

Thai AirAsia Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2024

Thai AirAsia Company Limited
Statement of financial position
As at 31 March 2024

| | | (Unit: Thousand Baht) | |
|---|------|-----------------------------|-------------------|
| | Note | 31 March 2024 | 31 December 2023 |
| | | (Unaudited but reviewed) | (Audited) |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 1,580,209 | 1,236,091 |
| Trade and other receivables | 3 | 1,221,763 | 1,195,429 |
| Amounts due from related parties | 2 | 7,702,129 | 6,330,827 |
| Inventories | | 602,926 | 508,490 |
| Current tax assets | | 7,095 | 6,321 |
| Prepaid expenses | 2 | 1,286,372 | 602,988 |
| Other current financial assets | 2 | 65,003 | 70,686 |
| Derivative assets | 17 | 50 | 15 |
| Total current assets | | 12,465,547 | 9,950,847 |
| Non-current assets | | | |
| Prepaid expenses | 2 | 490,208 | - |
| Other non-current financial assets | 2 | 1,976,575 | 1,822,351 |
| Investment in subsidiary | | 2,500 | 2,500 |
| Aircraft maintenance reserves | 2, 4 | 1,825,419 | 1,763,622 |
| Property, building, aircraft, leasehold improvements and equipment | 5 | 4,076,162 | 4,083,415 |
| Right-of-use assets | 6 | 23,314,403 | 23,906,320 |
| Intangible assets | | 1,402 | 1,786 |
| Investment properties | 7 | 501,377 | 503,374 |
| Deferred tax assets | | 5,119,637 | 4,991,575 |
| Total non-current assets | | 37,307,683 | 37,074,943 |
| Total assets | | 49,773,230 | 47,025,790 |

The accompanying notes are an integral part of the financial statements.

Thai AirAsia Company Limited

Statement of financial position (continued)

As at 31 March 2024

| | | (Unit: Thousand Baht) | |
|---|-------|-----------------------------|-------------------|
| | Note | 31 March 2024 | 31 December 2023 |
| | | (Unaudited but reviewed) | (Audited) |
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Short-term borrowings from financial institutions | 8 | 1,250,000 | 1,250,000 |
| Trade payables | | 1,228,236 | 1,893,437 |
| Other payables | | 184,381 | 274,646 |
| Amounts due to related parties | 2 | 2,503,847 | 1,813,221 |
| Current portion of long-term borrowings from financial institutions | 9 | 1,192,954 | 1,058,520 |
| Current portion of long-term debentures | 10 | 1,429,220 | 1,426,941 |
| Current portion of liabilities under lease agreements | 2, 11 | 6,055,040 | 5,788,942 |
| Unearned income | | 5,286,257 | 4,972,046 |
| Accrued expenses | | 8,350,523 | 6,614,104 |
| Derivative liabilities | 17 | 362 | 3,493 |
| Total current liabilities | | 27,480,820 | 25,095,350 |
| Non-current liabilities | | | |
| Long-term borrowings from financial institutions | | | |
| - net of current portion | 9 | 1,956,629 | 2,252,364 |
| Long-term debentures - net of current portion | 10 | 2,677,357 | 2,673,461 |
| Liabilities under lease agreements - net of current portion | 2, 11 | 29,648,775 | 28,611,695 |
| Provision for long-term employee benefits | | 848,345 | 820,936 |
| Total non-current liabilities | | 35,131,106 | 34,358,456 |
| Total liabilities | | 62,611,926 | 59,453,806 |

The accompanying notes are an integral part of the financial statements.

Thai AirAsia Company Limited

Statement of financial position (continued)

As at 31 March 2024

| | (Unit: Thousand Baht) | |
|--|-----------------------------|---------------------|
| | 31 March 2024 | 31 December 2023 |
| | (Unaudited but reviewed) | (Audited) |
| Shareholders' equity | | |
| Share capital | | |
| Registered | | |
| 96,796,952 ordinary shares of Baht 10 each | 967,970 | 967,970 |
| Issued and fully paid up | | |
| 96,796,952 ordinary shares of Baht 10 each | 967,970 | 967,970 |
| Premium on ordinary shares | 12,018,159 | 12,018,159 |
| Retained earnings (deficits) | | |
| Appropriated - statutory reserve | 43,556 | 43,556 |
| Unappropriated | (25,868,381) | (25,457,701) |
| Total shareholders' equity (capital deficits) | (12,838,696) | (12,428,016) |
| Total liabilities and shareholders' equity | 49,773,230 | 47,025,790 |
| | - | - |

The accompanying notes are an integral part of the financial statements.

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Directors

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(Unaudited but reviewed)

Thai AirAsia Company Limited

Statement of comprehensive income

For the three-month period ended 31 March 2024

(Unit: Thousand Baht, except earnings (loss) per share expressed in Baht)

| | Note | 2024 | 2023 |
|--|------|-------------------|------------------|
| Profit or loss: | | | |
| Revenues | | | |
| Revenues from sales and services | | 13,793,749 | 9,085,597 |
| Other income | | 223,953 | 729,159 |
| Total revenues | | <u>14,017,702</u> | <u>9,814,756</u> |
| Expenses | | | |
| Cost of sales and services | | 11,242,324 | 7,901,482 |
| Selling and distribution expenses | | 365,410 | 391,110 |
| Administrative expenses | | 244,661 | 289,802 |
| Other expenses | 12 | 2,083,627 | 246,914 |
| Total expenses | | <u>13,936,022</u> | <u>8,829,308</u> |
| Profit from operating activities | | 81,680 | 985,448 |
| Finance income | | 9,647 | 6,741 |
| Finance costs | | (630,069) | (493,806) |
| Profit (loss) before income tax revenue (expense) | | <u>(538,742)</u> | <u>498,383</u> |
| Income tax revenue (expense) | 13 | 128,062 | (140,125) |
| Profit (loss) for the period | | <u>(410,680)</u> | <u>358,258</u> |
| Other comprehensive income: | | | |
| Other comprehensive income | 13 | - | - |
| Other comprehensive income for the period | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | | <u>(410,680)</u> | <u>358,258</u> |
| Earnings (loss) per share | 14 | | |
| Basic earnings (loss) per share | | <u>(4.24)</u> | <u>3.79</u> |
| Weighted average number of ordinary shares (Thousand shares) | | <u>96,797</u> | <u>94,618</u> |

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai AirAsia Company Limited

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

| | Issued and paid-up share capital | Premium on ordinary shares | Retained earnings (deficits) | | Total shareholders' equity (capital deficits) |
|---|-------------------------------------|-------------------------------|------------------------------|---------------------|---|
| | | | Appropriated | Unappropriated | |
| Balance as at 1 January 2023 | 946,183 | 12,018,159 | 43,556 | (25,912,767) | (12,904,869) |
| Profit for the period | - | - | - | 358,258 | 358,258 |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 358,258 | 358,258 |
| Balance as at 31 March 2023 | <u>946,183</u> | <u>12,018,159</u> | <u>43,556</u> | <u>(25,554,509)</u> | <u>(12,546,611)</u> |
| Balance as at 1 January 2024 | 967,970 | 12,018,159 | 43,556 | (25,457,701) | (12,428,016) |
| Loss for the period | - | - | - | (410,680) | (410,680) |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (410,680) | (410,680) |
| Balance as at 31 March 2024 | <u>967,970</u> | <u>12,018,159</u> | <u>43,556</u> | <u>(25,868,381)</u> | <u>(12,838,696)</u> |

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai AirAsia Company Limited

Cash flow statement

For the three-month period ended 31 March 2024

| | (Unit: Thousand Baht) | |
|--|-----------------------|------------------|
| | 2024 | 2023 |
| Cash flows from operating activities | | |
| Profit (loss) before tax | (538,742) | 498,383 |
| Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities: | | |
| Expected credit losses and bad debt | 34,214 | 237,400 |
| Depreciation and amortisation | 964,274 | 1,307,102 |
| (Gain) loss on disposals and write-off of equipment | 208 | (1) |
| Long-term employee benefits expenses | 34,356 | 32,208 |
| (Gain) loss on derivatives | (3,166) | 9,514 |
| Unrealised (gain) loss on exchange | 2,606,565 | (522,381) |
| Finance income | (9,647) | (6,741) |
| Finance cost | 630,069 | 493,806 |
| Profit from operating activities before changes in operating assets and liabilities | 3,718,131 | 2,049,290 |
| Operating assets (increase) decrease | | |
| Trade and other receivables | 13,207 | (154,859) |
| Amounts due from related parties | (1,414,367) | (634,401) |
| Inventories | (94,436) | 127,459 |
| Prepaid expenses | (1,173,592) | (266,724) |
| Other current financial assets | 7,051 | 91,824 |
| Other non-current financial assets | (11,662) | (11,871) |
| Operating liabilities increase (decrease) | | |
| Trade payables | (906,479) | (439,262) |
| Other payables | (115,110) | (52,462) |
| Amounts due to related parties | 628,829 | 363,416 |
| Unearned income | 314,211 | 1,138,368 |
| Accrued expenses | 1,461,243 | 685,421 |
| Provision for long-term employee benefits | (6,947) | (7,730) |
| Cash flows from operating activities | 2,420,079 | 2,888,469 |
| Cash paid for income tax | (774) | (882) |
| Net cash flows from operating activities | 2,419,305 | 2,887,587 |

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai AirAsia Company Limited

Cash flow statement (continued)

For the three-month period ended 31 March 2024

| | (Unit: Thousand Baht) | |
|--|-----------------------|--------------------|
| | 2024 | 2023 |
| Cash flows from investing activities | | |
| Payments for aircraft maintenance reserves | - | (44,730) |
| Payments for deposit aircraft maintenances | (26,428) | (117,604) |
| Cash paid for building, leasehold improvements, equipment and investment properties | (63,717) | (97,926) |
| Proceeds from disposals of equipment | - | 126 |
| Cash paid for right-of-use assets | (11,726) | - |
| Interest received | 1,973 | 6,741 |
| Net cash flows used in investing activities | (99,898) | (253,393) |
| Cash flows from financing activities | | |
| Net decrease in short-term borrowing from financial institution | - | (100,000) |
| Net decrease in short-term borrowings from parent company | - | (89,000) |
| Repayments of long-term borrowings from financial institutions | (162,924) | (200,630) |
| Cash paid for liabilities under lease agreements | (1,664,599) | (1,239,089) |
| Interest paid | (175,713) | (148,823) |
| Net cash flows used in financing activities | (2,003,236) | (1,777,542) |
| Net increase in cash and cash equivalents | 316,171 | 856,652 |
| Cash and cash equivalents at beginning of the period | 1,236,091 | 794,058 |
| Unrealised exchange gain (loss) on cash and cash equivalents | 27,947 | (32,254) |
| Cash and cash equivalents at end of the period | 1,580,209 | 1,618,456 |

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai AirAsia Company Limited

Cash flow statement (continued)

For the three-month period ended 31 March 2024

| | (Unit: Thousand Baht) | |
|--|-----------------------|----------|
| | 2024 | 2023 |
| Non-cash items: | | |
| Increase (decrease) in other payables from acquisitions of equipment | 18,840 | (10,851) |
| Increase in other payables from other non-current financial assets | 43,672 | 58,110 |
| Increase in amounts due to related parties | | |
| from aircraft maintenance reserves | 61,797 | 68,969 |
| Transfer of property, leasehold improvements and equipment | | |
| to investment properties | - | 232 |
| Increase in right-of-use assets and liabilities under lease agreements | | |
| from new lease agreements | 243,989 | - |
| Increase in right-of-use assets and liabilities under lease agreements | | |
| from lease remeasurements | 33,138 | 885,928 |
| Transfer of deposits for lease of aircraft to right-of-use assets | | |
| from new lease agreements | 3,247 | - |
| Transfer of deposits for lease of aircraft to right-of-use assets | | |
| from lease remeasurement | - | 16,986 |
| Decrease in lease liabilities from offsetting with amounts due | | |
| to related parties | - | 63,617 |

The accompanying notes are an integral part of the financial statements.

Thai AirAsia Company Limited

Notes to interim financial statements

For the three-month period ended 31 March 2024

1. General information

1.1 The Company's general information

Thai AirAsia Company Limited (“the Company”) is a limited company incorporated and domiciled in Thailand. Its parent company is Asia Aviation Public Company Limited, a company listed in the Stock Exchange of Thailand, and incorporated in Thailand. The Company is principally engaged in low-fare airline business company. Its registered address is at No. 222, Don Mueang International Airport, Central Office Building, Room no. 3200, 3rd floor, Vibhavadee Rangsit Road, Sanam Bin Sub-District, Don Mueang District, Bangkok.

1.2 Coronavirus 2019 (COVID-19) Pandemic

During the current period, the Company has successfully increased the number of flights and passenger load factor, leading to a steady increase in revenues from sales and services due to the easing of the COVID-19 pandemic. However, the substantial losses sustained during the pandemic continue to impact the Company’s financial position. As at 31 March 2024, the Company’s statement of financial position presented capital deficits and total current liabilities exceeded its total current assets by significant amount.

Currently, the management is in the process of implementing various measures to modify business plans, reduce costs and renegotiate terms for repayments and expenses to manage the Company’s liquidity and its cash flows, and the management believes that the Company will be able to continue as a going concern. The interim financial information has been prepared under the going concern basis. However, the success of business plans depends on uncontrollable external factors, such as warfare, oil price and volatile currency exchange rates, which could persist for an extended period. This indicates that there are material uncertainties which may raise substantial doubt about the Company’s ability to continue as a going concern.

1.3 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

The Company does not present consolidated financial statements since the consolidated financial statements of the Group are prepared by Asia Aviation Public Company Limited (the parent company) which is in accordance with Thai Financial Reporting Standard No.10 Consolidated Financial Statements.

1.4 Accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Company's financial statements.

2. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

| | (Unit: Million Baht) | |
|---|---|------|
| | For the three-month periods ended 31 March | |
| | 2024 | 2023 |
| Transactions with related companies | | |
| Revenues from freight and cargo | 49 | 34 |
| Aircraft repair and maintenance expenses | 525 | 428 |
| Commission expenses | 157 | 277 |
| Aircraft and aircraft engines rental expenses | 146 | 216 |
| Management expenses | 130 | 111 |
| Allocated staff cost and other service expenses | 78 | 95 |
| Ground handling service expenses | 23 | 5 |

As at 31 March 2024 and 31 December 2023, the outstanding balances between the Company and those related parties are as follows.

| | (Unit: Thousand Baht) | |
|--|-----------------------|---------------------|
| | 31 March 2024 | 31 December 2023 |
| | | (Audited) |
| Amounts due from related parties | | |
| Related companies (common shareholders and/or directors) | 7,841,038 | 6,447,369 |
| Less: Allowance for expected credit losses | (138,909) | (116,542) |
| Total amounts due from related parties - net | <u>7,702,129</u> | <u>6,330,827</u> |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | 31 March 2024 | 31 December 2023 |
|--|------------------|---------------------|
| | | (Audited) |
| Prepaid expenses | | |
| Related company (common shareholders and directors) | 722,824 | - |
| Total | 722,824 | - |
| Other current financial assets | | |
| <i>Deposits for lease of aircraft</i> | | |
| Related company (common shareholders and directors) | - | 23,160 |
| Total | - | 23,160 |
| Other non-current financial assets | | |
| <i>Deposits for lease of aircraft</i> | | |
| Related company (common shareholders and directors) | 159,760 | 138,872 |
| <i>Deposits for fuel price swap agreements</i> | | |
| Related company (common shareholders and directors) | 18,149 | 17,030 |
| <i>Other deposits</i> | | |
| Related company (common directors) | 20,000 | 20,000 |
| Total | 197,909 | 175,902 |
| Aircraft maintenance reserves (Note 4) | | |
| Related company (common shareholders and directors) | 1,825,419 | 1,763,622 |
| Total | 1,825,419 | 1,763,622 |
| Amounts due to related parties | | |
| Parent company | 80,755 | 74,067 |
| Related companies (common shareholders and/or directors) | 2,423,092 | 1,739,154 |
| Total | 2,503,847 | 1,813,221 |
| Lease liabilities (Note 11) | | |
| Related company (common shareholders and directors) | 4,102,834 | 3,750,027 |
| Total | 4,102,834 | 3,750,027 |

Directors and management's benefits

During the three-month periods ended 31 March 2024 and 2023, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

| | For the three-month periods ended 31 March | |
|------------------------------|---|--------|
| | 2024 | 2023 |
| Short-term employee benefits | 23,468 | 23,508 |
| Post-employment benefits | 1,699 | 1,661 |
| Other long-time benefits | 7 | 6 |
| Total | 25,174 | 25,175 |

3. Trade and other receivables

| | (Unit: Thousand Baht) | |
|--|-----------------------|------------------|
| | 31 March 2024 | 31 December 2023 |
| | | (Audited) |
| <u>Trade receivables</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 373,831 | 303,328 |
| Past due | | |
| Up to 3 months | 36,561 | 12,229 |
| 3 - 6 months | 7,109 | 17,206 |
| 6 - 12 months | 26,223 | 18,089 |
| Over 12 months | 67,885 | 62,106 |
| Total | 511,609 | 412,958 |
| Less: Allowance for expected credit losses | (84,412) | (73,322) |
| Total trade receivables - net | 427,197 | 339,636 |
| <u>Other receivables</u> | | |
| Aircraft maintenance claimable | 664,035 | 657,916 |
| Value added tax refundable | 85,879 | 121,224 |
| Others | 85,117 | 137,059 |
| Total | 835,031 | 916,199 |
| Less: Allowance for expected credit losses | (40,465) | (60,406) |
| Total other receivables - net | 794,566 | 855,793 |
| Total trade and other receivables - net | 1,221,763 | 1,195,429 |

4. Aircraft maintenance reserves

Movements of the aircraft maintenance reserves account during the three-month period ended 31 March 2024 are summarised below.

| | (Unit: Thousand Baht) |
|---|-----------------------|
| Net book value as at 1 January 2024 | 1,763,622 |
| Payment for aircraft maintenance reserves | 61,797 |
| Net book value as at 31 March 2024 | 1,825,419 |

5. Property, building, aircraft, leasehold improvements and equipment

Movements of the property, building, aircraft, leasehold improvements and equipment account during the three-month period ended 31 March 2024 are summarised below.

| | (Unit: Thousand Baht) |
|---|-----------------------|
| Net book value as at 1 January 2024 | 4,083,415 |
| Acquisitions - at cost | 81,698 |
| Write-off - net book value as at write-off date | (208) |
| Depreciation for the period | (88,743) |
| Net book value as at 31 March 2024 | 4,076,162 |

As at 31 March 2024, the Company has mortgaged its land and building constructed thereon, equipment, vehicle and pledges of the Company's 3 aircraft and 2 engines with net book value amounting to Baht 3,344 million (31 December 2023: Land and building constructed thereon, equipment, vehicle and pledges of the Company's 3 aircraft and 2 engines with net book value amounting to Baht 3,390 million) as collateral against credit facilities received from financial institutions as described in Note 9.

6. Right-of-use assets

Movement of right-of-use assets account during the three-month period ended 31 March 2024 are summarised below.

| | (Unit: Thousand Baht) |
|--|-----------------------|
| Net book value as at 1 January 2024 | 23,906,320 |
| Increase from new lease agreements during the period | 247,236 |
| Increase from lease remeasurement | 33,138 |
| Depreciation for the period | (872,291) |
| Net book value as at 31 March 2024 | <u>23,314,403</u> |

7. Investment properties

As at 31 March 2024, the Company has mortgaged its land and buildings constructed thereon with net book value amounting to Baht 501 million (31 December 2023: Baht 503 million) as collateral against credit facilities received from financial institutions as described in Note 9.

The Company as a lessor

The Company entered into a lease agreement for investment properties consisting of building's spaces with a term of 15 years.

Future minimum lease payments required under non-cancellable operating lease agreements as at 31 March 2024 are as follows.

| | (Unit: Thousand Baht) |
|----------------------------------|-----------------------|
| In up to 1 year | 17,406 |
| In over 1 year and up to 5 years | 62,044 |
| In over 5 years | 131,630 |
| Total | <u>211,080</u> |

8. Short-term borrowings from financial institutions

As at 31 March 2024, short-term borrowings from financial institutions were in the form of promissory notes and carried fixed interest and float interest at rates between 4.75 and 6.65 percent per annum (31 December 2023: fixed interest and float interest at rates between 4.75 and 6.40 percent per annum).

(Unaudited but reviewed)

9. Long-term borrowings from financial institutions

| | (Unit: Thousand Baht) | |
|---|-----------------------|------------------|
| | 31 March 2024 | 31 December 2023 |
| | | (Audited) |
| Current portion of long-term borrowings from financial institutions | 1,199,464 | 1,065,047 |
| Less: deferred front-end fee | (6,510) | (6,527) |
| Net current portion of long-term borrowings | 1,192,954 | 1,058,520 |
| Long-term borrowings from financial institutions - net of current portion | 1,963,549 | 2,260,889 |
| Less: deferred front-end fee | (6,920) | (8,525) |
| Long-term borrowings - net of current portion | 1,956,629 | 2,252,364 |
| Total long-term borrowings from financial institutions | 3,149,583 | 3,310,884 |

As at 31 March 2024, the long-term borrowings are secured by the parent company, the mortgages of the Company's land and buildings constructed thereon, equipment, vehicle and pledges of the Company's aircraft and engines (31 December 2023: Land and buildings constructed thereon, equipment, vehicle and pledges of the Company's aircraft and engines) as described in Note 5 and Note 7.

Movements of long-term borrowings from financial institutions account during the three-month period ended 31 March 2024 are summarised below.

| | (Unit: Thousand Baht) |
|-------------------------------|-----------------------|
| Balance as at 1 January 2024 | 3,310,884 |
| Amortisation of front-end fee | 1,623 |
| Repayment of borrowings | (162,924) |
| Balance as at 31 March 2024 | 3,149,583 |

The borrowing agreements contain several covenants which, among other things, require the company to maintain a Debt Service Coverage Ratio (DSCR) and a Net Interest-Bearing Debit-to-Equity Ratio, at the rate prescribed in the agreements.

10. Long-term debentures

| | (Unit: Thousand Baht) | |
|---|-----------------------|------------------|
| | 31 March 2024 | 31 December 2023 |
| | | (Audited) |
| Current portion of long-term debentures | 1,431,500 | 1,431,500 |
| Less: deferred front-end fee | (2,280) | (4,559) |
| Total current portion of long-term debentures - net | 1,429,220 | 1,426,941 |
| Long-term debentures - net of current portion | 2,700,000 | 2,700,000 |
| Less: deferred front-end fee | (22,643) | (26,539) |
| Total non-current portion of long-term debentures - net | 2,677,357 | 2,673,461 |
| Total long-term debentures | 4,106,577 | 4,100,402 |

(Unaudited but reviewed)

Long-term debentures are unsubordinated and secured by parent company in Baht currency with fixed interest rates. Their fair value as at 31 March 2024 amounted to Baht 4,162 Million (31 December 2023: Baht 4,147 million).

Movements of long-term debentures account during the three-month period ended 31 March 2024 are summarised below.

| | |
|-------------------------------|-----------------------|
| | (Unit: Thousand Baht) |
| Balance as at 1 January 2024 | 4,100,402 |
| Amortisation of front-end fee | 6,175 |
| Balance as at 31 March 2024 | <u>4,106,577</u> |

11. Liabilities under lease agreements

| | | |
|--|-----------------------|--------------------|
| | (Unit: Thousand Baht) | |
| | 31 March 2024 | 31 December 2023 |
| | | (Audited) |
| Liabilities under lease agreements | 43,706,283 | 42,287,262 |
| Less: deferred interest expenses | <u>(8,002,468)</u> | <u>(7,886,625)</u> |
| Total | 35,703,815 | 34,400,637 |
| Less: portion due within one year | <u>(6,055,040)</u> | <u>(5,788,942)</u> |
| Liabilities under lease agreements - net of current portion | <u>29,648,775</u> | <u>28,611,695</u> |

Movements of liabilities under lease agreements account during the three-month period ended 31 March 2024 are summarised below.

| | |
|---|-----------------------|
| | (Unit: Thousand Baht) |
| Balance as at 1 January 2024 | 34,400,637 |
| Increase from new lease agreements during the period | 243,989 |
| Increase from lease remeasurements | 33,138 |
| Repayments for liabilities under lease agreements during the period | (1,664,599) |
| Accretion of interest | 448,708 |
| Impact of exchange rate difference | 2,241,942 |
| Balance as at 31 March 2024 | <u>35,703,815</u> |

12. Other expenses

| | | |
|--------------------------------|---|----------------|
| | (Unit: Thousand Baht) | |
| | For the three-month periods ended 31 March | |
| | 2024 | 2023 |
| Loss on exchange | 2,049,413 | - |
| Loss on expected credit losses | 34,214 | 237,400 |
| Loss on derivatives | - | 9,514 |
| Total | <u>2,083,627</u> | <u>246,914</u> |

13. Income tax

Interim corporate income tax was calculated on profit (loss) before income tax for the periods, using the estimated effective tax rate for the year.

Income tax revenue (expense) for the three-month periods ended 31 March 2024 and 2023 are made up as follows.

| | (Unit: Thousand Baht) | |
|--|------------------------|------------------|
| | For the three-month | |
| | periods ended 31 March | |
| | <u>2024</u> | <u>2023</u> |
| Current income tax: | | |
| Interim corporate income tax charge | - | - |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | <u>128,062</u> | <u>(140,125)</u> |
| Income tax revenue (expense) reported in profit or loss | <u>128,062</u> | <u>(140,125)</u> |
| | | |
| Income tax expense included in other comprehensive income | <u>-</u> | <u>-</u> |

14. Earning (loss) per share

Basic earning (loss) per share is calculated by dividing profit (loss) for the periods (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the periods.

15. Segment information

The Company is organised into business units. During the current period, the Company has not changed the organisation of the reportable segments.

(Unaudited but reviewed)

Revenues and profit (loss) information regarding the Company's operating segments for the three-month periods ended 31 March 2024 and 2023 are as follows.

(Unit: Thousand Baht)

| | Scheduled flight operations | Charter flight operations | Total segments |
|---|--------------------------------|------------------------------|-------------------|
| For the three-month period ended 31 March 2024 | | | |
| Revenues | | | |
| Revenues from sales and services from external customers | 13,749,525 | 44,224 | 13,793,749 |
| Total revenues | <u>13,749,525</u> | <u>44,224</u> | <u>13,793,749</u> |
| Operating result | | | |
| Segment profit | 1,919,585 | 21,769 | 1,941,354 |
| Other income | | | 223,953 |
| Other expenses | | | (2,083,627) |
| Finance income | | | 9,647 |
| Finance costs | | | (630,069) |
| Loss before income tax | | | (538,742) |
| Income tax revenue | | | 128,062 |
| Loss for the period | | | <u>(410,680)</u> |

(Unit: Thousand Baht)

| | Scheduled flight operations | Charter flight operations | Total segments |
|---|--------------------------------|------------------------------|------------------|
| For the three-month period ended 31 March 2023 | | | |
| Revenues | | | |
| Revenues from sales and services from external customers | 8,911,059 | 174,538 | 9,085,597 |
| Total revenues | <u>8,911,059</u> | <u>174,538</u> | <u>9,085,597</u> |
| Operating result | | | |
| Segment profit | 438,231 | 64,972 | 503,203 |
| Other income | | | 729,159 |
| Other expenses | | | (246,914) |
| Finance income | | | 6,741 |
| Finance costs | | | (493,806) |
| Profit before income tax | | | 498,383 |
| Income tax expense | | | (140,125) |
| Profit for the period | | | <u>358,258</u> |

16. Commitments and contingent liabilities**16.1 Building construction commitments**

As at 31 March 2024, the Company had no capital commitments (31 December 2023: Baht 3 million, relating to the construction of a project's building).

16.2 Aircraft maintenance service commitments

As at 31 March 2024 and 31 December 2023, the Company had commitments under aircraft maintenance service agreements with related companies, and other aircraft lessors. The Company agrees to pay aircraft maintenance service fees at the rates in USD currency stipulated in the agreements, which vary for each aircraft depending on flight hours and the age of the aircraft.

16.3 Service commitments

As at 31 March 2024, the Company had significant service commitments as follows.

- 1) The Company had commitments from using human resource, legal and other services rendered with related company. The Company was to pay the fees at the agreed rates. During the three-month period ended 31 March 2024, the fees under this agreement amounted to Baht 78 million (31 March 2023: Baht 95 million).
- 2) The Company had a commitment from using marketing, booking system and other services rendered with related company. The Company was to pay the fees depending on the rates stipulated in the agreements. During three three-month period ended 31 March 2024, the fees under this agreement amounted to Baht 157 million (31 March 2023: Baht 277 million).
- 3) The Company had a commitment from using data consultancy and management services rendered with related companies. The Company was to pay the fees at the agreed rates.

16.4 Other commitments

The Company had the future minimum lease payments in respect of short-term leases, insurance agreements and other service agreements as follows.

| | (Unit: Thousand Baht) |
|----------------------------------|-----------------------|
| | 31 March 2024 |
| Payable: | |
| In up to 1 year | 210,486 |
| In over 1 year and up to 5 years | 1,946 |
| Total | 212,432 |

16.5 Guarantees

The Company had commitments from letters of guarantee in respect of ground handling, technical support, purchase of aviation fuel and other flight operating activities including maintenance reserve fund in the ordinary course of business as follows.

(Unit: Million)

| | 31 March 2024 | | | | 31 December 2023 | | | |
|--------------------------------------|---------------|---------------|--------------|--------------|------------------|---------------|--------------|--------------|
| | USD | SGD | INR | Baht | USD | SGD | INR | Baht |
| Guarantees relating to | | | | | | | | |
| flight operating activities | 0.16 | 5.00 | 87.39 | 14.77 | 0.16 | 5.00 | 87.39 | 14.77 |
| Guarantees relating to | | | | | | | | |
| maintenance reserve fund | 1.28 | - | - | - | 1.28 | - | - | - |
| Total | 1.44 | 5.00 | 87.39 | 14.77 | 1.44 | 5.00 | 87.39 | 14.77 |
| Total equivalent to Thai Baht | 52.58 | 136.55 | 40.57 | 14.77 | 49.36 | 131.33 | 38.73 | 14.77 |

16.6 Litigations

During the current period, there have been no additional significant litigations as disclosed in the financial statements for the year ended 31 December 2023.

17. Fair value hierarchy

As at 31 March 2024 and 31 December 2023, the Company had financial assets and financial liabilities in USD and Baht currencies disclosed at fair value which the hierarchy is level 2 as follows.

(Unit: Thousand Baht)

| | 31 March 2024 | | 31 December 2023 | |
|--|-------------------|-----------|-------------------|-----------|
| | Contract currency | | Contract currency | |
| | USD | Baht | USD | Baht |
| Assets measured or disclosed at fair value | | | | |
| Derivatives | | | | |
| Interest rate swap agreements | - | 50 | - | 15 |
| Liabilities measured or disclosed at fair value | | | | |
| Derivatives | | | | |
| Interest rate swap agreements | - | 362 | - | 271 |
| Foreign exchange forward contracts | - | - | 3,222 | - |
| Long-term borrowings from financial | | | | |
| institutions | - | 3,149,583 | - | 3,310,884 |
| Long-term debentures | - | 4,161,585 | - | 4,146,766 |

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers within the fair value hierarchy.

18. Event after the reporting period

On 10 May 2024, the Company issued 1.5 million units of unsubordinated and secured long-term debentures No. 1/2024. at a price of Baht 1,000 per unit, totaling Baht 1,500 million. The debentures have a term of 2 years and 6 months, maturing on 10 November 2026. The Company has the rights to redeem the debentures early, starting from 10 November 2024 onwards. The debentures bear a fixed interest rate of 5.9 percent per annum, payable every three months, throughout the term of the debentures.

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 May 2024.