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29 September 2023

RE: Management Discussion and Analysis for the year ended 31 December 2022

To: President,  
The Stock Exchange of Thailand

## 1.Executive Summary

With the COVID-19 situation improving and the number of passengers steadily increasing from 1.3 million in 2021 to 4.98 million in 2022, the business recorded strong revenue growth from increased passenger transportation. Operation costs also rose, primarily from higher than anticipated repair costs and provision for aircraft maintenance recognized as expenses as a result of increased utilization of aircrafts and higher fuel price. The Company remains under the rehabilitation plan and the plan management has strictly implemented the rehabilitation plan.

To enhance sustainable operations and enhance its competitiveness in the aviation industry, the Company continues to improve and implement various projects, which are summarized as follows:

### Increasing revenue

1. Adjusting fares in line with market demand to increase passenger volume and total revenue.
2. Explore new business channels to increase revenue, such as transportation of cargo. Disposition of non-core business assets, such as scrap parts or other equipment.
3. Increase service standards to expand customer base to be comprehensive and in line with the current situation.
4. Launch promotions, as well as promote and introduce new services to boost sales and create awareness.

### Expense Management

1. Adjust work processes and restructure the organization in line with current situation of the company and the aviation industry and to streamline and increase work efficiency.
2. Aircraft rental cost management, which is one of the main costs of operating the business. By trying to provide more aircraft with rental conditions suitable for operating hours, as well as improving aircraft plans to suit the route and current situation to help increase revenue, reduce costs, and increase management efficiency, particularly maintenance costs, which is one of the main costs of the aviation business.



3. Reducing fuel costs by increasing the competitiveness of oil carrier auctions by increasing the number of efficient oil carriers.
4. Aircraft maintenance cost management by increasing efficiency in long-term aircraft maintenance planning and preventive maintenance.

### Financial Liquidity Management

1. Negotiations with trade creditors, business partners, financial institutions, lenders to negotiate trade, terms or terms of contracts, such as credit terms or commercial loans from financial institutions, including expediting the collection of outstanding debts.

2. Budget management by controlling the use of budget in accordance with the specified work plan.

### Service Development

1. Enhancing service in all aspects to build confidence and satisfaction with the Company's services, such as flexibility in booking air tickets. Updates to Flight Change Conditions

The Company and its subsidiaries posted a net loss for 2022 of 2,624.83 million Baht compared to net loss for 2021 of 1,399.46 million baht or an increase 1,225.37 million Baht, representing 87.56% increase YoY. The loss per share was 0.70 Baht, while the loss per share for the previous year was 0.38 Baht. The net loss was higher in 2022 because the Company recorded a one-time gain on debt restructuring of 4,034.54 million Baht in 2021.

The Company and its subsidiaries reported total revenue of 7,467.66 million Baht in 2022, 1,110.58 million Baht higher than the previous year or 17.47% YoY increase, mainly due to an increase in passenger transportation revenue of 4,433.01 million Baht, significantly jumped by 225.33% YoY. Service revenue of 613.27 million Baht, increased 376.33 million Baht or 158.82% YoY. This year marks the airline's recovery from the COVID-19 pandemic and the number of passengers continues to increase. The Company had total expenses of 10,084.34 million Baht, an increase of 2,291.65 million baht from the previous year. The depreciation of the Baht resulted in 508.96 million Baht loss on exchange rate. As a result, the Company's losses increased from the previous year.

The Company and its subsidiaries recorded an increase in available seat kilometers (ASK) of 177.00%, an increase in revenue passenger kilometers (RPK) of 311.04%, an average (cabin factor) of 80.24% compared with previous year's average of 63.45%. Total passengers transported were 4.98 million passengers, an increase of 283.07% from the previous year.



## 2.Management Discussion and Analysis for 2022

### Passenger statistics and key business ratios

|   | Unit                | Y 2021 | Y 2022 | change |         |
|---|---------------------|--------|--------|--------|---------|
|   |                     |        |        | Amount | Percent |
| Number of aircraft at the end of the period                   |                     |        |        |        |         |
| - Boeing 737-800 New Generation                               | Aircraft            | 14     | 14     | -      | -       |
| - Q400 NextGen  | Aircraft            | 7.8    | 2      | (6)    | (74.35) |
| - Number of aircraft  | Aircraft            | 21.8   | 16     | (5.8)  | (26.60) |
| Available Seat Kilometers: ASK                                | Mil. Seat-Km        | 1,239  | 3,432  | 2,193  | 177.00  |
| Revenue Passenger Kilometers: RPK                             | Mil. Seat-Km        | 670    | 2,754  | 2,084  | 311.04  |
| No. of sectors  | Flights             | 15,045 | 34,224 | 19,179 | 127.47  |
| Cabin factor  | %                   | 63.45  | 80.24  | 16.79  | 26.46   |
| Passenger Carried   | Million             | 1.30   | 4.98   | 3.68   | 283.07  |
| Passenger Yield   | Baht/Seat-Km.       | 2.88   | 2.25   | -0.63  | -21.87  |
| Revenue per Available Seat Kilometers: RASK                   | Baht/Seat-Km.       | 1.79   | 1.89   | 0.10   | 5.58    |
| Cost per Available Seat Kilometers: CASK                      | Baht/Seat-Km.       | 3.88   | 2.94   | -0.94  | -24.26  |
| Cost per Available Seat Kilometers exclude Fuel: CASK ex-fuel | Baht/Seat-Km.       | 3.36   | 1.32   | -2.04  | -60.70  |
| Average Aircraft Utilization Hours                            | Operating Hours/Day | 1.86   | 7.00   | 5.14   | 276.39  |



## The Company's Performance

### Revenue for the period 2021 and 2022

| Unit : million Baht             | 2021            |                              | 2022            |                              | Change          |               |
|---------------------------------|-----------------|------------------------------|-----------------|------------------------------|-----------------|---------------|
|                                 | Amount          | Percent (%) to total revenue | Amount          | Percent (%) to total revenue | Amount          | Percent (%)   |
| Passenger Revenue               | 1,967.37        | 30.95                        | 6,400.38        | 85.71                        | 4,433.01        | 225.33%       |
| Service Revenue                 | 236.95          | 3.73                         | 613.27          | 8.21                         | 376.33          | 158.82%       |
| Revenue from debt restructuring | 4,034.54        | 63.30                        | 4.93            | 0.07                         | -4,029.61       | -99.88%       |
| Other income                    | 118.22          | 2.02                         | 449.07          | 6.01                         | 330.85          | 279.86%       |
| Total revenue                   | <b>6,357.08</b> | <b>100.00</b>                | <b>7,467.66</b> | <b>100.00</b>                | <b>1,110.58</b> | <b>17.47%</b> |

### Revenue Information

The Company had total revenue 7,467.66 million Baht or an increase of 17.47% from the previous year, comprised of fare revenue of 6,400.38 million Baht, accounting for 85.71% of total revenue. Service revenue 613.27 million Baht, accounting for 8.21% of total revenue. Revenue from debt restructuring of 4.93 million Baht, accounting for 0.07% of total revenue. Lastly, other income of 449.07 million Baht, accounting for 6.01% of total revenue. Revenue per passenger production (RASK) was 1.89 baht/seat-km. This was an increase of 5.58% YoY and passenger capacity (ASK) was 3,432 million seats-km., increasing 177.00% YoY.

### Passenger revenue

In 2022, fare revenue amounted to 6,400.38 million baht, or an increase of 225.33% from the previous year, due to the decline in the spread of Covid-19, which resulted in significant rise in air travel domestically and internationally. Additionally, government campaigns to promote domestic tourism helped boost air travel and ratio of passenger loads. Cabin factor increased by 26.46% YoY to 80.24% in 2022 from 63.45% in 2021. Numbers of sectors increased from 15,045 flights to 34,224 flights, representing 127.47% increase YoY. In addition, aircraft utilization rate increased from 1.86 operating hours per day to 7.00 operating hours per day, or an increase of 276.39% YoY.

### Service Revenue

In 2022, service revenue amounted 613.27 million Baht, or an increase of 158.82% from the previous year, especially from baggage drop and food and beverages, in line with increase in fare revenue and numbers of passengers and flights.



## Other Revenue

In 2022, other income amounted to 449.07 million Baht, or an increase of 279.84% from the previous year, due to the reversal of maintenance liabilities.

## Expenses for the period 2021 and 2022

| Unit : million Baht                    | 2021            |                                    | 2022             |                                    | Change          |              |
|--|-----------------|------------------------------------|------------------|------------------------------------|-----------------|--------------|
|  | Amount          | Percent (%)<br>to total<br>expense | Amount           | Percent (%)<br>to total<br>expense | Amount          | Percent (%)  |
| Cost of passenger and services         | 4,528.35        | 58.11                              | 8,751.44         | 86.78                              | 4,223.08        | 93.26        |
| Selling expenses                       | 5.22            | 0.06                               | 30.29            | 0.30                               | 25.07           | 480.38       |
| Administrative expenses                | 336.05          | 4.31                               | 239.19           | 2.37                               | -96.86          | -28.82       |
| Financial Costs                        | 899.91          | 11.55                              | 684.24           | 6.78                               | -215.66         | -23.97       |
| Impairment loss on right-of-use assets | 472.09          | 6.06                               | -89.05           | (0.88)                             | -561.13         | -118.86      |
| Expected credit losses                 | 68.28           | 0.88                               | -40.74           | (0.40)                             | -109.02         | -159.67      |
| Loss on exchange rate                  | 1,482.79        | 19.03                              | 508.96           | 5.05                               | -973.83         | -65.68       |
| <b>Total Expenses</b>                  | <b>7,792.69</b> | <b>100.00</b>                      | <b>10,084.33</b> | <b>100.00</b>                      | <b>2,291.65</b> | <b>29.41</b> |

## Information: Cost & Expenses

The Company's total expenses amounted 10,084.33 million Baht, or an increase of 29.41% from the previous year, comprising of costs of passenger and services 8,751.44 million Baht, accounting for 86.78% of total expenses. Selling expenses 30.29 million Baht, accounting for 0.30% of total expenses. Administrative expenses 239.19 million Baht, accounting for 2.37% of total expenses. Finance costs 684.24 million Baht, accounting for 6.78% of total expenses. Impairment loss on asset usage rights (reversal) -89.05 Million Baht, accounting for -0.88% of total expenses. Lastly, expected credit loss -40.74 million Baht, accounting for -0.04% of total expenses. The Company's cost per available seat kilometers decreased from 3.88 Baht/seat-km. to 2.94 Baht/seat-km., a decrease of 24.26% YoY and cost per available seat kilometers, excluding fuel costs, decreased from 3.36 Baht/seat-km. to 1.32 Baht/seat-km., or a decrease of 60.70% YoY.

## Costs of passenger and services

In 2022, costs of passenger and services was 8,751.44 million Baht, accounting for 86.78% of total expenses, and representing 93.26% increase YoY, mainly due to the increase in numbers of flights caused higher fuel consumption than in the previous year. The Company's fuel cost was 3,261.34 million Baht, rising 507.52% YoY due to significant rise in fuel price compared to the previous year. Cost of fuel per available seat



kilometers (Fuel/ASK) increased from 0.52 Baht/seat-km. to 0.95 Baht/seat-km., or an increase of 43.16% YoY.

### Selling and administrative expenses

In 2022, selling and administrative expenses amounted 269.48 million Baht, or a decrease of 21.04% from the previous year, mainly due to lower legal advisory fees and litigation proceedings from the previous year. Foreign exchange loss of 508.96 million Baht or 65.68% decrease YoY.

### Financial costs

In 2022, financial costs amounted 684.24 million Baht, or a decrease of 23.97% from the previous year. This was mainly due to the reduction in the interest rate on aircraft leasehold rights.

### Impairment loss on right-of-use assets

In 2022, impairment loss on right-of-use assets (reversal) amounted to -89.04 million Baht, compared with impairment loss of 472.09 million Baht in 2021. Reversal of impairment loss on right-of-use assets was attributable to an increase in the value of asset usage rights, estimated from accounting method, from the previous year.

### Expected credit losses

In 2022, expected credit losses (reversal) -40.74 million Baht, compared with expected credit losses of 68.28 million Baht in 2021, or decreasing 109.02 million Baht from the previous year. Reversal of expected credit losses was mainly due to calculation of allowances for doubtful accounts were set too high in previous years.



## Revenue (Loss)

| Unit : million Baht  | 2021       |                              | 2022       |                              | Change     |             |
|--|------------|------------------------------|------------|------------------------------|------------|-------------|
|  | Amount     | Percent (%) to total revenue | Amount     | Percent (%) to total revenue | Amount     | Percent (%) |
| Revenue (Loss) for the period  | (1,435.61) | (22.59)                      | (2,616.67) | (35.04)                      | (1,181.06) | 82.27       |
| Total comprehensive income (loss) for the period                             | (1,399.46) | (22.02)                      | (2,624.83) | (35.15)                      | (1,225.37) | 87.56       |
| Revenue (Loss) for the periods attributable to equity holders of the Company | (1,399.39) | (22.02)                      | (2,624.83) | (35.15)                      | (1,225.44) | 87.57       |
| Basic Earnings per Share (baht)  | (0.38)     |                              | (0.70)     |                              | (0.32)     |             |

The Company had a total comprehensive loss of 2,624.83 million Baht. The loss attributable to equity holders of the Company amounted 2,624.83 million Baht an increase of 1,225.44 million Baht from the previous year because the Company had gain on debt restructuring of 4,034.54 million Baht in the previous year.

### 3. Financial Statement Position (Consolidated)

| Unit : million Baht        | Consolidated Financial Statement |                   |           |             |
|----------------------------|----------------------------------|-------------------|-----------|-------------|
|                            | As at 31 Dec 2021                | As at 31 Dec 2022 | Change    | Percent (%) |
| Total Assets               | 12,249.72                        | 12,353.39         | 103.67    | 0.84        |
| Total Liabilities          | 21,615.34                        | 24,379.85         | 2,758.51  | 12.60       |
| Total Owners of the Parent | (8,399.91)                       | 11,024.74         | 2,624.83  | 31.24       |
| Non-Controlling Interests  | (1,001.71)                       | 1,001.74          | 0.00      | 0.00        |
| Total Shareholders' Equity | (9,401.62)                       | -12,026.45        | -2,624.83 | 27.91       |

#### Assets

As of December 31, 2022, the Company and its subsidiaries had total assets of 12,353.39 million Baht, or a decrease of 0.84% from December 31, 2021, comprising of current assets of 1,161.35 million Baht and non-current assets of 11,192.03 million Baht. accounting for 9.40% and 90.60% of total assets, respectively.



## Total Current Assets:

As of December 31, 2022, the Company and its subsidiaries had total current assets of 1,161.36 million Baht, or a decrease of 43.28% from December 31, 2021, mainly from 340.17 million Baht decrease in cash and cash equivalents, representing a decrease of 33.70% YoY.

## Total Non-Current Assets:

As of December 31, 2022, the Company and its subsidiaries had total non-current assets of 11,192.03 million Baht, or an increase of 9.70% from December 31, 2021, mainly due to an increase in aircraft maintenance reserve of 18.85% more than the previous year.

## **Liabilities and Shareholder's Equities**

### Total Liabilities

As of December 31, 2022, the Company and its subsidiaries had total liabilities of Baht 24,379.85 million, or an increase of 12.60% from December 31, 2021, mainly from increase in provisions for aircraft maintenance as plan, increasing 2,025.55 million Baht, or 33.33% YoY.

### Shareholder's Equities

As of December 31, 2022, the Company and its subsidiaries had negative shareholders' equity of 12,026.45 million Baht, increased by 27.92% from December 31, 2021. Total shareholders' equity attributable to owners of the Company was -11,024.74 million Baht due to operating losses during Covid-19 pandemic and higher aircraft maintenance costs and non-controlling interests was -1,001.71 million Baht.





## Cash Flow Statement (Consolidated)

| Unit: million Baht   | Consolidate Financial Statement |                      |          |                |
|--|---------------------------------|----------------------|----------|----------------|
|  | As at<br>31 Dec<br>2021         | As at<br>31 Dec 2022 | Change   | Percent<br>(%) |
| Net cash provided by (used in) operating activities            | (47.97)                         | (33.75)              | 14.21    | 29.63          |
| Net cash provided by (used in) investing activities            | 23.98                           | 479.57               | 455.59   | 1,899.80       |
| Net cash provided by (used in) financing activities            | (374.76)                        | (780.04)             | (405.28) | 108.14         |
| Effect from foreign exchange rate in cash and cash equivalents | 2.36                            | (5.93)               | (8.30)   | 351.22         |
| Net increase (decrease) in cash and cash equivalents           | (396.39)                        | (340.17)             | 56.22    | 14.18          |
| Cash and cash equivalents as of 1 January                      | 1,405.56                        | 1,009.17             | (396.39) | -28.20         |
| Cash and cash equivalents as of 31 December                    | 1,009.17                        | 699.01               | (340.17) | -33.71         |

For the year 2022, the Company and its subsidiaries used net cash for operating activities 33.75 million Baht, decreasing from the previous year by 14.21 million Baht or by 29.63%. The main items affecting cash flow were trade and other current payables, provisions and cash for aircraft maintenance.

Cash flow from investment activities amounted to 479.57 million Baht, increasing 455.59 million Baht, mainly from cash received for investments in current financial assets of 499.05 million Baht.

Cash outflows from financing activities amounted 780.04 million Baht rising by 405.28 million Baht or 108.14% increase YoY mainly from cash payments for lease liabilities.

In addition, the Company and its subsidiaries were affected by foreign exchange rates, both cash and cash equivalents, amounting to -5.94 million baht. As of December 31, 2022, the Company had a net decrease in cash and cash equivalents of 340.17 million Baht.

### Significant Agreements, Commitments and Contingent Liabilities

As of December 31, 2022, the Company had contingent liabilities that are not shown in the financial statements from letter of credit and letter of guarantee with local banks and a branch of foreign bank, as well as commitments of future payment for acquisition of aircrafts (as detailed in Notes to the financial statements number 32).



## 4. Summary of key financial ratios

| Financial ratio                                | unit   | consolidated |             |
|--|--------|--------------|-------------|
|  |        | 2021         | 2022        |
| <b>Liquidity ratio</b>                         |        |              |             |
| Average debt collection period                 | Day    | 12.66        | 11.66       |
| Average sales period                           | Day    | 10.16        | 5.91        |
| Advance Ticket Sales Period                    | Merely | (11.23)      | (21.25)     |
| Repayment period                               | Day    | 279.19       | 116.41      |
| Cash cycle                                     | Day    | (245.14)     | (77.60)     |
| <b>The ratio shows profitability.</b>          |        |              |             |
| Operating margin before fuel costs             | %      | (12.50%)     | 8.52%       |
| Operating margin                               | %      | (22.60%)     | (34.58%)    |
| EBITDAR margin                                 | %      | 9.40%        | (20.72%)    |
| Net Revenue Margin                             | %      | (22.60%)     | (34.58%)    |
| Return on equity                               | %      | 15.30%       | 21.76%      |
| <b>The ratio shows operational efficiency.</b> |        |              |             |
| Return on assets                               | %      | (11.70%)     | (21.18%)    |
| Fixed asset rate of return                     | %      | (3,944.70%)  | (7,478.07%) |
| Asset Turnover                                 | Merely | 3.10         | 6.51        |
| <b>Monetary Policy Analysis Ratio</b>          |        |              |             |
| Debt to equity ratio                           | Merely | (2.58)       | (2.03)      |
| Obligation Settlement Ratio                    | Merely | 0.29         | (1.49)      |
| Dividend payout ratio                          | %      | -            | -           |
| Basic loss per share                           | Bath   | (0.38)       | (0.70)      |
| Diluted loss per share                         | Bath   | (0.38)       | (0.70)      |

### Definition and formula for calculating financial ratios

The average collection period is  $360/\text{accounts receivable turnover}$ .

The average sales period is  $360/\text{inventory turnover}$ .

Advance ticket sales period is  $(\text{advance income}/\text{total main income}) \times 360$

The repayment period is  $360/\text{Accounts payable turnover ratio}$ .

Cash cycle is  $(\text{collection period} + \text{sales period}) - (\text{advance ticket sales period} + \text{repayment period})$ .

Operating margin before fuel cost is  $(\text{operating Revenue} + \text{fuel cost})/\text{total revenue}$ .



Operating margin is operating Revenue/total revenue.

EBITDAR margin is (Operating Margin+Operating Lease+Charter)/Gross Revenue

Net profit margin is net profit and loss/total revenue.

Return on equity is net profit and loss/average shareholders' equity.

Return on assets is net profit and loss/average equity.

The rate of return on fixed assets is (Net Profit and Loss + Depreciation)/Average Net Equipment.

Asset turnover is the average gross income/equity of assets.

Debt to equity ratio is total liabilities/total shareholders' equity.

The obligation repayment ratio is (Operating Profit + Operating Lease)/Operating Lease of Aircraft.

The dividend payout ratio is the dividend paid/net profit and loss.

Basic loss per share is net loss/weighted average number of ordinary shares.

Diluted loss per share is net loss/weighted average number of ordinary shares (diluted).

## 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   |
|---|---|-------------------------------------|------------------------------------|---|
|   |   | 2022                                | 2021                               |   |
| <p>Thai Airways International PCL (“THAI”)</p> <p><u>Nature of business</u><br/>THAI is a full-service airline.</p> <p><u>Relationship</u><br/>THAI is the Company’s shareholder holding 8.91% as of December 31, 2021.</p> | <p><b>1.Expenditures of the Company</b></p> <p><u>Maintenance</u><br/>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><br/>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>12.8</p> <p>None</p> <p>None</p> | <p>0.2</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  |
|---|--|----------------------------------|------|--|
|   |  | 2022                             | 2021 |  |
|   | - Passenger shuttle bus expense  | None                             | None | The Company and its subsidiaries business conduct and service fees are in accordance with the market   |
|   | <u>Other expenses</u><br>Other services are provided by THAI i.e., training, insurance premium   |                                  |      |  |
|   | - Other expenses   | 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. |
|   | <b>2. Revenues</b>   |                                  |      |  |
|   | <u>Passenger revenues</u><br>The Company provided air transportation service to THAI passengers under the Code Share Agreement and Passenger Transfer Agreement. |                                  |      |  |
|   | - Passenger revenues   | None                             | None |  |
|   | - Services Revenues  | None                             | 0.6  |  |
|   | <b>3. Trade Payable</b>  | 33.6                             | 33.3 |  |





| 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   |
|---|--|----------------------------------|------------------------|---|
|   |  | 2022                             | 2021                   |   |
|   |  |                                  |                        |   |
| <p>THAI Flight Training Co., Ltd.<br/>("THAI Flight Training")</p> <p><u>Nature of business</u><br/>THAI Flight Training provides aviation training services.</p> <p><u>Relationship</u><br/>THAI is a shareholder of the company holding 49.0% shares.</p> | <p>1. Service fee<br/>- Training fee</p> <p>2. Trade Payable</p> | <p>2.4</p> <p>None</p>           | <p>0.8</p> <p>0.06</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  |
|--|--|----------------------------------|-------------------------|--|
|  |  | 2022                             | 2021                    |  |
|  |  |                                  |                         |  |
| <p><b>Thai Smile Airways Co., Ltd.</b><br/>(“Thai Smile”)</p> <p><u>Nature of business</u><br/>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><br/>THAI is a shareholder of the company and has the authority to control Thai Smile by holding all shares.</p> | <p><b>1. Expenditures of the Company</b></p> <p>1.1 Air fare<br/>The Company uses air transportation service of Thai Smile under the Passenger Transfer Agreement.</p> <p>- Air fare</p> <p><b>2. Revenues</b></p> <p>2.1 Passenger revenues<br/>The Company provides and air transportation service to Thai Smile Airways Company Limited under the Passenger Transfer Agreement.</p> <p>- Passenger revenues</p> | <p>None</p> <p>1.57</p>          | <p>None</p> <p>0.01</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  |
|---|---|----------------------------------|------------------------|--|
|   |   | 2022                             | 2021                   |  |
|   | - Services Revenues<br><br>3. Trade Receivable<br>4. Trade Payable  | None<br>0.02<br>0.17             | None<br>0.08<br>0.09   |  |
| <p>Flight Training (Thailand) Co., Ltd.<br/>(former name: Pan Am International Flight Training Center (Thailand) Co., Ltd.)<br/>("Flight Training")</p> <p><u>Nature of business</u><br/>Flight Training is the international flight training center for comprehensive flight and aviation training center in Thailand</p> <p><u>Relationship</u><br/>15% of shares were held by the Company.</p> | <p>1. Expenditures of the Company</p> <p>1.1 Training fee<br/>The Company sent its pilots and co-pilots to be trained at Flight Training.<br/>- 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.<br/>- Service revenues</p> | <p>7.8</p> <p>0.1</p>            | <p>12.8</p> <p>0.2</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</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   |
|--|--|----------------------------------|-------------------------------|---|
|  |  | 2022                             | 2021                          |   |
|  | <b>3. Trade Payable</b>  | None                             | 1.2                           | fees at the agreed rate and in accordance with the market rate.   |
| <b>Haad Thip Public Company Limited (“Haad Thip”)</b><br><u>Nature of business</u><br>Manufacturing and distribution of soft drinks.<br><u>Relationship</u><br>Spouse of Nok Air’s director, Mr. Apichart Chirabandhu, is a director of Haad Thip. | <b>1. Expenditures of the Company</b><br>- Food and Drinks<br><br><b>2. Revenues</b><br>- Passenger revenues<br><br><b>3. Trade Receivable</b> | None<br><br>None<br><br>None     | None<br><br>0.004<br><br>None | 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.<br><br>The Company sells tickets to Haad Thip according to the market prices. |



| 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   |
|--|--|----------------------------------|-------------------------|---|
|  |  | 2022                             | 2021                    |   |
| <p><b>AIRA Advisory Company Limited.</b><br/>("AIRA Advisory")</p> <p><u>Nature of business</u><br/>AIRA Advisory provided financial management advice.</p> <p><u>Relationship</u><br/>Some Company's shareholders were shareholder in the AIRA Group.</p>                     | <p><b>1. Expenditures of the Company</b><br/>- Financial advisory fee</p> <p><b>2. Other account payable</b></p> | <p>0.08</p> <p>1.02</p>          | <p>0.04</p> <p>0.8</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>                              |
| <p><b>Siam City Law Offices DR Limited</b><br/>("Siam City DR")</p> <p><u>Nature of business</u><br/>Siam City DR offers legal, accounting and tax services.</p> <p><u>Relationship</u><br/>Mr. Chavalit Uttasart, the Company's director, was a director of Siam City DR.</p> | <p><b>1. Expenditures of the Company</b><br/>- Legal advisory fee</p> <p><b>2. Other account payable</b></p>     | <p>None</p> <p>0.005</p>         | <p>0.4</p> <p>0.004</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> |



| 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   |
|--|--|----------------------------------|-----------------------|---|
|  |  | 2022                             | 2021                  |   |
|  |  |                                  |                       |   |
| <p><b>Siam City Law Offices GP Limited (“Siam City GP”)</b></p> <p><u>Nature of business</u><br/>Siam City GP offers legal, accounting and tax services.</p> <p><u>Relationship</u><br/>Mr. Chavalit Uttasart, the Company’s director, was a director of Siam City GP.</p> | <p><b>1. Expenditures of the Company</b><br/>- Legal advisory fee</p> <p><b>2. Other account payable</b></p> | <p>None</p> <p>0.2</p>           | <p>0.3</p> <p>0.4</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   |
|---|--|----------------------------------|-----------------------------|---|
|   |  | 2022                             | 2021                        |   |
| <p><b>Jmax Corporation Co., Ltd.</b><br/>(“Jmax”)<br/><u>Nature of business</u><br/>Jmax provided real estate management and rental services.<br/><u>Relationship</u><br/>The Company’s director, Mr. Wutthiphum Jurangkool, was a director of Jmax</p> | <p><b>1. Revenues</b><br/>- Passenger revenues</p> <p><b>2. Trade receivable</b></p>   | <p>None</p> <p>None</p>          | <p>None</p> <p>None</p>     | <p>The Company sells tickets to Jmax according to the market prices.</p>  |
| <p><b>Major Shareholder - Hatairatn jurangkool</b><br/>(“Mrs. Hatairatn jurangkool”)<br/><u>Nature of business</u><br/>Mrs. Hatairatn Jurangkool was a major shareholder of the Company.<br/><u>Relationship</u></p>                                    | <p><b>1. Expenditures of the Company</b><br/>- Interest expense</p> <p><b>2. Short-term borrowings from as shareholder</b></p> | <p>209.3</p> <p>3,046.8</p>      | <p>207.7</p> <p>2,767.6</p> | <p>The Company borrowed money from Mrs. Hatairatn Jurangkool to use in operations with interest rate based on market rates.</p> |



# NOK AIR

| 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 |
|--|-------------|----------------------------------|------|---|
|  |             | 2022                             | 2021 |   |
| Mrs. Hatairatn Jurangkool was a major shareholder, holding 26.38% of shares as of December 31 <sup>st</sup> , 2021 |             |                                  |      |   |