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Subject: Management Discussion and Analysis of business operation and financial statements

To: President,  
The Stock Exchange of Thailand

**Airports of Thailand Public Company Limited and its subsidiaries**

Management discussion and analysis of business operation and financial statements  
for the three-month and nine-month periods ended June 30<sup>th</sup>, 2021

**Overall performance and significant events**

The overall air traffic volume of Airports of Thailand Public Company Limited (AOT) from October 2020 to June 2021 significantly decreased compared to the corresponding period of the prior year. This is due to the ongoing international air travel restriction measures in many countries, including Thailand, to curb the spreading of the Coronavirus Disease 2019 (COVID-19). As a result, the overall number of international flights and passengers decreased. The second and third waves of the COVID-19 pandemic in the country affected the recovery rate of domestic travel which have also caused a decrease in the number of domestic flights and passengers. Due to the domestic pandemic situation, the government has accelerated the procurement of the COVID-19 vaccine and started vaccinating people on June 7<sup>th</sup>, 2021. Furthermore, the government also continuously imposed measures to alleviate and recover the Thai economy, including developing a policy to reopen the borders to welcome foreign tourists who met the conditions and requirements whereby Phuket has been used as a pilot province under the “Phuket Sandbox” project since July 1<sup>st</sup>, 2021. AOT is ready to accommodate foreign tourists by providing the facilities and authorized officials to advise passengers on the passenger drop off process, document and passport checking process, body temperature check, COVID-19 testing, hygiene and sanitation protocols, social distancing, and strict compliance with preventive and monitoring measures of COVID-19 in accordance with public health measure to build confidence of passengers and airport customers.

In the current situation, AOT continuously imposes measures to assist the concessionaires and airlines affected by the COVID-19 for six airports under AOT's responsibility in lessening their burden during the crisis period. However, the assistance measures must be in accordance with the terms and conditions prescribed by AOT

During the nine-month period ended June 30<sup>th</sup>, 2021, the air traffic volume of the six airports under AOT's responsibility decreased by 50.42% or 217,579 flights compared to that of the corresponding period of the prior year, comprising 48,716 international flights and 168,863 domestic flights. The total number of passengers decreased by 70.81% or 19.02 million compared to that of the corresponding period of the prior year, comprising 0.65 million international passengers and 18.37 million domestic passengers.

During the third quarter of FY 2021 (April 1<sup>st</sup>, 2021 – June 30<sup>th</sup>, 2021) AOT's operating results decreased by Baht 1,144.57 million compared to, the corresponding period of the prior year of which net loss was Baht 2,933.90 million. Total revenues increased by Baht 157.76 million and, total expenses increased by Baht 845.48 million. In addition, income tax revenues increased by Baht 123.25 million which was in line with a decrease in operating results.

## 1. Analysis of operations

### 1.1 Operating results for the three-month period ended June 30<sup>th</sup>, 2021

Unit: Million Baht

	Q3/2021	Q3/2020	Increase (decrease)	% YoY
Revenues from sales or services	1,666.51	1,319.46	347.05	26.30
<i>Aeronautical revenue</i>	501.92	211.70	290.22	137.09
<i>Portion</i>	30%	16%		
<i>Non-aeronautical revenue</i>	1,164.59	1,107.76	56.83	5.13
<i>Portion</i>	70%	84%		
Other income	231.00	420.29	(189.29)	(45.04)
<b>Total revenues</b>	<b>1,897.51</b>	<b>1,739.75</b>	<b>157.76</b>	<b>9.07</b>
<u>Less</u> Total expenses	6,152.99	5,307.51	845.48	15.93
<b>Operating Loss</b>	<b>(4,255.48)</b>	<b>(3,567.76)</b>	<b>(687.72)</b>	<b>(19.28)</b>

1.1 Operating results for the three-month period ended June 30<sup>th</sup>, 2021 (cont'd)

Unit: Million Baht

	Q3/2021	Q3/2020	Increase (decrease)	% YoY
<u>Less</u> Share of loss from investment in associate	0.04	-	0.04	100.00
<u>Less</u> Finance cost	740.22	154.66	585.56	378.61
<b>Loss before income tax</b>	<b>(4,995.74)</b>	<b>(3,722.42)</b>	<b>(1,273.32)</b>	<b>(34.21)</b>
<u>Add</u> Income tax revenues	884.68	761.43	123.25	16.19
<b>Net loss for the period</b>	<b>(4,111.06)</b>	<b>(2,960.99)</b>	<b>(1,150.07)</b>	<b>(38.84)</b>
<b>Loss attributable to:</b>				
<b>Equity holders of the Company</b>	<b>(4,078.47)</b>	<b>(2,933.90)</b>	<b>(1,144.57)</b>	<b>(39.01)</b>
Non-controlling interests of the subsidiaries	(32.59)	(27.09)	(5.50)	(20.30)
<b>Earnings (loss) per share (Baht)</b>	<b>(0.29)</b>	<b>(0.21)</b>	<b>(0.08)</b>	<b>(38.10)</b>

For the three-month period ended June 30<sup>th</sup>, 2021, AOT's operating results decreased by Baht 1,144.57 million, compared to the corresponding period of the prior year of which net loss was Baht 2,933.90 million. Revenue from sales or services increased by Baht 347.05 million or 26.30% as a result of an increase in aeronautical revenue of Baht 290.22 million or 137.09% and non-aeronautical revenue of Baht 56.83 million or 5.13% because of the rise in the number of flights and passengers. However, other income decreased by Baht 189.29 million or 45.04%. Total expenses increased by Baht 845.48 million or 15.93% mainly due to a rise in employee benefit expenses, depreciation and amortisation expenses and loss on foreign exchange while state property rental, repairs and maintenance and other expenses decreased. Finance cost increased by Baht 585.56 million or 378.61% due to higher interest expenses on lease liabilities. Income tax revenues increased by Baht 123.25 million or 16.19%, which was in line with a decrease in operating results.

1.2 Operating results for the nine-month period ended June 30<sup>th</sup>, 2021

Unit: Million Baht

	Oct'20 – Jun'21	Oct'19 – Jun'20	Increase (decrease)	% YoY
Revenues from sales or services	5,620.39	29,326.24	(23,705.85)	(80.83)
<i>Aeronautical revenue</i>	1,964.20	15,959.92	(13,995.72)	(87.69)
<i>Portion</i>	35%	54%		
<i>Non-aeronautical revenue</i>	3,656.19	13,366.32	(9,710.13)	(72.65)
<i>Portion</i>	65%	46%		
Other income	743.30	1,848.52	(1,105.22)	(59.79)
<b>Total revenues</b>	<b>6,363.69</b>	<b>31,174.76</b>	<b>(24,811.07)</b>	<b>(79.59)</b>
<u>Less</u> Total expenses	18,096.88	20,629.79	(2,532.91)	(12.28)
<b>Operating profit (loss)</b>	<b>(11,733.19)</b>	<b>10,544.97</b>	<b>(22,278.16)</b>	<b>(211.27)</b>
<u>Less</u> Share of loss from investment in associate	0.07	-	0.07	100.00
<u>Less</u> Finance cost	2,231.43	498.37	1,733.06	347.75
<b>Profit (loss) before income tax</b>	<b>(13,964.69)</b>	<b>10,046.60</b>	<b>(24,011.29)</b>	<b>(239.00)</b>
<u>Less</u> Income tax expenses (revenues)	(2,752.34)	2,011.32	(4,763.66)	(236.84)
<b>Net profit (loss) for the period</b>	<b>(11,212.35)</b>	<b>8,035.28</b>	<b>(19,247.63)</b>	<b>(239.54)</b>
<b>Profit (loss) attributable to:</b>				
<b>Equity holders of the Company</b>	<b>(11,164.54)</b>	<b>8,048.46</b>	<b>(19,213.00)</b>	<b>(238.72)</b>
Non-controlling interests of the subsidiaries	(47.81)	(13.18)	(34.63)	(262.75)
<b>Earnings (loss) per share (Baht)</b>	<b>(0.78)</b>	<b>0.56</b>	<b>(1.34)</b>	<b>(239.29)</b>

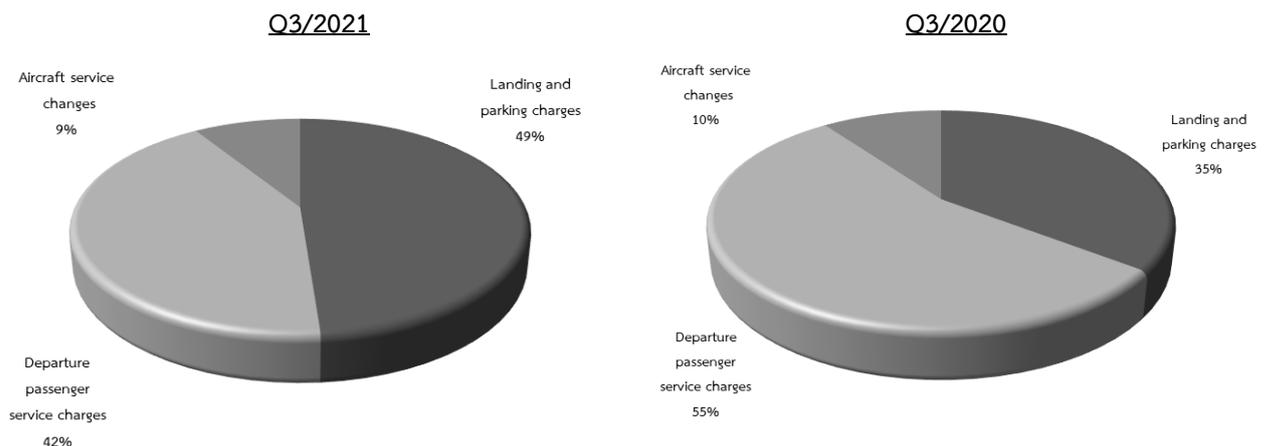
For the nine-month period ended June 30<sup>th</sup>, 2021, AOT had net loss of Baht 11,164.54 million, while net profit of the corresponding period of the prior year was Baht 8,048.46 million. Revenue from sales or services decreased by Baht 23,705.85 million or 80.83% as a result of a decrease in aeronautical revenue of Baht 13,995.72 million or 87.69% and non-aeronautical revenue

of Baht 9,710.13 million or 72.65% because of the decline in the number of flights and passengers. Other income decreased by Baht 1,105.22 million or 59.79%. Total expenses decreased by Baht 2,532.91 million or 12.28% mainly due to a drop in state property rental, outsourcing expenses, other expenses and repairs and maintenance while depreciation and amortisation expenses and employee benefit expenses increased. In addition, finance cost increased by Baht 1,733.06 million or 347.75% due to an increase in interest expenses on lease liabilities. Income tax revenues increased by Baht 4,763.66 million or 236.84%, which was in line with a decrease in operating results.

### 1.3 Aeronautical Revenue

Unit: Million Baht

	For the three-month period				For the nine-month period			
	Q3/2021	Q3/2020	Increase (decrease)	%YoY	Oct'20 – Jun'21	Oct'19 – Jun'20	Increase (decrease)	%YoY
Landing and parking charges	244.92	74.88	170.04	227.08	775.99	3,569.90	(2,793.91)	(78.26)
Departure passenger service charges	211.96	115.68	96.28	83.23	1,017.16	11,959.96	(10,942.80)	(91.50)
Aircraft service charges	45.04	21.14	23.90	113.06	171.05	430.06	(259.01)	(60.23)
<b>Total</b>	<b>501.92</b>	<b>211.70</b>	<b>290.22</b>	<b>137.09</b>	<b>1,964.20</b>	<b>15,959.92</b>	<b>(13,995.72)</b>	<b>(87.69)</b>



A proportion of aeronautical revenue in each type of the third quarter of FY 2021 differed from that of the corresponding period of the prior year. The majority of aeronautical revenue came from landing and parking charges and departure passenger service charges.

For the three-month period ended June 30<sup>th</sup>, 2021, aeronautical revenue of Baht 501.92 million increased by Baht 290.22 million or 137.09% compared to the corresponding period of the prior year because landing and parking charges of Baht 170.04 million or 227.08% went up due to a 105.04% rise in the number of flights. Moreover, departure passenger service charges increased by Baht 96.28 million or 83.23% because of a 126.65% rise in the number of passengers in the six airports. In addition, in April 2020, the Civil Aviation Authority of Thailand announced a temporary ban air travel to Thailand to prevent the increasing spreading COVID-19, causing airlines to suspend their operation. As a result, most flights were halted in the third quarter of FY 2020.

For the nine-month period ended June 30<sup>th</sup>, 2021, aeronautical revenue of Baht 1,964.20 million decreased by Baht 13,995.72 million or 87.69% compared to that of the corresponding period of the prior year because departure passenger service charges of Baht 10,942.80 million or 91.50% went down due to a 70.81% decline in the number of passengers in the six airports. Moreover, landing and parking charges decreased by Baht 2,793.91 million or 78.26% because of a 50.42% decline in the number of flights. The main reason is the COVID-19 pandemic situation since the beginning of 2020 which has been intensified and the severity is likely to persist due to the mutation of a virus affecting the travel in and out of Thailand. Moreover, AOT established assistance measures to help airlines by giving a discount for the service charges.

#### 1.4 Non-Aeronautical Revenue

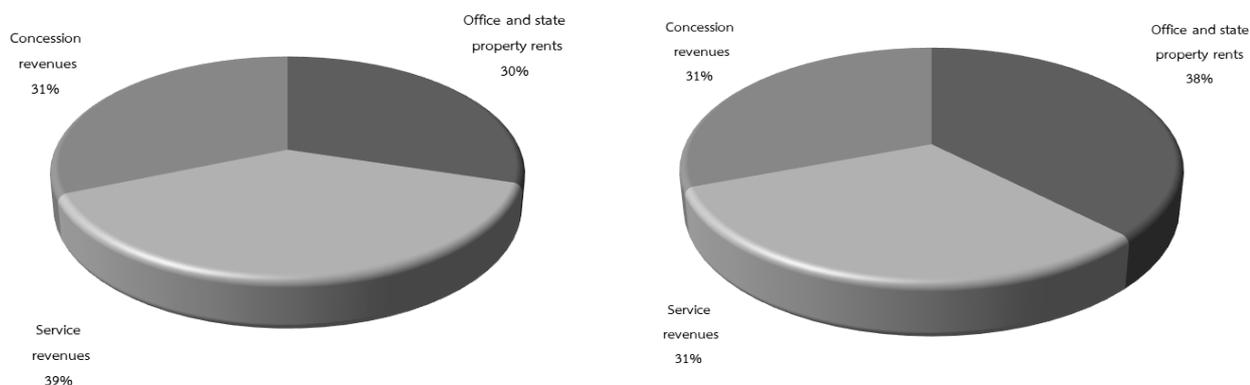
Unit: Million Baht

	For the three-month period				For the nine-month period			
	Q3/2021	Q3/2020	Increase (decrease)	%YoY	Oct'20 – Jun'21	Oct'19 – Jun'20	Increase (decrease)	%YoY
Office and state property rents	347.18	417.36	(70.18)	(16.82)	1,078.03	1,565.15	(487.12)	(31.12)
Service revenues	452.20	348.75	103.45	29.66	1,495.81	4,079.09	(2,583.28)	(63.33)
Concession revenues	365.21	341.65	23.56	6.90	1,082.35	7,722.08	(6,639.73)	(85.98)
<b>Total</b>	<b>1,164.59</b>	<b>1,107.76</b>	<b>56.83</b>	<b>5.13</b>	<b>3,656.19</b>	<b>13,366.32</b>	<b>(9,710.13)</b>	<b>(72.65)</b>

## 1.4 Non-Aeronautical Revenue (con'd)

Q3/2021

Q3/2020



A proportion of non-aeronautical revenue in each type of the third quarter of FY 2021 differed from that of the corresponding period of the prior year.

For the three-month period ended June 30<sup>th</sup>, 2021, non-aeronautical revenue of Baht 1,164.59 million increased by Baht 56.83 million or 5.13% compared to that of the corresponding period of the prior year due to an increase in service revenues of Baht 103.45 million or 29.66% which mainly arose from an increase in other service revenues and car park charges. However, office and state property rents decreased by Baht 70.18 million or 16.82% mainly due to a decline in land for rent and other areas for rent.

For the nine-month period ended June 30<sup>th</sup>, 2021, non-aeronautical revenue of Baht 3,656.19 million decreased by Baht 9,710.13 million or 72.65% compared to that of the corresponding period of the prior year due to a decline in concession revenues of Baht 6,639.73 million or 85.98% in line with a decrease in the number of passengers and service recipients in the airports. The service revenues decreased by Baht 2,583.28 million or 63.33% mainly due to a decline in advance passenger processing service fees. This is mainly because of the COVID-19 pandemic since the beginning of 2020 which has been intensified and the severity is likely to persist due to the mutation of a virus, resulting in a decrease in the number of passengers and service recipients. Besides, AOT has assistance measures for the concessionaires who have been affected by the crisis.

## 1.5 Other income

Unit: Million Baht

	For the three-month period				For the nine-month period			
	Q3/2021	Q3/2020	Increase (decrease)	%YoY	Oct'20 – Jun'21	Oct'19 – Jun'20	Increase (decrease)	%YoY
Gain on derivatives	114.03	-	114.03	100.00	-	-	-	-
Gain on foreign exchange	-	-	-	-	285.05	67.76	217.29	320.68
Interest income	40.12	240.98	(200.86)	(83.35)	201.95	833.72	(631.77)	(75.78)
Gain (Loss) on sales of assets	0.06	(1.65)	1.71	103.64	4.92	(7.23)	12.15	168.05
Others	76.79	180.96	(104.17)	(57.57)	251.38	954.27	(702.89)	(73.66)
<b>Total</b>	<b>231.00</b>	<b>420.29</b>	<b>(189.29)</b>	<b>(45.04)</b>	<b>743.30</b>	<b>1,848.52</b>	<b>(1,105.22)</b>	<b>(59.79)</b>

Other income for the three-month period ended June 30<sup>th</sup>, 2021 of Baht 231.00 million decreased by Baht 189.29 million or 45.04% compared to that of the corresponding period of the prior year mainly due to the decrease in interest income of Baht 200.86 million. This was resulting from a decrease in fixed deposit and other income of Baht 104.17 million, while gain on derivatives increased by Baht 114.03 million because of the changes in fair value of derivatives in accordance with TFRS 9, Financial Instruments.

Other income for the nine-month period ended June 30<sup>th</sup>, 2021 of Baht 743.30 million decreased by Baht 1,105.22 million or 59.79% compared to that of the corresponding period of the prior year mainly due to the decrease in other income of Baht 702.89 million. This was resulting from the reversal of provision in the prior period because the Supreme Court dismissed AOT's dispute over the space rental agreement at Transport Management Center in Suvarnabhumi Airport. Furthermore, interest income dropped by Baht 631.77 million or 75.78% due to the decrease in fixed deposits, while gain on foreign exchange increased by Baht 217.29 million or 320.68% due to the foreign currency translation of long-term loans. Moreover, due to the adoption of financial reporting standards related to financial instruments in this period, AOT did not recognize loss on foreign currency translation of derivatives but such loss was recognized as loss on derivatives.

## 1.6 Total expenses

Unit: Million Baht

	For the three-month period				For the nine-month period			
	Q3/2021	Q3/2020	Increase (decrease)	%YoY	Oct'20 – Jun'21	Oct'19 – Jun'20	Increase (decrease)	%YoY
Employee benefit expenses	1,750.50	792.97	957.53	120.75	5,249.78	4,551.73	698.05	15.34
Utilities expenses	578.95	432.60	146.35	33.83	1,571.47	1,710.53	(139.06)	(8.13)
Outsourcing expenses	602.43	641.88	(39.45)	(6.15)	1,851.67	3,509.32	(1,657.65)	(47.24)
Repairs and maintenance	449.05	763.10	(314.05)	(41.15)	1,319.75	2,067.05	(747.30)	(36.15)
State property rental	58.88	659.71	(600.83)	(91.07)	184.41	2,746.38	(2,561.97)	(93.29)
Depreciation and amortisation expenses	2,091.14	1,332.80	758.34	56.90	6,348.91	4,059.78	2,289.13	56.39
Loss (Gain) on foreign exchange	207.84	(2.48)	210.32	8,480.65	-	-	-	-
Loss on impairment of assets	19.95	-	19.95	100.00	50.82	-	50.82	100.00
Loss on derivatives	-	-	-	-	285.92	-	285.92	100.00
Other expenses	394.25	686.93	(292.68)	(42.61)	1,234.15	1,985.00	(750.85)	(37.83)
<b>Total</b>	<b>6,152.99</b>	<b>5,307.51</b>	<b>845.48</b>	<b>15.93</b>	<b>18,096.88</b>	<b>20,629.79</b>	<b>(2,532.91)</b>	<b>(12.28)</b>

For the three-month period ended June 30<sup>th</sup>, 2021, total expenses of Baht 6,152.99 million increased by Baht 845.48 million or 15.93% compared to those of the corresponding period of the prior year. The significant change was due to an increase in employee benefit expenses of Baht 957.53 million due to reversal of accrued employee bonus in the prior year. Depreciation and amortisation expenses increased by Baht 758.34 million due to the adoption of TFRS 16, Leases, since October 1<sup>st</sup>, 2020, whereby right-of-use assets were recognized, resulting in an increase in

depreciation and amortisation expenses and a decrease in state property rental. Furthermore, loss on foreign exchange increased by 210.32 million, while state property rental decreased by Baht 600.83 million due to the adoption of TFRS 16, Leases as described above. In addition, repairs and maintenance decreased by Baht 314.05 million, and other expenses decreased by Baht 292.68 million. There were no significant changes in other categories of expenses compared to those of the corresponding period of the prior year.

For the nine-month period ended June 30<sup>th</sup>, 2021, total expenses of Baht 18,096.88 million decreased by Baht 2,532.91 million or 12.28% compared to those of the corresponding period of the prior year. The significant change was due to a decrease in state property rental of Baht 2,561.97 million due to the adoption of TFRS 16, Leases, since October 1<sup>st</sup>, 2020, whereby right-of-use assets were depreciated in place of recorded as payment paid for state property rental, resulting in a decrease in state property rental. Furthermore, outsourcing expenses decreased by Baht 1,657.65 million. Other expenses decreased by Baht 750.85 million and repairs and maintenance decreased by Baht 747.30 million. However, depreciation and amortisation expenses increased by Baht 2,289.13 million and employee benefit expenses increased by Baht 698.05 million. There were no significant changes in other categories of expenses compared to those of the corresponding period of the prior year.

## 2. Analysis of financial position

The financial position as at June 30<sup>th</sup>, 2021 of AOT is as follows:

	30 Jun 2021	30 Sep 2020	Increase (decrease)	% Change
Total assets	197,234.59	173,558.57	23,676.02	13.64
Total liabilities	78,767.35	30,526.90	48,240.45	158.03
Total equity	118,467.24	143,031.67	(24,564.43)	(17.17)

Material changes in assets, liabilities and equity as at June 30<sup>th</sup>, 2021 compared to those as at September 30<sup>th</sup>, 2020 are as follows:

## 2.1 Analysis of assets

Total assets as at June 30<sup>th</sup>, 2021 of Baht 197,234.59 million increased by Baht 23,676.02 million or 13.64% from September 30<sup>th</sup>, 2020 as detailed below.

Unit: Million Baht

	30 Jun 2021	30 Sep 2020	Increase (decrease)	% change
Current assets	26,293.07	50,491.44	(24,198.37)	(47.93)
Non-current trade accounts receivable	586.42	-	586.42	100.00
Other non-current financial assets	1,103.55	-	1,103.55	100.00
Investment	61.01	722.22	(661.21)	(91.55)
Property, plant and equipment and investment properties	119,377.07	118,608.37	768.70	0.65
Right-of-use assets	36,863.79	-	36,863.79	100.00
Deferred tax assets	6,994.72	1,584.81	5,409.91	341.36
Other non-current assets	5,954.96	2,151.73	3,803.23	176.75
<b>Total assets</b>	<b>197,234.59</b>	<b>173,558.57</b>	<b>23,676.02</b>	<b>13.64</b>

Current assets of Baht 26,293.07 million decreased by Baht 24,198.37 million or 47.93% due to a decline in short-term investments of Baht 37,729.48 million. This is mainly because fixed deposits decreased and short-term investments were reclassified to other current financial assets in accordance with Thai Financial Reporting Standard related to financial instruments, resulting in an increase in other current financial assets of Baht 17,374.47 million. Furthermore, other receivables decreased by Baht 2,596.13 million due to reclassification of receivables from the Revenue Department to other non-current assets. There were no significant changes in other categories of current assets (e.g., cash and cash equivalents, trade accounts receivable, inventories and supplies including other current assets) compared to those of the prior year.

Non-current trade accounts receivable of Baht 586.42 million increased due to AOT classified a receivable who has entered into the business rehabilitation process as non-current trade accounts receivable.

Other non-current financial assets of Baht 1,103.55 million increased due to the adoption of Thai Financial Reporting Standard related to financial instruments whereby available-for-sale investments and general investments of Baht 646.67 million and Baht 74.55 million, respectively, were reclassified to other non-current financial assets and measured in accordance with TFRS 9, Financial Instruments

Property, plant and equipment and investment properties totaling of Baht 119,377.07 million increased by Baht 768.70 million or 0.65%. This was mainly from the increase in investment properties for rent.

Right-of-use assets of Baht 36,863.79 million increased due to the adoption of TFRS 16, Leases. Therefore, AOT recognized right-of-use assets for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Deferred tax assets of Baht 6,994.72 million increased by Baht 5,409.91 million or 341.36%. This was mainly due to the effect of Baht 2,720.93 million arising from the adoption of new financial reporting standards related to financial instruments and TFRS 16, Leases as at October 1<sup>st</sup>, 2020. In addition, AOT recognized deferred tax assets due to net loss incurred during the period which were expected to be used in the future.

Other non-current assets of Baht 5,954.96 million increased by Baht 3,803.23 million or 176.75% due to higher receivables from the Revenue Department of Baht 3,097.65 million and advance payment of Baht 1,009.67 million.

## 2.2 Analysis of liabilities

Total liabilities as at June 30<sup>th</sup>, 2021 of Baht 78,767.35 million increased by Baht 48,240.45 million or 158.03% from those of September 30<sup>th</sup>, 2020 as detailed below.

	Unit: Million Baht			
	30 Jun 2021	30 Sep 2020	Increase (decrease)	% change
Current liabilities	10,848.36	15,333.15	(4,484.79)	(29.25)
Long-term loans – net of current portion	6,341.46	8,245.00	(1,903.54)	(23.09)
Lease liabilities - net of current portion	54,065.76	29.87	54,035.89	180,903.55
Employee benefit obligations	4,578.72	4,288.16	290.56	6.78
Non-current derivative liabilities	1,168.83	-	1,168.83	100.00
Other non-current liabilities	1,764.22	2,630.72	(866.50)	(32.94)
<b>Total liabilities</b>	<b>78,767.35</b>	<b>30,526.90</b>	<b>48,240.45</b>	<b>158.03</b>

Current liabilities of Baht 10,848.36 million decreased by Baht 4,484.79 million or 29.25% due to a decrease in other payables of Baht 1,901.45 million which mainly arose from the payment of state property rental for FY 2020. Work in processes payable decreased by Baht 1,586.92 million mainly resulting from payment of construction of the Suvarnabhumi Airport Development Project and trade accounts payable decreased by Baht 1,011.57 million mainly due to repayment during the period.

Long-term loans – net of current portion of Baht 6,341.46 million decreased by Baht 1,903.54 million or 23.09% due to repayment of borrowings and effect of foreign exchange rates.

Lease liabilities - net of current portion of Baht 54,065.76 million increased due to the adoption of TFRS 16, Leases, whereby liabilities for all leases with a term of more than 12 months have been recognized, unless the underlying asset is of low value.

Non-current derivative liabilities of Baht 1,168.83 million increased due to the adoption of TFRS 9, Financial Instruments, resulting in the reclassification and measurement of the value of cross currency and interest rate swap contracts at fair value.

Other non-current liabilities of Baht 1,764.22 million decreased by Baht 866.50 million or 32.94% due to the reclassification of cross currency and interest rate swap contracts of Baht 1,012.86 million to non-current derivative liabilities, which were measured in accordance with TFRS 9, Financial Instruments. Furthermore, retentions decreased by Baht 411.57 million while deferred income increased by Baht 637.19 million.

### 2.3 Analysis of equity

Total equity as at June 30<sup>th</sup>, 2021 of Baht 118,467.24 million decreased by Baht 24,564.43 million or 17.17% from that of September 30<sup>th</sup>, 2020 as detailed below.

Unit: Million Baht

	30 Jun 2021	30 Sep 2020	Increase (decrease)	% change
Issued and fully paid-up share capital	14,285.70	14,285.70	-	-
Premium on share capital	12,567.67	12,567.67	-	-
Retained earnings	89,810.74	114,882.47	(25,071.73)	(21.82)
Other components of shareholders' equity	805.60	499.74	305.86	61.20
Non-controlling interests of the subsidiaries	997.53	796.09	201.44	25.30
<b>Total shareholders' equity</b>	<b>118,467.24</b>	<b>143,031.67</b>	<b>(24,564.43)</b>	<b>(17.17)</b>

Retained earnings of Baht 89,810.74 million decreased by Baht 25,071.73 million or 21.82% due to the adoption of financial reporting standards related to financial instruments and TFRS 16, Leases. The effects of the initial adoption of these financial standards were recognized, with the retained earnings of Baht 11,193.09 million being adjusted. In addition, there were net operating loss of Baht 11,164.54 million and dividend payment of Baht 2,714.11 million during the period.

### 3. Analysis of liquidity

As at June 30<sup>th</sup>, 2021, cash and cash equivalents of Baht 4,663.04 million decreased by Baht 1,165.04 million from those of September 30<sup>th</sup>, 2020 as detailed below.

Unit: Million Baht

	Oct'20 – Jun'21
Cash flows from operating activities	(9,643.69)
Cash flows from investing activities	13,387.74
Cash flows from financing activities	(4,909.09)
<b>Net increase in cash and cash equivalents</b>	<b>(1,165.04)</b>
Cash and cash equivalents at the beginning of the period	5,828.08
Cash and cash equivalents at the end of the period	4,663.04

Changes in cash and cash equivalents for the nine-month period ended June 30<sup>th</sup>, 2021 can be described as follows:

Net cash used in operating activities of Baht 9,643.69 million arose from operating results of the current period.

Net cash generated from investing activities of Baht 13,387.74 million resulted from net cash received from short-term investments of Baht 20,355.00 million net with payment for investment in property plant and equipment of Baht 6,838.74 million, most of which were property, plant and equipment items at Suvarnabhumi Airport.

Cash used in financing activities of Baht 4,909.09 million mainly arose from dividend payment and the repayment of long-term loans of Baht 2,714.11 million and Baht 1,961.99 million, respectively.

### 4. Ratio analysis

	Oct'20 – Jun'21	Oct'19 – Jun'20
<b>Profitability ratio</b>		
Ratio of profit (loss) from operations to revenue from operations (%)	(215.91)	29.70
Return on equity (ROE) (%)	(8.60)	5.35
Return on total assets (ROA) (%)	(6.02)	4.28

#### 4. Ratio analysis (con'd)

	30 Jun 2021	30 Sep 2020
<b>Financial structure and liability ratio</b>		
Debt to equity ratio (Time)	0.66	0.21
Liquidity ratio (Time)	2.42	3.29

The profitability ratio of AOT has decreased due to the COVID-19 pandemic since the beginning of 2020 which has been intensified and the severity is likely to persist due to the mutation of a virus affecting the aviation and tourism industries of Thailand. Besides, AOT established relief measures for the concessionaires who operate their business at the six airports under AOT's responsibility during the crisis. However, regarding the financial structure, AOT was able to maintain its debt to equity ratio of less than one time and liquidity ratio of more than two times.

#### 5. Factors affecting future operating results

COVID-19 pandemic is the biggest crisis that affects both tourism and aviation industries and the overall country's economy. AOT has been impacted by this crisis, which caused a dramatic decrease in the number of flights and passengers until now. Moreover, In July 2021, The Civil Aviation Authority of Thailand (CAAT) was notified the guidelines for airport operators and airline operators on domestic flight operations whereby all domestic passenger flights in and out of the dark-red zone of maximum and strict COVID-19 control are banned from July 21<sup>st</sup>, 2021 until further notice. As a result, any airport on this zone has been restraining on domestic flight operations. However, AOT will continue to carry out airport development projects to enhance airport capacities in order to prepare for the recovery of the aviation business, which is expected to return to normal state in the future.

AOT is the state enterprise who manages all six major airports in the country and is considered the main infrastructure supporting air traffic volume and passengers from different regions, both domestically and internationally. AOT has carried out various project as planned, for example, Don Mueang International Airport development project phase III to improve the capability and enhance the capacity of the airport to accommodate 40 million passengers per year; Chiang Mai International Airport development project phase I to enhance the capacity of the airport to accommodate 16.50 million passengers per year, and

preparation to operate satellite building 1 (SAT-1), by taking into account the recovery rate of air traffic volume and demand for air traveling along with the management of Main Terminal building and overall facilities of Suvarnabhumi airport for complete and effective operation.

AOT has evaluated and analyzed the situation related to travel pattern, passengers behavior, tourism and aviation industry trend, especially the application of technology to facilitate passengers to mitigate the risk of contracting infection from air traveling. As a result, technologies have been applied in some of the airports as a pilot project and will be later applied in other airports in the future. Such technologies are, for example, Common Use Passenger Processing System (CUPPS), which is the system that facilitates passengers by allowing them to check-in and load baggage without having to wait in line. At present, the system has been launched as a pilot project at Suvarnabhumi Airport. For the Passenger Tracking system, the waiting time of passengers at the check-in area, security checking procedure, and passport checking procedure will be updated real-time and the status will be shown on the monitor screen, which allows the passengers to estimate their waiting time at each particular area. Moreover, the AOT Airport application will allow the passengers to estimate and track the overall time spent in the airport. In addition, the system will notify the airport officers of the congestion in each area so that they can manage logistics by moving passengers to less congested area to avoid congestion and comply with social distancing measures. The system was initially implemented at Suvarnabhumi Airport, Don Mueang International Airport and Phuket International Airport. For the Smart Carpark system, passengers who use the parking area at Suvarnabhumi Airport and Phuket International Airport can pay the parking fee by themselves, which can reduce the risk of exposure to direct contact between customers and airport officers.

AOT plans to increase the proportion of non-aeronautical revenue to build stable income and diversify risks. Due to the COVID-19 pandemic, AOT revises business strategies by increasing the proportion of income from air cargo, income from business provided on Digital Platform, and income from projects such as Certify Hub project which is the centre to inspect agricultural products and Airport City project which will enhance commercial activities in close proximity to the airport. However, AOT has experienced every crisis and success. Although AOT has faced new challenges, AOT has laid a solid foundation for

business growth and is well-prepared for the changing environment to be a leading airport operator and become a key business driver of the aviation industry and Thailand's economy.

Please be informed accordingly.

Yours sincerely,

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