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*Management's Discussion and Analysis for 2020 Results  
Thaicom Public Company Limited*

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**I. Overview**

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The Board of Directors meeting no.2/2021, dated 5 February 2021, approved to propose to the shareholder's meeting the dividend for 2020 performance of Baht 219 million, or equivalent to Baht 0.20 per share.

*Performance overview*

The Company's consolidated revenue from sales of goods and rendering of services for 2020 was Baht 3,557 million, decreased 23.7% from Baht 4,663 million for 2019, resulting from the decrease of revenue from satellite and related services, which was due mainly to the Thaicom 5 satellite deorbit in February 2020. This resulted the service termination, especially foreign customers that were not able to migrate to Thaicom's other satellites. The decrease of revenue was also the results of a decline of digital television channels, together with the decrease of broadband services to foreign customers. In addition, the sale of investment of Cambodian DTV Network Limited (CDN) also caused the drop of revenue from internet and media services.

The Company focused on cost management to compensate with revenue drop. The consolidated net profit for 2020 was Baht 514 million, representing the earning per share of Baht 0.47. However, excluding the revenue and cost from extra items, the Company incurred normalized net profit (loss) of Baht (135) million, improving from the normalized net loss of Baht (304) million in 2019.

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**II. Business Summary**

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*Satellite and related Services*

The Company reported the end of service and completed the deorbiting of the Thaicom 5 satellite on 26 February 2020. The Thaicom 5 experienced a technical issue on 17 December 2019 that causing technical limitations to monitor the status of the satellite. The Company has performed several unsuccessful attempts to recover the satellite's technical incident ever since the anomaly occurred, resulting in the satellite manufacturer's opinion to deorbit the Thaicom 5 satellite. Thaicom 5 provided reliable satellite communication services for 14 years since its launch in May 2006.

The overall utilization rate as at the end of 2020 of the Company's conventional satellites, the Thaicom 6, Thaicom 7 and Thaicom 8, was 64%, increased from 55% as at the end of 2019, mainly due to Thaicom 5 satellite deorbiting. The utilization rate of the conventional satellites was adjusted from total capacity of 111 transponders to 71 transponders, resulting to an increase of the committed utilization for conventional satellites. Most of the Thaicom 5 satellite's customers were migrated to Thaicom's other satellites, including to the rented ones, although some cannot be migrated, i.e., some foreign and retail customers. For broadband satellite, the Thaicom 4, the utilization rate was 19%, down from 23% as at the end 2019, mainly from the decrease of bandwidth consumption and foreign customers churn.

On 25 June 2020, CAT Telecom Public Company Limited (CAT) (currently National Telecom Public Company Limited) and the Company established a company under the name of Nation Space and Technology Company Limited (NSAT) to provide services relating to satellite business. The share proportion between the Company and CAT was 75% and 25%, respectively. In December 2020, NSAT announced the launch of NAVA by NSAT to provide maritime digital solutions for ship and offshore operators across Thailand and Asia Pacific. The solutions aimed to improve operational efficiency out at sea, offer high-speed internet connectivity and safety, and enable improvement of vessel operations to bring reliable connectivity.

On 21 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 the Company, established a company named ATI Technologies Company Limited (ATI) to develop, produce, and distribute unmanned aerial vehicle (drone) for agricultural sector. The share proportion between Thai AI and ARV, each holds 50% and 50%, respectively. In December 2020, ATI announced "Aiang Drone" offering services for agricultural purpose. The drone's software was developed and designed by Thai engineers with a focus on full range of innovative agricultural services for Thailand. Drone solutions also included data analytic services with a development of advanced technology in order to enhance the sustainability and efficiency of Thailand's industry.

Furthermore, the Company has collaborated, via Thai AI, with Thailand Post Company Limited, announcing "Digital Thailand Post" by setting up Digital Service Kiosk. This aimed to connect wireless internet by providing essential transaction services such as Identification Card Reader and Identity Verification by Camera (eKYC). The Company desired to further develop Smart Solution and Platform offering wide range of services to everyone in the country

On 6 November 2020, the Company disclosed the dispute of the Thaicom satellite 5 by which the Company received the Notice of Arbitration including detail of proposed dispute of Thaicom 5 from the Ministry of Digital Economy and Society (the "Ministry") requested that: The Company has to build and deliver the replacement satellite of Thaicom 5. In case the replacement is not built and delivered to the Ministry, to pay: (i) the money equivalent to the value of the satellite at the amount of Baht 7,790 million with an interest of 7.5% per year from 30 October 2020; (ii) a fine at the amount of Baht 4.98 million (calculated from 25 February 2020 to 30 October 2020) with 7.5% interest per year; and (iii) a fine from 1 November 2020 until the replacement is delivered or the compensation is paid. The disputes settlement process has just commenced and being in the arbitration accepting process and preparing defense statement. Further, the arbitrator has not yet appointed. Therefore, the Company does not have any duties to comply with any of the request made by the Ministry until an award is rendered. The Company has been complying with the Concession Agreement.

### *Internet and media Services*

The revenue from internet and media services mainly comes from 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.

Telephone business abroad

As of the end of 2020, Lao Telecommunications Public Company (LTC) had total mobile market share (blended mobile, internet sim, and fixed wireless) 52.8% of total mobile's market share, increased from 50.7% as at the end of 2019.

On 22 April 2020, LTC established Lao Mobile Money Sole Company Limited to provide digital money payment and transfer services within the Lao People's Democratic Republic, offering to both private enterprises and government entities. The services are marketed and branded as M-Money.

III. Consolidated Operating Results

Summary of key financial information of THCOM

Unit: Baht million	Amount		Changes
	2020	2019	YoY (%)
Revenue from sales of goods and rendering of services	3,557	4,663	-23.7%
Cost of sales of goods and rendering of services	(2,578)	(3,671)	-29.8%
Normal SG&A expenses <sup>(1)</sup>	(927)	(974)	-4.8%
EBIT from normal operations	51	18	178.0%
Other income	671	136	391.9%
Gain (loss) from sale of investment <sup>(2)</sup>	-	(29)	n.a.
Gain (loss) from foreign exchange	(59)	(128)	-54.4%
Loss from assets impairment <sup>(3)</sup>	-	(1,623)	n.a.
EBIT from operations	663	(1,625)	n.a.
EBITDA from operations <sup>(4)</sup>	1,269	1,766	-28.1%
Finance income	141	201	-30.0%
Financial costs	(188)	(300)	-37.2%
Bad debt and doubtful accounts and Reversal of loss on impairment (loss on impairment) based on Thai Financial Reporting Standard No.9	9	(66)	n.a.
Share of profit of investment in joint venture	4	(116)	n.a.
Profit (loss) before income tax expense	628	(1,906)	n.a.
Income tax expense	(114)	(344)	-66.8%
<b>Profit (loss) attributable to owner of the Company</b>	<b>514</b>	<b>(2,250)</b>	<b>n.a.</b>
<b>Earnings (loss) per share (Baht)</b>	<b>0.47</b>	<b>(2.05)</b>	<b>n.a.</b>
Extra items <sup>(5)</sup>	649	(1,946)	n.a.
Normalized profit	(135)	(304)	-55.6%

(1) Normal SG&A expenses: Selling and administrative expenses, including directors and management benefit expenses.

(2) The loss from investment in 2019 was from the sale of investment in Cambodian DTV Network Limited.

(3) The loss from assets impairment in 2019 from the impairment of satellite assets.

(4) Excluding gain (loss) from foreign exchange and loss from assets impairment.

(5) Extra items were gain (loss) from foreign exchange, compensation income, contract restructuring transactions, sale of investment, assets impairment and other one-time items.

*Revenue from sales of goods and rendering of services*

Consolidated revenue from sales of goods and rendering of services for 2020 was Baht 3,557 million, a decrease of 23.7% from Baht 4,663 million for 2019, caused by a decrease of revenue from satellite and internet and media services.

Revenue from sales of goods and rendering of services Unit: Baht million	2020	2019	% YoY
Satellite and related services	3,548	4,594	-22.8%
Internet and media services	32	122	-73.7%
Consolidation eliminations	(24)	(53)	-54.3%
<b>Total</b>	<b>3,557</b>	<b>4,663</b>	<b>-23.7%</b>

Satellite and related services

Revenue from satellite and related services for 2020 was Baht 3,548 million, a decrease of 22.8% from Baht 4,594 million for 2019, contributed by a decrease of conventional satellite services along with customers churn upon Thaicom 5 deorbiting, and broadband satellite services.

Satellite and related services Unit: Baht million	2020	2019	% YoY
Conventional*	2,133	2,536	-15.9%
Thaicom 4 Broadband	1,415	2,058	-31.2%
Services	1,377	1,873	-26.4%
Sales	38	185	-79.4%
<b>Total</b>	<b>3,548</b>	<b>4,594</b>	<b>-22.8%</b>

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

- Revenue from the conventional satellites and related services for 2020 was Baht 2,133 million, decreased by 15.9% from Baht 2,536 million for 2019. This was due mainly to customers churn upon Thaicom 5 deorbiting, especially foreign, together the churn of domestic digital television channels during Q3/2019 and decrease of broadcast retail customers.
- Revenue from the Thaicom 4 Broadband Satellite and related services was Baht 1,415 million for 2020, decreased by 31.2% from Baht 2,058 million for 2019 due to the end of service agreement and a declined utilization from foreign customers.

Internet and media services

For 2020, the revenue was Baht 32 million, decreased by 73.7% compared to Baht 122 million for 2019. This was mainly from the sale of CDN in 2019.

*Cost of sales of goods and rendering of services*

The Company reported consolidated cost of sales of goods and rendering of services for 2020 of Baht 2,578 million, decreased by 29.8% compared to Baht 3,671 million for 2019, as a result of the drop of

revenue and the decrease of depreciation expense after the recognition of satellite assets impairment in 2019.

Cost of sales of goods and rendering of services Unit: Baht million	2020	2019	% YoY
Satellite and related services	2,587	3,613	-28.4%
Internet and media services	15	112	-86.4%
Consolidation eliminations	(24)	(54)	-55.6%
<b>Total</b>	<b>2,578</b>	<b>3,671</b>	<b>-29.8%</b>

#### Cost of satellite and related services

Cost relating to satellite and related services for 2020 was Baht 2,587 million, a drop of 28.4% from Baht 3,613 million for 2019 contributed by a decrease of depreciation and amortization of satellite assets. This was reflected from the impairment of satellite assets and equipment both conventional and broadband service in 2019.

Satellite and related services Unit: Baht million	2020	2019	% YoY
Conventional*	1,371	1,949	-29.6%
Thaicom 4 Broadband	1,216	1,664	-26.9%
<b>Total</b>	<b>2,587</b>	<b>3,613</b>	<b>-28.4%</b>

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

- Cost relating to the conventional satellites and related services in 2020 was Baht 1,371 million, decreased by 29.6% compared with Baht 1,949 million for 2019, mainly from a decline of the revenue sharing to government following a drop in revenue, together with the decrease of depreciation expense offsetting with the increase of cost of transponder rental from foreign satellites to provide services to the Thaicom 5 customers.
- Cost relating to the Thaicom 4 Broadband Satellite and related services for 2020 was Baht 1,216 million, decreased by 26.9% from Baht 1,664 million for 2019 following a lower income, together with the drop of depreciation expense from the impairment of asset and equipment in 2019.
- Cost of satellite and related services in 2020 was adjusted by the extra transactions from contract restructuring and others, the normal cost of sale of goods and rendering of services was Baht 2,763 million, decreased by 23.5% in comparison with 2019.

#### Cost of internet and media services

Cost relating to the internet and media services for 2020 amounted to Baht 15 million, a decrease of 86.4% from Baht 112 million for 2019 following the sale of investment in CDN.

#### Selling and administrative expenses

The SG&A expenses, including directors and management benefit expenses, were Baht 927 million for 2020. A decrease of 4.8% from Baht 974 million for 2019 was due mainly to the decrease of marketing and traveling expenses, offsetting with the increase of legal fee.

### Finance costs

Finance costs for 2020 was Baht 188 million, a decrease of 37.2% from Baht 300 million for 2019, mainly due to the repayment of debenture in Q4/2019 of Baht 2,275 million, together with the repayment of other long-term loans according to schedule.

### Share of profit of investment in joint venture

Share of profit (loss) of investment in LTC was Baht 4 million for 2020, increased from Baht (116) million for 2019. An increase in share of profit recognized in 2020 was from the growth of mobile business market share of LTC and the relief of price war, offsetting with the loss from foreign exchange from USD appreciation against Laotian Kip on LTC's dividend payable.

In addition, share of profit of investment in joint venture also comprised of share of profit (loss) of investment in NSAT and ATI in amount of Baht (0.01) million and (0.1) million, respectively. Both companies generated net loss for their business start-up period.

### Net profit

The company's net profit for 2020 was Baht 514 million. Majority of the net profit came from extra items, comprising compensation income, contract restructuring transaction, and other one-time items, offsetting with loss from foreign exchange. The company's normalized profit (loss) for 2020 and 2019 was Baht (135) million and Baht (304) million, respectively.

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## IV. Financial Position

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As at the end of 2020, the Company reported total assets of Baht 16,676 million, decreased by 1.9% from Baht 16,999 million as at the end of 2019, mainly caused by the depreciation and amortization of property, plant and equipment and intangible assets under operating agreements.

### THCOM's asset components

Major Assets Unit: Baht million	December 31, 2020		December 31, 2019	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	9,473	56.8%	8,460	49.8%
Property, plant and equipment	3,091	18.5%	3,313	19.5%
Intangible assets under operating agreement	560	3.4%	1,366	8.0%

### Trade and other receivables

As at the end of 2020, the Company had trade and other current receivables of Baht 1,832 million, a decrease of 3.1% from Baht 1,890 million as at the end of 2019, mainly due to the repayment of customers.

### Liquidity

As at the end of 2020, the Company had a current ratio of 2.73x, decreased from 5.54x as at the end of 2019, due mainly to the increase of the current portion of long-term loan from the repayment of debenture.

### Non-current assets

Total non-current assets as at the end of 2020 was Baht 7,204 million, a decrease of 15.6% from Baht 8,539 million as at the end of 2019. This was due mainly to depreciation and amortization of property, plant and equipment and the intangible assets.

### Borrowings and shareholders' equity

The Company's net borrowings as at the end of 2020 were Baht 3,908 million, a decrease of 6.8% from Baht 4,191 million as at the end of 2019, mainly attributable to the repayment of the long-term loans for the satellite projects.

The Company's shareholders' equity as at the end of 2020 was Baht 11,247 million, increased by 2.3% from Baht 10,995 million as at the end of 2019, mainly reflecting from increasing consolidated net profit.

As at the end of 2020, the ratio of net borrowings to equity was 0.35x, decreased from 0.38x as at the end of 2019.

### Cash flows

*Net cash provided by operating activities* for 2020 was Baht 1,769 million, an increase of 6.7% from Baht 1,658 million for 2019, due mainly to an increase of profit from operations.

*Net cash provided (used) by investing activities* for 2020 was Baht (1,164) million, most of which were from investment in current financial assets.

*Net cash provided (used) in financing activities* for 2020 was Baht (928) million, mainly comprising of the loans repayment and dividend payment.

The Company had ending cash and cash equivalents, including the current financial assets as at the end of 2020 of Baht 6,619 million, increased by 16.1% from Baht 5,703 million as at the end of 2019.

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.