THAICOM

MANAGEMENT'S DISCUSSION AND ANALYSIS

Thaicom Public Company Limited

Management's Discussion and Analysis for Q2/2026

Thaicom Public Company Limited

1. Economic Overview

During the first half of 2026, the Baht fluctuated in line with global economic conditions and changes in the monetary policies of major economies. In the second quarter, the Baht depreciated against the U.S. dollar following the strengthening of the U.S. dollar, as market expectations shifted toward a higher-for-longer interest rate outlook by the U.S. Federal Reserve. This was further supported by geopolitical uncertainties and capital outflows from emerging markets. Meanwhile, the Bank of Thailand maintained its policy interest rate to support the domestic economic recovery. As a result, during the second quarter and the first half of 2026, the Baht weakened against the U.S. dollar due to the appreciation of the U.S. dollar and continued uncertainty surrounding external factors.

2. Company's Performance Overview

In Q2/2026, the Company reported revenue from sales and services of Baht 497 million, representing an increase of Baht 44 million, or 9.7%, from Baht 453 million in Q1/2026 (QoQ). The increase was primarily driven by higher revenue from satellite and related services provided to domestic customers, particularly revenue from the construction project to expand the ground station for Globalstar to support its new communication technologies and services, as well as revenue recognized based on the progress of the antenna system and ground operation system procurement project for the Geo-Informatics and Space Technology Development Agency ("GISTDA"). However, compared to Baht 535 million in Q2/2025 (YoY), revenue from sales of goods and rendering of services decreased by Baht 38 million, or 7.1%, primarily due to the slowdown in broadcast revenue in line with weaker market demand, as well as lower revenue from overseas customers.

The Company reported a net loss attributable to the owners of the Company of Baht 87 million in Q2/2026, compared to a net profit of Baht 588 million in Q1/2026 (QoQ). This was primarily because, in Q1/2026, the Company recognized other income from interest related to the delayed withholding tax refund and the withholding tax refund received from the Indian tax authority, which were one-time items recognized only during that quarter. Compared to a net loss of Baht 207 million in Q2/2025 (YoY), the Company's net loss decreased significantly, primarily due to lower net foreign exchange loss. In Q2/2025, the Company recognized a net foreign exchange loss of Baht 209 million resulting from the appreciation of the Thai Baht against the U.S. dollar. Excluding these items, the Company reported a core operating loss[1] of Baht 93 million, primarily due to lower revenue from the broadcast business, in line with weaker market demand.

Regarding the overseas telephone business, the Company recognized a share of loss from investments in joint ventures of Baht 4 million in Q2/2026, compared to Baht 23 million in Q1/2026 (QoQ) and Baht 9 million in Q2/2025 (YoY). This improvement was primarily attributable to the stronger operating performance of Lao Telecommunications Public Company ("LTC"). Nevertheless, the Company continued to recognize a share of loss from its investment in the joint venture, primarily due to finance costs from interest expenses incurred by Shenington Investments Pte. Ltd. ("SHEN"). In the long term, the Company continues to benefit from the telecommunications tariff restructuring policy implemented by the Ministry of Technology and Communications of the Lao People's Democratic Republic ("Lao PDR"), which is expected to support the continued recovery of the share of loss from investments in joint ventures.

[1] *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.*

Utilization of Thaicom's satellites

As of the end of Q2/2026, the Company's satellites operating under telecommunications business licenses, namely THAICOM 7 and THAICOM 8, recorded a combined utilization rate of 62.0%, compared with the satellites' total service capacity. This remained at a level comparable to 61.9% at the end of Q1/2026, reflecting a slight increase driven by higher utilization from overseas customers.

Internet and media Services

The revenue from internet and media services is mainly derived from Thai Advance Innovation Company Limited ("ThaiAI"), consisting of the income from the sale of set-top-boxes and related equipment, including the sale and rental services for internet platforms such as IPTV channels, video streaming, eSport, and Geospatial Intelligence ("GEOINT").

Revenue from Internet and media services in Q2/2026 amounted to Baht 3 million, representing a significant increase from Baht 0.5 million in Q1/2026 (QoQ), primarily because the Company recognized higher revenue from the eSport platform during the quarter.

Telephone business abroad

LTC, which maintains the largest market share in the mobile and telecommunications business in the Lao PDR, continued to deliver improved operating performance. Revenue and net profit in Q2/2026 increased significantly compared with both the previous quarter and the corresponding period of the previous year. As of the end of Q2/2026, LTC and TPlus Digital Company Limited ("TPlus") had a combined total of 2.5 million mobile subscribers, remaining at a level comparable to that at the end of 2025.

3. Consolidated Operating Results

Summary of key financial information

Unit: Baht million	Amount			Change		Amount		Change
	Q2 2026	Q1 2026	Q2 2025	%QoQ	%YoY	6M 2026	6M 2025	%YoY
Revenues from sale of goods and rendering of services	412	418	535	-1.4%	-23.0%	829	1,034	-19.8%
Revenue from construction services	85	35	-	142.9%	N/A	120	-	N/A
Other income	2	505	2	-99.6%	0.0%	507	242	109.5%
Total Revenue	**499**	**958**	**537**	**-47.9%**	**-7.1%**	**1,456**	**1,276**	**14.1%**
Cost of sale of goods and rendering of services	(335)	(324)	(361)	3.4%	-7.2%	(659)	(735)	-10.3%
Cost of construction services	(67)	(34)	-	97.1%	N/A	(102)	-	N/A
Selling and administrative expenses(1)	(174)	(174)	(179)	0.0%	-2.8%	(347)	(377)	-8.0%
Net gain (loss) from foreign exchange	1	221	(209)	-99.5%	-100.5%	222	(234)	-194.9%
Profit (loss) from operating activities	(76)	647	(212)	-111.7%	-64.2%	570	(70)	-914.3%
Profit (loss) from operating activities before interest, tax, and depreciation and amortization ("EBITDA")(2)	17	18	85	-5.6%	-80.0%	34	101	-66.3%
Financial income	42	37	51	13.5%	-17.6%	79	100	-21.0%
Financial costs	(16)	(18)	(18)	-11.1%	-11.1%	(34)	(37)	-8.1%
Reversal of loss on impairment based on Thai Financial Reporting Standard No.9	(9)	(33)	(1)	-72.7%	800.0%	(43)	(1)	4200.0%
Share of profit (loss) of investment in subsidiaries and joint ventures	(4)	(23)	(9)	-82.6%	-55.6%	(27)	(35)	-22.9%
Profit (loss) before income tax expense	(63)	610	(189)	-110.3%	-66.7%	545	(43)	-1367.4%
Income tax expense	(24)	(22)	(18)	9.1%	33.3%	(46)	(46)	0.0%
Profit attributable to the owners of the Company (Net Profit)	(87)	588	(207)	-114.8%	-58.0%	499	(89)	-660.7%
Less: Unrealized gain (loss) on exchange rate of the Company	4	209	(214)	-98.1%	-101.9%	212	(239)	-188.7%
Less: Unrealized gain (loss) on exchange rate of joint ventures	2	(6)	(5)	-133.3%	-140.0%	(5)	(2)	150.0%
Core profit (loss)	(93)	385	12	-124.2%	-875.0%	292	152	92.1%
Core profit (loss) from satellite business(3)	(89)	408	20	-121.8%	-545.0%	319	187	70.6%
Basic earnings (loss) per share (Baht)	(0.08)	0.54	(0.19)	-114.9%	-57.8%	0.46	(0.08)	-675.0%

(1) Selling and administrative expenses include selling and administrative expenses as well as directors' and management remuneration.

(2) Excludes other income, foreign exchange gain (loss), and impairment and amortization, specifically related to buildings, equipment, and intangible assets.

(3) Excludes non-satellite businesses and the share of loss from the telecommunications business.

Revenue from sales of goods and rendering of services

The consolidated revenue from sales and rendering of services in Q2/2026 amounted to Baht 497 million, representing an increase of 9.7% from Baht 453 million in Q1/2026 (QoQ), primarily due to higher revenue from satellite and related services from domestic customers. However, compared to Baht 535 million in Q2/2025 (YoY), revenue from sales of goods and rendering of services decreased by 7.1%, mainly attributable to lower revenue from domestic broadcasting business, in line with weaker market demand, as well as lower revenue from international customers.

For the first half of 2026, revenue from sales of goods and rendering of services amounted to Baht 949 million, representing a decrease of 8.2% compared to Baht 1,034 million in the first half of 2025 (YoY). The decrease was primarily attributable to lower revenue from the domestic broadcast business, in line with the declining market demand, as well as a decrease in revenue from international customers.

Revenue from sales of goods and rendering of services Unit: Baht million	Q2 2026	Q1 2026	Q2 2025	%QoQ	%YoY	6M 2026	6M 2025	%YoY
Satellite and related services	494	453	523	9.1%	-5.5%	947	1,022	-7.3%
Internet and media services	3	0.5	17	500.0%	-82.4%	2	19	-89.5%
Consolidation eliminations	-	-	(5)	N/A	-100.0%	-	(7)	-100.0%
Total	497	454	535	9.6%	-7.1%	949	1,034	-8.2%

After the expiry of the concession, revenue from satellite and related services was composed 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. Additionally, there was revenue from satellite services from part of bandwidth purchased on THAICOM 4 and THAICOM 6 satellites from National Telecom Public Company Limited ("NT"), including bandwidth purchased from international satellite service providers to continue providing seamless service for both broadcast and broadband.

Revenue from satellite and related services in Q2/2026 amounted to Baht 494 million, representing an increase of 9.1% from Baht 453 million in Q1/2026 (QoQ) and a decrease of 5.5% from Baht 523 million in Q2/2025 (YoY). Compared to the previous quarter, the increase was primarily driven by revenue from the construction project to expand the ground station for Globalstar. The Company had previously constructed the ground station, and this expansion is intended to support Globalstar's new communication technologies and services, as well as related services. In addition, the increase was supported by revenue recognized based on the progress of the antenna system and ground system procurement project for GISTDA. Compared to the corresponding period of the previous year, the decrease was mainly attributable to lower revenue from the broadcasting business, in line with weaker market demand, as well as lower revenue from international customers.

For the first half of 2026, revenue from satellite and related services amounted to Baht 947 million, representing a decrease of 7.3% compared to Baht 1,022 million in the first half of 2025 (YoY). The decrease was primarily attributable to lower revenue from the domestic broadcast business, in line with the declining market demand, as well as a decrease in revenue from international customers.

Internet and media Services

Revenue from internet and media services in Q2/2026 amounted to Baht 3 million, representing a significant increase from Baht 0.5 million in Q1/2026 (QoQ). The increase was primarily attributable to higher revenue recognized from the eSport platform in Q2/2026.

Other Income

Other income in Q2/2026 amounted to Baht 2 million, representing a decrease of Baht 505 million from Q1/2026 (QoQ), while remaining at the same level as Baht 2 million in Q2/2025 (YoY). The decrease compared to the previous quarter was primarily attributable to interest income from the late refund of withholding tax and the withholding tax refund received from the Indian Revenue Department following the conclusion of the tax dispute, which was recognized as other income in the statement of profit or loss in Q1/2026 (for further details, please refer to Note 11 to the Q1/2026 financial statements).

Cost of sales of goods and rendering of services

Total cost of sales and services in Q2/2026 amounted to Baht 402 million, representing an increase of 12.3% from Baht 358 million in Q1/2026 (QoQ) and an increase of 11.4% from Baht 361 million in Q2/2025 (YoY). The increase was primarily attributable to higher construction costs incurred for the expansion of the Globalstar ground station, in line with the revenue recognition from the project.

For the first half of 2026, total cost of sales and services amounted to Baht 760 million, representing an increase of 3.4% compared to Baht 735 million in the first half of 2025 (YoY). The increase was in line with higher revenue recognition.

Cost of sales of goods and rendering of services Unit: Baht million	Q2 2026	Q1 2026	Q2 2025	%QoQ	%YoY	6M 2026	6M 2025	%YoY
Satellite and related services	399	355	352	12.4%	13.4%	754	726	3.9%
Internet and media services	3	3	14	0.0%	-78.6%	6	16	-62.5%
Consolidation eliminations	-	-	(5)	N/A	-100.0%	-	(7)	-100.0%
Total	402	358	361	12.3%	11.4%	760	735	3.4%

Cost of internet and media services

Cost of internet and media services in Q2/2026 amounted to Baht 3 million, remaining at the same level as Q1/2026 (QoQ), while decreasing from Baht 14 million from Q2/2025 (YoY). The decrease compared to the corresponding period of the previous year was primarily attributable to project-related expenses recognized in Q2/2025 in connection with the collaboration project with the Agricultural Research Development Agency ("ARDA") and GISTDA.

Selling and administrative expenses

Selling and administrative expenses, including directors' and management compensation, amounted to Baht 174 million in Q2/2026, remaining at the same level as Q1/2026 (QoQ), while decreasing from Baht 179 million in Q2/2025 (YoY). The decrease was primarily attributable to lower staff-related expenses.

Finance costs

Finance costs in Q2/2026 amounted to Baht 16 million, decreased from Q1/2026 (QoQ) and Q2/2025 (YoY), which amounted to Baht 18 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 the telecommunications business in the Lao PDR or LTC, Nation Space and Technology Co., Ltd. (“NSAT”) and ATI Technologies Co., Ltd. (“ATI”).

Regarding the overseas telephone business, the Company recognized a share of loss from investments in joint ventures of Baht 4 million in Q2/2026, compared to Baht 23 million in Q1/2026 (QoQ) and Baht 9 million in Q2/2025 (YoY). This improvement was primarily attributable to the stronger operating performance of LTC. Nevertheless, the Company continued to recognize a share of loss from its investment in the joint venture, primarily due to finance costs from interest expenses incurred by SHEN. In the long term, the Company continues to benefit from the telecommunications tariff restructuring policy implemented by Lao PDR, which is expected to support the continued recovery of the share of loss from investments in joint ventures.

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

The Company reported a net loss attributable to the owners of the Company of Baht 87 million in Q2/2026, compared to a net profit of Baht 588 million in Q1/2026 (QoQ). This was primarily because, in Q1/2026, the Company recognized other income from interest related to the delayed withholding tax refund and the withholding tax refund received from the Indian tax authority, which were one-time items recognized only during that quarter. Compared to a net loss of Baht 207 million in Q2/2025 (YoY), the Company's net loss decreased significantly, primarily due to lower net foreign exchange loss. In Q2/2025, the Company recognized a net foreign exchange loss of Baht 209 million resulting from the appreciation of the Thai Baht against the U.S. dollar. Excluding these items, the Company reported a core operating loss[1] of Baht 93 million, primarily due to lower revenue from the broadcast business, in line with weaker market demand.

[1] *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.*

4. Financial Position

As of the end of Q2/2026, the Company had total assets of Baht 17,130 million, representing a decrease of 1.2% from Baht 17,332 million as of the end of 2025. The decrease was primarily attributable to a reduction in other current financial assets, as well as cash and cash equivalents.

Asset components

Assets Unit: Baht million	30 June 2026		31 December 2025	
	Amount (Baht million)	% of Total Assets	Amount (Baht million)	% of Total Assets
Current assets	4,909	28.66%	5,095	29.39%
Property, plant and equipment	5,939	34.67%	5,979	34.50%
Right-of-use assets*	780	4.55%	999	5.76%
Intangible assets	701	4.09%	728	4.20%

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

Trade and other receivables

As of the end of Q2/2026, trade receivables and other current receivables amounted to Baht 1,273 million, representing 7.4% of total assets, increasing slightly from Baht 1,268 million as of the end of 2025. The increase was primarily attributable to higher trade receivables in line with the billing cycle for services rendered.

Liquidity

As of the end of Q2/2026, the Company's current ratio was 2.9 times, increasing from 1.6 times as of the end of 2025. The increase was primarily attributable to a significant decrease in current liabilities, particularly short-term borrowings from financial institutions, which declined from Baht 2,129 million as of the end of 2025 to Baht 415 million as of the end of Q2/2026 following the repayment of short-term borrowings during the period.

Right-of-use assets

As of the end of Q2/2026, the Company had right-of-use assets of Baht 780 million, representing 4.5% of total assets. These mainly comprised rights to use satellite transponders under agreements to purchase partial bandwidth on THAICOM 4 and THAICOM 6 following the expiration of the domestic satellite concession agreement, as well as rights to use foreign satellites to provide services to the Company's customers. Right-of-use assets decreased from Baht 999 million as of the end of 2025 due to the amortization of satellite usage rights.

Borrowings and shareholders' equity

As of the end of Q2/2026, the Company had total borrowings from financial institutions of Baht 3,018 million, increasing from total borrowings of Baht 2,659 million as of the end of 2025. The borrowings were primarily used to finance investments in the Company's new satellite projects.

Shareholders' equity attributable to the owners of the Company amounted to Baht 10,531 million as of the end of Q2/2026, representing an increase of 4.4% from Baht 10,087 million as of the end of 2025. The increase was primarily attributable to higher retained earnings.

The Company's debt-to-equity ratio improved to 0.6 times from 0.7 times as of the end of 2025, primarily attributable to the increase in shareholders' equity resulting from the Company's operating performance during the period.

Cash Flows

Net cash provided by operating activities for the six-month period ended 30 June 2026 amounted to Baht 234 million, decreasing from Baht 488 million in the corresponding period of the previous year (YoY). The decrease was primarily attributable to an increase in trade receivables and other current receivables.

Net cash used in investing activities for the six-month period ended 30 June 2026 amounted to Baht (833) million, compared with net cash provided by investing activities of Baht 272 million in the corresponding period of the previous year (YoY). The change was primarily attributable to an increase in cash receipts from other current financial assets and long-term deposits with financial institutions.

Net cash provided by financing activities for the six-month period ended 30 June 2026 amounted to Baht 394 million, increasing from Baht 110 million in the corresponding period of the previous year (YoY), primarily due to proceeds from short-term borrowings from financial institutions.

As of 30 June 2026, the Company had cash and cash equivalents, together with short-term investments, totaling Baht 3,195 million.

5. Investment Information

Sustainability policy and targets

The Company has established a sustainability pathway to continue creating value and economic growth in alignment with the United Nations Sustainable Development Goals ("SDGs") and international standards, including corporate sustainability reporting guidelines under the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand's sustainability assessment principles. The Company has implemented a sustainability development policy as a framework for demonstrating accountability to society and the environment, supporting stable and continuous growth, stakeholder trust, and ESG-aligned business operations across three dimensions: (1) Environmental, (2) Social, and (3) Governance and Economic.

In the previous year, the Company was honored to receive the SET Awards 2025 from the Stock Exchange of Thailand ("SET"). The Company received the "Highly Commended Sustainability Awards" in the Sustainability Excellence category for the second consecutive year. Furthermore, the Company was granted the Business Excellence Award in the "Outstanding Innovative Company Awards" category for CarbonWatch, a Space Tech innovation. CarbonWatch is a carbon credit assessment platform that integrates satellite technology with AI. The Company also received the "Sustainability Disclosure Award" for the year 2025 from the Thaipat Institute, reflecting the Company's commitment to sustainable business development. Additionally, the Company maintained its "AAA" rating in the SET ESG Ratings 2025 for the third consecutive year—the highest level within the Information and Communication Technology sector.

Provident Fund

The Company prioritizes the welfare and long-term financial security of its employees by establishing a Provident Fund in accordance with the Provident Fund Act. This initiative is an integral part of our human resource management strategy, aimed at fostering employee engagement, retaining high-potential talent, and promoting disciplined saving for sustainable retirement readiness. The Company's contribution policy is structured based on years of service to incentivize participation, complemented by regular educational activities on financial planning and investment to build confidence in fund management. Furthermore, the Company ensures full, transparent, and standardized disclosure regarding the Provident Fund in its annual report, following the SEC's guidelines. This reflects our commitment to stakeholder responsibility and aligns with Environmental, Social, and Governance ("ESG") principles—particularly the social dimension in enhancing employees' quality of life and well-being, which drives long-term corporate stability and growth. As of 2025, a total of 274 employees participated in the fund, representing 91.95% of all eligible staff.

Factors or events that may affect future operations or financial position and the Company's approach to managing emerging risks

Climate change risk

Climate change is a global issue and an emerging risk. The Company integrates climate-related risk management into its enterprise-wide risk management process under the oversight of the Risk Management Committee, the Audit and Risk Committee, and the Board of Directors. The Company assesses both physical risks from natural disasters and transition risks and opportunities associated with the shift toward a low-carbon economy, in line with the principles of the Task Force on Climate-related Financial Disclosures ("TCFD").

Financial Risks

Foreign exchange risk

The Company provides services both domestically and internationally, with certain revenue streams denominated in foreign currencies, while certain expenses and borrowings are also in foreign currencies. As a result, the Company is exposed to foreign exchange risk, which may affect financial performance and cash flow. However, the Company mitigates this risk in part through natural hedging by netting foreign currency inflows and outflows. Where appropriate, the Company may consider additional hedging instruments based on its net foreign currency exposure, including foreign exchange forward contracts, options, and cross-currency and interest rate swaps.