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## I. Overview

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### Performance overview

Thaicom Plc (the Company or THCOM)'s consolidated revenue from sales of goods and rendering of services for Q2/2020 was Baht 873 million, dropped by 28.2% from Baht 1,217 million for Q2/2019, regarding the lower revenue from satellite and related services from both conventional and broadband satellites, also a decline of internet and media services from divestment of Cambodian DTV Network Company Limited (CDN) in 2019. Compared with Q1/2020, the consolidated revenue from sales of goods and rendering of services decreased 9.5%, mainly due to a drop in revenue from lower usages of satellite and related services, especially broadband.

The Company's consolidated net profit for Q2/2020 was Baht 498 million, improved from the net loss for Q2/2019 of Baht (135) million, resulted from the recognition of the compensation income, together with the decrease of depreciation from Thaicom 5 satellite de-orbit and the impairment of other satellites in 2019. The consolidated net profit increased by 151.9% compared with that of Q1/2020 of Baht 198 million.

The normalized profit from operation was at Baht 2 million for Q2/2020, steadily maintained in comparison with Q2/2019, whereas it decreased by 96.4% from Baht 58 million for Q1/2020 owing to the decrease of revenue from sales and services.

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## II. Business Summary

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### Satellite and related Services

The overall utilization rate for Thaicom 6, Thaicom 7, and Thaicom 8, as at the end of Q2/2020 was 63%, down from 65% as at the end of Q1/2020. For broadband satellite, the Thaicom 4, the utilization rate was 19%, decreased from 21% as at the end Q1/2020, mainly from the drop of bandwidth consumption from foreign customers.

During Q2/2020, THCOM has developed the joint venture with 2 business partners, which are Nation Space and Technology Company Limited (NSAT) and ATI Technologies Company Limited (ATI).

On 26<sup>th</sup> June 2020, CAT Telecom Public Company Limited (CAT) and THCOM established NSAT to provide satellite and related services via Low Earth Orbit satellite systems. NSAT recorded its registered capital of Baht 10 million, divided into 1 million shares, at par value of Baht 10 per share, fully paid-up. The share proportion between THCOM and CAT was 75% and 25%, respectively.

On 21<sup>st</sup> July 2020, AI and Robotics Ventures Company Limited (ARV), a subsidiary of PTT Exploration and Production Public Company Limited and Thai Advance Innovation Company Limited (Thai AI), a subsidiary of THCOM, formed ATI to develop, produce, and distribute unmanned aerial vehicle (drone) for Thailand's agricultural sector. ATI recorded its registered capital of Baht 20 million, divided into 4 million shares, at par value of Baht 5 per share. The paid-up capital was at Baht 12 million. The share proportion between Thai AI and ARV was 50% each.

### Internet and media Services

The revenue from internet and media services solely comes from Thai Advance Innovation Co., Ltd (Thai AI), comprise of 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.

### Telephone business abroad

As of the end of Q2/2020, Lao Telecommunications Public Company (LTC), including TPLUS Digital Company Limited (TPLUS) had total combined mobile subscribers (excluded fixed wireless) of 1.51 million subscribers, continuous ranked No.1 with approximately 61.1% of total mobile's market share, slightly increased from 60.3% as at the end of Q2/2019.

### III. Consolidated Operating Results

#### Summary of key financial information of THCOM

Unit: Baht million	Amount			Changes		Amount		Change YoY (%)
	Q2/2020	Q1/2020	Q2/2019	QoQ (%)	YoY (%)	1H/20	1H/19	
Revenue from sales of goods and rendering of services	873	965	1,217	-9.5%	-28.2%	1,838	2,520	-27.1%
Cost of sales of goods and rendering of services	(662)	(671)	(925)	-1.3%	-28.4%	(1,334)	(1,887)	-29.3%
Normal SG&A expenses <sup>(1)</sup>	(197)	(212)	(298)	-7.0%	-34.0%	(408)	(501)	-18.5%
EBIT from normal operations	14	82	(7)	-83.0%	n/a	96	130	26.68%
Total other incomes <sup>(2)</sup>	768	67	110	1,047.8%	599.1%	835	162	415.2%
Gain (loss) from foreign exchange	(223)	238	(55)	n/a	n/a	15	(71)	n/a
Loss from asset impairment and write-off <sup>(3)</sup>	-	(98)	-	n/a	n/a	(98)	-	n/a
EBIT from operations	559	288	48	94.0%	1066.9%	847	222	281.8%
EBITDA from operations <sup>(4)</sup>	348	312	559	11.6%	-37.7%	660	1,006	-34.39%
Share of profit of investment in joint venture	17	3	(13)	417.9%	n/a	21	(17)	n/a
Financial costs	(47)	(53)	(82)	-11.0%	-42.8%	(100)	(165)	-39.6%
Profit (loss) attributable to owner of the Company	498	198	(135)	151.9%	n/a	695	(168)	n/a
Earnings (loss) per share (Baht)	0.45	0.18	(0.12)	151.9%	n/a	0.63	(0.15)	n/a
Extra items – net of tax - Loss from asset impairment and write-off - Gain (loss) from foreign exchange - Written-off of deferred tax asset - Compensation income	496	140	(137)	254.3%	n/a	636	(178)	n/a
Normalized profit	2	58	2	-96.4%	0.8%	60	17	243.8%

- (1) Normal SG&A expenses were selling and administrative expenses, including directors and management benefit expenses.
- (2) Total other incomes for Q2/2020 comprised of interest income of Baht 20 million, financial income of Baht 22 million, and other income of Baht 727 million, of which the majority was the compensation income.
- (3) The loss from asset write-off of Baht 98 million in Q1/2020 was from the advance payment of the satellite life-extension service.
- (4) Exclude other incomes, gain (loss) from foreign exchange, asset impairment and write-off.

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

Consolidated revenue from sales of goods and rendering of services for Q2/2020 was Baht 873 million, a decrease of 28.2% from Baht 1,217 million for Q2/2019 mainly from a drop of revenue from satellite and internet and media services. Compared to Q1/2020, a decline of 9.5% revenue from Baht 965 million, mainly caused by the lower revenue from satellite services.

For half-year comparison, the consolidated revenue from sales of goods and rendering of services was Baht 1,838 million decreased by 27.1% from Baht 2,520 million for 1H/2019, mainly due to a decrease of both satellite and internet and media services.

Revenue from sales of goods and rendering of services Unit: Baht million	Q2/2020	Q1/2020	Q2/2019	QoQ (%)	YoY (%)	1H/20	1H/19	YoY (%)
Satellite and related services	872	963	1,189	-9.4%	-26.7%	1,835	2,467	-25.6%
Internet and media services	7	7	47	0.0%	-85.1%	14	86	-83.7%
Consolidation eliminations	(6)	(5)	(19)	20.0%	-68.4%	(11)	(33)	-66.7%
<b>Total</b>	<b>873</b>	<b>965</b>	<b>1,217</b>	<b>-9.5%</b>	<b>-28.2%</b>	<b>1,838</b>	<b>2,520</b>	<b>-27.1%</b>

### Satellite and related services

Revenue from satellite and related services for Q2/2020 was Baht 872 million, a drop of 26.7% from Baht 1,189 million for Q2/2019, contributed by a decrease of customer demand for both conventional and broadband satellite services, along with the effect of revenue loss from the Thaicom 5's customers which could not be migrated to other satellites under the company's services, while a decrease of 9.4% from Baht 963 million for Q1/2020 was mainly due to a decrease of broadband satellite services.

For 1H/2020, the revenue from satellite and related services was Baht 1,835 million, decreased by 25.6% from Baht 2,467 million for 1H/2019. This was contributed by a decline of revenue in both conventional and broadband satellite services.

Satellite and related services Unit: Baht million	Q2/2020	Q1/2020	Q2/2019	QoQ (%)	YoY (%)	1H/20	1H/19	YoY (%)
Conventional*	533	541	656	-1.6%	-18.8%	1,075	1,304	-17.6%
Thaicom 4 Broadband	339	422	532	-19.7%	-36.4%	760	1,162	-34.6%
Services	336	395	495	-14.8%	-32.1%	731	1,049	-30.3%
Sales	2	27	38	-91.0%	-93.6%	29	114	-74.2%
<b>Total</b>	<b>872</b>	<b>963</b>	<b>1,189</b>	<b>-9.4%</b>	<b>-26.7%</b>	<b>1,835</b>	<b>2,467</b>	<b>-25.6%</b>

\* Includes the Thaicom 5, 6, 7, and 8 satellites and rental satellites. The Thaicom 5 satellite was de-orbited on 26 February 2020.

- Revenue from the conventional satellites and related services for Q2/2020 was Baht 533 million, decreased by 18.8% from Baht 656 million for Q2/2019. This was caused by the loss of customer affected from the Thaicom 5 satellite de-orbit, together with lower usages of broadcast customers. Compared to Q1/2020, the revenue from conventional satellites and related services decreased by 1.6% from Baht 541 million, mainly from foreign customers, offsetting with additional revenue from domestic clients.

The revenue from conventional satellites and related services for 1H/2020 was Baht 1,075 million, dropped by 17.6% from Baht 1,304 million for 1H/2019.

- Revenue from the Thaicom 4 broadband satellite and related services for Q2/2020 was Baht 339 million, decreased by 36.4% from Baht 532 million for Q2/2019 and decreased by 19.7% from Baht 422 million for Q1/2020, due to the ramp down of utilization and lower sales income from foreign customers.

Subsequently, the revenue for 1H/2020 also decreased by 34.6% from Baht 760 million for 1H/2019 to Baht 1,162 million for 1H/2020.

### Internet and media services

For Q2/2020, the revenue from Internet and media services was Baht 7 million, decreased by 85.1% from Baht 47 million for Q2/2019 in comparison. This was mainly from the sale of investment in CDN in 2019. The revenue from internet and media services was of indifferent change as compared to Q1/2020.

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

The Company reported consolidated cost of sales of goods and rendering of services for Q2/2020 of Baht 662 million, decreased by 28.4% compared to Baht 925 million for Q2/2019, also dropped 1.3% compared to Baht 671 million for Q1/2020, regarding the drop of revenue from satellite business and internet and media services, together with the decrease of depreciation expense after the recognition of satellite assets impairment in 2019.

For the half-year comparison, the cost for 1H/2020 was Baht 1,334 million, which decreased by 29.3% from Baht 1,887 million for 1H/2019. This was corresponding to the decrease of revenue, together with the decrease of depreciation expense.

Cost of sales of goods and rendering of services Unit: Baht million	Q2/2020	Q1/2020	Q2/2019	QoQ (%)	YoY (%)	1H/20	1H/19	YoY (%)
Satellite and related services	665	674	903	-1.4%	-26.4%	1,339	1,842	-27.3%
Internet and media services	3	3	41	0.0%	-92.7%	6	78	-92.3%
Consolidation eliminations	(6)	(6)	(19)	0.0%	-68.4%	(12)	(33)	-63.6%
<b>Total</b>	<b>662</b>	<b>671</b>	<b>925</b>	<b>-1.3%</b>	<b>-28.4%</b>	<b>1,334</b>	<b>1,887</b>	<b>-29.3%</b>

#### Cost of satellite and related services

Cost relating to satellite and related services for Q2/2020 was Baht 665 million, decreased by 26.4% from Baht 903 million for Q2/2019, mainly due to the decrease of depreciation and amortization of satellite assets. This was affected from the impairment of satellite assets and equipment both conventional and broadband service in 2019. The cost also decreased 1.4% compared to Baht 674 million for Q1/2020 following a drop of revenue.

For 1H/2020, the cost of relating to satellite and related services was Baht 1,339 million, which decreased by 27.3% from Baht 1,842 million for 1H/19 due to the decrease of cost relating to both conventional and broadband satellites.

Satellite and related services Unit: Baht million	Q2/2020	Q1/2020	Q2/2019	QoQ (%)	YoY (%)	1H/20	1H/19	YoY (%)
Conventional*	340	347	488	-2.1%	-30.3%	688	969	-29.0%
Thaicom 4 Broadband	324	327	415	-0.8%	-21.9%	651	873	-25.4%
<b>Total</b>	<b>665</b>	<b>674</b>	<b>903</b>	<b>-1.4%</b>	<b>-26.4%</b>	<b>1,339</b>	<b>1,842</b>	<b>-27.3%</b>

\* Includes the Thaicom 5, 6, 7, and 8 satellites and rental satellites. The Thaicom 5 satellite was de-orbited on 26 February 2020.

- Cost relating to the conventional satellites and related services was Baht 340 million for Q2/2020, decreased by 30.3% compared with Baht 488 million for Q2/2019, due mainly to the decrease of revenue sharing to government following the revenue drop, together with the decrease of depreciation expense. While the cost relating to the conventional satellites, compared to the previous quarter, slightly dropped by 2.1% from Baht 347 million for Q1/2020 following the lower revenue.

For half-year comparison, the cost relating to the conventional satellites and related services decreased by 29% from Baht 969 million in 1H/2019 to Baht 688 million in 1H/2020.

- Cost relating to the Thaicom 4 Broadband Satellite and related services for Q2/2020 was Baht 324 million, a drop of 21.9% compared with Baht 415 million for Q2/2019, mainly due to a lower income, together with the drop of depreciation expense from the impairment of asset and equipment in 2019. Compared with the previous quarter, the cost gradually dropped by 0.8% from Baht 327 million for Q1/2020 due to the decline of income.

In a corresponding for half-year comparison, the cost relating to the Thaicom 4 Broadband Satellite and related services decreased by 25.4% from Baht 873 million in 1H/2019 to Baht 651 million in 1H/2020

#### Cost of internet and media services

Cost relating to the internet and media services for Q2/2020 was Baht 3 million, a drop of 92.7% from Baht 41 million for Q2/2019, owing to the divestment of CDN. The cost maintained equally to the previous quarter.

#### Selling and administrative expenses

The SG&A expenses, including directors and management benefit expenses, were Baht 197 million for Q2/2020, a drop of 34% from Baht 298 million for Q2/2019, due mainly to a decline of staff expenses together with marketing expenses. The SG&A also decreased 7% from Baht 212 million for Q1/2020, according to the decrease of legal fee.

### Finance costs

Finance costs for Q2/2020 were Baht 47 million, decreased 42.8% from Baht 82 million as at Q2/2019 due to repayment of debenture in Q4/2019, together with the repayment of long-term loans according to schedule.

### Share of profit of investment in joint venture

Share of profit of investment in joint venture was Baht 17 million for Q2/2020, increased from the loss of Baht (13) million for Q2/2019. The share of profit recognized was resulting from LTC's net profit increase due to the increase of market share and the relief of price war.

### Net profit

The Company's consolidated net profit for Q2/2020 was Baht 498 million, improved from the net loss for Q2/2019 of Baht (135) million, resulted from the recognition of the compensation income, together with the decrease of depreciation from Thaicom 5 satellite de-orbit and the impairment of other satellites in 2019. The consolidated net profit increased by 151.9% compared with that of Q1/2020 of Baht 198 million.

The normalized profit from operation excluding the extra items, i.e., foreign exchange, asset impairment and write-off, and the compensation income, the Company had normalized net profit from operation for Q2/2020 of Baht 2 million, maintained from to Q2/2019. On the contrary, a decrease of 96.4% from Baht 105 million in comparison with Q1/2020 was an effect from a decrease of revenue from sales and services.

## IV. Financial Position

As at the end of Q2/2020, the Company reported total assets of Baht 17,502 million, increased by 2.9% from Baht 17,011 million as at the end of 2019. This was mainly caused by the increase of other current financial assets, trade and other current receivables, and the recognition of the assets usage right according to TFRS16 Leases adopting.

### THCOM's major asset components

Major Assets Unit: Baht million	30 <sup>th</sup> June 2020		31 <sup>st</sup> December 2019	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	9,534	54.5%	8,460	49.7%
Property, plant and equipment	3,138	17.9%	3,313	19.5%
Intangible assets under operating agreement	971	5.5%	1,366	8.0%

### Trade and other receivables

As at the end of Q2/2020, the Company had net trade and other current receivables of Baht 1,998 million or 11.4% of total assets, an increase of 5.7% from Baht 1,890 million as at the end of 2019, mainly due to the delayed payment of foreign government entity.

### Liquidity

As at the end of Q2/2020, the Company had a current ratio of 5.57x, slightly increased from 5.54x as compared to the end of 2019, due to a rise of investment in current finance assets.

### Non-current assets

Total non-current assets as at the end of Q2/2020 was Baht 7,969 million, a drop of 6.8% from Baht 8,551 million as at the end of 2019. This was a result from addressing the depreciation and amortization of PP&E and the intangible assets.

In Q2/2020, there was the recognition of asset usage rights of Baht 142 million according to TFRS16 Leases adopting, comprised of the right of use for lands, office buildings and rented transponders from foreign satellites.

#### Borrowings and shareholders' equity

The Company's net borrowings as at the end of Q2/2020 were Baht 4,158 million, decreased 1.1% from Baht 4,203 million as at the end of 2019, due mainly to the long-term loans repayments according to schedule.

The Company's shareholders' equity as at the end of Q2/2020 was Baht 11,461 million, increased by 4.2% from Baht 10,995 million as at the end of 2019, mainly reflected from consolidated net profit, offsetting with the dividend payment.

As at the end of Q2/2020, the ratio of net borrowings to equity was 0.36x, slightly decreased from 0.38x as at the end of 2019.

#### Cash flows

Net cash provided by operating activities for 1H/2020 was Baht 1,435 million, an increase of 55.2% compared to 1H/2019, as a result of the rise of operating profit.

Net cash provided (used) by investing activities for 1H/2020 was Baht (695) million, most of which was the change of current investment together with interest income.

Net cash provided (used) in financing activities for 1H/2020 was Baht (580) million, mainly comprised of long-term loan repayment and dividend payment.

The Company had ending cash and cash equivalents, including the current investment or current financial assets, of Baht 6,589 million as at the end of Q2/2020.

*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.*