



Ref. BOD033/2565

11 October 2022

RE: Management's Discussion and Analysis for year 2021 ended December 31, 2021

To: President,
The Stock Exchange of Thailand

1. Executive summary

As the government introduced the measures to limit the people transportation during a new wave of Covid-19 pandemic, especially in the red zone areas which including Don Mueang International Airport and Suvarnabhumi Airport around the end of July 2021. Nok Airlines Public Company Limited (the "Company"), whose main operation bases located in Don Mueang International Airport and other airports in the red zone areas, needs to change the operations plan to be in line with the government measures. The Company was aware of passengers' necessity demands which included, but not limited to patients, medical professionals, medical equipment transportation; hence, temporarily moved the base station to U-Tapao International Airport to operate outside the red zone areas but reduced the flights to be in line with passengers' demands which significantly decreased.

However, after the government eased the travelling limitation on the 4th quarter of 2021, the passengers' demands for travelling has been increased. The Company then decided to increase flight frequency and additional routes, especially Don Mueang – Betong route which cooperated between the Company and government which got pretty good feedback.

Regarding the business rehabilitation process, as the Company filed a petition for business rehabilitation with the Central Bankruptcy Court (the "Court"), in which the Court accepted the petition for business rehabilitation on 20 July 2020. Subsequently, on 15 September 2021, the Court has approved the resolution of a meeting of creditors dated 4 August 2021 and resulted in the appointment of the nominated persons; Mr. Wutthiphum Jurangkool, Mr. Tai Chong Yih, Prinya Waiwattana and Mr. Chavalit Uttasart as the plan administrator who shall immediately got the authorization from the Planners. The 2 of the 4 Plan Administrators can jointly sign to manage the debtor's property businesses. The Plan Administrators shall manage the business and assets of the Company and associate companies/subsidiaries including implement according to the rehabilitation plan. The Plan Administrator shall strictly manage and execute according to the rehabilitation plan.

The essential of the rehabilitation plan are debt restructuring, creditor repayment, implementation efficiency improvement to sustainably increase effectiveness and competitiveness in aviation industries. The Company has changed, improved, and initiated more projects as below:



Revenue increase

1. Air ticket fare adjustment: the Company has adjusted the air ticket fare according to market mechanism to increase passengers and total revenue
2. Increase revenue from other channels such as cargo transportation, selling of non-core assets of the business such as scrap parts or miscellaneous equipment.

Cost management

1. Improve work process and organization structure to be in line with the company and current aviation situation to increase flexibility and work efficiency.
2. Management of aircraft rental cost which is a major cost of airline business by seeking for aircrafts with rental condition that suitable with aircraft utilization. Improving aircraft utilization plans that are suited to the current route and situations to help increase income, reduce costs, and increase management efficiency, especially the maintenance expenditures, which are one of the major costs for the airline business.
3. Fuel cost reduction: the Company has increased efficiency of fuel tender by using additional qualified fuel suppliers
4. Aircraft maintenance cost reduction: the Company has increased efficiency of aircraft maintenance planning by improvement of long-term planning and preventive maintenance
5. Raising service standards to expand the customer base in order to cover and correspond to the current situation with creating new promotion and services to stimulate sales growth and increase awareness.

Financial liquidity management

1. Negotiate with trade payable, service providers, financial institute and loan payables for condition flexibility such as credit term extension or credit approval from financial institute including accelerate the collection of outstanding trade accounts receivable.
2. Budget effectively management according to the plan.

Service Enhancement

1. Service Enhancement to increase passenger reliability and satisfactory such as flexibility of their flight bookings and improvement of flight condition changing

The Company and its subsidiaries reported THB 1,399.46 million net loss while last year reported a net loss of THB 7,295.86 million, decreased THB 5,896.40 million (80.8%) from previous year. Loss attributable to owners of the parent amounted to THB 1,399.39 million. Loss per share was THB 0.38 per share compared to last year's loss per share THB 2.33.

The Company and its subsidiaries' total revenue were THB 6,355.61 million, lower than last year's THB 379.78 million or (5.6%), mainly due to a decrease in passenger revenue by THB 3,816.85 million (66.0%), a decrease of THB 540.15 million (69.5%) from other services due to this year, the airline has been affected for most of the year and travel restrictions of Government. Moreover, other incomes increased THB 3,977.22 million as a result of gain on debt restructuring was THB 4,023.14 million. Total expenses



totaled THB 7,791.22 million, THB 8,382.52 million (51.8%) lower than the last year. As a result, the operating loss was decreased from the previous year.

The Company and its subsidiaries had a decrease production traffic (ASK) by 66.6% while passenger traffic (RPK) decreased by 74.2%. The average Cabin Factor was 63.5% lower than 67.9% of last year's. The numbers of passengers carried totaled 1.30 million, 68.9% down from the previous year.

2. Management's Decision and Analysis of Operating Results for year 2021

Key Statistics and Business Ratio

	Unit	2020	2021	Change	
				Amount	ร้อยละ
Number of Aircrafts (at the end of period)					
- Boeing 737-800 New Generation	Aircraft	14	14	-	-
- Q400 NextGen	Aircraft	8	7.8	(0.2)	(2.5)
- Average Number of Aircraft	Aircraft	22	21.8	(0.2)	(0.9)
Available Seat Kilometers: ASK	Mil. Seat-Km	3,711	1,239	(2,472)	(66.61)
Revenue Passenger Kilometers: RPK	Mil. Seat-Km	2,598	670	(1,928)	(74.21)
No. of Sectors	Flights	39,031	15,045	(23,986)	(61.45)
Cabin Factor	%	67.93	63.45	(4.48)	(6.60)
Passenger Carried	Million	4.19	1.3	(2.89)	(68.97)
Passenger Yield	baht/Seat-Km.	2.13	2.88	0.75	35.08
Revenue per Available Seat Kilometers: RASK	baht/Seat-Km.	1.72	1.79	0.07	4.07
Cost per Available Seat Kilometers: CASK	baht/Seat-Km.	2.28	3.88	1.60	70.12
Cost per Available Seat Kilometers exclude Fuel: CASK ex-fuel	baht/Seat-Km.	1.86	3.36	1.50	80.69
Average Aircraft Utilization Hours	Operating Hours/Day	6.41	1.86	(4.55)	(70.98)



The Company's Performance

Revenue for the year 2020 and 2021

Unit : million baht	2020		2021		Change	
	Amount	Percent (%) to total revenue	Amount	Percent (%) to total revenue	Amount	Percent (%) to total revenue
Passenger Revenue	5,784.22	85.88	1,967.37	30.95	(3,816.85)	(65.99)
Service Revenue	777.09	11.54	236.95	3.73	(540.14)	(69.51)
Gain on debt restructuring	-	-	4,023.14	63.30	4,023.14	(100.00)
Other Income	174.08	2.58	128.16	2.02	(45.92)	(26.38)
Total Revenue	6,735.39	100.00	6,355.61	100.00	(379.78)	(5.64)

Data: Revenue

The Company's revenue was 6,355.61 million baht or decreased by 5.64% from last year. It consists of 1,967.37 million Baht of passenger revenue or 30.95% of total revenue, 236.95 million baht of service revenue or 3.73% of total revenue, 4,023.14 million baht of gain from debt restructuring or 63.30% of total revenue and 128.16 million baht of other income or 2.02% of total revenue. RASK was reported at 1.79 baht/seat/km, reflecting a reduction of 4.07% from the same period in 2020 while the ASK reduced by 66.61% to 1,239 million seat-km.

Passenger revenue: In 2021, passenger revenue was 1,967.37 million baht, a reduction of 65.99% from last year. This was mainly caused by a new wave of Covid-19 pandemic at the end of the year 2020 and continued until now and The Government announced the Emergency Decree in emergency situations which finally extended until September 30, 2021, although the opening the country policy on November 1, 2021. However, from the new strain of COVID-19 OMICRON outbreak made situation went worsened again in late year. There had been increasing infected cases which reduced air transport demand for markets one again. Cabin factor declined from 67.93% to 63.45% or by 6.60% points. Flight movements reduced by 61.45% from 39,031 to only 15,045 achieved last year. The aircraft utilization reduced from 6.41 hours/day to 1.86 hours or a reduction of 70.98%.

Service revenue: In 2021, service revenue was 236.95 million baht, a reduction of 69.51% from last year. This corresponds to the reduction in the decline in air passenger carried which results in the decline in checked luggage fee and the restriction on the sale of inflight meals.

Gain from debt restructuring: In 2021, gain from debt restructuring was 4,023.14 million baht consist of (Details are in the notes to the financial statements No. 4).

- Gain from amendment agreement 2,398.10 million baht

- Gain on derecognition of financial liabilities measured at amortized cost 1,400.43 million baht

บริษัท สายการบินนกแอร์ จำกัด (มหาชน) | Nok Airlines Public Company Limited

เลขที่ 222 อาคารส่วนกลาง ห้องเลขที่ 4235 ชั้น 4 ถนนวิภาวดีรังสิต แขวงสามนบดิน เขตดอนเมือง กรุงเทพมหานคร 10210

222 Central Building, Room No.4235, 4th Floor, Vibhavadi Rangsit Road, Sanambin Sub-district, Don Mueang District, Bangkok 10210, Thailand

ทะเบียนเลขที่ 0-1075-56000-09-4 | Registration No. 0-1075-56000-09-4

Phone +(66) 2627 2000, www.nokair.com



- Gain on modification of financial liabilities measured at amortized cost 4.06 million baht
- Gain on reversal of default interest 220.55 million baht

Other income: In 2021, other income was 128.16 million baht, a increase of 26.38% from last year, as a result of the reduction in commission income.

Expenses for the year 2020 and 2021

Unit : million baht	2020		2021		Change	
	Amount	Percent (%) to total expense	Amount	Percent (%) to total expense	Amount	Percent (%) to total expense
Cost of passenger and services	7,439.35	46.00	4,528.35	58.12	(2,911.00)	(39.13)
Selling expenses	37.04	0.23	5.22	0.07	(31.82)	(85.91)
Administrative expenses	1,236.44	7.64	1,817.38	23.33	580.95	46.99
Financial Costs	910.01	5.63	899.91	11.55	(10.11)	(1.11)
Impairment loss on right-of-use assets	3,446.30	21.30	472.09	6.06	(2,974.21)	(86.30)
Expected credit losses	3,104.62	19.20	68.28	0.88	(3,036.34)	(97.80)
Total Expenses	16,173.76	100.00	7,791.22	100.00	(8,382.52)	(51.83)

Data: Cost & Expenses

The Company's expense was 7,791.22 million baht or a decrease of 51.83% from last year. It consists of 4,528.35 million Baht of Cost of passenger and services or 58.19% of total expense, 5.22 million baht of selling expenses or 0.07% of total expense, 1,817.38 million baht of administrative expenses or 23.33% of total expense, 899.91 million baht of financial Costs or 11.55% of total expense, 472.09 million baht of impairment loss on right-of-use assets or 6.06% of total expense and 68.28 million baht of expected credit losses or 0.88% of total expense. The CASK increased from 2.28 to 3.88 baht/seat-km, representing an increase of 70.12%. Ex-fuel CASK increased from 1.86 to 3.36 baht/seat-km, an increase of 80.69%

Transportation and service costs: In 2021, Transportation and service costs was 4,528.35 million baht, a reduction of 39.13% from last year as a result of reduced flight operations resulting oil consumption was lower than the last year. The Company's fuel cost was 642.60 million baht, a decline of 58.49% from last year, nevertheless, oil prices increased compared to the last year. The fuel cost/ASK increase from 0.42 baht/seat-km to 0.52 baht/seat-km, representing an increase of 23.81%.

Selling and Administrative costs: In 2021, Selling and Administrative costs was 1,822.60 million baht, an increase of 38.92% from last year as a result of loss on exchange rate from gain 67.61 million baht to loss 1,149.92 million baht, an increase of 1,800.81% from last year.



Financial costs: In 2021, Financial costs was 899.91 million baht, a decrease of 1.11% from last year. This was mainly caused by reduced interest short-term loan from shareholder as result of interest rate reduced adjustment from 231.15 million baht to 207.7 million baht, an increase of 10.14% from last year.

Impairment loss on right-of-use assets: In 2021, Impairment loss on right-of-use assets was 472.09 million baht a decrease of 86.30% from last year as a result of debt restructuring which amendment right-of-use agreement.

Expected credit losses: In 2021, expected credit losses was 68.28 million baht, a decrease of 97.80% from last year. This significant decrease is due to allowance for investment in subsidiaries was 1,470.00 million baht and allowance for short-term loans in subsidiaries was 1,460.00 million baht.

Profit (Loss) for the year 2020 and 2021

Unit : million baht	2020		2021		Change	
	Amount	Percent (%) to total revenue	Amount	Percent (%) to total revenue	Amount	Percent (%) to total revenue
Profit (Loss) for the period	(7,391.62)	(109.74)	(1,435.61)	(22.59)	5,956.01	80.58
Total comprehensive income (loss) for the period	(7,295.86)	(108.32)	(1,399.46)	(22.02)	5,896.40	80.82
Profit (Loss) for the periods attributable to equity holders of the Company	(7,895.49)	(117.22)	(1,399.39)	(22.02)	6,496.10	82.28
Basic Earnings per Share (baht)	(2.33)		(0.38)		1.94	

Other aforementioned factors, a new wave of Covid-19 pandemic at the end of the year 2020 and continued until now and the measures government can control the epidemic, the Company reported a decline in earning and expense from last year. However, operating expenses were still high as result of a significant increasing loss on exchange rate which was insufficient to offset decreasing revenue, although has the gain from debt restructuring compensate part. This results in a total loss of 1,399.46 million baht which is lower than the last year's loss of 7,295.86 million Bath, a decrease of 5,896.40 million baht from last year. Furthermore, the Company reported the loss from the periods attributable to equity holders of the Company 1,399.39 million baht, an increase of 6,496.10 million baht from last year.



3. Financial Position and Liquidity

Unit : Million baht	Consolidated Financial Statement			
	As at 31 Dec 2020	As at 31 Dec 2021	Change	Percent (%)
Total Assets	17,894.92	12,249.72	(5,645.21)	(31.55)
Total Liabilities	25,897.08	21,615.34	(4,245.74)	(16.39)
Total Owners of the Parent	(7,000.52)	(8,399.91)	1,399.39	19.99
Non-Controlling Interests	(1,001.64)	(1,001.71)	0.08	0.01
Total Shareholders' Equity	(8,002.16)	(9,401.62)	1,399.46	17.49

Assets

As at 31 December 2021, the Company and its subsidiaries had total assets of 12,249.72 million baht or decreased by 31.55% from year-end 2020. Total assets can be divided into current assets of 2,047.69 million baht and non-current assets of 10,202.02 million baht, accounting for 16.72% and 83.28% of Total Assets respectively.

Total Current Assets: As at 31 December 2021, the Company and its subsidiaries had total current assets of 2,047.69 million baht or decreased by 20.71% from as of 31 December 2020. It was attributable to the decreasing in Cash and cash equivalents 396.39 million baht or decreased by 28.20%.

Total Non-Current Assets: As at 31 December 2021, the Company and its subsidiaries had total non-current assets of 10,202.02 million baht or a decrease of 33.37% from as at 31 December 2020. It was attributable to the decrease the obligation under the new aircraft lease contract and the amortized of Right-of-use assets in the amount of 5,074.16 million baht. However, the allowance for Right-of-use assets increased by 472.09 million baht.

Liabilities and Shareholder's Equities

Total liabilities: As at 31 December 2021, the Company and its subsidiaries had total liabilities of 21,615.34 million baht or decreased by 16.39% from as of 31 December 2020. It was attributable to the decreasing in lease liabilities of 2,743.54 million baht, and trade and other current payables of 1,052.42 million baht.

Shareholder's equities: As at 31 December 2021, the Company and its subsidiaries had negative shareholder's equities of 9,401.62 million baht or a change of 17.49% from the deficit as at 31 December 2020. It composed of a negative 8,399.91 million baht to the parent company and negative 1,001.71 million baht to non-controlling interests.

**Liquidity**

Unit : Million baht	Consolidated Financial Statement			
	As at 31 Dec 2020	As at 31 Dec 2021	Change	Percent (%)
Net cash provided by (used in) operating activities	46.69	(47.97)	(94.66)	(202.72)
Net cash provided by (used in) investing activities	(687.65)	23.98	711.64	103.49
Net cash provided by (used in) financing activities	729.96	(374.76)	(1,104.73)	(151.34)
Effect from foreign exchange rate in cash and cash equivalents	82.77	2.36	(80.41)	(97.15)
Net increase (decrease) in cash and cash equivalents	171.77	(396.39)	(568.16)	(330.76)
Cash and cash equivalents as of 1 January	1,233.79	1,405.56	171.77	13.92
Cash and cash equivalents as of 31 December	1,405.56	1,009.17	(396.39)	(28.20)

In 2021, the Company and its subsidiaries had net cash flow used in operating activities totaled 47.97 million baht, increased from provided by was 94.66 million baht, or 202.72% from last year. The significant items which highly impacted the cash flow were Trade and other payables, Trade and other current receivables and Aircraft Maintenance paid.

Net cash flows provided by investing activities was 23.98 million baht, or a positive change by 711.64 million baht, or 103.49% mainly due to the decrease Right-of-use assets.

Net cash flows provided by financing activities was 374.76 million baht, or a negative change by 1,104.73 million baht, or 151.34% mainly due to the increment of register share capital in last year.

Moreover, the Company and its subsidiaries gained benefit from the effect from foreign exchange rate in cash and cash equivalents in amount of 2.36 million baht.

Nevertheless, as at 31 December 2021, net cash and cash equivalents decreased by 396.39 million baht.

Contingent Liabilities

As of December 31, 2021, the Company and its subsidiaries had contingent liabilities arising from obligations that are not presented in the financial statements from the letter of guarantee issued by local and foreign banks and commitments for acquisition of aircrafts to be paid in the future (Details are in the notes to the financial statements No. 33).

4. Financial Ratios

Financial Ratios	Unit	Consolidated Financial Statement	
		2020	2021



Liquidity Ratio			
Average Collection Period	Day	30.51	12.66
Average Sales Period	Day	4.35	10.16
Advance Ticket Sales Period	Time	9.94	(11.23)
Payment Period	Day	12.30	279.19
Cash Cycle	Day	(98.38)	(245.14)
Profitability Ratio			
Operating Loss before Fuel Margin	%	(117.15%)	(12.5%)
Operating Loss Margin	%	(140.13%)	(22.6%)
EBITDAR Margin	%	(102.08%)	9.4%
Net Loss Margin	%	(109.74%)	(22.6%)
Return on Equity	%	(195.05%)	15.3%
Efficiency Ratio			
Return on Total assets	%	(44.71%)	(11.7%)
Return on Fixed assets	%	(4,983.55%)	(3,944.7%)
Assets Turnover	Time	0.41	3.10
Leverage Ratio			
Net Debt to Equity ratio	Time	(3.70)	(2.58)
Interest Coverage ratio	Time	(2.68)	0.29
Dividend Payout Ratio	%	-	-
Basic Loss per Share	Baht	(2.19)	(0.38)
Diluted Loss per share	Baht	(2.19)	(0.38)

GLOSSARY

Average Collection Period = $360 / \text{account receivable turnover}$

Average Sales Period = $360 / \text{inventory turnover}$

Advance Ticket Sales Period = $(\text{advance revenue} / \text{net sale revenue}) * 360$

Payment Period = $360 / \text{account payable turnover}$

Cash Cycle = $\text{average collection period} + \text{average sales period} - \text{average payment period}$

Operating Loss before Fuel Margin = $\text{loss from operation before Fuel} / \text{net sale revenue}$

Operating Loss Margin = $\text{loss from operation} / \text{net sale revenue}$

EBITDAR Margin = $(\text{loss from operation} + \text{Aircraft Operating Lease} + \text{Charter Flight Expense}) / \text{net sale revenue}$

Net Loss Margin = $\text{net profit} / \text{total revenue}$

Return on Equity = $\text{net profit} / \text{average shareholders' equity}$

Return on Total assets = $\text{net profit} / \text{average total assets}$

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เลขที่ 222 อาคารส่วนกลาง ห้องเลขที่ 4235 ชั้น 4 ถนนวิภาวดีรังสิต แขวงสามมามิน เขตดอนเมือง กรุงเทพมหานคร 10210

222 Central Building, Room No.4235, 4th Floor, Vibhavadi Rangsit Road, Sanambin Sub-district, Don Mueang District, Bangkok 10210, Thailand

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Phone +(66) 2627 2000, www.nokair.com



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Return on Total assets = net profit / average total assets

Return on Fixed assets = (net profit + depreciation and amortization) / average net fixed assets

Assets Turnover = total revenue / average total assets

Net Debt to Equity ratio = total liabilities / total shareholders' equity

Interest Coverage ratio = (cash flow from operating activities + interest paid from operation + Income tax paid) / interest paid from operation and investment

Dividend Payout Ratio = dividend payment / net profit

Basic Loss per Share = net loss / Weighted average number of ordinary shares outstanding

Diluted Loss per share = net loss / Weighted average number of ordinary shares outstanding (Diluted)

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ทะเบียนเลขที่ 0-1075-56000-09-4 | Registration No. 0-1075-56000-09-4

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5. Related Party Transactions

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2021	2020	
<p>Thai Airways International PCL (“THAI”)</p> <p><u>Nature of business</u> THAI is a full-service airline.</p> <p><u>Relationship</u> THAI is the Company’s shareholder holding 8.91% as of December 31, 2021.</p>	<p>1.Expenditures of the Company</p> <p><u>Maintenance</u></p> <p>The Company hired THAI to maintain the aircraft leased from an overseas</p> <p>- Aircraft Maintenance Fees</p> <p><u>Ground Handling fee and food expenses for passengers, pilots, and crews.</u></p> <p>Expenses on Ground handling services in the station, which the service provider agreed with the Company’s on normal ground handling services does not have enough equipment.</p> <p>- Ground handling service expense</p> <p>- Catering expenses for passengers, pilots, crew</p> <p>- Passenger shuttle bus expense</p>	<p>0.2</p> <p>None</p> <p>None</p> <p>None</p>	<p>60.3</p> <p>None</p> <p>None</p> <p>None</p>	<p>For Maintenance, THAI is among a few operations in Thailand who possesses the aircraft maintenance permit. Thus, the Company and its subsidiaries use THAI’s service. Besides, the maintenance charge is in accordance with market prices. At presents, the Company and its subsidiaries continue to use the maintenance service, spare part, as well as maintenance equipment rental from THAI for its’ aircrafts leased from the overseas lessor.</p> <p>Such transactions are necessary for business operation for the Company and its subsidiaries, also the service charge is in accordance with market prices.</p>

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2021	2020	
	<u>Other expenses</u> Other services are provided by THAI i.e., training, insurance premium - Other expenses	None	None	The Company and its subsidiaries business conduct and service fees are in accordance with the market
	2. Revenues <u>Passenger revenues</u> The Company provided air transportation service to THAI passengers under the Code Share Agreement and Passenger Transfer Agreement. - Passenger revenues - Services Revenues	None 0.6	None None	The Company has entered into Code Share Agreement with THAI in order to expand its sales channel. In addition, the ticket price is not lower than the price of other passengers. The Passenger Transfer Agreement is executed to transfer passengers between airlines in case of flight cancellation or delay.
	3. Trade Payable	33.3	76.7	

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2021	2020	
<p>Don Mueang International Airport Hotel Co., Ltd. ("Airport hotel")</p> <p><u>Nature of business</u></p> <p>Airport hotel operates hotel under Amari Don Mueang Airport which located nearby</p> <p><u>Relationship</u></p> <p>THAI is a major shareholder of the company and has the authority to control Airport Hotel by holding 40.0% shares</p>	<p>1. Expenditures of the Company</p> <p>1.1 Accommodation</p> <p>The Company uses the accommodation services of Airport hotel for the provincial employees who travel to Bangkok for company's training and work.</p> <p>- Accommodation and event expenses</p> <p>2. Trade Payable</p>	0.3	1.0	<p>The Company uses the services of Airport hotel for the provincial employees who travel to Bangkok for company's training at Don Mueang Airport since it is the hotel that is located near Don Mueang Airport and has a walkway that leads directly to the terminal and company's office, which is convenient and travel cost saving. The service fee rates are based on market prices.</p>
		0.09	0.1	

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2021	2020	
<p>THAI Flight Training Co., Ltd. (“THAI Flight Training”) <u>Nature of business</u> THAI Flight Training provides aviation training services. <u>Relationship</u> THAI is a shareholder of the company holding 49.0% shares.</p>	<p>1. Service fee - Training fee</p> <p>2. Trade Payable</p>	<p>0.8</p> <p>0.06</p>	<p>2.3</p> <p>None</p>	<p>Such transaction is necessary for the Company’s business. If the Company operates at its own expense, such expenses would be higher.</p>

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2021	2020	
<p>Thai Smile Airways Co., Ltd. ("Thai Smile")</p> <p><u>Nature of business</u> Thai Smile is a low-cost airline which is affiliate of THAI. Thai Smile offers a new alternative for customer who is looking for a short-haul low-cost flight.</p> <p><u>Relationship</u> THAI is a shareholder of the company and has the authority to control Thai Smile by holding all shares.</p>	<p>1. Expenditures of the Company</p> <p>1.1 Air fare The Company uses air transportation service of Thai Smile under the Passenger Transfer Agreement.</p> <p>- Air fare</p> <p>2. Revenues</p> <p>2.1 Passenger revenues The Company provides and air transportation service to Thai Smile Airways Company Limited under the Passenger Transfer Agreement.</p> <p>- Passenger revenues - Services Revenues</p> <p>3. Trade Receivable</p> <p>4. Trade Payable</p>	<p>None</p> <p>0.01</p> <p>None</p> <p>0.08</p> <p>0.09</p>	<p>0.1</p> <p>3.9</p> <p>0.04</p> <p>0.07</p> <p>0.2</p>	<p>The Company has entered into Passenger Transfer Agreement with Thai Smile to transfer passengers between airline in case of flight cancellation or delay at the price agreed in advance.</p> <p>The Company has entered into Passenger Transfer Agreement with Thai Smile to transfer passengers between airline in case of light cancellation or delay at the price agreed in advance.</p>

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2021	2020	
<p>Flight Training (Thailand) Co., Ltd. (former name: Pan Am International Flight Training Center (Thailand) Co., Ltd.) ("Flight Training")</p> <p><u>Nature of business</u> Flight Training is the international flight training center for comprehensive flight and aviation training center in Thailand</p> <p><u>Relationship</u> 15% of shares were held by the Company.</p>	<p>1. Expenditures of the Company</p> <p>1.1 Training fee The Company sent its pilots and co-pilots to be trained at Flight Training. - Training fee</p> <p>2. Revenues</p> <p>The Company sent its pilots and co-pilots to co-training in the flight simulator training at Flight Training. - Service revenues</p> <p>3. Trade Payable</p>	<p>12.8</p> <p>0.2</p> <p>1.2</p>	<p>13.1</p> <p>0.03</p> <p>1.2</p>	<p>The Company has entered into an agreement with Flight Training for its pilot and co-pilot training, which saved the expenses on overseas training.</p> <p>The Company agreed to provide pilots and co-pilots to support flight simulator training for Flight Training's license renewal. The Company received the fees at the agreed rate and in accordance with the market rate.</p>

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2021	2020	
<p>Haad Thip Public Company Limited (“Haad Thip”)</p> <p><u>Nature of business</u> Manufacturing and distribution of soft drinks.</p> <p><u>Relationship</u> Spouse of Nok Air’s director, Mr. Apichart Chirabandhu, is a director of Haad Thip.</p>	<p>1. Expenditures of the Company - Food and Drinks</p> <p>2. Revenues - Passenger revenues</p> <p>3. Trade Receivable</p>	<p>None</p> <p>0.004</p> <p>None</p>	<p>None</p> <p>0.1</p> <p>0.1</p>	<p>The Company offers passengers to buy food and beverages from Haad Thip within given budget in case of flight delay. Price of food and beverages are based on market rate.</p> <p>The Company sells tickets to Haad Thip according to the market prices.</p>
<p>AIRA Advisory Company Limited. (“AIRA Advisory”)</p> <p><u>Nature of business</u> AIRA Advisory provided financial management advice.</p> <p><u>Relationship</u> Some Company’s shareholders were shareholder in the AIRA Group.</p>	<p>1. Expenditures of the Company - Financial advisory fee</p> <p>2. Other account payable</p>	<p>0.04</p> <p>7.0</p>	<p>3.3</p> <p>7.0</p>	<p>The Company engaged AIRA Advisory as its financial advisor and financial system developer to ensure more efficiency. Its service rate was in line with market prices.</p>

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2021	2020	
<p>Siam City Law Offices DR Limited (“Siam City DR”)</p> <p><u>Nature of business</u> Siam City DR offers legal, accounting and tax services.</p> <p><u>Relationship</u> Mr. Chavalit Uttasart, the Company’s director, was a director of Siam City DR.</p>	<p>1. Expenditures of the Company</p> <p>- Legal advisory fee</p> <p>2. Other account payable</p>	<p>0.4</p> <p>0.004</p>	<p>7.8</p> <p>0.01</p>	<p>The Company entered into an agreement with Siam City DR for legal advice. This was a necessary transaction for the Company’s business operations. The service rate was in line with market prices.</p>
<p>Siam City Law Offices GP Limited (“Siam City GP”)</p> <p><u>Nature of business</u> Siam City GP offers legal, accounting and tax services.</p> <p><u>Relationship</u> Mr. Chavalit Uttasart, the Company’s director, was a director of Siam City GP.</p>	<p>1. Expenditures of the Company</p> <p>- Legal advisory fee</p> <p>2. Other account payable</p>	<p>0.3</p> <p>0.4</p>	<p>0.8</p> <p>0.6</p>	<p>The Company entered into an agreement with Siam City GP for legal advice. This was a necessary transaction for the Company’s business operations. The service rate was in line with market prices.</p>

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2021	2020	
<p>Jmax Corporation Co., Ltd. ("Jmax")</p> <p><u>Nature of business</u> Jmax provided real estate management and rental services.</p> <p><u>Relationship</u> The Company's director, Mr. Wutthiphum Jurangkool, was a director of Jmax</p>	<p>1. Revenues - Passenger revenues</p> <p>2. Trade receivable</p>	<p>None</p> <p>None</p>	<p>0.03</p> <p>None</p>	<p>The Company sells tickets to Jmax according to the market prices.</p>
<p>Major Shareholder - Hatairatn jurangkool ("Mrs. Hatairatn jurangkool")</p> <p><u>Nature of business</u> Mrs. Hatairatn Jurangkool was a major shareholder of the Company.</p> <p><u>Relationship</u> Mrs. Hatairatn Jurangkool was a major shareholder, holding 26.38% of shares as of December 31st, 2021</p>	<p>1. Expenditures of the Company - Interest expense</p> <p>2. Short-term borrowings from as shareholder</p>	<p>207.7</p> <p>2,767.6</p>	<p>231.1</p> <p>2,720</p>	<p>The Company borrowed money from Mrs. Hatairatn Jurangkool to use in operations with interest rate based on market rates.</p>