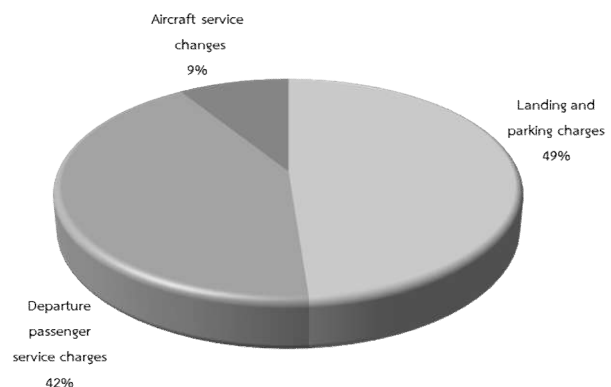
Unit: Million Baht

	For the three-month period				For the nine-month period			
	Apr'22 – Jun'22	Apr'21 – Jun'21	Increase (decrease)	%YoY	Oct'21 – Jun'22	Oct'20 – Jun'21	Increase (decrease)	%YoY
Landing and parking charges	430.21	244.92	185.29	75.65	1,133.36	775.99	357.37	46.05
Departure passenger service charges	1,531.14	211.96	1,319.18	622.37	2,768.19	1,017.16	1,751.03	172.15
Aircraft service charges	110.68	45.04	65.64	145.74	270.11	171.05	99.06	57.91
Total	2,072.03	501.92	1,570.11	312.82	4,171.66	1,964.20	2,207.46	112.38

Q3/2022



Q3/2021



A proportion of aeronautical revenue in each type of the third quarter of FY 2022 differed significantly from that of the prior year's corresponding period. The majority of aeronautical revenue arose from departure passenger service charges.

For the three-month period ended June 30th, 2022, aeronautical revenue of Baht 2,072.03 million increased by Baht 1,570.11 million or 312.82% compared to that of the prior year's corresponding period because departure passenger service charges increased by Baht 1,319.18 million or 622.37% in line with a 315.92% increase in the total number of passengers at the six airports. Moreover, landing and parking charges increased by Baht 185.29 million or 75.65% in line with a 113.93% increase in the total number of flights.

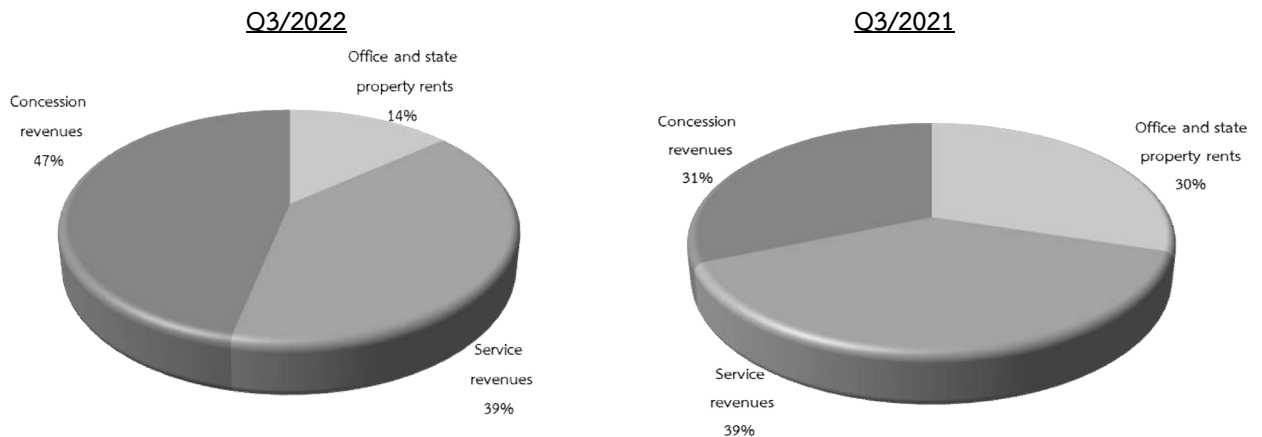
For the nine-month period ended June 30th, 2022, aeronautical revenue of Baht 4,171.66 million increased by Baht 2,207.46 million or 112.38% compared to that of the prior year's corresponding period because departure passenger service charges increased by Baht 1,751.03 million or 172.15% in line with a 54.15% increase in the total number of passengers at the six airports. Moreover, landing and parking charges increased by Baht 357.37 million or 46.05% in line with a 24.97% increase in the total number of flights.

1.4 Non-Aeronautical Revenue

Unit: Million Baht

	For the three-month period				For the nine-month period			
	Apr'22 – Jun'22	Apr'21 – Jun'21	Increase (decrease)	%YoY	Oct'21 – Jun'22	Oct'20 – Jun'21	Increase (decrease)	%YoY
Office and state property rents	361.03	347.18	13.85	3.99	1,086.71	1,078.03	8.68	0.81
Service revenues	1,025.48	452.20	573.28	126.78	2,468.22	1,495.81	972.41	65.01
Concession revenues	1,207.46	365.21	842.25	230.62	2,283.77	1,082.35	1,201.42	111.00
Total	2,593.97	1,164.59	1,429.38	122.74	5,838.70	3,656.19	2,182.51	59.69

1.4 Non-Aeronautical Revenue (con'd)



A proportion of non-aeronautical revenue in some types of the third quarter of FY 2022 differed significantly from that of the prior year's corresponding period. The majority of non-aeronautical revenue came from concession revenues and service revenues.

For the three-month period ended June 30th, 2022, non-aeronautical revenue of Baht 2,593.97 million increased by Baht 1,429.38 million or 122.74% compared to that of the prior year's corresponding period due to higher concession revenues of Baht 842.25 million or 230.62% mainly due to a rise in duty-free and commercial trade concession revenues. In addition, service revenues increased by Baht 573.28 million or 126.78% primarily resulting from an increase in ground aviation service and advance passenger processing service fees.

For the nine-month period ended June 30th, 2022, non-aeronautical revenue of Baht 5,838.70 million increased by Baht 2,182.51 million or 59.69% compared to that of the prior year's corresponding period due to higher concession revenues of Baht 1,201.42 million or 111.00% mainly due to a rise in duty-free and commercial trade concession revenues. In addition, service revenues increased by Baht 972.41 million or 65.01% primarily resulting from an increase in ground aviation service and advance passenger processing service fees.

1.5 Other income

Unit: Million Baht

	For the three-month period				For the nine-month period			
	Apr'22 – Jun'22	Apr'21 – Jun'21	Increase (decrease)	%YoY	Oct'21 – Jun'22	Oct'20 – Jun'21	Increase (decrease)	%YoY
Gain (loss) on foreign exchange	282.70	(207.84)	490.54	236.02	1,032.06	285.05	747.01	262.06
Interest income	8.80	40.12	(31.32)	(78.07)	41.64	201.95	(160.31)	(79.38)
Gain on sales of assets	2.11	0.07	2.04	2,914.29	16.06	4.92	11.14	226.42
Discount on state property rental	-	-	-	-	119.63	-	119.63	100.00
Other income	26.99	76.79	(49.80)	(64.85)	196.25	251.38	(55.13)	(21.93)
Total	320.60	(90.86)	411.46	452.85	1,405.64	743.30	662.34	89.11

Other income for the three-month period ended June 30th, 2022 of Baht 320.60 million increased by Baht 411.46 million or 452.85% compared to that of the prior year's corresponding period mainly due to an increase in gain on foreign exchange of Baht 490.54 million. This was resulting from the foreign currency translation of long-term loans in Japanese yen, while other income decreased by Baht 49.80 million mainly due to a decrease in revenue from fines. Interest income decreased by Baht 31.32 million because of a decrease in fixed deposits.

Other income for the nine-month period ended June 30th, 2022 of Baht 1,405.64 million increased by Baht 662.34 million or 89.11% compared to that of the prior year's corresponding period mainly due to an increase in gain on foreign exchange of Baht 747.01 million. This was resulting from the foreign currency translation of long-term loans in Japanese yen and an increase in discount on state property rental of Baht 119.63 million granted by the Treasury Department reduced the state property rental in 2021 for AOT due to the COVID-19 pandemic. Therefore, the revenue sharing method for the state property rental of Suvarnabhumi Airport was adjusted. In addition, interest income decreased by Baht 160.31 million because of a decrease in fixed deposits. Other income decreased by Baht 55.13 million mainly due to a decrease in revenue from fines.

1.6 Total expenses

Unit: Million Baht

	For the three-month period				For the nine-month period			
	Apr'22 – Jun'22	Apr'21 – Jun'21	Increase (decrease)	%YoY	Oct'21 – Jun'22	Oct'20 – Jun'21	Increase (decrease)	%YoY
Employee benefit expenses	1,976.24	1,750.50	225.74	12.90	5,676.90	5,249.78	427.12	8.14
Utilities expenses	679.47	578.95	100.52	17.36	1,886.71	1,571.47	315.24	20.06
Outsourcing expenses	713.15	602.43	110.72	18.38	1,933.13	1,851.67	81.46	4.40
Repairs and maintenance	570.04	449.05	120.99	26.94	1,534.01	1,319.75	214.26	16.23
State property rental	160.42	58.88	101.54	172.45	329.88	184.41	145.47	78.88
Depreciation and amortisation expenses	2,183.70	2,091.14	92.56	4.43	6,660.29	6,348.91	311.38	4.90
Loss on impairment of assets	14.78	19.95	(5.17)	(25.91)	2.58	50.82	(48.24)	(94.92)
Loss (gain) on derivatives	85.21	(114.03)	199.24	174.73	689.16	285.92	403.24	141.03
Other expenses	624.17	394.25	229.92	58.32	2,539.63	1,234.15	1,305.48	105.78
Total	7,007.18	5,831.12	1,176.06	20.17	21,252.29	18,096.88	3,155.41	17.44

For the three-month period ended June 30th, 2022, total expenses of Baht 7,007.18 million increased by Baht 1,176.06 million or 20.17% compared to those of the prior year's corresponding period. The significant change was due to an increase in other expenses of Baht 229.92 million mainly due to a rise in land and building tax of Don Mueang International Airport. Employee benefit expenses increased by Baht 225.74 million mainly due to an increase in employment of subsidiaries, AOT Aviation Security Company Limited and AOT Ground Aviation Services Company Limited.

Moreover, loss on derivatives increased by Baht 199.24 million due to changes in the fair value of derivatives. Repairs and maintenance increased by Baht 120.99 million, outsourcing expenses increased by Baht 110.72 million, state property rental increased by Baht 101.54 million, and utilities expenses increased by Baht 100.52 million. There were no significant changes in other categories of expenses compared to those of the prior year's corresponding period.

For the nine-month period ended June 30th, 2022, total expenses of Baht 21,252.29 million increased by Baht 3,155.41 million or 17.44% compared to those of the prior year's corresponding period. The significant change was primarily due to an increase in other expenses of Baht 1,305.48 million arising from provisions for litigation liabilities because the Central Administrative Court ordered AOT to make payment to the prosecutor in the dispute regarding the contract for management and transportation of logistic services in a free zone area at Suvarnabhumi Airport. Furthermore, employee benefit expenses increased by Baht 427.12 million, loss on derivatives increased by Baht 403.24 million, utilities expenses increased by Baht 315.24 million, depreciation and amortisation expenses increased by Baht 311.38 million, repairs and maintenance increased by Baht 214.26 million, and state property rental increased by Baht 145.47 million. There were no significant changes in other categories of expenses compared to those of the prior year's corresponding period.

2. Analysis of financial position

The financial position as at June 30th, 2022 of AOT is as follows:

	Unit: Million Baht			
	30 Jun 2022	30 Sep 2021	Increase (decrease)	% Change
Total assets	181,131.47	195,085.76	(13,954.29)	(7.15)
Total liabilities	77,369.22	81,664.39	(4,295.17)	(5.26)
Total equity	103,762.25	113,421.37	(9,659.12)	(8.52)

Material changes in assets, liabilities and equity as at June 30th, 2022 compared to those as at September 30th, 2021 are as follows:

2.1 Analysis of assets

Total assets as at June 30th, 2022 of Baht 181,131.47 million decreased by Baht 13,954.29 million or 7.15% from September 30th, 2021 as detailed below.

Unit: Million Baht

	30 Jun 2022	30 Sep 2021	Increase (decrease)	% change
Current assets	9,233.18	21,498.93	(12,265.75)	(57.05)
Non-current trade accounts receivable	619.40	623.06	(3.66)	(0.59)
Other non-current financial assets	1,125.11	1,142.97	(17.86)	(1.56)
Investments	67.25	65.99	1.26	1.91
Property, plant and equipment and investment properties	121,427.12	121,100.52	326.60	0.27
Right-of-use assets	32,105.03	35,809.36	(3,704.33)	(10.34)
Deferred tax assets	10,842.26	8,412.98	2,429.28	28.88
Other non-current assets	5,712.12	6,431.95	(719.83)	(11.19)
Total assets	181,131.47	195,085.76	(13,954.29)	(7.15)

Current assets of Baht 9,233.18 million decreased by Baht 12,265.75 million or 57.05% due to a decrease in other current financial assets of Baht 8,599.91 million mainly resulting from a decrease in fixed deposits used to support the business operations. Moreover, cash and cash equivalents decreased by Baht 3,929.60 million. There were no significant changes in other categories of current assets (e.g., trade accounts receivable, other receivables, inventories and supplies including other current assets) compared to those of the prior year.

Property, plant and equipment and investment properties totaling Baht 121,427.12 million increased by Baht 326.60 million or 0.27%. This was mainly due to an increase in assets under construction for the Suvarnabhumi Airport's construction project.

Right-of-use assets of Baht 32,105.03 million decreased by Baht 3,704.33 million or 10.34% due to the gradual depreciation over the lease term along with the discount on state property rental in 2021 granted by the Treasury Department due to the COVID-19 pandemic. As a result, AOT recognised the discounted state property rental by deducting the balance of right-of-use assets.

Deferred tax assets of Baht 10,842.26 million increased by Baht 2,429.28 million or 28.88% due to a net loss incurred during the period which was expected to be used in the future.

Other non-current assets of Baht 5,712.12 million decreased by Baht 719.83 million or 11.19% due to a decrease in advance payment of Baht 443.14 million mainly arising from the Suvarnabhumi Airport's construction project. Non-current derivative assets decreased by Baht 161.03 million due to measurement of fair value of financial instruments. Moreover, intangible assets decreased by Baht 81.57 million.

2.2 Analysis of liabilities

Total liabilities as at June 30th, 2022 of Baht 77,369.22 million decreased by Baht 4,295.17 million or 5.26% from those of September 30th, 2021 as detailed below.

Unit: Million Baht

	30 Jun 2022	30 Sep 2021	Increase (decrease)	% change
Current liabilities	10,570.83	13,610.28	(3,039.45)	(22.33)
Long-term loans – net of current portion	3,713.30	6,079.74	(2,366.44)	(38.92)
Lease liabilities - net of current portion	54,029.99	54,768.39	(738.40)	(1.35)
Employee benefit obligations	4,846.96	4,532.77	314.19	6.93
Non-current derivative liabilities	1,212.38	851.44	360.94	42.39
Other non-current liabilities	2,995.76	1,821.77	1,173.99	64.44
Total liabilities	77,369.22	81,664.39	(4,295.17)	(5.26)

Current liabilities of Baht 10,570.83 million decreased by Baht 3,039.45 million or 22.33% due to a decrease in work in processes payable of Baht 2,830.39 million mainly arising from payment of the construction Suvarnabhumi Airport Development Project, a decrease in other current liabilities of Baht 233.14 million. Furthermore, current portion of long-term liabilities decreased by Baht 217.10 million, while other payables increased by Baht 316.90 million.

Long-term loans – net of current portion of Baht 3,713.30 million decreased by Baht 2,366.44 million or 38.92% due to repayment of borrowings and the impact of foreign exchange rates.

Lease liabilities - net of current portion of Baht 54,029.99 million decreased by Baht 738.40 million or 1.35% due to gradual payment of the lease liabilities along with the discount on state property rental in 2021 granted by the Treasury Department due to the COVID-19 pandemic. As a result, AOT recognised the discounted state property rental by deducting the balance of lease liabilities.

Non-current derivative liabilities of Baht 1,212.38 million increased by Baht 360.94 million or 42.39% due to measurement of fair value of financial instruments.

Other non-current liabilities of Baht 2,995.76 million increased by Baht 1,173.99 million or 64.44% primarily due to provisions for litigation liabilities because the Central Administrative Court ordered AOT to make payment to the prosecutor in the dispute regarding the contract for management and transportation of logistic services in the free zone area at Suvarnabhumi Airport.

2.3 Analysis of equity

Total equity as at June 30th, 2022 of Baht 103,762.25 million decreased by Baht 9,659.12 million or 8.52% from that of September 30th, 2021 as detailed below.

Unit: Million Baht

	30 Jun 2022	30 Sep 2021	Increase (decrease)	% change
Issued and fully paid-up share capital	14,285.70	14,285.70	-	-
Premium on share capital	12,567.67	12,567.67	-	-
Retained earnings	74,897.92	84,653.26	(9,755.34)	(11.52)
Other components of shareholders' equity	823.45	837.14	(13.69)	(1.64)
Non-controlling interests of the subsidiaries	1,187.51	1,077.60	109.91	10.20
Total shareholders' equity	103,762.25	113,421.37	(9,659.12)	(8.52)

Retained earnings of Baht 74,897.92 million decreased by Baht 9,755.34 million or 11.52% due to a net loss incurred during the period.

3. Analysis of liquidity

As at June 30th, 2022, cash and cash equivalents of Baht 4,549.15 million decreased by Baht 3,929.60 million from those of September 30th, 2021 as detailed below.

Unit: Million Baht

	Oct'21 – Jun'22
Cash flows used in operating activities	(2,558.85)
Cash flows from investing activities	2,088.79
Cash flows used in financing activities	(3,459.54)
Net decrease in cash and cash equivalents	(3,929.60)
Cash and cash equivalents at the beginning of the period	8,478.75
Cash and cash equivalents at the end of the period	4,549.15

Changes in cash and cash equivalents for the nine-month period ended June 30th, 2022 can be described as follows:

Net cash used in operating activities of Baht 2,558.85 million arose from operating results of the current period.

Net cash generated from investing activities of Baht 2,088.79 million resulted from cash received from other current financial assets of Baht 8,599.91 million due to fixed deposits upon maturity. Investments in property plant and equipment were Baht 6,569.45 million.

Cash used in financing activities of Baht 3,459.54 million mainly resulted from the repayment of long-term loans and interest of Baht 2,817.45 million and repayment of lease liabilities of Baht 482.58 million.

4. Ratio analysis

	Oct'21 – Jun'22	Oct'20 – Jun'21
Profitability ratio		
Ratio of profit (loss) from operations to revenue from operations (%)	(98.26)	(208.76)
Return on equity (ROE) (%)	(9.08)	(8.60)
Return on total assets (ROA) (%)	(5.19)	(6.02)
	30 Jun 2022	30 Sep 2021
Financial structure and liability ratio		
Debt to equity ratio (Time)	0.75	0.72
Liquidity ratio (Time)	0.87	1.58

When compared to the prior year's corresponding period, AOT's operating loss to operating income ratio and return on total assets improved because the COVID-19 pandemic situation is less severe than that of the prior year's corresponding period along with government sector's relaxed measures for entering the country. However, AOT's return on equity decreased from that of prior year. Moreover, based on the financial structure, AOT was able to maintain its debt-to-equity ratio of less than one time but the liquidity ratio is less than one time.

5. Factors affecting future operating results

Although the total number of flights and passengers of AOT has started to increase compared to the prior year's corresponding period, the Thai government's and other countries' relaxation of open border policies drives the country's economy forward. Based on the impact assessment of the COVID-19 pandemic and other relevant situations as of June 2022 supporting AOT's operations, it is expected that in the fiscal year 2022, there will be a total of 45.60 million passengers and 402,970 total flight volumes, recovering by 33% and 45%, respectively, compared to fiscal year 2019 (before the spread of COVID-19). For the fiscal year 2023 and 2024, AOT expects the total number of 95.70 and 141.51 million passengers, with the recovery of 68% and 99%, respectively. AOT also expects a total of 664,796 and 892,414 flights, with the recovery rates of 74% and 99%, respectively, which are the same rates as those in the fiscal year 2019 (before the spread of COVID-19). However, for the review of air traffic forecasts, additional significant factors must be closely monitored and taken into account, for example, the reopening policy of the People's Republic of China, the probability of the new COVID-19 variant infections or other outbreaks, as well as the impact of the Russia-Ukraine war.

Previously, AOT planned to launch the official opening of Midfield Satellite (SAT-1) Terminal at Suvarnabhumi Airport in October 2022 but the date was rescheduled to April 2023. This is to be in line with passenger volume forecasts for 2024 – 2025, as well as an estimation of operating expenses incurred for SAT-1 Terminal and the plan for the opening of the third runway at Suvarnabhumi Airport.

Besides, AOT plans to redesign the passenger terminal building on the east side of Suvarnabhumi Airport to reflect the current aviation environment, which includes accommodating the number of passengers with a continuous increase in rates after the COVID-19 pandemic has subsided.

In response to the Transport New Normal, AOT prioritizes the benefits of bringing innovation, technology, and Smart Travel with a plan to bring Common Use Passenger Processing System (CUPPS) to serve passengers in the customs clearance procedures at all six AOT airports. Currently, some systems have already been operated, such as the Common Use Self Service (CUSS) and Common Use Bag Drop (CUBD). This makes it more convenient for passengers, reduces time spent on the check-in process and the density of the check-in counter. In addition, AOT has collaborated with related departments to provide convenience and security for passengers using the service at AOT's airports.

AOT, as a state enterprise who manages all six major airports in the country, is well-prepared to provide services to both domestic and international passengers by collaborating with government agencies, airlines, and concessionaires to ensure that services provided to travelers from all over the world are convenient, fast, and safe, as well as to support the work of all related departments in order to build confidence and serve as the gateway to Thailand to welcome and impress visitors. Moreover, this can be a key mechanism for the government to revitalize the country's economy and tourism.

Please be informed accordingly.

Yours sincerely,

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