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Management's Discussion and Analysis for Q2/2023 Results  
Thaicom Public Company Limited

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1. Overview

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Performance Overview

Thaicom Public Company Limited ("the Company") reported the net profit attributable to the owner of the Company for Q2/2023 of Baht 457 million, marking a 409.8% increase from Q1/2023's (QoQ) net profit of Baht 90 million. Additionally, there was a 47.8% increase compared to the net profit in Q2/2022 (YoY) of Baht 309 million. The main reason was the recognition of the compensation with a business partner as other income of Baht 301 million arising from a dispute in the agreement. The Company obtained an award in its favor in the arbitration overseas and this ruling was upheld by the highest court in June 2023. The Company thus recognized the compensation as other income.

The Company generated a core profit<sup>1</sup> of Baht 60 million for Q2/2023, marking a 54.4% decrease compared to the profit of Baht 131 million in Q1/2023 (QoQ), and a 71.6% decrease compared to the profit of Baht 210 million in Q2/2022 (YoY). The main contributing factors to these declines were reductions in revenue from the sales of goods and the rendering of services. In Q2/2023, revenue from the sales of goods and rendering of services amounted to Baht 636 million, showing a decrease of 13.4% and 13.8% compared to Q1/2023 (QoQ) and Q2/2022 (YoY), respectively. This decrease was primarily due to the ramp-down of revenue from broadband services provided to the Thaicom 4 customers in such areas that were out of the planned coverage of follow-on satellites.

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2. Business Summary

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Satellite and related Services

[Thaicom to partner with Eutelsat in its new Software Defined HTS satellite at 119.5 Degrees East for 16 years lifetime.](#)

7 August 2023 – Thaicom Public Company Limited, a leading Asian satellite operator, announced the signing of a partnership agreement between Space Tech Innovation Limited (STI), a Thaicom's subsidiary, and Eutelsat Asia PTE. LTD. (Eutelsat Asia), a subsidiary of Eutelsat SA, one of the world's leading satellite operators. This partnership relates to the new satellite to be launched at the orbital slot of 119.5 E. Under the agreement, Eutelsat is committed to lease and operate the service for 50% of the satellite capacity during its lifetime of 16 years. Thaicom is currently finalizing the procurement process of the satellite.

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<sup>1</sup> Core profit means profit attributable to owner of the Company before unrealized gain (loss) on exchange rate of the Company and joint ventures, and before extra items.

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Thaicom's new satellite is a new generation of broadband software-defined high-throughput satellites (HTS). It will allow flexibility and instant reconfiguration to adapt dynamically the service areas and will provide a significant confidence boost for the Company's valued customers and partners throughout Asia Pacific. The Software Defined HTS's performance will assure an unparalleled quality of service to enable end-to-end service solutions.

#### Utilization of THCOM's satellites

As at the end of Q2/2023, THCOM's conventional satellites providing services under telecommunication licenses were Thaicom 7 and Thaicom 8. The overall utilization rate was 56% increased from 55% at the end of Q1/2023.

#### Internet and media Services

The revenue from internet and media services mainly comes from Thai Advance Innovation Company Limited (Thai AI), which are the income from the sale of set-top-boxes and related equipment, including the sale and rental services for internet platform such as IPTV channels, video streaming, eSport and LOOX TV. Revenue relating to the internet and media services for Q2/2023 was Baht 10 million, which was not of significant difference from that of Q1/2023 (QoQ) and Q2/2023 (YoY).

#### Telephone business abroad

As at the end of Q2/2023, Lao Telecommunications Public Company (LTC) and TPLUS Digital Company Limited (TPLUS) reported the consolidated mobile subscribers of 2.47 million, increasing in comparison with the subscribers as at the end of 2022 of 2.32 million.

### 3. Consolidated Operating Results

#### Summary of key financial information of THCOM

Unit: Baht million	Amount			Change		Amount		Change
	Q2 2023	Q1 2023	Q2 2022	%QoQ	%YoY	1H 2023	1H 2022	%YoY
Revenue from sales of goods and rendering of services	636	738	739	-13.8%	-13.8%	1,374	1,431	-4.0%
Other income	304	3	6	11,373.7%	5,109.2%	307	10	3,036.1%
Net gain (loss) from foreign exchange	184	(54)	229	n/a	-19.8%	130	206	-37.1%
<b>Total Revenue</b>	<b>1,124</b>	<b>687</b>	<b>974</b>	<b>63.6%</b>	<b>15.4%</b>	<b>1,811</b>	<b>1,647</b>	<b>9.9%</b>
Cost of sales of goods and rendering of services	(388)	(390)	(377)	-0.5%	2.9%	(779)	(727)	7.1%
SG&A expenses <sup>(1)</sup>	(216)	(213)	(188)	1.5%	15.0%	(430)	(389)	10.5%
<b>Profit from operating activities</b>	<b>519</b>	<b>83</b>	<b>408</b>	<b>523.9%</b>	<b>27.2%</b>	<b>602</b>	<b>531</b>	<b>13.4%</b>
<b>Profit from operating activities before interest, tax, and depreciation and amortization (EBITDA) <sup>(2)</sup></b>	<b>192</b>	<b>312</b>	<b>346</b>	<b>-38.4%</b>	<b>-44.6%</b>	<b>503</b>	<b>693</b>	<b>-27.4%</b>
Financial income	63	75	33	-16.1%	92.6%	139	61	128.7%
Financial costs	(30)	(34)	(28)	-11.0%	7.5%	(65)	(56)	15.1%

Unit: Baht million	Amount			Change		Amount		
	Q2 2023	Q1 2023	Q2 2022	%QoQ	%YoY	1H 2023	1H 2022	%YoY
Reversal of loss on impairment based on Thai Financial Reporting Standard No.9	(4)	27	16	n/a	n/a	23	79	-70.6%
Share of profit (loss) of investment in subsidiaries and joint ventures	(59)	(19)	(104)	215.9%	-43.9%	(77)	(178)	-56.8%
<b>Profit before income tax expense</b>	<b>490</b>	<b>133</b>	<b>324</b>	<b>268.8%</b>	<b>51.0%</b>	<b>623</b>	<b>436</b>	<b>42.7%</b>
Income tax expense	(33)	(43)	(15)	-23.1%	114.6%	(77)	(77)	-0.1%
<b>Profit attributable to the owner of the Company (Net Profit)</b>	<b>457</b>	<b>90</b>	<b>309</b>	<b>409.8%</b>	<b>47.8%</b>	<b>546</b>	<b>360</b>	<b>51.8%</b>
Less: Unrealized gain (loss) on exchange rate of the Company	152	(46)	230	n/a	-33.9%	107	193	-44.6%
Less: Unrealized gain (loss) on exchange rate of joint ventures	(43)	5	(131)	n/a	-67.3%	(38)	(205)	-81.5%
Less: Extra items <sup>(3)</sup>	288	-	-	n/a	n/a	288	71	305.6%
<b>Core Profit</b>	<b>60</b>	<b>131</b>	<b>210</b>	<b>-54.4%</b>	<b>-71.6%</b>	<b>189</b>	<b>301</b>	<b>-37.1%</b>
<b>Basic earnings per share (Baht)</b>	<b>0.42</b>	<b>0.08</b>	<b>0.28</b>	<b>409.8%</b>	<b>48.8%</b>	<b>0.50</b>	<b>0.33</b>	<b>51.8%</b>

(1) SG&A expenses included selling and administrative expenses and directors and management benefit expenses.

(2) Excluded gain (loss) on exchange rate and loss on assets impairment.

(3) Other one-time items for the period of Q2/2023 was primarily from compensation for disputes with a business partner, deduct with other one-time expenses.

### Revenue from sales of goods and rendering of services

The consolidated revenue from sales of goods and rendering of services for Q2/2023 was Baht 636 million. It decreased by 13.8% compared with Baht 738 million in Q1/2023 (QoQ) because in Q1/2023, the Company had recognized an income from ground station (Gateway) management fees and other consulting fees. When compared with Q2/2022 (YoY) of Baht 739 million, it decreased by 6.5% due to the decrease of broadband revenue.

During the first half of 2023, the Company had revenue from sales of goods and rendering of services of Baht 1,374 million, decreased by 4.0% compared to the first half of 2022 (YoY) of Baht 1,431 million due to the ramp-down of Satellite and related services.

Revenue from sales of goods and rendering of services	Q2 2023	Q1 2023	Q2 2022	%QoQ	%YoY	1H 2023	1H 2022	%YoY
Unit: Baht million								
Satellite and related services	633	735	739	-13.9%	-14.3%	1,368	1,429	-4.3%
Internet and media services	10	9	8	11.1%	25.0%	19	15	26.7%
Consolidation eliminations	(7)	(6)	(7)	16.7%	0.0%	(13)	(13)	0.00%
<b>Total</b>	<b>636</b>	<b>738</b>	<b>739</b>	<b>-13.8%</b>	<b>-13.8%</b>	<b>1,374</b>	<b>1,431</b>	<b>-4.0%</b>

After the expiry of the concession, revenue from satellite and related services comprised of revenue from sales of goods and rendering of services from Thaicom 7 and Thaicom 8, which are operated under licenses to provide telecommunication services. Besides, there were revenue from satellite services from part of bandwidth purchased on Thaicom 4 and Thaicom 6 satellites from National Telecom Public Company Limited, including bandwidth purchased from international satellite service providers in order to continue providing seamless service for both broadcast and broadband.

The revenue from satellite and related services in Q2/2023 amounted to Baht 633 million, reflecting a decrease of 13.9% from Baht 735 million in Q1/2023 (QoQ), primarily due to the ramp-down of revenue from broadband services provided by the Thaicom 4 customers in such areas that were out of the planned coverage of follow-on satellites. Additionally, in Q1/2023, the Company's revenue included income recognition from ground station (Gateway) management fees and other consulting fees.

During the first half of 2023, the Company generated revenue from satellite and related services totaling Baht 1,368 million, marking a decrease of 4.3% compared to the first half of 2022 (YoY) where the revenue was Baht 1,429 million. This decrease was attributed to the ramp-down of broadband customers.

#### Revenue from internet and media services

Revenue relating to the internet and media services for Q2/2023 was Baht 10 million, which was not of significant difference from that of Q1/2023 (QoQ) and Q2/2023 (YoY).

#### Other income

Other income for Q2/2023 was 304 million baht, primarily from compensation for disputes with a business partner. The Company and the business partner had different interpretations of certain clauses of the cooperation agreement between the two parties. As a result, the Company and the business partner have submitted the case to arbitration overseas to consider and find a solution for such different views. The business partner has already paid the compensation to the Company in 2022; however, the Company has not recognized it as income due to the ongoing legal case.

In June 2023, the highest court unanimously dismissed the appeal of the said partner. As a result, the dispute regarding the compensation of USD 8.5 million, which is equivalent to Baht 301million, was final and could no longer be challenged. The Company thus recognized the mentioned compensation as other income in its statements of profit or loss for the period ended 30 June 2023. (Details in note 14.2).

#### Cost of sales of goods and rendering of services

The Company reported the consolidated cost of sales of goods and rendering of services for Q2/2023 of Baht 388 million, not significantly different from that of Q1/2023 (QoQ). In Q2/2023, the Company's consolidated cost of sales of goods and rendering of services increased by 2.9% from Baht 377 million for Q2/2022 (YoY) due to the higher cost of satellite and related services.

During the first half of 2023, the Company had cost of sales of goods and rendering of services of Baht 1,368 million, increased by 7.1% compared to that of the first half of 2022 (YoY) of Baht 727 million, due to the higher cost of satellite and related services.

Cost of sales of goods and rendering of services	Q2	Q1	Q2	%QoQ	%YoY	1H	1H	%YoY
Unit: Baht million	2023	2023	2022			2023	2022	
Satellite and related services	390	391	381	-0.3%	2.4%	781	732	6.7%
Internet and media services	5	5	4	0.0%	25.0%	10	8	25.0%
Consolidation eliminations	(6)	(6)	(6)	0.0%	0.0%	(12)	(12)	0.0%
<b>Total</b>	<b>388</b>	<b>390</b>	<b>377</b>	<b>-0.5%</b>	<b>2.9%</b>	<b>779</b>	<b>727</b>	<b>7.1%</b>

Cost relating to satellite and related services for Q2/2023 was Baht 390 million, not significantly different from that of Q1/2023 (QoQ) of Baht 391 million. However, Q2/2023, cost relating to satellite and related services for Q2/2023 increased by 2.4% from Baht 381 million for Q2/2022 (YoY), due to higher repair and maintenance cost.

During the first half of 2023, the Company has relating to satellite and related services of Baht 781 million, increased by 6.7% compared to that of the first half of 2022 (YoY) of Baht 732 million due to higher repair and maintenance cost.

#### Cost of internet and media services

Cost relating to the internet and media services for Q2/2023 was Baht 5 million, equivalent to that of Q1/2023 (QoQ) and Q2/2022 (YoY).

#### Selling and administrative expenses

The SG&A expenses, including directors and management benefits, were Baht 216 million for Q2/2023, not significantly different from that of Q1/2023 (QoQ). In Q2/2023, the SG&A expenses increased by 15% from Baht 188 million in Q1/2022 (YoY) due to the increase of expenses related to professional fees, staff, and others.

#### Finance costs

Finance costs for Q2/2023 were Baht 30 million, not significantly different from that of Q1/2023 (QoQ) of Baht 34 million and Q2/2022 (YoY) of Baht 28 million.

#### Share of profit of investment in joint venture

The share of profit (loss) of investment in subsidiaries and joint ventures consisted of those from LTC, Nation Space and Technology Co.,Ltd and ATI Technologies Co.,Ltd

In Q2/2023, the share of loss from investments in joint ventures was Baht (59) million, mainly due to losses from investments in the Laotian telephone business (LTC). Although LTC's revenue grew compared to that of Q1/2023 (QoQ) and Q2/2022 (YoY), and the Company continued to generate operating profit, the significant increase in interest rates caused Shenington Investments Pte Ltd.'s financial costs to rise, resulting in the realization of a share of loss in the joint venture.

#### Profit attributable to the owner of the Company (Net profit)

Thaicom Public Company Limited ("the Company") reported the net profit attributable to the owner of the Company for Q2/2023 of Baht 457 million, marking a 409.8% increase from Q1/2023's (QoQ) net profit of Baht 90 million. Additionally, there was a 47.8% increase compared to the net profit in Q2/2022 (YoY) of Baht 309 million. The main reason was the recognition of the compensation with a business partner as other income of Baht 301

million arising from a dispute in the agreement. The Company obtained an award in its favor in the arbitration overseas and this ruling was upheld by the highest court in June 2023. The Company thus recognized the compensation as other income.

During the first half of 2023, the Company had net profit of Baht 546 million, increased by 51.8% compared to that of the first half of 2022 (YoY) of Baht 360 million, due to the recognition of the mentioned compensation as other income.

The Company reported a core profit<sup>1</sup> of Baht 60 million for Q2/2023, marking a 54.4% decrease compared to the profit of Baht 131 million in Q1/2023 (QoQ), and a 71.6% decrease compared to the profit of Baht 210 million in Q2/2022 (YoY). The main contributing factors to these declines were reductions in revenue from the sales of goods and the rendering of services. In Q2/2023, revenue from the sales of goods and rendering of services amounted to Baht 636 million, showing a decrease of 13.4% and 13.8% compared to Q1/2023 (QoQ) and Q2/2022 (YoY), respectively. This decrease was primarily due to the ramp-down of revenue from broadband services provided by the Thaicom 4 customers in such areas that were out of the planned coverage of follow-on satellites.

During the first half of 2023, the Company has core profit<sup>1</sup> of Baht 189 million decreased by 37.7% compared to the first half of 2022 (YoY) of Baht 301 million due to the ramp-down of the revenue of broadband services.

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#### 4. Financial Position

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As at the end of Q2/2023, the Company reported total assets of Baht 14,732 million, decreased by 0.9% from Baht 14,850 million as at the end of 2022, mainly due to the decrease of trade and other receivables.

##### Asset components

Assets	30 June 2023		31 December 2022	
	Amount Unit: Baht million (Baht million)	% of Total Assets	Amount (Baht million)	% of Total Assets
Current assets	7,331	50.6%	7,474	51.6%
Property, plant and equipment	2,208	15.2%	2,276	15.7%
Right-of-use assets*	1,503	10.4%	1,589	11.0%
Intangible assets	886	6.0%	53	0.4%

\*Right-of-use assets including satellite's transponders, plant, buildings and vehicles

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<sup>1</sup> Core profit means profit attributable to owner of the Company before unrealized gain (loss) on exchange rate of the Company and joint ventures, and before extra items.

#### Trade and other receivables

As at the end of Q2/2023, the Company had trade and other current receivables of Baht 904 million, or 6.1% of total assets, a decrease of 39.1% from Baht 1,483 million as at the end of 2022, mainly due to debt collection from foreign customers.

#### Liquidity

As at the end of Q2/2023, the Company had a current ratio of 4.5x, increased from that of the end of 2022 of 4.0x due to the decrease of both current assets and current liabilities.

#### Right-of-use assets

As at the end of Q2/2023, the Company had right-of-use assets of Baht 1,449 million or 9.8% of total assets. This was mainly the right-of-use from the agreement to purchase part of the bandwidth capacity on Thaicom 4 and Thaicom 6 Satellites after the expiry of the concession, and the capacity on the foreign satellite operators leased for the Company's customers. The right-of-use assets decreased 8.8% from Baht 1,589 million as at the end of 2022 due to the amortization of right-of-use satellite assets.

#### Intangible assets

As at the end of Q2/2023, the Company had Intangible assets of Baht 886 million or 6.0% of total assets increased 1558% from Baht 53 million as at the end of 2022 main reason from the right to access the satellite orbital slots at 119.5 and 78.5 degrees East.

#### Borrowings and shareholders' equity

The Company's net borrowings as at the end of Q2/2023 were Baht 673 million, a decrease of 22.8% from Baht 872 million as at the end of 2022, mainly attributable to the repayment of long-term loans for the satellite projects.

The Company's shareholders' equity as at the end of Q2/2023 was Baht 10,459 million, decreased by 0.9% as at the end of 2022 at Baht 10,553 million, reflecting from consolidated net profit offsetting with the annual dividend payment.

The Company's ratio of net borrowings to equity was 0.4x, stabled from that of the end of 2022.

#### Cash Flows

The Company had a net cash inflow from operating activities of Baht 839 million as at the first half of 2023, a decrease of 35.3% compared to Baht 1,297 million as at the first half of 2022 due to during the first half of 2022, a significant amount of foreign trade receivables was collected as customers began to have the capacity to repay debts after the Covid-19 situation.

Net cash provided (used) in investing activities as at the first half of 2023 was Baht (261) million, a decrease compared to Baht 879 million as at the first half of 2022. The main reason was the prepayment for equipment for a new satellite and the payment for the rights to utilize the satellite orbital slots at 119.5 and 78.5 degrees East, along with, during the first half of 2022, the Company received cash from other current financial assets via the sale of other current financial assets.

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Net cash provided (used) in financing activities as at the first half of 2023 was Baht (949) million. The majority of which consisted of dividends paid and loan repayments.

The Company had cash and cash equivalents, along with short-term investments, totaling Baht 5,583 million as at the end of Q2/2023.

This document contains certain forward-looking statements. They refer to future events and to the future financial performance of the Companies. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue." Although the Companies believe that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.