

English Transcript for 2Q2022 AAV Results Briefing
AAV's office, 15th August 2022

CEO: We will start with financial performance, then I will elaborate on the business outlook for 2H2022. Please, CFO.

CFO: (Page 4) Good morning everyone. Like CEO mentioned, 2Q2022 was a good recovery compared to last year. Despite the low base last year, we monitored our own top line which has shown an improving trend since 1Q2022, an obvious growth. Highlights for this quarter start with capacity. Looking at ASK, we improved 116% YoY while passengers carried were 1.7 million, growing even stronger at 133% YoY, a good sign on demand for travelling coming back. The load factor improved YoY standing at 75%, not yet a full rebound, but we expect a higher load factor in 2H2022 following the trend I have just explained.

Average fare also rose due to our ability to raise ticket prices incorporating the hike of fuel prices, yet not fully covering the fuel costs, and more international flights flown, which normally have higher fares than domestic flights. Ancillary income increased to Baht 479 million, growing 182% YoY from checked baggage which tends to grow in tandem with longer international flights. Currently, we have 59 aircraft and will re-deliver in the rest of the year to have 53 aircraft at year-end.

(Page 5) Regarding financial performance, in this quarter, revenues from sales and services improved 174% YoY due to both higher fares and capacity. We imposed fuel surcharges for international flights. CEO may touch on domestic fuel surcharges later on. EBITDA was a loss of Baht 1,046 million, a further 14% decline. The main factor was from high fuel prices, actually doubling YoY. Maintenance costs in the quarter also rose from re-delivery and overhaul expenses to bring the fleet back to service in 2Q2022 and 2H2022. We had unrealised FX loss from USD-denominated lease liability following weaker Baht in recent periods. Again, I would like to note that AAV percentage holding in Thai AirAsia ("TAA") now stands at 100% since 1Q2022. Therefore, please note the non-controlling interest portion when comparing YoY.

(Page 6) For 1H2022 performance, revenue stood at Baht 4,628 million with expenses of Baht 12,374 million. EBITDA was negative Baht 2,306 million while net loss was Baht 7,279 million due to the mentioned reasons on fuel prices, maintenance costs, and unrealised FX loss. Please note that RASK improved 23% YoY following an increase in the average fare, even on domestic flights, hence the increase in revenue per unit. CASK also declined, albeit slightly, directly from more flights flown, which is the denominator of CASK. This is a continuing development informed since previous periods that fixed costs will be managed by stronger capacity. Also, CASK ex-fuel decreased by 16% YoY, from improved ASK.

In summary for 2Q2022, we were prompt to have our fleet back in service, together with our management of RASK and CASK. For fuel prices and FX which are not under our control, we continue to keep monitoring closely. Apart from this, we also conduct FX risk management but mostly dealing with realised gain/loss. Back to the CEO.

CEO: (Page 8) I would like to explain the market situation and directions of Asia Aviation ("AAV"). From a Macro point of view, these are domestic and international tourists from the Tourism Authority of Thailand ("TAT"), with whom we work closely. Previously, there were a lot of uncertainties until in July, post the lifting of the Thailand Pass measurement, we started to see more certainty in the number. Domestic tourists are expected to reach 130 million

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people this year, still behind the level from 2019. Next year, there should be an upside, but the current forecast is still below the level in 2019. We should see more clarity in 2H2022 with more campaigns to launch soon following our several appointments with the TAT to work on policies for next year, especially for domestic tourism. The table below is about international tourists expected to land between 8-10 million for 2022. We had around three million arrivals in the past seven months, while the TAT expects one million arrivals per month for the next five months. We may have an upside of around two million in 4Q2022 which is the high season and winter in Europe. Overall, this is clearly better than the past two years. Next year, the TAT expects a recovery of 70-80% compared to pre-COVID-19 or around 30 million arrivals including the Chinese. However, we do not know for certain when China will reopen its sky, but hopefully we should see progress in 1Q2023. The profile on the right shows some shifts of tourist nationalities. In 2019, the Chinese accounted for almost 30% but were replaced this year by the Europeans and Aseans, accounting for 30% each. We are aggressive in Asean and continue to increase flights. Interestingly, the India market also doubled following its reopening with around 300k arrivals in the past seven months, 30% of which were carried by TAA. For the first seven months, number one in ranking by the number of tourists is Malaysia, which we have flights from both Don Mueang and Suvarnabhumi, followed by India which we fly five routes with a decent load factor, and Singapore. We are planning to increase more flights to Singapore once the Changi Airport increases its capacity in upcoming September. All in all, for these three markets, TAA is a major player.

(Page 9) This is our planned capacity. In 1Q2022, we were hit by the fifth wave of COVID-19 while in 2Q2022 the situation improved but remained uncertain. We had utilised 23-25 aircraft or around 30% of pre-COVID-19 capacity. Now we're in the middle of 3Q2022 and already utilising 33 aircraft or around 50% of the capacity we had, combining both domestic and international. And in 4Q2022, we expect to utilise 43 aircraft, resuming to almost 80% of the pre-COVID-19 capacity. We have opened more routes post the Thailand Pass lifting. India is one of the markets with good yields, both in fare and ancillary income. We also plan to fly to Nepal and Bangladesh to help compensate for flights to China. Also, we are now ready to fly to Fukuoka, pending an official announcement from the Japanese authorities. Another piece of good news, actually we have started to fly trial flights to China, two flights per month to Guangzhou and Chongqing, compared to none in the past two years. This is the quota the Chinese government allocated to Thailand, which I expect to continually increase until we fully resume as well as to Hong Kong which we are now flying one flight per week. For Hong Kong in particular, supporting the recovering number of passengers, we saw a good trend of belly cargo. Moreover, we have our key staff, with renewed licences required, standing by in several cities in China, assuring we can promptly fly once approved.

(Page 10) As informed, South Asia is helping fill the gap missing from the Chinese. This includes five routes to India as well as routes to Bangladesh and Maldives. This is one of our strategies as these groups of tourists have potential to fly-thru from Bangkok to Phuket or other cities. They also buy local goods and select preferred seats, which could result in better ancillary income. Fares for international flights are imposed with fuel surcharges, generating a good yield. Strategically, we maintain our competitiveness in the domestic market while focusing on expanding international borders for growth.

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(Page 11) Ancillary income per pax stood at Baht 285. Two key components are checked baggage and seat selection with more upsides from international flights. We achieved Baht 300+ per pax in the past. One driver to go back towards that level is from the recent allowance for domestic in-flight services, which were banned until July. This is a clear addition of Baht 10 per pax at least. With this and more international flights, the Baht 300+ per pax could be achieved sooner, potentially in this year. Also, ancillary income is one source of good profitability with most of the services bearing little or no cost.

(Page 12) These are new menus. One is "Dada" which is sticky rice with grilled chicken, named after one of our cabin crews. We also collaborate with After You and other brands to serve special menus on the plane and uplift our revenue.

(Page 13) On costs, as CFO mentioned that CASK has continuously declined, coming down from Baht 4. We expect that the fuel prices will not go back to the previous high level. I suppose it has actually peaked, hopefully. As a result, we should better control our expenses, both CASK and CASK ex-fuel, as fuel costs account for almost 30% of the total costs. Depreciation and amortisation seems high but is partially a result of accounting practices. We continue to manage staff cost well, with some of the staff remaining on furlough, syncing with the inactive fleet, and from the compensation negotiation performed previously.

(Page 14) Regarding airasia Super App, this is an all-in-one platform for selling tickets, booking for hotels, delivery of food and parcels, and ride hailing. The trend keeps getting stronger with the latest promotional discounts for passengers commuting to the airport. One interesting statistic is that we now have 11 million monthly active users (MAUs), a big database for further synergistic activities.

(Page 15) To end my presentation, we expect to carry 10 million people this year with an ending fleet of 53 aircraft, 81% load factor from 12.3 million capacity. Aircraft utilisation should increase to 12 hours per day with continuous cost control. We highlight our on-time performance which should be over 90%, emphasising our quality and punctuality.

In summary, everything is getting better in my view. Revenue and RASK improved with lowering costs. As a result, the negative gap between RASK and CASK should narrow and turn positive soon. We once had CASK of below Baht 1 which I suppose we are on our way to achieve that again.

Thank you.

END OF TRANSCRIPT