

Results Briefing for Q4/2021

CEO

The year 2021 was the toughest for our company, reflecting on the released performance. However, the good news is that we made it through. Therefore, we must forget about the past and make a fresh start together. The primary challenge in 2021 was revenue streams due to the COVID-19 pandemic, followed by prevention measures. Although we try our best to reduce the company's cost, it still does not cover the impact of the downward trend in earnings. Hopefully, this will be the last year that this severe crisis has happened. Both top executives and employees are encouraged and begin to see the light at the end of the tunnel. We have confidence in our company's strengths, which we have an appropriate number of aircraft in our fleet and workforce to support the company's growth. We also cooperated with the Tourism Authority of Thailand ("TAT") to restore Thai Tourism, in which TAT anticipates that there will be around 13 million tourists entering Thailand this year.

CFO

For 4Q2021, capacity decreased 67 percent from a high-base strong travelling demand in 4Q2020. Also, passengers dropped by 59 percent YoY. However, the average fare grew up YoY, thanks to the pricing in the high season and rational competition in the market. Moreover, the load factor increased by two ppts from the reallocation of capacity and flights to align with the demand. In terms of in-flight services, ancillary downed by 58 percent since implementing the suspension on food and beverage services since April 2021. However, on-time-performance is our brand's strength standing at 97 percent, which beats our ESG performance target of 90 percent.

Sales and revenue declined in line with the capacity and lower travel demand. For EBITDA, we had a more extensive loss than the last year, basically, because of a decrease in revenue outpacing a drop in the operating cost, such as cost related to the aircraft lease agreement and less gain on the exchange rate compared to last year. However, loss after tax decreased to 1,538, thanks to the income tax carry forward.

For FY2021, revenue was Baht 4.5 bn, EBITDA was a loss of 3.1 bn, Thai AirAsia net loss was 11.8 bn, and AAV net loss was Baht 6.6 bn. At the same time, the capacity plummeted, which was reflected in a decrease of 70 percent in ASK. As a result, RASK reduced by 5 percent YoY, but CASK and CASK ex-fuel increased due to the high fixed costs.

AAV and its subsidiary have commenced the shareholding restructuring plan by issuing new ordinary shares and convertible debentures. AAV increased its stake in Thai AirAsia capital to be 100 percent shareholding. All transactions were completed in January 2022 and February 2022, respectively. Moreover, we have completed the sale and leaseback transactions of 7 aircraft with net proceeds of Baht 1.0 bn. Nevertheless, we plan to revise the lease agreement on its fleet, of which 75 percent of lease aircraft were successfully negotiated. In addition, AAV had completed the shareholding restructuring plan leading to AAA holding 45 percent, Mr Tassapon holding 20 percent, and the rest holding 35 percent.

CEO

In the past decade, air passengers in Thailand had a cumulative annual growth rate of more than 10 percent, except in 2020, largely impacted by the COVID-19 pandemic. We believe that a COVID-19 infection will peak and turn from pandemic to endemic soon, and the travelling demand should return to normal. So intensely, we try to get our business back as quickly as possible. This year, we will focus on increasing flights and capacities and utilise our aircraft as good as possible.

Positively, the government stimulates tourism by reopening the country in November 2021 through Test & Go scheme. Notably, the government has also eased its requirement for entering into Thailand, such as replacing the RT-PCR test on Day 5 with ATK instead and reducing insurance coverage. Therefore, we resume our international routes following the reciprocal-quarantine free policy. Currently, we continue only two international routes to Maldives and Phnom Penh. We anticipate that international flights

will be back to the pre-COVID level in 2023. Recently, the company is considering opening more international routes to Singapore, Malaysia, Vietnam, India, China, Bali, and Japan later this year, which we have prepared and are ready to fly to those destinations by our A320 family aircraft.

Moreover, Thai AirAsia has strategically positioned its base at Suvarnabhumi Airport to strengthen its aviation market and air cargo business. Suvarnabhumi Airport is a critical part of the international route expansion plan and ensures that Thai AirAsia has a competitive advantage in passenger and freight services. However, Thai AirAsia has to carefully monitor its additional flights for the domestic route, resulting from significantly increasing oil prices.

In all, the company targeted its passengers to stand at 12.3 million on the back of positive sentiment toward air travel. The Company has no plan to take new deliveries, bringing its target fleet of 53 aircraft by the end of this year. The load factor would be reported at 78 percent, from active capacity management to match demand. Meanwhile, the ASK will increase to 15,962 million due to ramping up the operation for recovery, enhancing its utilisation rate with average of 10.5 hrs per day. Lastly, operating costs will reduce further mainly from diligently managing expenses tied to its recovery.

Capital A officially launched The AirAsia Super App in Thailand on February 21, 2022. This Super App includes services beyond air travel to all facets of life, from booking hotels and flights to daily necessities with meal delivery service via AirAsia food, parcel service via AirAsia Xpress, and the soon to add hailing service via AirAsia ride. Positively, Thai AirAsia invested in Super App in the amount of Baht 3 million with 7.5 percent shareholding, in which profit sharing will support the company's performance.

The company has embedded sustainability in one part of our business to ensure that the future will succeed through our ESG framework. Successfully, AAV is the only Thai airline holding company listed in the THSI index. Our sustainable strategies focus on three pillars: GROWTH: ensure business profitability without compromising the need of the environment and other stakeholders; GREEN: reduce impact to the environment by emission and waste reduction, and GOOD: treat our stakeholders fairly.

Additionally, AAV has a concrete ESG roadmap and aims to achieve carbon neutrality in 2050. We started sustainability via the social activity called Journey-D in 2017. AAV has been listed in the THSI index for three consecutive years and expects to join CAC, issue of green procurement, and zero waste to landfill in 2023. AAV aims to be listed in DJSI and a member of GEI, but the Company will also introduce SAF in 2030.