- Translated Version -

Opinion of the Independent Financial Advisor

Regarding the Asset Acquisition

of

Thaicom Public Company Limited

Prepared by

Krungthai XSpring Securities Company Limited

March 8, 2023

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Glossary

Abbreviation	Definition
THCOM, the Company or the Business	Thaicom Public Company Limited
THCOM Group	THCOM, its subsidiaries, associate, and jointly controlled entities
STI	Space Tech Innovation Company Limited
Independent Financial Advisor or IFA	Krungthai XSpring Securities Company Limited
SEC	The Securities and Exchange Commission
SET	The Stock Exchange of Thailand
COVID-19	Corona Virus Disease 2019
Notifications on Acquisition or Disposal of Assets	Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets B.E. 2547 (2004) (including any amendments thereto) and the Notification of the Capital Market Supervisory Board No. TorChor.20/ 2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets
AGM	Annual General Meeting
Opinion of Independent Financial Advisor	Opinion of the Independent Financial Advisor Regarding the asset acquisition of THCOM
NBTC	National Broadcasting and Telecommunication Commission
The Satellite Project	The investment which comprises of the investment for (1) the license fees for the orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East and (2) the investment costs for the satellites project for the 119.5 degrees, for launching of the satellites into the orbit in order to maintain its license for that location, and for building a telemetry, tracking, command, and monitoring (TTC&M) and a traffic management station (Gateway Station)
Orbital Slot License	Orbital slot licenses at 119.5 degrees East, 120 degrees East, and 78.5 degrees East
Notification on Criteria and Procedures to License	NBTC's Notification on Criteria and Procedures to License of Satellites Slot Package, dated on 31 October 2022
Investment in the 119.5 Degrees East Orbit Satellite Project	The investment of the satellites in the orbit of 119.5 degrees East, including the subsequent launch of the satellites into space in order to maintain the complete operating rights in that satellite orbital slot, as well as the construction of the Telemetry,

	Tracking, Command and Monitoring (TTC&M) and Traffic Management or Gateway Station by STI, all of which call for a total investment of up to 433.5 million dollars, or approximately THB 14,405.21 million (excluding VAT)
Small Satellites	2 small broadband satellites with capacity of 10 Gbps per satellite which are the high throughput satellites (HTS) providing bandwidth services to customers in Thailand and India
Large Satellite	A large broadband satellite with capacity of 100 Gbps which is high throughput satellites (HTS) with software-defined technology providing bandwidth services to customers in Southeast Asia and South Asia

No. IB 008/2566

March 8, 2023

Subject: Opinion of the Independent Financial Advisor Regarding the Asset Acquisition

To: Board of directors and shareholders of Thaicom Public Company Limited

The Board of Directors' Meeting No. 4/2566 of Thaicom Public Company Limited (the "**Company**" or "**THCOM**"), held on 10 February 2023, has resolved to hold the 2023 Annual General Meeting of Shareholders (AGM) on 7 April 2023 at 2:00 p.m. to approve that Space Tech Innovation Company Limited ("**STI**"), the Company's wholly owned subsidiary, invest in a satellite project through the acquisition of licenses for the orbital slots at 119.5 degrees East, 120 degrees East and 78.5 degrees East. STI was the successful bidder of the auction organized by the National Broadcasting and Telecommunications Commission ("**NBTC**"). The construction of the satellites only for the orbital slots at 119.5 degrees East is urgent as they have to the operation before Thaicom 4 satellite (which the Company is operating at the moment) will come to the end of its utilization period (according to engineering estimates, the utilization period of Thaicom 4 will end in 2024). This is to ensure that the Company can provide services to its customers continuously. The investment in the satellite project this time is comprised of the investment for the construction of the satellite project with orbital slot at 119.5 degrees East and the license fees for the orbital slots. This project will come to a total investment budget of no more than THB 15,203 million (excluding VAT), made up of (a) THB 797.43 million in license fees for the orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East; and (b) USD 433.5 million, or THB 14,405.21 million[1], as investment costs for the satellites project for the 119.5 degrees East, for launching of the satellites into the orbit in order to maintain its license for that location, and for building a telemetry, tracking, command, and monitoring (TTC&M) and a traffic management station (Gateway Station) or any relevant matter (hereinafter referred to as the "**Satellite Project**").

The Board of Directors' Meeting has not considered the construction of the satellites for the orbital slots at 78.5 degrees East and 120 degrees East. With regard to the 78.5 degrees East orbital slot, STI is obligated to launch a satellite in order to maintain its operating rights to use this 78.5 degrees East orbit slot within 3 years after the receipt of the orbital slot license and the Type 3 telecommunications license. Therefore, the Company still has some additional time to carefully consider an investment in the satellite project at the orbital slot at 78.5 degrees East. With regard to the 120 degrees East orbital slot, this is a satellite in the orbital slot that has the primary right of use of satellite orbital slots and would require coordination with regard to the frequency until a conclusion is reached. Therefore, the feasibility of satellite investment at the 120 degrees East orbital slot will be determined once a conclusion has been reached and proposed to the NBTC. Thus, the Company does not have a current plan to build a satellite for that particular orbital slot.

[1] According to the resolution of The Board of Directors' Meeting No. 4/2566, the exchange rate is an average foreign exchange rate used by Bank of Thailand. The average foreign exchange rate as of 18 January 2023 is 33.32 THB per USD.

The Company will comply with the Class Transaction Notification if it makes any investments in the satellite projects for the orbital slots at 120 degrees East and 78.5 degrees East in the future.

This investment in the Satellite Project constitutes an asset acquisition transaction as defined by the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets B.E. 2547 (2004) (including any amendments thereto) and the Notification of the Capital Market Supervisory Board No. TorChor.20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (the "**Notifications on Acquisition or Disposal of Assets**"). The maximum size of the transaction is 102.4% based on the total value of consideration paid or received calculated against the total assets of the Company and its subsidiaries as of the audited consolidated financial statements of the Company for the year ending 31 December 2022 . By these calculations, the Company's investment in the Satellite Project meets the criteria for "Asset Acquisition Transaction Type 4[2]" under the Notifications on Acquisition or Disposition of Assets. As a result, the Company has the duties under the Notifications on Acquisition or Disposal of Assets as follows:

1) To disclose the information memorandum on the acquisition of the Satellite Project to the Stock Exchange of Thailand ("**SET**");
2) To convene a shareholders' meeting to obtain shareholders' approval of the investment in the Satellite Project and other related matters; and
3) To appoint an independent financial adviser ("**IFA**") whose name is on the list approved by the Office of the Securities and Exchange Commission ("**SEC**") to provide opinions to the shareholders of the Company regarding the reasonableness and benefits of the investment in the Satellite Project, appropriateness of the investment value, conditions, and notice calling the shareholders meeting.

The Company approved the appointment of Krungthai XSpring Securities Company Limited ("**IFA**"), whose name is on the list approved by the SEC, as independent financial advisor to provide opinions to shareholders on the Satellite Project.

To prepare this report, the IFA has considered and studied information provided by the Company, information derived from interviews with the Company's management, publicly available information, and other relevant information, including but not limited to:

1. Information and documents obtained from the Company including industry overview and information derived from interviews with the Company's management and related staff;
2. The resolution from the Board of Directors' Meeting and information memorandum on the acquisition of the Satellite Project;
3. Corporate documents of THCOM and STI;

[2] While the Company's investment in the Satellite Project meets the criteria for "Asset Acquisition Transaction Type 4", the Company is not required to apply for the relisting of securities under the Notifications on Acquisition or Disposal of Assets because: (1) the acquired business is similar to and complements the business of the Company; (2) the Company does not have a policy to materially change its core business; (3) the group company, as a result of the acquisition of the project, remains qualified for listing on the SET; and (4) there will be no significant change to the Board of Directors of the Company and the control or the major shareholders having the control over the group companies.

4. Audited consolidated financial statements of the Company for the year ending 31 December 2020, 31 December 2021, and 31 December 2022;
5. Financial statements of STI for the year ending 31 December 2022 (STI was incorporated on 22 November 2022);
6. NBTC's Notification on Criteria and Procedures to License of Satellites Slot Package, dated on 31 October 2022;
7. Annual report of the Company;
8. Relevant agreements and draft agreements that relate to the Satellite Project; and
9. THCOM's financial projection on the Satellite Project

The IFA analyzes the above information in order to prepare this report, which based on the assumptions that the above information and document are complete, true, and correct. It is also based on the assumption that there is no incident or condition which may significantly affect this assets acquisition transaction. Moreover, the IFA is not able to guarantee, directly or indirectly, the accuracy of the information from the Company, and this report does not guarantee the successfulness of the transaction.

In order to prepare this IFA report, the IFA considers and studies the information with the prudence and reasonableness according to professional conduct.

This IFA report was conducted to provide an opinion to THCOM's shareholders to consider before making a decision to approve the Satellite Project. However, the decision on whether to approve or reject the Satellite Project depends solely on each shareholder's discretion.

The IFA has prepared this opinion report originally in Thai version and provided an English translation for the convenience of non-Thai shareholders. If there are any discrepancies between this English translation and the Thai version, the original Thai version of the report shall prevail.

Part 1: Executive Summary

The Board of Directors' Meeting No. 4/2566 of Thaicom Public Company Limited (the "**Company**" or "**THCOM**"), held on 10 February 2023, has resolved to hold the 2023 Annual General Meeting of Shareholders (AGM) on 7 April 2023 at 2:00 p.m.to approve that Space Tech Innovation Company Limited ("**STI**"), the Company's wholly owned subsidiary, invest in a satellite project through the acquisition of licenses for the orbital slots at 119.5 degrees East, 120 degrees East and 78.5 degrees East. STI was the successful bidder of the auction organized by the National Broadcasting and Telecommunications Commission ("**NBTC**"). The construction of the satellites only for the orbital slots at 119.5 degrees East is urgent as they have to the operation before Thaicom 4 satellite (which the Company is operating at the moment) will come to the end of its utilization period (according to engineering estimates, the utilization period of Thaicom 4 will end in 2024). This is to ensure that the Company can provide services to its customers continuously. The investment in the satellite project this time is comprised of the investment for the construction of the satellite project with orbital slot at 119.5 degrees East and the license fees for the orbital slots. This project will come to a total investment budget of no more than THB 15,203 million (excluding VAT), made up of (a) THB 797.43 million in license fees for the orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East; and (b) USD 433.5 million, or THB 14,405.21 million[3], as investment costs for the satellites project for the 119.5 degrees East, for launching of the satellites into the orbit in order to maintain its license for that location, and for building a telemetry, tracking, command, and monitoring (TTC&M) and a traffic management station (Gateway Station) or any relevant matter (hereinafter referred to as the "**Satellite Project**").

The Board of Directors' Meeting has not considered the construction of the satellites for the orbital slots at 78.5 degrees East and 120 degrees East. With regard to the 78.5 degrees East orbital slot, STI is obligated to launch a satellite in order to maintain its operating rights to use this 78.5 degrees East orbit slot within 3 years after the receipt of the orbital slot license and the Type 3 telecommunications license. Therefore, the Company still has some additional time to carefully consider an investment in the satellite project at the orbital slot at 78.5 degrees East. With regard to the 120 degrees East orbital slot, this is a satellite in the orbital slot that has the primary right of use of satellite orbital slots and would require coordination with regard to the frequency until a conclusion is reached. Therefore, the feasibility of satellite investment at the 120 degrees East orbital slot will be determined once a conclusion has been reached and proposed to the NBTC. Thus, the Company does not have a current plan to build a satellite for that particular orbital slot.

The Company will comply with the Class Transaction Notification if it makes any investments in the satellite projects for the orbital slots at 120 degrees East and 78.5 degrees East in the future.

This investment in the Satellite Project constitutes an asset acquisition transaction as defined by the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets B.E. 2547 (2004) (including any amendments thereto) and the Notification of the Capital Market Supervisory Board No. TorChor.20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (the "**Notifications on Acquisition or Disposal of**

[3] Please refer to footnote 1.

Assets"). The maximum size of the transaction is 102.4% based on the total value of consideration paid or received calculated against the total assets of the Company and its subsidiaries as of the audited consolidated financial statements of the Company for the year ending 31 December 2022 . By these calculations, the Company's investment in the Satellite Project meets the criteria for "Asset Acquisition Transaction Type 4[4]" under the Notifications on Acquisition or Disposition of Assets. As a result, the Company has the duties under the Notifications on Acquisition or Disposal of Assets as follows:

1) To disclose the information memorandum on the acquisition of the Satellite Project to the Stock Exchange of Thailand ("**SET**");
2) To convene a shareholders' meeting to obtain shareholder approval of the investment in the Satellite Project and other related matters; and
3) To appoint an independent financial adviser ("**IFA**") whose name is on the list approved by the Office of the Securities and Exchange Commission ("**SEC**") to provide opinions to the shareholders of the Company regarding the reasonableness and benefits of the investment in the Satellite Project, appropriateness of the investment value, conditions, and notice calling the shareholders meeting.

The Company approved the appointment of Krungthai XSpring Securities Company Limited ("**IFA**"), whose name is on the list approved by the SEC, as independent financial advisor to provide opinions to shareholders on the Satellite Project.

In this regard, based on the study of relevant information, such as conditions of the transaction, advantages, disadvantages, and risks of the transaction as well as appropriateness of valuation, the IFA's opinions shall be summarized as follows:

Advantages of entering into the transaction

1. Create the Company's business stability and enhance customer trust in the satellite business

Currently, as the satellite business is the main operation of the Company, this Satellite Project is crucial for the Company from a strategic standpoint in order to strengthen the operational stability and business consistency, as well as its future competitive advantage. In addition, the characteristics of the satellite industry necessitates that majority of customers, both commercial and government, prefer to sign long-term contracts in order to stabilize and continue their operations. As a result, a satellite operator's long-term ability to provide service is crucial for those customers. Therefore, the acquisition of additional 20 years license will create confidence for customers and increase renewal rate of their long-term contracts with the Company in the future.

STI's acquisition of the orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East, as well as the expansion of Type 3 telecommunications license for another 20 years, indicates the potential growth in the future due to an increase in demand for communication by satellite as a result of population growth and the area's difficult terrain. In addition, since Company has extensive experiences to operate satellites and strong customer base

[4] Please refer to footnote 2.

in the orbit slots at 119.5 degrees East, currently operated by Thaicom 4, and 78.5 degrees East ,currently operated by Thaicom 6 and Thaicom 8, it will assist growth of the Satellite Project in future.

2. Gaining more competitive advantages from new technology implementation

Currently, the Company operates its owned satellites (Thaicom 7 and Thaicom 8) and leases some transponders from Thaicom 4 and Thaicom 6 from NBTC in order to provide the satellite service. The existing satellites use outdated technology, which limits the growth potential. With the implementation of software-defined technology in the Satellite Project, the Company can increase the capability of new satellites and the flexibility of their operations since the new technology can adjust the service areas after launch. On the other hand, the outdated technology is incapable of adjusting the area after launch, so when there is a mismatch between supply and demand in some areas, the existing satellites are not able to alter its service area.

3. Increase the opportunity to generate incremental revenue from new customers and services

Since the Company intends to launch 3 satellites at orbital slot of 119.5 degrees East with a total capacity of 120 Gbps (significantly greater than the Company's present capacity), the Company has higher capability in providing service for clients.

In order to enlarge the business and increase its level of competitiveness, the Company plans to expand its satellite business by forming partnerships with a third party in order to satisfy consumer needs, participating in government projects, and seeking to invest in domestic and foreign business that are related to satellite and space technology, including developing new business models for increasing incremental revenue both short-term and long-term. This Satellite Project will support the Company's previously mentioned business direction, improve services to handle future changes in satellite and space technology in the future, as well as increase future competitive advantages of the Company.

4. Appropriate returns from the investment

The IFA evaluates the valuation of the Satellite Project from the net present value (NPV) and internal rate of return (IRR) methods since the IFA believes these two methods can reflect the Satellite Project's operation and performance in future (detail is in Part 4).

To evaluate the appropriateness of the Satellite Project, the IFA performed the sensitivity analysis by changing the total revenue by increasing or decreasing by 2.50% and changing the proportion of debt to capital (D/V) by increasing or decreasing by 10.00%. Regarding the NPV approach, the NPV of the Satellite Project is between THB 1,210.46 - 2,322.20 million. Regarding the IRR approach, the IRR of the Satellite Project is between 11.47% - 12.50%, which is greater than the weighted average cost of capital (WACC) of the Satellite project at 10.00%. Therefore, the IFA has an opinion that the Satellite Project has an appropriate valuation in terms of both NPV and IRR and will possibly generate a positive return for the shareholders.

Disadvantages of entering into the transaction

1. Hugh investment amount

The total investment budget for this Satellite Project is no more than THB 15,203 million (excluding VAT), made up of (a) THB 797.43 million in license fees for the orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East; and (b) USD 433.5 million, or THB 14,405.21 million[5], as investment costs for the satellites project for the 119.5 degrees East. This investment amount is high comparing to the Company's total assets of THB 14,850 million based on the audited financial statements as of December 31, 2022.

However, the payment of the Satellite Project's investment will be split into multiple installments. Approximately 75% of total investment will be paid in the period between 2023 – 2026, may cause financial strain and reduce the liquidity. Moreover, according to the audited financial statements as of December 31, 2022, the Company has cash, cash equivalents, and temporary investment of THB 5,848 million and a line of credit from financial institutions of THB 4,000 million, which are sufficient for the Satellite Project.

2. Additional debt obligation from the transaction

The source of funds for the Satellite Project includes the Company's remaining cash, cash flow from operations, and a loan from a financial institution. Essentially, the Company intends to use a loan facility from the financial institution around 65% - 85% of the total investment, or around THB 9,882 - 12,923 million, resulting in increasing interest bearing debt and interest costs. According to the audited financial statements as of December 31, 2022, the Company has the total liabilities of THB 4,296 million, total shareholder equity of THB 10,554 million, and the debt-to-equity ratio of around 0.4 times. After accumulating the new debt from this Satellite Project, the total liability will rise to THB 14,178 - 17,219 million, and the debt-to-equity ratio will rise to 1.3 - 1.6 times, which is not high comparing to other companies in the infrastructure industry. As of December 31, 2022, GULF, GPSC, ADVANC, TRUEE, and DTAC had debt-to-equity ratios of 2.1 times, 1.5 times, 2.9 times, 9.1 times, and 7.1 times, respectively. Moreover, during the investment phase of the infrastructure industry, the debt-to-equity ratio usually ranges between 2.0 - 3.0 times. In addition, the loan for the Satellite Project is interest-bearing debt, resulting in increasing burden of interest costs and the obligation to maintain financial covenants as agreed in loan agreements.

However, due to the Company's experience and expertise in the satellite business, as well as the long-term contract with customers, the Company is able to manage and plan about the debt repayment schedule in advance.

3. May create restrictions for investment in other potential projects in future

Although the Satellite Project is a worthwhile investment for the Company, using its capital of THB 15,203 million (excluding VAT) and human resource allocation for this Satellite project may limit their ability to invest in other potential projects that may have higher yield.

Nonetheless, the Satellite Project is the Company's core business, which can establish the stability and potential grow, leading to greater direct and indirect benefits to the Company. The Company will prioritize the

[5] Please refer to footnote 1.

investment in potential projects such as satellite investment in 78.5 degree East orbital slot and regularly revise the business plan in order to minimize the loss of opportunity.

4. May have lower capability to pay dividends in the early stage of the project

The preliminary forecast indicates that the performance of the Satellite Project during its early stage may affect the Company's capability to pay dividends, especially during the construction period and early stage of operation (2023 – 2028). This is because the early-stage revenue may not cover the fixed costs and interest expenses.

However, during the above periods, the Company still has revenue from existing businesses such as revenue from satellite and related services, revenue from internet and media services, and revenue from joint venture businesses. Thus, the impact on dividend payment may not be significant in long-term. Moreover, the Satellite Project's performance will progressively improve overtime after launch based on the IFA's financial projection, so the Company will have more capability to pay more dividend in future. The dividend payment policy will be based on the consolidated performance of the Company.

Risks from entering into the transaction

1. Risk of the Satellite Project's performance falling short of expectation

In the case that the Satellite Project does not perform as expected, it may have an impact on the overall performance and capability to pay dividends of the Company.

Nonetheless, the Company has an opinion that such risk is limited and manageable since the Company has over 30 years of extensive experience in satellite business, especially in the 119.5 degrees East orbital slot, which is the existing and core orbital slot of the Company, and loyal customers who continuously use our services. Moreover, the Company has solid and strong track records of performance and financial position, and the Company also benefits from the upward trend of bandwidth usage in satellite market according to the Northern Sky Research's report ("**NSR**")[6].

2. Risk of damaged satellites from launch and in-orbit failures

The Satellites may be damaged from launch failure or possible system failure (in-orbit failure) from solar discharges or collision with other objects in space. The damaged satellites may affect the Company's services to its customers, which may lead to losing current customers or not acquiring new customers while replacing the damaged satellites.

However, the probability of satellites suffering severe damage from launch failure is limited according to the statistics of launch failures in the past. Moreover, the Company has a plan to mitigate such risk by purchasing launch insurance with an insured value covering all investment cost of the Satellite Project. Regarding the in-orbit failure, the Company also intends to mitigate such risk by purchasing in-orbit insurance with an insured value covering the

[6] Global Satellite Capacity Supply and Demand, 19th Edition, dated July 2022, of Northern Sky Research. This research includes trends of bandwidth demand and price in 2023 - 2031 in Thailand, India, Southeast Asia, and South Asia. NSR, established in 2000, is leading company in satellite and space market research and consulting services, with professional teams in various countries such as North America, South America, Europe, Asia, and Africa. (More detail at https://www.nsr.com/)

Satellite Project's book value. However, the Company may still be at risk of losing the revenue or business opportunity while replacing the damaged satellites.

3. Risk of additional interest-bearing debts

The Company plans to use the loan from financial institutions in the amount of approximately 65% - 85% of total investment value or THB 9,882 – 12,923 million, which is the significant amount comparing to the Company's total assets of THB 14,850 million based on the audited consolidated financial statements for the year ending 31 December 2022. Therefore, if the Satellite Project does not perform as expected, such as lower customers or delay from the construction, it may have an impact on the Company's ability of debt repayment to its creditors.

However, based on the audited consolidated financial statements for the year ending 31 December 2022, the Company has cash and cash equivalent including other current financial assets equal to THB 5,848.18 million, and the Company has EBITDA around THB 940 – 2,000 million per year (based on the performance in 2020 – 2022). Additionally, the Company has extensive experience in this satellite industry, so the Company is expected to have an ability to repay principal and interest for these additional debts.

4. Risk of breaching NBTC's conditions and restrictions

According to NBTC's notification on criteria and procedures to license of satellites slot package and conditions on Type 3 telecommunications license (detail is in Part 2 clause 2.6), If the Company is unable to comply with the related regulations and conditions, NBTC may seize the collateral and cancel the rights to use orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East, which may affect to overall performance and financial position of the Company in future.

However, according to interviews with the management team, the IFA has an opinion that the Company should be able to comply with such conditions and restrictions since the Company has over 30 years of experience in this industry and already has the solid plan, so the risk of breaching NBTC's conditions and restrictions should be limited.

5. Risk of shareholders will not approve the transaction

This transaction will be completed only if the Company receives approval from the 1/2023 annual general meeting of shareholders (AGM) on 7 April 2023 by a vote of at least three-quarters of the total number of votes cast by shareholders with the right to vote, excluding those with a conflict of interest. Therefore, this transaction may have a risk of not obtaining the approval from the shareholders' meeting, resulting in the loss of business opportunity in satellite business which is the core business of THCOM.

6. Risk of foreign exchange rate

According to the Satellite Project's business plan, the related investments are typically made in foreign currencies, and the Company also offers international satellite services in which revenues receive in foreign currency. Thus, THCOM is exposed to the risk of foreign exchange rate fluctuation, which could have an impact on the financial statements and cash flow of the Satellite Project. However, the Company may manage such risk through natural

hedging between revenue and investment, and other financial instruments such as foreign exchange forward contract, options, and SWAP.

Conclusion of the IFA's opinion

Based on the above information and rationales, the IFA has an opinion that the objectives of the transaction are appropriate. Moreover, the IFA evaluated the investment budget of no more than THB 15,203 million (excluding VAT) in the Satellite Project from Project NPV and Project IRR methods. The project NPV of this Satellite Project is between THB 1,210.46 - 2,322.20 million, and the project IRR of this Satellite Project is between 11.47% - 12.50% which is higher than the WACC of the Satellite Project at 10.00%. Based on the above results, IFA has an opinion that **the return of this Satellite Project is appropriate, and the Company's shareholders should approve this asset acquisition transaction.**

The IFA analyzes the above information in order to prepare this report based on information and documents obtained from the Company and/or interview with the Company's management, as well as publicly available information and other relevant information. The opinion given herein is based on the assumptions that the information and document obtain are complete, true, and correct. If the information is not true and/or correct and/or material changes in future, it may affect the conclusion of the IFA's opinion. Moreover, the IFA's opinion is conducted for the shareholders in order to be used for this transaction only, and this report does not guarantee the successfulness of the transaction.

Moreover, according to the Board of Directors has proposed to the shareholders' meeting to consider and approve "the delegation of the Board of Directors and/or any other individuals as the Board of Directors may designate as authorized persons to have the authority in relation to the investment in the Satellite Project, including any revisions of the investment plan and the certain types of procurement of the satellites e.g., purchase and/or lease of the satellites, and/or lease of the transponders etc., rather than the construction of satellite by the Company and/or conditions or any other details, in case the Company decides to change the investment plan and/or the type of satellite procurement, such change will be within the investment budget and have comparable level of return to the investment plan approved by the shareholders' meeting at this time or it is an action in the best interest of the Company, as well as to negotiate, agree, determine, and change of any details, terms and conditions in any documents or agreements pertaining to the Satellite Project and the performance of any and all activities related thereto, provided that the exercise of all powers must be within the scope of authority approved by the shareholders' meeting and in the best interests of the Company." IFA has an opinion that the proposed framework that the Board of Directors has proposed to the shareholders is appropriate because the proposed framework will provide flexibility to the investment in the satellite project and elasticity in its operation, allowing the company to adjust the plan in accordance with the situation or other changing factors in the future. Such a change will be within the investment budget and have a comparable level of return to the investment plan approved by the shareholders' meeting.

However, the final discussion on whether to approve or reject the transaction will be made at own discretionary of each shareholder. The shareholders should consider the information in the notice to the shareholders' meeting and its enclosures before making the decision.

Part 2: Details of the Transaction

2.1 Objectives and rationales of the transaction

On 18 January 2023, STI (the Company's wholly owned subsidiary) received official notification from NBTC that STI was the successful bidder of the licenses for the orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East.

On 10 February 2023, the Board of Directors resolved STI to invest in the Satellite Project by the acquisition of a license of the orbital slots at (1) 119.5 degrees East, 120 degrees East and (2) 78.5 degrees East, and to construct the satellites for orbital slot at 119.5 degrees as well as launching of the satellites into the orbit in order to maintain its license for that location, and building a telemetry, tracking, command, and monitoring (TTC&M) and a traffic management station (Gateway Station) or any relevant matter. This project will come to a total investment budget of no more than THB 15,203 million (excluding VAT), made up of (a) THB 797,43 million in license fees for the orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East; and (b) USD 433.5 million, or THB 14,405.21 million[7] (excluding VAT) (hereinafter referred to as the "**Satellite Project**").

The Board of Directors' Meeting has not considered the construction of the satellites for the orbital slots at 78.5 degrees East and 120 degrees East. With regard to the 78.5 degrees East orbital slot, STI is obligated to launch a satellite in order to maintain its operating rights to use this 78.5 degrees East orbit slot within 3 years after the receipt of the orbital slot license and the Type 3 telecommunications license. Therefore, the Company still has some additional time to carefully consider an investment in the satellite project at the orbital slot at 78.5 degrees East. With regard to the 120 degrees East orbital slot, this is a satellite in the orbital slot that has the primary right of use of satellite orbital slots and would require coordination with regard to the frequency until a conclusion is reached. Therefore, the feasibility of satellite investment at the 120 degrees East orbital slot will be determined once a conclusion has been reached and proposed to the NBTC. Thus, the Company does not have a current plan to build a satellite for that particular orbital slot.

The Company will comply with the Class Transaction Notification if it makes any investments in the satellite projects for the orbital slots at 120 degrees East and 78.5 degrees East in the future.

This investment in the Satellite Project constitutes an asset acquisition transaction as defined by the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets B.E. 2547 (2004) (including any amendments thereto) and the Notification of the Capital Market Supervisory Board No. TorChor.20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (the "**Notifications on Acquisition or Disposal of Assets**"). The maximum size of the transaction is 102.4% based on the total value of consideration paid or received calculated against the total assets of the Company and its subsidiaries as of the audited consolidated financial statements of the Company for the year ending 31 December 2022 . By these calculations, the Company's investment in the Satellite Project meets the criteria for "Asset Acquisition Transaction Type 4[8]" under the Notifications on

[7] Please refer to footnote 1.

[8] Please refer to footnote 2.

Acquisition or Disposition of Assets, and as such, the Company is required to notify the SET of the proposed investment, call a shareholders' meeting to obtain shareholder approval of the proposed investment, and secure the services of an independent financial advisor to offer opinions on the proposed transaction.

As a result, the Company approved the appointment of Krungthai XSpring Securities Company Limited ("**IFA**"), whose name is on the list approved by the SEC, as independent financial advisor to provide opinions to shareholders on the Satellite Project.

2.2 Date of the transaction

On 18 January 2023, STI (a subsidiary of the Company that the Company holds 100.0% of the issued shares) received official notification from NBTC that it was a successful bidder of the licenses for the orbital slots at (1) 119.5 degrees East and 120 degrees East, and (2) 78.5 degrees East.

On 10 February 2023, the Board of Directors approved STI to invest in the Satellite Project by the acquisition of a license of the orbital slots at 119.5 degrees East, 120 degrees East and 78.5 degrees East, and to construct the satellites for orbital slot at 119.5 degrees as well as launching of the satellites into the orbit in order to maintain its license for that location, and to a telemetry, tracking, command, and monitoring (TTC&M) and a traffic management station (Gateway Station) or any relevant matter.

The investment in the Satellite Project will not be made possible unless the Company receives approval from the shareholders' meeting of the Company by a vote of at least three-quarters of the total number of votes cast by shareholders with the right to vote, excluding those with a conflict of interest. Please note that no shareholder has any potential conflict of interest in this matter.

2.3 Related parties and their relationship with the Company

2.3.1 The acquisition of licenses for the orbital slots at (1) 119.5 degrees East and 120 degrees East, and (2) 78.5 degrees East

Licensee	:	STI (a subsidiary of the Company that the Company holds 100.0% of the issued shares)
License Issuer	:	National Broadcasting and Telecommunication Commission (NBTC)
Relationship	:	The counterparties are not related to the major shareholders, directors, and managements of the Company.

Details of the orbital slot license no. 2

Topics	Details
Issued orbital slot license	The orbital slot license no. 2
Orbital slot	78.5 degrees East
Period	20 years after the approval date (The Company expects the period should be from the second quarter of 2023 to the second quarter of 2043)
License fees	THB 380,017,850 (excluding VAT)
Payment of auction	▪ 1st payment: 10.0% of the license fees or THB 38,001,785 (excluding VAT), and a letter of guarantee from a financial institution is required to guarantee the payment of the remaining license fees, which must be paid and submitted within 90 days of receiving the award notice from the NBTC or within 18 April 2023. ▪ 2nd payment: 40.0% of the license fees or THB 152,007,140 (excluding VAT), and the submission of a letter of guarantee from a financial institution guaranteeing payment of the remaining license fees within 4 years of receiving the license or within 18 January 2027. ▪ 3rd payment: 50.0% of the total license fees or THB 190,008,925 (excluding VAT) within 6 years of the date that the license was received or within 18 January 2029.
Material conditions and usage restrictions	▪ STI has 3 years after receiving the license (The Company expects it should be in second quarter of 2026) to complete the use of frequency under the satellite network filings which is the complete operating rights and is required to continue using this spectrum in accordance with the International Telecommunication Union Radio Regulations. ▪ The satellite network filings cannot operate in a manner that disrupts the frequency used by the currently active Thaicom 6 and Thaicom 8 until the end of their engineering utilization period around 2034 or 2026, respectively. ▪ If the state's need to use channels for the state's benefit exceeds 400 Mbps or 1 transponder, STI must permit state agencies to establish a traffic management station only for the specific parts which are under the responsibility of such state agencies.

Details of the orbital slot license no. 3

Topics	Details
Issued orbital slot license	The orbital slot license no. 3
Orbital slot	119.5 degrees East and 120 degrees East
Period	20 years after the approval date (The Company expects the period should be from the second quarter of 2023 to the second quarter of 2043)
License fees	THB 417,408,600 (excluding VAT)
Payment of auction	▪ 1st payment: 10.0% of the license fees or THB 41,740,860 (excluding VAT), and a letter of guarantee from a financial institution is required to guarantee the payment of the remaining license fees, which must be paid and submitted within 90 days of receiving the award notice from the NBTC or within 18 April 2023. ▪ 2nd payment: 40.0% of the license fees or THB 166,963,440 (excluding VAT), and the submission of a letter of guarantee from a financial institution guaranteeing payment of

Topics	Details
	the remaining license fees within 4 years of receiving the license or within 18 January 2027. ■ 3rd payment: 50.0% of the total license fees or THB 208,704,300 (excluding VAT) within 6 years of the date that the license was received or within 18 January 2029.
Material conditions and usage restrictions	■ The satellite network filings would be able to use after the engineering utilization period of Thaicom 4 (around 2024) concludes, or as otherwise specified by the NBTC. ■ The satellite network filings cannot operate in a way that interferes with the frequency bands used by the currently operational Thaicom 4 until the end of its engineering utilization period around 2024. ■ STI is responsible for a preparation of a user protection plan that provides services to accommodate the original licensee's users who wish to continue using the service in order to ensure that Thaicom 4's users continue to receive uninterrupted service after the original license expires. ■ STI must allow state agencies to negotiate additional use within 90 days from the date that the NBTC announces the successful bidder (or within 18 April 2023) and the Cost-Plus method must be adopted for negotiation to acquire such additional capacities. ■ If the state's need to use channels for the state's benefit exceeds 400 Mbps or 1 transponder, STI must permit state agencies to establish a traffic management station only for the specific parts which are under the responsibility of such state agencies.

Furthermore, the NBTC's Notification on Criteria and Procedures to License of Satellites Slot Package B.E. 2565 (2022) imposes significant responsibilities on STI as follows:

(a) At the request of the state, STI must make available to the state, at no cost, the channels of its satellites for state use and public services in each satellite orbital slot, with a capacity of not less than 400 Mbps for high-capacity communication satellites, or not less than 1 transponder (36 MHz in the C band or 24 MHz in the Ku or Ka band) for conventional communication satellites.

(b) STI is required to set up a telemetry, tracking, command, and monitoring (TTC&M) and a traffic management station or gateway station in Thailand and must comply with Thai law governing radio communications in order to legally operate them.

(c) STI is obliged to pay the following fees and charges:

(1) Orbital slot license fee paid for each issued orbital slot license on an annual basis at a rate of 0.25% of gross revenues from satellite operations.

(2) Type-3 telecommunications license fee and telecommunications service revenues to be contributed to the Broadcasting and Telecommunications Research and Development Fund for Public Interest, in the total amount equal to 4.0% of the gross revenues from satellite operations.

(3) Payments for charges that are levied by the International Telecommunication Union by the due dates specified by the International Telecommunication Union.

(d) STI shall in all respects be under Thai law (exclusive jurisdiction) and must comply with national security laws, data privacy protection laws, including cyber security laws, and any other regulations deemed appropriate and necessary, as well as applicable international laws.

(e) STI must be liable to indemnify the government in the event of damage, as well as fulfill certain obligations related to the administration of a space object as defined by international agreements.

The aforementioned terms and conditions, as stated in the NBTC's Notification on Criteria and Procedures to License of Satellites Slot Package, dated on 31 October 2022 ("**Notification on Criteria and Procedures to License**"), are a requirement of the auction for the operating right to use orbital slots that all bidders have been informed of it beforehand. In the event that STI is unable to fully comply with the above conditions, the NBTC will implement the measures specified in the Notification on Criteria and Procedures to License. If it is determined that the failure was not due to the force majeure or if STI is unable to demonstrate that it has fully complied with the conditions, the NBTC may forfeit the collateral of orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East. Moreover, the NBTC may impose additional conditions to the STI in order to maintain its rights at the above orbital slots, or the NBTC may terminate the Orbital Slot License if the STI is unable to comply with the above conditions.

However, the Company expects that STI should be able to comply with all relevant conditions since the Company has over 20 years of experience of dealing with the government in satellite business (detail is in Part 3 clause 3.4(4) Risk of breaching NBTC's conditions and restrictions).

2.3.2 The process of construction of satellites for orbital slot at 119.5 degrees East, launch of satellites into the orbit in order to maintain its rights to use this 119.5 degrees East orbital slot, the construction of a telemetry, tracking, command, and monitoring (TTC&M) and the traffic management or gateway station, and other relevant matter.

Following the approval from the shareholders' meeting, the Company and STI will proceed with the procurement process of bidding from industry-leading satellite manufacturers for the production of satellites, the launch of satellites into orbit, and the construction of a telemetry, tracking, command, and monitoring (TTC&M), and prepare for the procurement and the process of soliciting separate bids for the Traffic Management or Gateway Station in accordance with STI's internal procedures and regulations.

Preliminarily, at this point, the Company is working under the assumption that none of the parties involved in the project's procurement are connected persons of the Company in any way. However, should the parties involved be connected persons of the Company during the course of the implementation of the Satellite Project, the Company will comply with the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003).

2.4 Nature of the transaction

On 18 January 2023, STI received official notification from NBTC that STI was a successful bidder for the license for the orbital slots at (1) 119.5 degrees East, 120 degrees East, and (2) 78.5 degrees East. With this license, STI is required to comply with all license conditions, where one of the main conditions is the licensee to launch satellites

into orbit within 3 years after obtaining the license in order to maintain the complete operating rights in the satellite orbital slots.

On 10 February 2023, the Board of Directors of the Company approved the key matters in relation to the Satellite Project as follows:

(1) The payment of approximately THB 797.43 million for the orbital slot license at 119.5 degrees East, 120 degrees East, and 78.5 degrees East (excluding VAT).

(2) The investment of the satellites in the orbit of 119.5 degrees East, including the subsequent launch of the satellites into space in order to maintain the complete operating rights in that satellite orbital slot, as well as the construction of the Telemetry, Tracking, Command and Monitoring (TTC&M) and Traffic Management or Gateway Station by STI, all of which call for a total investment of up to USD 433.5 million, or approximately THB 14,405.21 million[9] (excluding VAT) (hereinafter referred to as the "**Investment in the 119.5 Degrees East Orbit Satellite Project**").

2.5 Type and size of transaction

The major investment in the Satellite Project comprises of the following investment:

- License fees for satellite orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East, totaling THB 797.43 million (excluding VAT).
- Costs associated with the Investment in the 119.5 Degrees East Orbit Satellite Project and other relevant cost, totaling USD 433.5 million or approximately THB 14,405.21 million[10] (excluding VAT).

This maximum investment amounts would not exceed approximately THB 15,203 million (excluding VAT).

The maximum size of the Satellite Project is 102.4% based on the total value of consideration paid or received calculated against the total assets of the Company and its subsidiaries as of the audited consolidated financial statements of the Company for the year ending 31 December 2022. The following are the details of the formulas used to determine the size of the Satellite Project:

Criteria	Formula	Value
1. Value of Net Tangible Assets	NTA of the investment x Proportion of assets acquired x 100 / NTA of THCOM	n.a.[1/]
2. Net Operating Profits	Net operating profits of the investment x Buying ratio x 100 / Net operating profits of THCOM	n.a.[1/]
3. Total Value of Consideration	Value of the transaction paid x 100 / Total assets of THCOM	= (15,203.00/14,850.28) x 100 = 102.4%
4. Value of Securities Issued for the Payment of Assets	Equity shares issued for the payment of assets x 100 / Paid-up shares of THCOM	n.a.[2/]

Note: [1/] Not applicable, as this transaction is not an acquisition of the securities of other companies.

[2/] Not applicable, as there is no issuance of securities.

[9] Please refer to footnote 1.

[10] Please refer to footnote 1.

As a result, a total transaction size of the Satellite Project is 102.4% which is categorized as "Asset Acquisition Transaction Type 4[11]"

If, for reasons beyond the control of STI, the cost to complete the Investment in the 119.5 Degrees East Orbit Satellite Project exceeds the approved budget such as in the case of a delay in the contractor's work delivery, or a work delivery that falls short of technical specifications and necessitates rectification, or due to fluctuations in exchange rates, etc., the Company will comply with the rules governing the acquisition or disposition of assets by listed companies.

2.6 Details of assets to be acquired

2.6.1 License

STI will obtain the following licenses if STI complies with all conditions and requirements:

1) Orbital slot licenses at 119.5 degrees East, 120 degrees East, and 78.5 degrees East ("**Orbital Slot License**").
2) Type 3 Telecommunications License.

The foregoing licenses will each have a 20-year license period from the approval date of the Orbital Slot License and Type 3 Telecommunications License.

Prior to the application of the relevant application for the licenses, STI must proceed with the following, within 90 days[12] upon receipt of the successful bidder notification by pay for the 1st installment for the Investment in the satellite operations at 119.5 degrees East, 120 degrees East, and 78.5 degrees East, totaling approximately THB 79.74 million, delivery of a letter of guarantee from a financial institution to guarantee the payment of the remaining license fees; and deposit the collateral to preserve the right to use orbital slots in a form of a letter of guarantee from a financial institution in the amount of 5.00% of the total value of the satellite investments.

2.6.2 The 119.5 Degrees East Orbit Satellite Project

Initially, the Company has a plan to procure 3 satellites in the orbit of 119.5 degrees East (according to the necessity and appropriateness), as follows:

Detail	2 Small Satellites	Large Satellite	Gateway Station
Investment Detail	▪ 2 small satellites (10 Gbps each) ▪ Launch cost ▪ Telemetry, tracking, command, and monitoring (TTC&M)	▪ Large satellite (100 Gbps) ▪ Launch cost ▪ Telemetry, tracking, command, and monitoring (TTC&M))	Gateway station and any relevant matters
Investment Value	Approximately USD 131.2 million or THB 4,362 million[13]	Approximately USD 238.3 million or THB 7,917 million[14]	Approximately USD 64.0 million or THB 2,127 million[15]

[11] Please refer to footnote 2.

[12] The period is in accordance with the NBTC's Notification on Criteria and Procedures to License of Satellites Slot Package B.E. 2565 (2022).

[13] Please refer to footnote 1.

[14] Please refer to footnote 1.

[15] Please refer to footnote 1.

Detail	2 Small Satellites	Large Satellite	Gateway Station
	(or approximately USD 65.6 million or THB 2,181 million per satellite)		
Construction Period	2 years	4 years	1 year
Commercial Operation Date	Around 2025	Around third quarter of 2027	Around 2025 However, the gateway station will be operated in accordance with the bandwidth usage.
Useful Life	8 years	15 - 16 years	20 years

For the maintenance of the existing customers and the continuity of the service provided under the 119.5 degrees East orbit, the Company may consider proceed the project with the small satellite first so that the service can be continuously provided in accordance with the engineering utilization period of Thaicom 4. The large satellite may also be operated concurrently in order to attract more customers and keep up with the escalating demand for satellite services in Southeast Asia and South Asia.

Upon receipt of approval from the shareholders' meeting, STI will commence the Investment in the 119.5 Degrees East Orbit Satellite Project, with the service expected to be available to domestic and international customers in 2025.

However, since the Satellite Project is the long-term investment, the Company may adjust the investment plan and/or adjust business model of satellite supply such as purchasing satellites and/or leasing satellites and/or leasing bandwidth instead of the above construction plan. If the Company adjust their investment plan and/or adjust business of satellite supply, those adjustments will not exceed the maximum investment amount and will provide return that is comparable to the Satellite Project that approved by the shareholders.

2.7 Criteria used to determine the value of consideration paid

2.7.1 Orbital Slot License

The Orbital Slot License value is determined by bidding procedure as specified by the NBTC.

2.7.2 The 119.5 Degrees East Orbit Satellite Project

The Investment in the 119.5 Degrees East Orbit Satellite Project will have an investment value of not exceeding USD 433.5 million or approximately THB 4,405.21 million[16] (excluding VAT), which is derived from the initial proposal from industry-leading satellite manufacturers. The costs of designing, building, and launching satellites into an orbit of 119.5 degrees East, and building the necessary telemetry, tracking, command, and monitoring (TTC&M) infrastructure, as well as the cost of the traffic management or gateway station as estimated by the Company's engineering experts.

[16] Please refer to footnote 1.

2.8 Total value of consideration paid

2.8.1 Orbital Slot License

STI is the successful bidder for a license of orbital slots at a total cost of THB 797.43 million (excluding VAT) with the following payment terms:

- 1st payment: 10.0% of the license fees, and a letter of guarantee from a financial institution is required to guarantee the payment of the remaining license fees, which must be paid and submitted within 90 days of receiving the award notice from the NBTC.
- 2nd payment: 40.0% of the license fees and the submission of a letter of guarantee from a financial institution guaranteeing payment of the remaining license fees within 4 years of receiving the license.
- 3rd payment: 50.0% of the total license fees within 6 years of the date that the license was received.

2.8.2 The Investment in the 119.5 Degrees East Orbit Satellite Project

The Investment in the 119.5 Degrees East Orbit Satellite Project will have an investment value of not exceeding USD 433.5 million or approximately THB 14,405.21 million[17] (excluding VAT) by cash payment.

2.9 The value of the acquired assets

2.9.1 Orbital Slot License

The Orbital Slot License value is determined by bidding procedure as specified by the NBTC. The license will become effective once STI receives the Orbital Slot License and the Type-3 telecommunications license, both of which are anticipated to be granted during the second quarter of 2023. The license will be valid for 20 years and expire in the second quarter of 2043.

2.9.2 The 119.5 Degrees East Orbit Satellite Project

There is a reasonable expectation that the value of the asset acquired will be close to the total value of the consideration paid as outlined in Clause 2.8.2 above. However, the total amount of the Investment in the 119.5 Degree East Orbit Satellite Project may not be able to be recorded as a capital expenditure. Consequently, the value of the asset obtained through the Investment in the 119.5 Degree East Orbit Satellite Project may be adjusted in accordance with the relevant regulations and standards of accounting.

2.10 Conditions of the transaction

When the fees for the Orbital Slot License are factored in, along with the initial investment in the construction of the satellite project, the acquisition of the assets will have a total transaction size of 102.4%. According to the rules that govern the acquisition or disposition of assets by listed companies, this constitutes a type 4[18] transaction. As a consequence of this, the Company is obliged to carry out the activities listed below.

1) Disclose the Information Memorandum in relation to the investment in the Satellite Project to the SET.

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[17] Please refer to footnote 1.

[18] Please refer to footnote 2.

2) Hold a shareholders' meeting to seek the shareholders' approval of the investment in the Satellite Project and all other related matters.
3) Arrange to have the services of an independent financial advisor to provide opinions on the investment in the Satellite Project.

2.11 Source of funds

For the investment in the Satellite Project and funding for the payment of the Orbital Slot License according to the above plans, the Company and STI expect to use the source of funds by securing loan agreements from financial institutions, approximately 65% – 85% of the total investment value. The remaining satellites' construction costs and any applicable license fees are anticipated to be covered mostly by the proceeds from a capital increase by the Company and the rest will be covered by the operating cash flow from the operation of STI. As at the year-end of 2565, the Company has cash, cash equivalents, and temporary investment of THB 5,848.18 million in total, and also has unused loan amount of approximately THB 4,000 million in total, which are sufficient for the capital injection in STI.

2.12 Board of Directors' opinion in regard to the transaction

The Board of Directors approved the investment in the Satellite Project and propose to present to the Annual General Meeting of Shareholders No. 1/2023 to approve STI investing in the Satellite Project. The Board of Directors views that the 119.5 degrees East orbit and the 78.5 degrees East orbit are the original orbital slots, from which the Company has operated under both concessionary and licensing models, which are also the expertise of the Company. At present, Thaicom 4 serves in the 119.5 degrees East orbit and Thaicom 6 and Thaicom 8 serve in the 78.5 degrees East orbit, respectively. Since the Thaicom 4 satellite is expected to reach the end of its engineering life around 2024 (based on engineering assessment data), the investment in the Satellite Project is necessary to guarantee the profitability and continuity of the Company's business operations. In addition, the investment being proposed, will ensure business continuity and generate long-term benefits to both the Company and its shareholders, by enhancing its ability to compete and provides strategic benefits to other group companies in the future.

The approval of the investment in the Satellite Project by the shareholders' meeting shall include the approval of the relevant operation and preparation that the Company has already carried out prior to the shareholders' meeting, such as the payment of deposit for satellite manufacturer to commence the sourcing of main equipment, in order to protect the interest of the Company.

As the Satellite Project would be a long-term investment, the Board of Directors has also proposed to the shareholders' meeting to consider and approve the delegation of the Board of Directors and/or any other individuals as the Board of Directors may designate as authorized persons to have the authority in relation to the investment in the Satellite Project, including any revisions of the investment plan and the certain types of procurement of the satellites e.g., purchase and/or lease of the satellites, and/or lease of the transponders etc., rather than the construction of satellite by the Company and/or conditions or any other details, in case the Company decides to change the investment plan and/or the type of satellite procurement, such change will be within the investment budget and have comparable level of return to the investment plan approved by the shareholders' meeting at this time or it is an action

in the best interest of the Company, as well as to negotiate, agree, determine, and change of any details, terms and conditions in any documents or agreements pertaining to the Satellite Project and the performance of any and all activities related thereto, provided that the exercise of all powers must be within the scope of authority approved by the shareholders' meeting and in the best interests of the Company.

Part 3: The appropriateness of the Transaction

3.1 Objective of the transaction

The Company is the market leader in the satellite industry in Thailand, with more than 3 decades of expertise in the satellite business, spanning more than ten nations in the Asia-Pacific region. The Company's vision for its satellite business is to be No.1 in South Asia and South East Asia within 5 years, and to maintain No.1 in the satellite business in Thailand in order to satisfy customer demand, create more competitive advantages, and ensure a sustainable growth.

Investing in the Satellite Project is in line with the Company's strategic plan. This Satellite Project will help the Company to provide the satellite services for another 20 years since other current satellites are nearly at the end of their useful life. Moreover, the Satellite Project will establish credibility with domestic and foreign clients, retain current base customers at 119.5 degrees East orbit (Thaicom 4 license which will expire in 2024), and generate long-term shareholder value and returns.

The new satellites will assist the Company to operate more efficiently than leasing from other operators. Additionally, the Satellite Projects will generate sustainability growth. The Company desires to implement software-defined technology to increase the efficiency of satellites by increasing the flexibility of operation and freely changing the service areas, whereas the current system is not able to adjust the service areas from one region to another. With an investment in a gateway in Thailand, it can ensure and secure the security system of the Thai government.

In the case that the Satellite Project is successful, it can generate a high rate of return in terms of both revenue and opportunities to grow its service line by leveraging the solid customer base of the project.

3.2 Advantage and disadvantage of entering into the transaction

3.2.1 Advantage of entering into the transaction

(1) Creating the Company's business stability and enhance customer trust in the satellite business

Currently, as the satellite business is the main operation of the Company, this Satellite Project is crucial for the Company from a strategic standpoint in order to strengthen the operational stability and business consistency, as well as its future competitive advantage. In addition, the characteristics of the satellite industry necessitates that majority of customers, both commercial and government, prefer to sign long-term contracts in order to stabilize and continue their operations. As a result, a satellite operator's long-term ability to provide service is crucial for those customers. Therefore, the acquisition of additional 20 years license will create confidence for customers and increase renewal rate of their long-term contracts with the Company in the future.

STI's acquisition of the orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East, as well as the expansion of Type 3 telecommunications license for another 20 years, indicates the potential growth in the future due to an increase in demand for communication by satellite as a result of population growth and the area's difficult terrain. In addition, since Company has extensive experiences to operate satellites and strong customer base in the orbit slots at 119.5 degrees East, currently operated by Thaicom 4, and 78.5 degrees East ,currently operated by Thaicom 6 and Thaicom 8, it will assist growth of the Satellite Project in future.

(2) Gaining more competitive advantages from new technology implementation

Currently, the Company operates its owned satellites (Thaicom 7 and Thaicom 8) and leases some transponders from Thaicom 4 and Thaicom 6 from NBTC in order to provide the satellite service. The existing satellites use outdated technology, which limits the growth potential. With the implementation of software-defined technology in the Satellite Project, the Company can increase the capability of new satellites and the flexibility of their operations since the new technology can adjust the service areas after launch. On the other hand, the outdated technology is incapable of adjusting the area after launch, so when there is a mismatch between supply and demand in some areas, the existing satellites are not able to alter its service area.

(3) Increasing the opportunity to generate incremental revenue from new customers and services

Since the Company intends to launch 3 satellites at orbital slot of 119.5 degrees East with a total capacity of 120 Gbps (significantly greater than the Company's present capacity), the Company has higher capability in providing service for clients.

In order to enlarge the business and increase its level of competitiveness, the Company plans to expand its satellite business by forming partnerships with a third party in order to satisfy consumer needs, participating in government projects, and seeking to invest in domestic and foreign business that are related to satellite and space technology, including developing new business models for increasing incremental revenue both short-term and long-term. This Satellite Project will support the Company's previously mentioned business direction, improve services to handle future changes in satellite and space technology in the future, as well as increase future competitive advantages of the Company.

(4) Appropriate returns from the investment

The IFA evaluates the valuation of the Satellite Project from the net present value (NPV) and internal rate of return (IRR) methods since the IFA believes these two methods can reflect the Satellite Project's operation and performance in future (detail is in Part 4).

To evaluate the appropriateness of the Satellite Project, the IFA performed the sensitivity analysis by changing the total revenue by increasing or decreasing by 2.50% and changing the proportion of debt to capital (D/V) by increasing or decreasing by 10.00%. Regarding the NPV approach, the NPV of the Satellite Project is between THB 1,210.46 - 2,322.20 million. Regarding the IRR approach, the IRR of the Satellite Project is between 11.47% - 12.50%, which is greater than the weighted average cost of capital (WACC) of the Satellite project at 10.00%. Therefore, the IFA has an opinion that the Satellite Project has an appropriate valuation in terms of both NPV and IRR and will possibly generate a positive return for the shareholders.

3.2.2 Disadvantage of entering into the transaction

(1) Hugh investment amount

The total investment budget for this Satellite Project is no more than THB 15,203 million (excluding VAT), made up of (a) THB 797.43 million in license fees for the orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East; and (b) USD 433.5 million, or THB 14,405.21 million[19], as investment costs for the satellites project for the 119.5 degrees East. This investment amount is high comparing to the Company's total assets of THB 14,850 million based on the audited financial statements as of December 31, 2022.

However, the payment of the Satellite Project's investment will be split into multiple installments. Approximately 75% of total investment will be paid in the period between 2023 – 2026, may cause financial strain and reduce the liquidity. Moreover, according to the audited financial statements as of December 31, 2022, the Company has cash, cash equivalents, and temporary investment of THB 5,848 million and a line of credit from financial institutions of THB 4,000 million, which are sufficient for the Satellite Project.

(2) Additional debt obligation from the transaction

The source of funds for the Satellite Project includes the Company's remaining cash, cash flow from operations, and a loan from a financial institution. Essentially, the Company intends to use a loan facility from the financial institution around 65% - 85% of the total investment, or around THB 9,882 - 12,923 million, resulting in increasing interest bearing debt and interest costs. According to the audited financial statements as of December 31, 2022, the Company has the total liabilities of THB 4,296 million, total shareholder equity of THB 10,554 million, and the debt-to-equity ratio of around 0.4 times. After accumulating the new debt from this Satellite Project, the total liability will rise to THB 14,178 - 17,219 million, and the debt-to-equity ratio will rise to 1.3 - 1.6 times, which is not high comparing to other companies in the infrastructure industry. As of December 31, 2022, GULF, GPSC, ADVANC, TRUEE, and DTAC had debt-to-equity ratios of 2.1 times, 1.5 times, 2.9 times, 9.1 times, and 7.1 times, respectively. Moreover, during the investment phase of the infrastructure industry, the debt-to-equity ratio usually ranges between 2.0 - 3.0 times. In addition, the loan for the Satellite Project is interest-bearing debt, resulting in increasing burden of interest costs and the obligation to maintain financial covenants as agreed in loan agreements.

However, due to the Company's experience and expertise in the satellite business, as well as the long-term contract with customers, the Company is able to manage and plan about the debt repayment schedule in advance.

(3) May create restrictions for investment in other potential projects in future

Although the Satellite Project is a worthwhile investment for the Company, using its capital of THB 15,203 million (excluding VAT) and human resource allocation for this Satellite project may limit their ability to invest in other potential projects that may have higher yield.

Nonetheless, the Satellite Project is the Company's core business, which can establish the stability and potential grow, leading to greater direct and indirect benefits to the Company. The Company will prioritize the

[19] Please refer to footnote 1.

investment in potential projects such as satellite investment in 78.5 degree East orbital slot and regularly revise the business plan in order to minimize the loss of opportunity.

(4) May have lower capability to pay dividends in the early stage of the project

The preliminary forecast indicates that the performance of the Satellite Project during its early stage may affect the Company's capability to pay dividends, especially during the construction period and early stage of operation (2023 – 2028). This is because the early-stage revenue may not cover the fixed costs and interest expenses.

However, during the above periods, the Company still has revenue from existing businesses such as revenue from satellite and related services, revenue from internet and media services, and revenue from joint venture businesses. Thus, the impact on dividend payment may not be significant in long-term. Moreover, the Satellite Project's performance will progressively improve overtime after launch based on the IFA's financial projection, so the Company will have more capability to pay more dividend in future. The dividend payment policy will be based on the consolidated performance of the Company.

3.3 Advantage and disadvantage of not entering into the transaction

3.3.1 Advantage of not entering into the transaction

(1) No additional debt obligation from this transaction

If the Company does not enter into this transaction, the Company would not borrow additional debt to execute the investment plan. In addition, the Company can use their internal cash flow from operations as the working capital, source of funds for other projects that might have the better yield, dividend payment to the shareholders, and/or repayment of existing debts from financial institutions.

However, based on the interviews with the management team, the investment in this Satellite Project will assist and support the core business of the Company in long-term since the core business is satellite services, the useful life of existing satellites is about to end, and the Company has no intention to invest in other businesses.

(2) No risk from the investment

The investment in this Satellite Project is considered as a large investment for the Company compared to the total assets from the audited financial statements as of December 31, 2022. The Satellite Project has various risks, especially risk of underperforming, so without investing in the project, the Company would not face those risks.

However, the Company has considered those risks and already have plans to manage those risk, which will be described in risk section.

3.3.2 Disadvantage of not entering into the transaction

(1) Loss of competitive advantage in satellite business which is the core business of the Company

According to the useful life of Thaicom 4 that will end in 2024 and the expiration of Type 3 telecommunications license on 25 June 2032, if the Company does not enter into this transaction, it will significantly affect the core business of the Company such as (1) losing capability to provide satellite services at 119.5 degrees East orbital slot which is

the primary orbit of the Company for more than 18 years, (2) losing existing customers to competitors, and (3) losing confidence of all stakeholders.

(2) Loss of opportunity to expand new services from leveraging the new satellites

According to the Company's business plan to expand its value-added services from regular bandwidth service and serve more customers, the Company may lose the above opportunities if the Company does not enter into the transaction.

3.4 Risks of entering into the transaction

(1) Risk of the Satellite Project's performance falling short of expectation

In the case that the Satellite Project does not perform as expected, it may have an impact on the overall performance and capability to pay dividends of the Company.

Nonetheless, the Company has an opinion that such risk is limited and manageable since the Company has over 30 years of extensive experience in satellite business, especially in the 119.5 degrees East orbital slot, which is the existing and core orbital slot of the Company, and loyal customers who continuously use our services. Moreover, the Company has solid and strong track records of performance and financial position, and the Company also benefits from the upward trend of bandwidth usage in satellite market according to the Northern Sky Research's report[20].

(2) Risk of damaged satellites from launch and in-orbit failures

The Satellites may be damaged from launch failure or possible system failure (in-orbit failure) from solar discharges or collision with other objects in space. The damaged satellites may affect the Company's services to its customers, which may lead to losing current customers or not acquiring new customers while replacing the damaged satellites.

However, the probability of satellites suffering severe damage from launch failure is limited according to the statistics of launch failures in the past. Moreover, the Company has a plan to mitigate such risk by purchasing launch insurance with an insured value covering all investment cost of the Satellite Project. Regarding the in-orbit failure, the Company also intends to mitigate such risk by purchasing in-orbit insurance with an insured value covering the Satellite Project's book value. However, the Company may still be at risk of losing the revenue or business opportunity while replacing the damaged satellites.

(3) Risk of additional interest-bearing debts

The Company plans to use the loan from financial institutions in the amount of approximately 65% - 85% of total investment value or THB 9,882 – 12,923 million, which is the significant amount comparing to the Company's total assets of THB 14,850 million based on the audited consolidated financial statements for the year ending 31 December 2022. Therefore, if the Satellite Project does not perform as expected, such as lower customers or delay from the construction, it may have an impact on the Company's ability of debt repayment to its creditors.

[20] Please refer to footnote 6.

However, based on the audited consolidated financial statements for the year ending 31 December 2022, the Company has cash and cash equivalent including other current financial assets equal to THB 5,848.18 million, and the Company has EBITDA around THB 940 – 2,000 million per year (based on the performance in 2020 – 2022). Additionally, the Company has extensive experience in this satellite industry, so the Company is expected to have an ability to repay principal and interest for these additional debts.

(4) Risk of breaching NBTC's conditions and restrictions

According to NBTC's notification on criteria and procedures to license of satellites slot package and conditions on Type 3 telecommunications license (detail is in Part 2 clause 2.6), If the Company is unable to comply with the related regulations and conditions, NBTC may seize the collateral and cancel the rights to use orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East, which may affect to overall performance and financial position of the Company in future.

However, according to interviews with the management team, the IFA has an opinion that the Company should be able to comply with such conditions and restrictions since the Company has over 30 years of experience in this industry and already has the solid plan, so the risk of breaching NBTC's conditions and restrictions should be limited.

(5) Risk of shareholders will not approve the transaction

This transaction will be completed only if the Company receives approval from the 1/2023 annual general meeting of shareholders (AGM) on 7 April 2023 by a vote of at least three-quarters of the total number of votes cast by shareholders with the right to vote, excluding those with a conflict of interest. Therefore, this transaction may have a risk of not obtaining the approval from the shareholders' meeting, resulting in the loss of business opportunity in satellite business which is the core business of THCOM.

(6) Risk of foreign exchange rate

According to the Satellite Project's business plan, the related investments are typically made in foreign currencies, and the Company also offers international satellite services in which revenues receive in foreign currency. Thus, THCOM is exposed to the risk of foreign exchange rate fluctuation, which could have an impact on the financial statements and cash flow of the Satellite Project. However, the Company may manage such risk through natural hedging between revenue and investment, and other financial instruments such as foreign exchange forward contract, options, and SWAP.

Part 4: The appropriateness of valuation of acquired assets

In order to determine the appropriateness of the valuation of the Satellite Project, the IFA conducts a feasibility study considering the projected free cash flow in future with 20-year period from 2023 – 2042, in accordance with the with the period of Orbital Slot License and Type 3 Telecommunications License. The IFA determines the worthiness of this transaction based on:

1) Net Present Value (NPV)
2) Internal Rate of Return (IRR)
3) Payback Period

As for the projected free cash flow in future, the IFA has prepared a financial projection based on information and assumptions received from the Company such as business plan, investment plan, and financial projection, and interviews with the management and relevant staff. The IFA revised some assumptions to reflect a conservative basis. The objective is to determine the appropriateness of valuation of the Satellite Project only, so this valuation may not be used as a reference for any purposes other than that mentioned above. Moreover, if there is any material change from the established assumptions in the economic condition and other external factors that have an impact on the performance of the Satellite Project, it may affect the appropriateness of the valuation of the Satellite Project.

The details of the key assumptions for this valuation are as follows:

1. Capital Expenditure ("CAPEX")

Initially, the Company has a plan to procure three satellites in the orbit of 119.5 degrees East (according to the necessity and appropriateness), as follows:

1) 2 small broadband satellites with capacity of 10 Gbps per satellite (the "**Small Satellites**") which are the high throughput satellites (HTS) providing bandwidth services to customers in Thailand and India. The Small Satellites are expected to complete the construction in approximately 2 years.
2) A large broadband satellite with capacity of 100 Gbps (the "**Large Satellite**") which is high throughput satellites (HTS) with software-defined technology providing bandwidth services to customers in Southeast Asia and South Asia. The Large Satellite is expected to complete the construction in approximately 4 years.

The details of CAPEX of Satellite Project are as follows:

1.1 CAPEX for license fees

CAPEX for license fees is the costs of acquiring the orbital slots licenses at 119.5 degrees East, 120 degrees East, and 78.5 degrees East. The IFA forecasted this CAPEX based on NBTC's Notification on Criteria and Procedures to License of Satellites Slot Package.

Table 4-1: CAPEX for license fees

Details	2023F	2024F	2025F	2026F	2027F	2028F
CAPEX for license fees (THB million)	79.74	-	-	318.97	-	398.71

1.2 CAPEX for satellites construction

CAPEX for satellites construction consists of construction cost of satellites, launch cost, and construction cost of telemetry, tracking, command, and monitoring (TTC&M). The IFA forecasted this CAPEX of each satellite based on preliminary quotations from related parties and interviews with the management and relevant staff.

Table 4-2: CAPEX for satellites construction

Details	2023F	2024F	2025F	2026F
CAPEX for the Small Satellites (USD million)[1/]	5.00	17.00	-	-
CAPEX for the Large Satellite (USD million)	114.20	21.70	34.50	67.85
Total CAPEX for satellites construction (THB million)[2/]	**3,961.02**	**1,286.00**	**1,146.44**	**2,254.77**

Note: [1/] This CAPEX excludes an investment that is accounted as a right-of-use (detail is in clause 3.1 sub-clause 4 bandwidth rental fee) in accordance with the relevant regulations and standards of accounting.

[2/] The IFA forecasted the exchange rate at 33.23 THB/USD based on Bank of Thailand (as of 18 January 2023).

1.3 CAPEX for traffic management or gateway station

CAPEX for traffic management or gateway station is the construction cost of gateway station in each country. The gateway station is a ground station that transmits data to or from the satellite to the local area network. The IFA forecasted this CAPEX based on the Company's financial projection and the interviews with the management and relevant staff.

Table 4-3: CAPEX for gateway station

Details	2023F	2024F	2025F	2026F	2027F
CAPEX for gateway station (THB million)[1/]	-	132.92	-	1,329.20	-

Details	2028F	2029F	2030F	2031F	2032F
CAPEX for gateway station (THB million)[1/]	-	-	-	-	664.60[2/]

Note: [1/] The IFA forecasted the exchange rate at 33.23 THB/USD based on Bank of Thailand (as of 18 January 2023).

[2/] The gate way station in 2032 is construction to serve the growing bandwidth usage.

2. Revenue

The IFA forecasted revenue from the bandwidth price per unit multiplied by the amount of bandwidth supplied (Mbps). Based on the business plan and useful life of the satellites, the Small Satellites are forecasted to be in operation from 1 January 2025 to 31 December 2032, and the Large Satellite is forecasted to be in operation from 1 July 2027 to 31 December 2042.

Table 4-4: Revenue

Details	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Operating satellites (satellite)	-	-	2	2	3	3	3	3	3	3
Capacity (Gbps)	-	-	20.00	20.00	120.00	120.00	120.00	120.00	120.00	120.00
Utilization Rate	-	-	30.00%	60.00%	19.17%	23.33%	31.67%	40.00%	48.33%	56.67%
Bandwidth supplied (Gbps)	-	-	6.00	12.00	23.00	28.00	38.00	48.00	58.00	68.00
Average bandwidth price (USD/Mbps/month)	-	-	310.85	279.51	225.16	228.70	210.28	195.21	185.18	175.42
Total revenue[1/] (THB million)	-	-	743.73	1,337.47	2,065.06	2,553.49	3,186.28	3,736.38	4,282.83	4,756.73

Details	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F	2042F
Operating satellites (satellite)	1	1	1	1	1	1	1	1	1	1
Capacity (Gbps)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Utilization Rate	75.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Bandwidth supplied (Gbps)	75.00[2/]	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
Average bandwidth price (USD/Mbps/month)	166.20	156.93	148.17	139.90	132.10	124.73	117.78	111.21	105.02	99.16
Total revenue[1/] (THB million)	4,970.65	5,006.08	4,726.71	4,463.00	4,214.06	3,979.06	3,757.22	3,547.79	3,350.09	3,163.44

Note: [1/] The IFA forecasted the exchange rate at 33.23 THB/USD based on Bank of Thailand (as of 18 January 2023).

[2/] The IFA assumed that existing customers of the Small Satellites will transfer to the Large Satellite after the end of useful life of Small Satellites in 2032.

The bandwidth supplied is forecasted based on the forecast of bandwidth usage from NSR's report, business plan, internal financial projection, historical performance, and interviews with the management and relevant staff. The target customers are (1) customers of Thaicom 4 which is expected to gradually move to the Small Satellites after the end of useful life of Thaicom 4 in 2024 and (2) new customers in Southeast Asia and South Asia which are the location with high bandwidth demands, especially in remote areas. However, if the future demand differs from the forecast, the Company is able to freely adjust their service areas and improve the efficiency of the

satellite due to the software-defined technology. Furthermore, the bandwidth supplied from the IFA's forecast is only 1.0% - 2.5% of total bandwidth demands in Southeast Asia and South Asia (based on NSR's report).

The average bandwidth price is forecasted based on the NSR's report. To reflect a conservative basis and based on interviews with the management and relevant staff, the IFA forecasted the average bandwidth price in Thailand, India, Southeast Asia, and South Asia by discounting 15% from the forecasted bandwidth price in each area from NSR's report.

3. Cost of goods sold

Cost of goods sold consists of (1) bandwidth rental fee, (2) fees relevant to license, (3) other costs relevant to the license auction, (4) in-orbit insurance cost, (5) relevant employee expense, (6) gateway operation cost, and (7) other operating costs. The details of assumptions are as below:

3.1 Bandwidth rental fee

Bandwidth rental fee is a part of the construction cost of the Small Satellites that accounted as a right-of-use in accordance with the relevant regulations and standards of accounting, and preliminary quotation from related parties. The IFA forecasted this fee to be flat at USD 13.66 million per year based on preliminary quotation from the potential suppliers and interviews with the management and relevant staff.

3.2 Fees relevant to license

Fees relevant to license consist of license fee and orbital slot fee that STI is required to pay to NBTC. The IFA forecasted these relevant fees at 4.25% of total revenue according to the announcement and notification from NBTC.

3.3 Other costs relevant to the license auction

Other costs relevant to the license auction consist of application fee and bank guarantee fee. The IFA forecasted these costs based on the NBTC's Notification on Criteria and Procedures to License of Satellites Slot Package and financial projection of the Company.

3.4 In-orbit insurance cost

In-orbit insurance cost is an insurance cost to protect against the risk of a satellite's complete or partial failure during the operating phase. The IFA forecasted this cost at 1.00% of book value of satellites based on the Company's financial projection and interviews with the management and relevant staff.

3.5 Relevant employee expense

Relevant employee expense is expense for the engineers who operate and control the satellites. The IFA forecasted this expense based on the Company's financial projection and interviews with the management and relevant staff.

3.6 Gateway operation cost

Gateway operation cost is the operate and maintenance cost for gateway. The IFA forecasted this cost to be fixed at THB 5.00 million per gateway based on the Company's financial projection, historical cost of Thaicom 4, and interviews with the management and relevant staff. Number of gateways is forecasted based on the business plan of the Company.

3.7 Other operating costs

Other operating costs consist of cost of utilities, internet cost, traffic transfer cost, and others. The IFA forecasted these costs to be fixed at 11.10% of total revenue based on the Company's financial projection, historical cost of Thaicom 4, and interviews with the management and relevant staff.

Table 4-5: Cost of goods sold

Details	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Bandwidth rental fee[1/] (THB million)	-	-	453.79	453.79	453.79	453.79	453.79	453.79	453.79	453.79
Fees relevant to license (THB million)	-	-	31.61	56.84	87.76	108.52	135.42	158.80	182.02	202.16
Other costs relevant to the license auction (THB million)	10.36	9.86	15.77	7.68	4.27	4.27	-	-	-	-
In-orbit insurance cost (THB million)	-	-	6.65	5.82	44.06	79.14	73.31	67.48	61.65	55.82
Relevant employee expense (THB million)	-	-	19.20	20.16	45.37	72.63	76.26	80.07	84.07	88.28
Gateway operation cost (THB million)	-	-	10.00	10.00	20.08	30.00	30.00	30.00	30.00	40.00
Other operating costs (THB million)	-	-	285.30[2/]	148.46	229.22	283.44	353.68	414.74	475.39	528.00
Total cost of goods sold (THB million)	**10.36**	**9.86**	**822.31**	**702.74**	**884.55**	**1,031.79**	**1,122.45**	**1,204.87**	**1,286.93**	**1,368.04**

Details	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F	2042F
Bandwidth rental fee[1/] (THB million)	-	-	-	-	-	-	-	-	-	-
Fees relevant to license (THB million)	211.25	212.76	200.89	189.68	179.10	169.11	159.68	150.78	142.38	134.45
Other costs relevant to the license auction (THB million)	-	-	-	-	-	-	-	-	-	-
In-orbit insurance cost (THB million)	49.99	44.99	39.98	34.98	29.98	24.98	19.98	14.98	9.98	4.98
Relevant employee expense (THB million)	64.32	67.54	70.92	74.46	78.19	82.10	86.20	90.51	95.04	99.79
Gateway operation cost (THB million)	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Other operating costs (THB million)	551.74	555.67	524.67	495.39	467.76	441.68	417.05	393.80	371.86	351.14
Total cost of goods sold (THB million)	**907.31**	**910.96**	**866.45**	**824.52**	**785.03**	**747.86**	**712.92**	**680.08**	**649.26**	**620.36**

Note: [1/] The IFA forecasted the exchange rate at 33.23 THB/USD based on Bank of Thailand (as of 18 January 2023).

[2/] Other operating costs in 2025 include non-recurring item of THB 202.7 million. This non-recurring item is an equipment cost that the Company has to install for customers who want to transfer service from Thaicom 4 to the Small Satellite.

4. Selling and administration expenses

Selling and administration expenses consist of advertising expense, commission fee, marketing expense, employee expense, maintenance expense, etc. Since each satellite has different useful life and operation date, the selling and administration expenses should reflect the total revenue and number of operating satellites. The IFA forecasted these expenses at 10.00% of total revenue based on the Company's financial projection and interviews with the management and relevant staff.

Table 4-6: Selling and administration expenses

Details	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
% of selling and administration expenses to total revenue	-	-	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Total selling and administration expenses (THB million)	-	-	74.37	133.75	206.51	255.35	318.63	373.64	428.28	475.67

Details	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F	2042F
% of selling and administration expenses to total revenue	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Total selling and administration expenses (THB million)	497.07	500.61	472.67	446.30	421.41	397.91	375.72	354.78	335.01	316.34

5. Depreciation and amortization

Depreciation and amortization consist of (1) amortization of license fee which is forecasted to have useful life of 20 years in accordance with the Orbital Slot License and (2) depreciation of satellites and other equipment which is forecasted based on useful life of each satellite and accounting policy of the Company.

6. Income tax expense

The tax rate is forecasted to be 20.00% of profit before tax expense throughout the entire projection period based on the corporate income tax rate in Thailand.

7. Assets and liabilities turnover

The IFA forecasted the current assets turnover and current liabilities turnover based on the Company's financial projection and the interviews with the management and relevant staff.

- Account receivables are forecasted to be 45 days, 180 days, and 120 days for customers in Thailand, India, and Southeast Asia and South Asia, respectively. The different number is due to different payment terms in each country and the average of normal account receivables turnover in each country before the COVID-19 pandemic (2018 - 2020).
- Account payables are forecasted to be 30 days based on the average of normal account payables turnover before the COVID-19 pandemic (2018 - 2020).

8. Discount rate

The IFA forecasted a discount rate from the Weighted Average Cost of Capital ("**WACC**") approach with the following details:

$$WACC = K_e \times (E/V) + K_d \times (1-t) \times (D/V)$$

whereas

K_e = Cost of equity based on the Capital Asset Pricing Model (CAPM) which is 24.46%

E/V = Proportion of equity to capital which is 25.00% based on the business plan

K_d = Cost of debt of the Satellite Project which is 6.47%

t = Corporate income tax which is 20.00%

D/V = Proportion of debt to capital which is 75.00% based on the business plan

Calculation of cost of equity (K_e)

The IFA forecasted cost of equity (K_e) based on Capital Asset Pricing Model (CAPM) by the following components:

$$K_e = R_f + \beta \times (R_m - R_f)$$

whereas

R_f = Risk-free rate based on the 20-year government bond which is 3.10% (as of 7 February 2023). The IFA applied the period of risk-free rate at 20 years since this return reflects the investors' expected risk-free return for the next 20 years which covers the forecast period of the IFA in this report.

β = Beta or a coefficient that reflects the risk of the Company comparing to the SET is forecasted based on the 5-year historical beta from listed companies operating similar business, where 5-year period is the period that the IFA believes is appropriate to reflect the coefficient of the SET and the Company; unleveraged beta details are shown below:

Table 4-7: Unlevered Beta of listed companies operating similar business

Company	Country	Business Description	Levered Beta	Debt / Equity (D/E)	Unlevered Beta
Thaicom Public Co., Ltd.	Thailand	Leading satellite operator in Asia who provides wide range of satellite communication services over 10 countries in Asia Pacific. THCOM provides its services through 4 satellites which are Thaicom 4, Thaicom 6, Thaicom 7, and Thaicom 8.	1.83	0.24	1.59
APT Satellite Holdings Ltd.	Hong Kong	Holding company invested in satellite business with a wide range of services including satellite transponder leasing, broadcast, data center, and other related services. This company owns a fleet of 5 satellites, namely APSTAR-6D, APSTAR-7, APSTAR-9, APSTAR-5C, and APSTAR-6C	0.66	0.03	0.64
SKY Perfect JSAT Holdings	Japan	Holding company invested in satellite and media businesses with a wide range of satellite communication and solution services including broadcast and fiber to the home service. This company has a fleet of 16 satellites under its operation	0.79	0.35	0.63
Eutelsat Communications SA	French	French satellite operator owns a fleet of satellites and provides coverage over the European continent, the Middle East, Africa, Asia, and the Americas with a full range of satellite communication and related services including satellite transponder leasing and broadcast.	0.36	1.24	0.17
Telesat Corporation	United States	Global satellite operator offers mission-critical communications services to broadcast, enterprise, and consulting customers worldwide through its satellites.	2.08	9.12	0.29
China Satellite Communications Co., Ltd.	China	Chinese satellite operator specialized in satellite communications and broadcasting services. This company has a fleet of 15 satellites under its operation	0.98	0.02	0.96
Median					**0.64**

Source: Refinitiv as of 7 February 2023

The IFA used the median of Unlevered Beta of 0.64 from table above to calculate the Levered Beta from equation of Levered Beta = Unlevered Beta (1 + (1 – t) x (D/E)), so the Levered Beta is 2.16

R_m = Market premium on investment in the SET for the past 20 years is 12.99% (as of 7 February 2023), in accordance with the period of risk-free rate.

Thus

K_e = $R_f + \beta \times (R_m - R_f)$

= 3.10% + 2.16 x (12.99% - 3.10%)

= 24.46%

Calculation of cost of debt of the Company (K_d)

The IFA forecasted the cost of debt of the Company to be 6.47% based on the average of preliminary quotations from financial institutions in Thailand and overseas.

Calculation of WACC

The IFA forecasted the WACC of THCOM by the following components:

$WACC$ = $K_e \times (E/V) + K_d \times (1-t) \times (D/V)$

= (24.46% x 25.00%) + [6.47% x (1 – 20.00%) x 75.00%]

= 10.00%

9. Cash flow projection of the Satellite Project

Table 4-8: Cash flow projection of the Satellite Project

Unit: THB million	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F
EBIT x (1 - Tax rate)	(40.26)	(49.73)	(300.82)	282.49	420.33	417.56	800.63	1,130.77	1,458.57	1,734.88	2,309.59
Depreciation and amortization	29.90	39.87	147.87	147.87	448.59	744.41	744.41	744.41	744.41	744.41	679.29
Changes in net working capital	-	-	(167.96)	(196.76)	(218.62)	(148.26)	(205.83)	(177.26)	(173.73)	(145.98)	(125.21)
CAPEX	(4,040.76)	(1,418.92)	(1,146.44)	(3,902.94)	-	(398.71)	-	-	-	(664.60)	-
Free cash flow of the Satellite Project	**(4,051.12)**	**(1,428.78)**	**(1,467.35)**	**(3,669.34)**	**650.31**	**614.99**	**1,339.21**	**1,697.92**	**2,029.25**	**1,668.71**	**2,863.67**

Unit: THB million	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F	2042F	2043F
EBIT x (1 - Tax rate)	2,332.18	2,166.64	2,010.31	1,862.67	1,723.20	1,591.43	1,466.92	1,349.23	1,239.92	(9.97)
Depreciation and amortization	679.29	679.29	679.29	679.29	679.29	679.29	679.29	679.29	676.84	9.97
Changes in net working capital	(11.35)	88.19	87.08	74.77	74.21	70.06	69.19	59.43	58.99	989.05
CAPEX	-	-	-	-	-	-	-	-	-	-
Free cash flow of the Satellite Project	**3,000.12**	**2,934.12**	**2,776.68**	**2,616.73**	**2,476.69**	**2,340.78**	**2,215.39**	**2,087.95**	**1,975.75**	**989.05**

From table above, the feasibility study of net present value (NPV), internal rate of return (IRR), and payback period can be summarized as below:

Table 4-9: Feasibility study on the Satellite Project

Feasibility study on the Satellite Project	Results
Project net present value (Project NPV)	THB 1,762.53 million
Project internal rate of return (Project IRR)	11.99%
Payback period	10.91 years

However, to evaluate the appropriateness of the Satellite Project without considering the license fee of orbital slot at 78.5 degrees East, the feasibility study of net present value (NPV), internal rate of return (IRR), and payback period can be summarized as below:

Table 4-10: Feasibility study on the Satellite Project without considering the license fee of orbital slot at 78.5 degrees East

Feasibility study on the Satellite Project	Result
Project net present value (Project NPV)	THB 2,024.67 million
Project internal rate of return (Project IRR)	12.32%
Payback period	10.78 years

10. Sensitivity Analysis

Since total revenue and proportion of debt to capital (D/V) are parts of the key assumptions to evaluate the Satellite Project, the IFA performed the sensitivity analysis of total revenue and proportion of debt to capital (D/V) to reflect the impact from changing the total revenue by increasing or decreasing by 2.50% and changing the proportion of debt to capital (D/V) by increasing or decreasing by 10.00%. The IFA has an opinion that the change in total revenue is appropriate based on the future inflation rate and future trends of bandwidth demand and price which may change from the IFA's forecast. The change in the proportion of debt to capital (D/V) is to cover financing plan of the Company at 65.00% - 85.00% of total investment according to clause 2.11.

According to the above sensitivity analysis, the IFA summarized the valuation of the Project Satellite as below:

Table 4-11: Sensitivity analysis on the project net present value (NPV)

Project net present value (Project NPV) (THB million)		Change in total revenue – Increase/(Decrease)		
		(2.50%)	-	2.50%
D/V Increase/(Decrease)	(10.00%)	1,368.24	1,845.22	2,322.20
	-	1,288.92	1,762.53	2,236.15
	10.00%	1,210.46	1,680.73	2,151.01

Table 4-12: Sensitivity analysis on the project internal rate of return (IRR)

Project Internal rate return (Project IRR) (%)		Change in total revenue – Increase/(Decrease)		
		(2.50%)	-	2.50%
D/V Increase/(Decrease)	(10.00%)	11.47	11.99	12.50
	-	11.47	11.99	12.50
	10.00%	11.47	11.99	12.50

Based on the sensitivity analysis above, the project net present value (NPV) and project internal rate of return can be summarized as follows:

Table 4-13: Conclusion of sensitivity analysis

Feasibility study on the Satellite Project	Results
Project net present value (Project NPV)	THB 1,210.46 - 2,322.20 million
Project Internal rate of return (Project IRR)	11.47% - 12.50%

However, to evaluate a sensitivity analysis without considering the license fee of orbital slot at 78.5 degrees East, the sensitivity analysis can be summarized as below:

Table 4-14: Sensitivity analysis on the project net present value (NPV) without considering the license fee of orbital slot at 78.5 degrees East

Project net present value (Project NPV) (THB million)		Change in total revenue – Increase/(Decrease)		
		(2.50%)	-	2.50%
D/V Increase/(Decrease)	(10.00%)	1,630.93	2,107.91	2,584.89
	-	1,551.06	2,024.67	2,498.28
	10.00%	1,472.05	1,942.32	2,412.60

Table 4-12: Sensitivity analysis on the project internal rate of return (IRR) without considering the license fee of orbital slot at 78.5 degrees East

Project Internal rate return (Project IRR) (%)		Change in total revenue – Increase/(Decrease)		
		(2.50%)	-	2.50%
D/V Increase/(Decrease)	(10.00%)	11.79	12.32	12.83
	-	11.79	12.32	12.83
	10.00%	11.79	12.32	12.83

Based on the sensitivity analysis above, the project net present value (NPV) and project internal rate of return without considering the license fee of orbital slot at 78.5 degrees East can be summarized as follows:

Table 4-13: Conclusion of sensitivity analysis without considering the license fee of orbital slot at 78.5 degrees East

Feasibility study on the Satellite Project	Results
Project net present value (Project NPV)	THB 1,472.05 - 2,584.89 million
Project Internal rate of return (Project IRR)	11.79% - 12.83%

Part 5: Summary of the Opinion of the IFA

Based on the above information and rationales, the IFA has an opinion that the objectives of the transaction are appropriate. Moreover, the IFA evaluated the investment budget of no more than THB 15,203 million (excluding VAT) in the Satellite Project from Project NPV and Project IRR methods. The project NPV of this Satellite Project is between THB 1,210.46 - 2,322.20 million, and the project IRR of this Satellite Project is between 11.47% - 12.50% which is higher than the WACC of the Satellite Project at 10.00%. Based on the above results, **the return of this Satellite Project is appropriate, and the Company's shareholders should approve this asset acquisition transaction.**

The IFA analyzes the above information in order to prepare this report based on information and documents obtained from the Company and/or interview with the Company's management, as well as publicly available information and other relevant information. The opinion given herein is based on the assumptions that the information and document obtain are complete, true, and correct. If the information is not true and/or correct and/or material changes in future, it may affect the conclusion of the IFA's opinion. Moreover, the IFA's opinion is conducted for the shareholders in order to be used for this transaction only, and this report does not guarantee the successfulness of the transaction.

Moreover, according to the Board of Directors has proposed to the shareholders' meeting to consider and approve "the delegation of the Board of Directors and/or any other individuals as the Board of Directors may designate as authorized persons to have the authority in relation to the investment in the Satellite Project, including any revisions of the investment plan and the certain types of procurement of the satellites e.g., purchase and/or lease of the satellites, and/or lease of the transponders etc., rather than the construction of satellite by the Company and/or conditions or any other details, in case the Company decides to change the investment plan and/or the type of satellite procurement, such change will be within the investment budget and have comparable level of return to the investment plan approved by the shareholders' meeting at this time or it is an action in the best interest of the Company, as well as to negotiate, agree, determine, and change of any details, terms and conditions in any documents or agreements pertaining to the Satellite Project and the performance of any and all activities related thereto, provided that the exercise of all powers must be within the scope of authority approved by the shareholders' meeting and in the best interests of the Company." IFA has an opinion that the proposed framework that the Board of Directors has proposed to the shareholders is appropriate because the proposed framework will provide flexibility to the investment in the satellite project and elasticity in its operation, allowing the company to adjust the plan in accordance with the situation or other changing factors in the future. Such a change will be within the investment budget and have a comparable level of return to the investment plan approved by the shareholders' meeting.

However, the final discussion on whether to approve or reject the transaction will be made at own discretionary of each shareholder. The shareholders should consider the information in the notice to the shareholders' meeting and its enclosures before making the decision.

Krungthai XSpring Securities Company Limited, as the Independent Financial Advisor, hereby certifies that we have provided the above opinion diligently in accordance with the professional standards for the benefits of the shareholders.

Your Faithfully,

Krungthai XSpring Securities Company Limited

- Prachitpol Himathongkam -

(Mr. Prachitpol Himathongkam)
Chief of Investment Banking Group

- Nuttakrit Taechaamnuayvit -

(Mr. Nuttakrit Taechaamnuayvit)
Assistant Vice President
of Investment Banking Group
Supervisor

Attachment 1: General Information of Thaicom Public Company Limited

1. General Information

Name	:	Thaicom Public Company Limited (THCOM)
Address	:	349 SJ Infinite One Business Complex, 28th - 29th Floor, Vibhavadi-Rangsit Road, Chompol Sub-District, Chatuchak District, Bangkok
Type of Business	:	The Company operates 3 different main sectors as follows: 1. Satellite and Related Services 2. Internet and Media Services 3. Telephone Business Abroad
Telephone Number	:	02-596-5095
Registration Number	:	0107536000897
Date of Establishment	:	November 7, 1991
Stock Market	:	Stock Exchange of Thailand, SET
Industry	:	Technology
Sector	:	Information and Communication Technology
Registered Capital	:	THB 5,499,884,200.00
Paid-Up Capital	:	THB 5,480,509,770.00
Company's Website	:	www.thaicom.net

2. General Business Information

THCOM's business can be divided into 3 different business segments as follows

Satellite and Related Services

1) Satellite Communications and Related Services by Thaicom Public Company Limited TC Broadcasting Company Limited (TCB) and IPSTAR Group

THAICOM satellites

The Company's satellite fleet can be divided into 2 types: Conventional Satellite and Broadband Satellite (or High Throughput Satellite, HTS)

- **Conventional Satellite**

A conventional satellite is a satellite that provides fixed satellite services (FSS), whereby a signal is transmitted from an earth station, amplified, and retransmitted down to the other earth station(s) anywhere under the satellite's footprint, allowing broadcasters and telecommunications operators to benefit from the satellite's nationwide and cross-regional coverage.

- **High Throughput Satellite (HTS)**

A broadband satellite or High Throughput Satellite (HTS) is primarily designed to provide broadband Internet access services (point-to-point). Through high level frequency re-use and spot beam technology, HTS usually provides much more total throughput than a conventional satellite for the same amount of allocated orbital spectrum, thus significantly reducing cost per megabit per second (Mbps). In addition, HTS can offer services to government and enterprise markets, as well as to terrestrial cellular network operators.

Regarding the Thai satellite concession has ended on September 10, 2021, and Thai government assigned National Telecom Public Company Limited (NT) to manage satellites under the satellite concession. The Company is currently purchases THAICOM 4 and THAICOM 6 satellites capacity from National Telecom Public Company Limited (NT) and the Company owns satellite capacity on THAICOM 7 and THAICOM 8.

Details	THAICOM 4	THAICOM 6	THAICOM 7	THAICOM 8
Ownership	PURCHASED SOME BANDWIDTH (from National Telecom Public Company Limited)		THCOM's Satellites	
Satellite Type	Broadband High Throughput Satellite (HTS)	Conventional	Conventional	Conventional
Orbital Slot	119.5° East	78.5° East	120° East	78.5° East
Manufacturer (Country)	Space Systems Loral (USA)	Orbital ATK (USA)	Space Systems Loral (USA)	Orbital ATK (USA)
Model	LS-1300S	Star 2.3	LS-1300	Star 2.4
Design Life*	12 years	15 years	15 years	15 years
Launch Date	August 2005	January 2014	September 2014	May 2016

Details	THAICOM 4	THAICOM 6	THAICOM 7	THAICOM 8
Capacity / Transponder	84 Ku-Spot Beams 8 Ku-Spot Beams (Augment) 3 Ku-Shaped Beams 7 Ku-Broadcast Beams	24 C-Band transponder 9 Ku-Band transponder	14 C-Band transponder	24 Ku-Band transponder
Coverage Area	14 countries: Australia, Cambodia, China, India, Indonesia, Japan, Malaysia, Myanmar, New Zealand, Philippines, South Korea, Taiwan, Thailand, and Vietnam	C-band Southeast Asia and Africa Ku-band Southeast Asia (Mainland)	C-band Thailand, Greater Mekong Subregion and Asia	Ku-band Thailand, Greater Mekong Subregion, South Asia, and Africa

Note * Design Life is useful life of satellite based on engineering design. However, actual useful life of satellite is depended on actual fuel consumption which normally longer than design life

Nature of Product or Service

(1) Broadcast & Media

(1.1) Contribution Distribution

The Company provides end-to-end video distribution services in standard definition, high definition, and ultra-high definition formats to customers such as terrestrial TV operators, satellite TV operators and content providers, allowing them to transmit television programs or content to receiving stations under THCOM's coverage area. Our distribution services are the perfect choice for operators to transmit television programs and content to various destinations including repeater stations, Digital Terrestrial TV multiplexes and cable TV operators.

(1.2) Digital Channel Broadcast Service on Multi-Channel Per Carrier (MCPC) Broadcast Platform

The Company provides one-stop-shop MCPC Broadcast Platform. This allows TV operators and content providers to distribute their digital channels to viewers. Our satellites ensure seamless C- and Ku-band coverage of Asian, European, Middle Eastern and African countries.

(1.3) Direct-to-Home (DTH)

The Company provides effective end-to-end Direct-To-Home (DTH) broadcasting services in standard definition, high definition, and ultra-high definition formats to pay-TV broadcasters and satellite TV operators, giving them direct access to DTH viewers using small satellite antennas. In addition, to enhance our customers' capabilities and competitiveness, the Company provides a variety of value-added services and channel options, including pay-per-view, video-on-demand, electronic program guides, advertising, and home shopping.

(1.4) Radio or Television Broadcasting Network Services (not using radio frequencies)

The radio or television broadcasting network services (MUX) consist of contents gathered from different sources, including such content as public announcements, news, programs or public information, multiplexes from providers of audio or television broadcasting contents, and the provision of encryption services for clients who have specific requirements for channel reception by end-users such as Conditional Access (CA) or BISS Key encryption before the broadcasting of the radio or television signals to receiving apparatus through the permitted satellite broadcasting network, including services via IP networks, with service coverage in all areas of Thailand.

(1.5) Teleport and Digital Direct-to-Home (DTH) Center

A teleport or telecommunications port is a centralized location that provides access to advanced bandwidth services with a comprehensive range of broadcasting and telecommunications services. Certified under ISO 9002 and ISO 9001:2000, the Thaicom Teleport and DTH Center are equipped with state-of-the-art facilities to support any domestic and international satellite broadcasting requirement. The Company offers end-to-end services by bundling transponder bandwidth with value-added services such as satellite downlink, tape playout, digital signal compression in standard definition, high definition and ultra-high-definition formats, satellite uplink, signal monitoring and logging as well as a new over-the-top (OTT) platform.

(2) Broadband and Data

(2.1) IPSTAR Retail

The Company enables Internet Service Providers (ISPs) to deliver satellite broadband services to a group of residents and small businesses in remote or rural areas in the Asia-Pacific. IPSTAR Retail has been entrusted by service providers in many countries for its nationwide uniform quality of service (QoS) and cost advantages when compared to conventional satellite. The service allows ISPs to gain a competitive edge over rivals and to drive nationwide expansion of their subscriber base and residential and small business users.

(2.2) IPSTAR Carrier

The Company provides cost-effective, end-to-end satellite broadband services allowing mobile operators to backhaul their mobile traffic via satellite in the areas where terrestrial networks cannot reach. IPSTAR Carrier solutions can support Base Transceiver Stations (BTS) of all sizes—from macro cells and micro cells to small cells, or IP-Node-Bs. IPSTAR Carrier can provide nationwide mobile network coverage to accommodate higher voice and data traffic loads or to cover more geographic areas quickly and economically.

(2.3) IPSTAR Business

IPSTAR Business solutions allows small businesses and enterprises who require dependable broadband connectivity to run or safeguard their operations against network failure and stay ahead of their competition. Whether you are an oil and gas company with multiple locations nationwide, a large retailer requiring uninterrupted backup for vital online business applications, or a bank that requires a reliable network for credit and debit card transactions, IPSTAR Business provides a reliable service regardless of the number of business sites connected to the network.

(2.4) IPSTAR Government

Governments in Asia-Pacific can count on IPSTAR. IPSTAR Government solution lets government administrations extend their reach nationwide and enables universal access to broadband Internet and cost-effective government sector communications. Whether it is for disaster recovery and emergency communications in crisis-affected areas, distance learning for schools, community broadband Internet, or reliable VPN networks for broadband Internet and e-Government services, IPSTAR is a proven solution for governments to extend their communications reach on a nationwide scale.

(2.5) Mobility

NAVA is an end-to-end maritime broadband service platform for ship and offshore operators. With Nava, Thaicom brings reliable broadband connectivity to the sea, which is essential to connect crew and passengers, improve safety on board and support efficient vessel operations. NAVA maritime service platform can support very high data rates to provide fiber-to-the-ship (FTTS) like connectivity and digital solutions to enable the digital vessels of the future.

(2.6) IPSTAR Gateway

IPSTAR Gateways have been designed to facilitate a variety of applications to enable broadband communications for corporate users, Internet Service Providers (ISP) and individual subscribers. IPSTAR is capable of delivering broadband Internet, intranet networks, video conferencing, multimedia broadcasting and multicasting, online transactions, and telephony. The services are supported by a wide-band forward link from the IPSTAR gateway to the IPSTAR user terminal and a narrow-band return link from the IPSTAR user terminal to the IPSTAR gateway. Currently, there are 15 active IPSTAR gateways in 10 countries in Asia-Pacific.

(3) Consultancy and Satellite System Design Services

Thaicom has initiated consultancy and satellite system design services to target satellite service providers from government and private sectors as customers who have requirements to establish their satellite business and service. Consultancy services to be offered by Thaicom will be comprehensive including for instance satellite filing and frequency coordination, license, satellite system design, business, and market development, etc. With extensive local and international expertise and experience in satellite industry, Thaicom is confident to deliver successful consultancy services for customers to gain satellite business insight to run their business professionally and efficiently. Thaicom also has experiences in providing the consultancy services to Bangladesh's government sector and is finding new opportunities to expand these services to other countries in South Asia, such as Nepal.

Internet and Media Services

2) Internet Access and Related Services by Thai Advance Innovation Company Limited (ThaiAI)

Nature of Products or Services

(1) Platform Service

This service platform includes selling and leasing of subscription service or provide marketing activities to support sales such as IPTV/OTT Platform that is Internet TV channel or Multimedia Streaming Platforms used for broadcasting video or audio content via Internet networks e.g., television including an eSport platform that facilitates participation in eSport competitions for both applicants and promoters. The platforms and applications developed are ideal for broadband Internet application. This service also includes development of particular services to match customers' specific demands.

(2) After sales service for DTV Satellite Dish

ThaiAI focuses on the high quality of after-sale service, to ensure that customers can access to DTV's outstanding satellite TV channels and programs, including news, documentaries, movies, cartoons, music, and several education channels.

(3) Broadband and Television Network and System Integration Services both consultant and installation services

ThaiAI analyzes customer's needs and devise solutions that utilize satellite communications or Internet media formats. Solutions provided are as the platform services such as IPTV, VDO Conferencing, Data Transfer, and Multimedia Online, including the System integration to service network and software and Smart Office such as, Meeting room reservation system, Vehicle reservation system.

- Broadband Network Services

For broadband networks, ThaiAI offers network and software services to meet customer demand for network connections to transfer data in different formats for both one-way and two-way transactions.

- Master Antenna TV Network Services

This service offers antenna network solutions to meet the needs of customers who live in buildings, such as hotels, apartments, or condominiums. ThaiAI can provide the service on a one-time investment by the building's owner or a monthly rental model.

Telephone Business Abroad

3) Telecom Business Aboard by Shenington Investments Pte Ltd. (SHEN) Group

The Company offers telephone services in Laos PDR through its investment in Shenington Investments Pte Ltd. (SHEN), a holding company registered in Singapore.

Lao Telecommunication Public Company (LTC)

Nature of Products or Services

(1) Nature of Service

LTC has been granted a license to operate the following telecommunications services in the Lao PDR

- Digital Mobile Phone Service (GSM 900/1800/WCDMA 2100, LTE 1800, 2300 & 2600 MHz)
- Public Switched Telephone Network (PSTN)
- Fixed Wireless Local Loop – GSM
- Broadband Internet: both fixed broadband and mobile broadband services such as leased line, DPLC and IPLC), IP Transit, Internet Fiber to the home (FTTH), and Internet SIM Card.
- International Roaming Service (IR)
- Value-Added Service for mobile phones
- Telecom Enterprise Solutions Services

LTC's income came from local and international telephone service charges, monthly subscription fees, income from sales of handsets (Fixed Wireless Local Loop - GSM) and SIM cards, monthly Internet service charges, leased line service charges, mobile broadband package, international Roaming (IR) charges and Telecom Inter-Connection (IC) Charge both domestic and international, value-added service charges and Telecom Enterprise Solutions Services Charge.

Joint Venture Business

Joint Venture Businesses, the Company has established 2 subsidiaries under the names of Nation Space and Technology Company Limited and ATI Technologies Company Limited.

- Nation Space and Technology Company Limited, a joint venture company with National Telecom Public Company Limited, announced the launch of NAVA by NSAT or maritime digital solutions. This was an integration of the company's satellite technology with National Telecom Public Company Limited's digital solutions.
- ATI Technologies Company Limited, a joint venture company with AI and Robotics Ventures Company Limited (a subsidiary of PTT Exploration and Production Public Company Limited), produces and distributes unmanned aerial vehicle or drone including a full range of drone technology solution services. The initial phase aimed to help farmers improving agricultural productivity.

3. Major Shareholders

List of top 10 shareholders on the latest shareholders register book of the Company as of February 27, 2023, which is the latest book closing date.

No.	Shareholder Name[/1]	No. of Shares	% of Total Shares
1.	Gulf Ventures Company Limited	450,914,734	41.14
2.	Mr. Chawalit Visarankul	36,660,000	3.34
3.	Thai NVDR Company Limited	36,205,436	3.30
4.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED Ms.	21,540,100	1.97
5.	Mr. Narit Jia-Arpa	18,692,800	1.71
6.	Kulisara Kara	15,799,900	1.44
7.	Mr. Wachira Tayanaraporn	14,000,000	1.28
8.	Mr. Kitti Ngammaharat	13,930,000	1.27
9.	Mr. Watchara Kaewsawang	10,000,000	0.91
10.	Mr. Nattaphon Nitithanatkul	10,000,000	0.91
Top 10 shareholders		**619,580,147**	**627,742,970**
Other shareholders		476,521,807	476,521,807
Total		**1,096,101,954**	**1,096,101,954**

Source: Shareholders register book of the Company

Note: [/1] Do not group persons who have same family name or related persons

4. Board of Directors

As of January 16, 2023, the Board of Directors of the Company comprises of 9 directors as follows:

No.	Name	Position
1.	Mr. Somprasong Boonyachai	Chaiman, independent director and nomination and remuneration committee
2.	Mr. Boonchai Thirati	Vice chairman and nomination and remuneration committee
3.	Mr. Suporn Luckmunkong	Director
4.	Mr. Kim Siritaweechai	Director
5.	Acm Maanat Wongwat	Independent director and chairman of nomination and remuneration committee
6.	Mr. Porametee Vimolsiri	Independent director and chairman of audit and risk committee
7.	Mr. Somchai Jinnovart	Independent director and audit and risk committee
8.	Mr. Kanit Vallayapet	Independent director and audit and risk committee
9.	Mr. Patompob Suwansiri	Chief Executive Officer and director

Source: The Company's website

The directors who are authorized to sign on behalf of the Company are Either Mr. Suporn Luckmunkong or Mr. Boonchai Thirati co-signs with either Mr. Patompob Suwansiri or Mr. Kim Siritaweechai, together with the Company's seal affixed.

Moreover, The Board of Directors' Meeting No. 4/2566 of the Company, held on 10 February 2023, has resolved to hold the 2023 AGM on 7 April 2023 to consider and approve 2 new directors which are (1) Mr. Ratthaphol Cheunsomchit and (2) Ms. Bung-on Suttipattanakit, who are qualified to all related regulations in accordance with the Public Limited Companies Act B.E. 2535 (1992) and the Securities and Exchange Act B.E and related act.

5. Summary of Financial Position and Performance of the Company

Summary of Financial Position and Performance of the Company for the year ended 2020 – 2022.

Statement of Financial Position

(Unit: thousand THB)	As of		
	31 Dec 2020	31 Dec 2021	31 Dec 202
Assets			
Current assets			
Cash and cash equivalent	2,298,895	1,780,489	3,750,360
Short-term investment	1,832,295	2,070,559	1,483,124
Trade and other current receivables	34,800	7,012	39,615
Amounts due from related parties	853,013	1,002,943	52,619
Current portion of long-term loan to related parties	55,434	7,342	23,637
Inventories	40,553	46,289	21,258
Other current financial assets	4,320,271	3,121,781	2,097,816
Other current assets	37,512	13,149	6,066
Total current assets	**9,472,774**	**8,049,564**	**7,474,495**
Non-current assets			
Investments in joint ventures	1,392,677	1,249,465	743,734
Long-term loans to related parties	898,710	750,299	1,772,464
Property, plant, and equipment	3,091,012	2,778,276	2,275,665
Right-of-use assets	151,005	1,434,327	1,589,030
Intangible assets under operating agreement	559,685	-	-
Intangible assets	88,085	61,681	53,430
Deferred tax assets	727,995	690,006	622,225
Other non-current assets	294,336	326,014	319,164
Total non-current assets	**7,203,504**	**7,290,069**	**7,375,713**
Total assets	**16,676,277**	**15,339,632**	**14,850,208**
Liabilities and equity			
Current liabilities			
Trade and other current payables	424,128	462,137	468,931
Amounts due to related parties	-	4	1
Current portion of long-term borrowings	2,624,366	424,487	438,900
Current portion of lease liabilities	79,866	227,846	234,737
Advance receipts	191,056	205,031	537,565
Accrued operating agreement fee	117,411	-	-
Corporate income tax payable	4,193	21,455	47,551
Other current liabilities	61,128	81,222	139,147
Total current liabilities	**3,502,150**	**1,422,182**	**1,866,832**
Non-current liabilities			
Long-term borrowings	1,135,519	841,412	433,356
Lease liabilities	68,389	1,223,505	1,049,649
Long-term accounts payable - property and equipment	208,427	231,791	239,661

(Unit: thousand THB)	As of		
	31 Dec 2020	31 Dec 2021	31 Dec 202
Non-current provisions for employee benefit	283,241	279,459	246,699
Deferred tax liabilities	6,358	-	-
Other non-current liabilities	225,114	212,001	460,054
Total non-current liabilities	**1,927,049**	**2,788,168**	**2,429,418**
Total liabilities	**5,429,199**	**4,210,349**	**4,296,250**
Equity			
Share capital			
Authorized share capital	5,499,884	5,499,884	5,499,884
Issued and paid-up share capital	5,480,510	5,480,510	5,480,510
Premium on ordinary shares	4,325,271	4,325,271	4,325,271
Retained earnings			
Appropriated			
Legal reserve	549,988	549,988	549,988
Unappropriated	1,127,223	1,068,464	830,084
Other components of equity	(235,913)	(294,951)	(631,894)
Equity attributable to owners of the Company	**11,247,079**	**11,129,283**	**10,553,959**
Total equity	**11,247,079**	**11,129,283**	**10,553,958**
Total liabilities and equity	**16,676,277**	**15,339,632**	**14,850,208**

Source: Financial Position and Performance of THCOM for the year ended 2020 – 2022

Statements of Profit and Loss

(Unit: thousand THB)	For the year ended		
	31 Dec 2020 (Audited)	31 Dec 2021 (Audited)	31 Dec 202 (Audited)
Revenue			
Revenues from sales of goods and rendering of services	3,556,796	3,302,772	2,927,149
Net foreign exchange gain	-	368,942	119,718
Other Income	671,025	73,749	48,922
Total revenue	**4,227,821**	**3,745,463**	**3,095,790**
Expenses			
Cost of sale of goods and rendering of services	2,072,533	1,998,317	1,500,392
Operating agreements fee	505,839	351,276	11
Selling expenses	20,068	16,856	22,730
Administrative expenses	838,740	800,597	858,022
Loss on impairment of equipment	-	-	259,000
Directors and management benefit expenses	66,689	66,535	59,695
Net foreign exchange loss	58,559	-	-
Loss from investment in subsidiaries	-	-	-
Total expenses	**3,564,428**	**3,233,581**	**2,699,850**
Profit (loss) from operating activities	**663,393**	**511,882**	**395,940**
Finance income	140,515	129,146	166,421
Finance cost	(188,229)	(155,291)	(121,652)

(Unit: thousand THB)	For the year ended		
	31 Dec 2020 (Audited)	31 Dec 2021 (Audited)	31 Dec 202 (Audited)
Reversal of loss on impairment (loss on impairment) based on Thai Financial Reporting Standard No.9	8,565	12,934	63,571
Share of profit (loss) of investment in subsidiaries and joint ventures	3,743	(266,756)	(305,654)
Profit before income tax expense	**627,987**	**231,915**	**198,626**
Income tax expense	(114,204)	(88,279)	(156,414)
Profit for the period	**513,782**	**143,636**	**42,212**
Profit attributable to Owner of the Company	513,782	143,636	42,212
Profit (Loss) for the year	**513,782**	**143,636**	**42,212**
Earnings per share (THB)	0.47	0.13	0.04

Source: Statements of Profit and Loss of THCOM for the year ended 2020 – 2022

Securities holders can access financial statements and other information of the Company from ww.sec.or.th and www.set.or.th.

6. Management's Discussion and Financial Analysis

6.1 Management's Discussion Analysis

Revenue from sale of goods and rendering of services

Revenue from sales of goods and rendering of services for 2020 was THB 3,557 million, a decrease of 23.7% from THB 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 for 2021 was THB 3,303 million, a decrease of 7.1% from THB 3,557 million for 2020, caused by a decrease of revenue from satellite and internet and media services.

Revenue from sales of goods and rendering of services for 2022 was THB 2,927 million, a decrease of 11.4% from THB 3,303 million for 2021, based by a decrease of revenue from satellite and revenue from internet and media services.

Revenue from sales of goods and rendering of services Unit: THB million	2019	2020	2021	2022
Satellite and related services	4,594	3,548	3,297	2,921
Internet and media	122	32	30	32
Consolidation eliminations	(53)	(24)	(24)	(26)
Total	**4,663**	**3,557**	**3,303**	**2,927**

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 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.

Revenue from satellite and related services for 2022 was THB 2,921 million, a decrease of 11.4% from THB 3,297 million for 2021. In addition, revenue from satellite and related services for 9-month period of 2022 was THB 2,185 million, a decrease of 12.8% from THB 2,505 million from the same period in previous year. This was resulted from the following causes because decrease of broadcast revenue from declining in number of domestic clients and broadband revenue from international customers due to the Thaicom 4 satellite approaching its end of life with uncertainty of a replacement satellite.

Revenue from internet and media

For 2020, the revenue was THB 32 million, decreased by 73.7% compared to THB 122 million for 2019, resulting from a disposal of investment in Cambodian TV Network (CDN) in 2019

For 2021, the revenue was THB 30 million, decreased by 6.8% compared to THB 32 million for 2020, resulting from a decline of revenue from broadband and television network and system integration both consultant and installation services.

For 2022, the revenue was THB 32 million, decreased by 6.7% compared to THB 30 million for 2021, resulting from an increase in eSport platform revenue which is offset with the decrease of revenue from system integration services.

Cost of sale of goods and rendering of services

The Company reported consolidated cost of sales of goods and rendering of services for 2020 of THB 2,578 million, decreased by 29.8% compared to THB 3,671 million for 2019, as a result of the drop of revenue and depreciation cost from impairment of assets in 2019.

The Company reported consolidated cost of sales of goods and rendering of services for 2021 of THB 2,350 million, decreased by 8.9% compared to THB 2,578 million for 2020, as a result of the drop of revenue and satellite depreciation.

The Company reported consolidated cost of sales of goods and rendering of services for 2022 of THB 1,500 million, decreased by 36.1% compared to THB 2,349 million for 2021, as a result of efficient cost control, together with the decrease of concession fee to the Ministry of Digital Economy and Society and depreciation of satellites after the expiration of the concession.

Cost of sales of goods and rendering of services Unit: THB million	2019	2020	2021	2022
Satellite and related services	3,613	2,587	2,355	1,509
Internet and media	112	15	17	17
Consolidation eliminations	(54)	(24)	(23)	(26)
Total	**3,671**	**2,578**	**2,350**	**1,500**

Cost relating to satellite and related services for 2020 was THB 2,587 million, a drop of 28.4% from THB 3,613 million for 2019 contributed by a decrease of revenue and 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. 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 THB 2,763 million, decreased by 24% in comparison with 2019.

Cost relating to satellite and related services for 2021 was THB 2,355 million, a drop of 9% from THB 2,587 million for 2020, contributed by a decrease of depreciation of THAICOM 4 and THAICOM 6, and concession fee regarding the Company completely handed over possession of the satellites and other assets under the agreement to the Ministry of Digital Economy and Society ("**MDE**") on September 10, 2021.

Cost relating to satellite and related services for 2022 was THB 1,509 million, a drop of 35.9% from THB 2,355 million for 2021, contributed by a decrease of depreciation of THAICOM 4 and THAICOM 6, and concession fee regarding the Company completely handed over possession of the satellites and other assets under the agreement to the MDE on September 10, 2021.

Cost of internet and media services

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

Cost relating to the internet and media services for 2021 were THB 17 million, an increase of 13.3% from THB 15 million for 2020 owing to the cost of outsource services to provide the internet, video online, and live streaming services for customers, resulting to the increase of cost of internet and media services.

Cost relating to the internet and media services for 2022 were THB 17 million same as 2020 due to cost efficiency even the Company has higher revenue in 2022.

Selling and administrative expenses

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

The SG&A expenses, including directors and management benefit expenses, were THB 884 million for 2021. A decrease of 4.7% from THB 927 million for 2020 was due mainly to the decrease of marketing and general administrative expenses corresponding with a decline in revenue from sale of goods and rendering service.

The SG&A expenses, including directors and management benefit expenses, were THB 915 million for 2022. A decrease of 3.5% from THB 884 million for 2020 was mainly due to increase of employee expenses.

Finance cost

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

Finance costs for 2021 was THB 155 million, a decrease of 17.5% from THB 188 million for 2020, mainly due to the repayment of debenture in Q4/2020 of THB 2,275 million, together with the repayment of other long-term loans according to schedule.

Finance costs for 2022 was THB 122 million, a decrease of 21.7% from THB 155 million compare to the same period in 2021, mainly due to the repayment of debenture in Q4/2021 in the amount of THB 2,275 million, together with the repayment of long-term loan according to the repayment schedule.

Share of profit (loss) of investment in joint venture

Share of profit (loss) of investment in LTC was THB 4 million for 2020, increased from THB (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 Lao KIP on LTC's dividend payable.

Share of profit (loss) of investment in joint venture was THB (267) million for 2021, decreased from share of profit of THB 4 million for 2020. This consisted of the share of profit (loss) from LTC, Nation Space and Technology Co., Ltd. and ATI Technologies Co., Ltd. of THB (263) million, (4) million and 0.3 million, respectively. The major loss was from share of profit of investment in LTC due to an appreciation of US dollar against Lao KIP resulting loss from mark-to-market of its accrued dividend and US dollar loan.

During 2022, the share of profit (loss) of investment in joint venture was THB (306) million, decrease from THB (267) million the same period in 2021, mainly from the loss from share of profit of investment in LTC mainly from an appreciation of US Dollar against Lao KIP, resulting loss from marked-to-market of its US Dollar liabilities due to outstanding dividend payable and US dollar loans of LTC. However, the exchange rate of USD to Lao KIP started to have a stable trend during December 2022 – January 2023.

Net profit

The company's net profit (loss) for 2020 was THB 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 THB (135) million and THB (304) million, respectively.

The company's net profit for 2021 was THB 144 million. Majority of which came from gain of foreign exchange regarding appreciation of US dollar against Thai Baht. The Company's normalized profit (loss) for 2021 and 2020 was THB (225) million and THB (135) million, respectively.

The Company's net profit for 2022 was THB 42 million, decreased of 70.7% from net profit of THB 144 million for 2021, and earning per share for 2022 equal to THB 0.04 per share, mainly due to:

(1) In 2022, the Company accounted the depreciation of satellites in the amount of THB 259 million due to a decreasing in demand for broadcast and the delay of acquire satellite licenses in other coutries, which contradict with previous plan.

(2) Gain from exchange rate in 2022 equal to THB 120 million, decreased of 67.6% from THB 369 million in 2021.

(3) In 2022, the share of profit (loss) of investment in joint venture was THB (306) million, decreased of 14.6% from THB (267) million in 2021.

The Company's core profit excluding unrealized gain (loss) on exchange rate for the Company and joint venture in 2022 was THB 527 million, increased 995.3% from THB 48 million in 2021. Although revenue from satellite services decreased from previous year due to the reduction of broadcast revenue, the cost of goods sold also reduced due to the change of cost structure after the expiration of the concession, resulting in significant gain in core profit.

6.2 Financial Position

Financial position as of December 31, 2019 - 2022

Asset components and asset quality

As at the end of 2020, the Company reported total assets of THB 16,676 million, decreased by 1.9% from THB 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.

As at the end of 2021, the Company reported total assets of THB 15,340 million, decreased by 8% from THB 16,676 million as at the end of 2020, mainly due to the decrease of cash and cash equivalent, including other current financial assets for the repayment of matured bond on schedule in Q4/2021.

As at the end of 2022, the Company reported total assets of THB 14,850 million, decreased by 3.2% from THB 15,340 million as at the end of 2021, mainly due to the decrease of trade and other receivables from collecting debt from foreign customers and the recognition of loss on investment in LTC.

THCOM's asset components

Assets Unit: THB million	December 31, 2020		December 31, 2021		December 31, 2022	
	Amount (THB million)	% of total assets	Amount (THB million)	Amount (THB million)	% of total assets	Amount (THB million)
Current assets	9,473	56.8	8,050	52.5	7,474	50.3
Property, plant, and equipment	3,091	18.5	2,778	18.1	2,276	15.3
Intangible assets under operating agreement	560	3.4	-	-	-	-
Right-of-use assets[1/]	151	0.9	1,434	9.4	1,589	10.7

Note: [1/] Right-of-use assets including transponders, plant, buildings, and vehicles

Trade and other receivables

As at the end of 2020, the Company had trade and other current receivables of THB 1,832 million, a decrease of 3.1% from THB 1,890 million as at the end of 2019, mainly due to repayment of foreign customers. The average collection period for 2020 was154 days, increasing from 119 days for 2019. An allowance for doubtful accounts for 2020 decreased for THB 66 million from 2019 due to effective collection management. The trade receivables of related and other parties were THB 2,179 million, comprise of THB 4 million of related parties trade receivables and THB 2,175 million of other parties trade receivables, proportionate to 0.2% and 99.8%, respectively.

As at the end of 2021, the Company had trade and other current receivables of THB 2,071 million, an increase of 13% from THB 1,832 million as at the end of 2020, mainly due to mark-to-market of receivables from Thai Baht depreciation against US dollar. The average collection period for 2021 was 176 days, increasing from 154 days for

2020. The trade receivables of related and other parties were THB 1,699 million, comprised of THB 9 million of related parties trade receivables and THB 1,689 million of other parties trade receivables, proportionate to 0.6% and 99.4%, respectively.

As at the end of 2022, the Company had trade and other current receivables of THB 1,483 million, or 10.0% of total assets, a decrease of 28.4% from THB 2,071 million as of 2021 due to foreign trade accounts receivable.

Inventories

As at the end of 2020, the Company's net inventories were THB 55 million, decreased by 55.3% from THB 124 million as at the end of 2019. The days of inventory on hand was 71 days in 2020, decreased from 84 days in 2019. The Company has consistently conducted an audit on asset quality. At the end of 2020, the accumulated allowance for obsolete inventories was THB 81 million, slightly decreased from THB 87 million in 2019.

As at the end of 2021, the Company's net inventories were THB 7 million, decreased by 86.8% from THB 55 million as at the end of 2020. The days of inventory on hand was 30 days in 2021, decreased from 71 days in 2020. The Company has consistently conducted an audit on asset quality. At the end of 2021, the accumulated allowance for obsolete inventories was THB 73 million, decreased from THB 81 million in 2020.

As at the end of 2022, the Company's net inventories were THB 24 million, increased by 222.0% from THB 7 million as at the end of 2021. The days of inventory on hand was 4 days in 2022, decreased from 6 days in 2021. The Company has consistently conducted an audit on asset quality. At the end of 2021, the accumulated allowance for obsolete inventories was THB 57 million, decreased from THB 73 million at the end of 2021.

Loans to a joint venture and related parties

As at the end of 2020, the Company had loans to a joint venture and related parties in total of THB 1,752 million, decreased by 0.4% compared with THB 1,758 million as at the end of 2019. The amount was lending to Shennington Investments Pte Limited.

As at the end of 2021, the Company had loans to a joint venture and related parties in total of THB 1,753 million, increased by 0.1% compared with THB 1,752 million as at the end of 2020. The amount was lending to Shennington Investments Pte. Limited.

As at the end of 2022, the Company had loans to a joint venture and related parties in total of THB 1,377 million, increased by 4.1% compared with THB 1,753 million as at the end of 2021. This amount was lending to Shennington Investments Pte. Limited.

Property, plant and equipment

Property, Plant and Equipment as at the end of 2020 was THB 3,091 million, a decrease of 6.7% from THB 3,313 million as at the end of 2019. This was due mainly to the recognition of Impairment of satellite assets and depreciation and amortization of Property, Plant and Equipment during 2020.

Property, Plant and Equipment as at the end of 2021 was THB 2,778 million, a decrease of 10.1% from THB 3,091 million as at the end of 2020. This was due mainly to depreciation and amortization of Property, Plant and Equipment during 2021.

Property, Plant and Equipment as at the end of 2022 was THB 2,276 million, a decrease of 18.1% from THB 2,778 million as at the end of 2021. This was due mainly to depreciation and amortization of property, plant, and equipment during the end of 2022.

Right-of-use assets

As at the end of 2020, the Company had right-of-use assets of THB 151 million or 0.9% of total assets due to adoption of right-of-use accounting policy starting from January 1, 2020, according to Thai Financial Reporting Standard No. 16 Finance Lease comprising of right of use of office building and other right-of-use.

As at the end of 2021, the Company had right-of-use assets of THB 1,434 million or 9.4% of total assets, increased from THB 151 million compared to the end of 2020. This was mainly from the purchase of part of bandwidth capacity on Thaicom 4 and Thaicom 6 Satellites after the expiry of the Concession.

As at the end of 2022, the Company had right-of-use assets of THB 1,589 million or 10.7% 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 after the expiry of the concession, and also the leased capacity of foreign satellites for the Company's customers. The right-of-use assets increased 10.8% from THB 1,434 million as at the end of 2021 due to the increase of the right-of-use of the capacity on the foreign satellites.

Liquidity and capital sufficiency

Source of fund

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

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

The Company's shareholders' equity as at the end of 2020 was THB 11,247 million, increased by 2.3% from THB 10,995 million as at the end of 2019, mainly reflecting from an increase in 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.

As at the end of 2021, the ratio of net borrowings to equity was 0.11x, decreased from 0.33x as at the end of 2020.

Net cash provided by operating activities for 2021 was THB 1,224 million, a decrease of 30.8% from THB 1,769 million for 2020, due mainly to a decline of operating profit.

The Company's net borrowings as at the end of 2021 were THB 1,266 million, a decrease of 66.3% from THB 3,760 million as at the end of 2020, mainly attributable to the repayment of matured bond and long-term loans for the satellite projects.

The Company's shareholders' equity as of December 31, 2022, was THB 11,129 million, decreased by 1% from THB 11,247 million as at the end of 2021, mainly reflecting from consolidated net profit offsetting with the dividend payment.

As of December 31, 2022, the ratio of net borrowings to equity was 0.11x, decreased from 0.33x as at the end of 2021.

The Company's net borrowings as of December 31, 2022, were THB 872 million, a decrease of 31.1% from THB 1,266 million as at the end of 2021, mainly due to the repayment of long-term loans for the satellite projects.

The Company's shareholders' equity as of December 31, 2022, was THB 10,554 million, decreased by 5.2% from THB 11,129 million as at the end of 2021, mainly due to the increase of net profit after offsetting with the dividend payment.

As of December 31, 2022, the ratio of net borrowings to equity was 0.08x, decreased from 0.11x as at the end of 2021.

Investments

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

Net cash provided (used) by investing activities for 2021 was THB 1,224 million, due to the sale of current financial assets to repay the matured bond on schedule in Q4/2021.

Net cash provided (used) by investing activities for 2022 was THB 1,104 million, due to the sale of current financial assets.

Capital-raising capability

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, mainly due to the decrease of the current portion of long-term loan from the repayment of debenture.

As at the end of 2021, the Company had a current ratio of 5.66x, decreased from 2.70x as at the end of 2020, mainly due to repayment of matured bond on schedule in 2021.

As at the end of 2022, the Company had a current ratio of 4.00x, decreased from 5.66x as at the end of 2021, mainly due to a decrease of trade receivables and current portion of long-term loans to related companies.

7. Industry overview

Broadcast and media industry

Although there is an upward trend in consumer behavior in which more viewers consume video content via internet through smart phones and tablets, this trend does not affect demand of satellite services since the satellite services can provide high quality service (High Definition or Ultra High Definition) in all regions. In addition, THCOM concentrates on partnership in order to enhance service coverage from Indochina region to other parts of the world.

The satellite industry has a consistent growth, especially in India and Indochina region, expected to have significant growth.

To serve the demand for satellite services in India, THCOM focused on partnering with top teleport operators in order to enhance our services for both wholesale and retail customers.

The growth of satellite demand in the Indochina region is mainly due to the strong demand especially in the rural areas. Moreover, this growth is also supported by the development of telecom infrastructure to provide 4G and 5G services.

Due to the advantages as highlighted above, the demands on satellites in this region still continues to grow despite the economic disruption, including impacts such as Covid-19.

Broadband and data industry outlook

Despite some economic difficulties such as Covid-19 pandemic, the broadband market including both GEO and Non-GEO high throughput satellite (HTS) still has an upward trend due to (1) increasing in bandwidth usage and development of related technology and (2) necessity of telecommunication operator to improve and upgrade the network system of 2G, 3G, 4G, and 5G. According to the report of Euroconsult's Satcom for Universal Broadband Access 2021, 46% of total world population remains unconnected in 2020. Additionally, 43 million people are able to connect to internet broadband services via satellite, and the total internet broadband users is expected to grow by 2.5 times within 2029.

The broadband satellite industry is in a transition phase with multiple developments including the expansion of service coverage of the major operators, newcomers in GEO/MEO/LEO HTS, new technology and design for satellites and gateway station, and new business model and solution. As a result, it will increase the competition in this sector.

Attachment 2: General Information of Space Tech Innovation Company Limited

1. General Information

Name	:	Space Tech Innovation Company Limited (STI)
Address	:	349 SJ Infinite One Business Complex, 28th Floor, Vibhavadi-Rangsit Road, Chompol Sub-District, Chatuchak District, Bangkok
Type of Business	:	Satellite and Related Services
Registration Number	:	0105565188198
Date of Establishment	:	November 22, 2022
Registered Capital	:	THB 100,000,000.00
Paid-Up Capital	:	THB 25,000,000.00

2. General Business Information

Space Tech Innovation Company Limited (STI), a subsidiary of THCOM, operates the transponder and related services of satellites at the orbital slots at 119.5 degrees East, 120 degrees East, and 78.5 degrees East.

3. Shareholders

List of shareholders on the latest shareholders register book of STI as of January 14, 2023, which is the latest book closing date.

No.	Shareholder Name	No. of Shares	% of Total Shares
1.	Thaicom Public Company Limited	9,999,997	100.00
2.	Mr. Patompob Suwansiri	1	0.00
3.	Mr. Anuwat Sanguansappayakorn	1	0.00
4.	Mr. Piyawat Jriyasetapong	1	0.00
Total		**10,000,000**	**100.00**

Source: Shareholders list of STI

4. Board of Directors

As of December 13, 2022, the Board of Directors of STI comprises of 5 directors as follows:

No.	Name	Position
1.	Mr. Boonchai Thirati	Director
2.	Mr. Suporn Luckmunkong	Director
3.	Mr. Kanit Vallayapet	Director
4.	Mr. Kim Siritaweechai	Director
5.	Mr. Patompob Suwansiri	Director

Sources: Set Website and Company Website

The directors who are authorized to sign on behalf of STI are 2 directors from Mr. Boonchai Thirati, Mr. Suporn Luckmunkong, or Mr. Kim Siritaweechai, together with STI's seal affixed.

5. Summary of Financial Position and Performance of STI

Summary of Financial Position and Performance of STI in 2023.

Statement of Financial Position

(Unit: THB)	As of December 31, 2022
Assets	
Cash and cash equivalent	24,999,700
Total assets	**24,999,700**
Liabilities and equity	
Liabilities	
Accrued expenses	714,317
Total liabilities	**714,317**
Equity	
Issued and paid-up share capital	25,000,000
Retained earnings	(714,617)
Total equity	**24,285,383**
Total liabilities and equity	**24,999,700**

Source: Financial Position and Performance of STI for the year ended 2022

Statements of Profit and Loss

(Unit: THB)	For the year ended December 31, 2022
Revenue	-
Expenses	
Cost of sale of goods and rendering of services	535,000
Selling expenses	200
Administrative expenses	30,367
Total expenses	**565,567**
Profit (loss) from operating activities	**(565,567)**
Finance cost	(149,050)
Profit before income tax expense	**(714,617)**
Income tax expense	-
Profit (Loss) for the year	**(714,617)**

Source: Statements of Profit and Loss of STI for the year ended 2022

6. Management's Discussion and Financial Analysis

6.1 Management's Discussion Analysis

[- None since STI was just incorporated in 2022 -]

6.2 Financial Position

[- None since STI was just incorporated in 2022 -]

7. Industry overview

Despite some economic difficulties such as Covid-19 pandemic, the broadband market including both GEO and Non-GEO high throughput satellite (HTS) still has an upward trend due to (1) increasing in bandwidth usage and development of related technology and (2) necessity of telecommunication operator to improve and upgrade the network system of 2G, 3G, 4G, and 5G. According to the report of Euroconsult's Satcom for Universal Broadband Access 2021, 46% of total world population remains unconnected in 2020. Additionally, 43 million people are able to connect to internet broadband services via satellite, and the total internet broadband users is expected to grow by 2.5 times within 2029.

The broadband satellite industry is in a transition phase with multiple developments including the expansion of service coverage of the major operators, newcomers in GEO/MEO/LEO HTS, new technology and design for satellites and gateway station, and new business model and solution. As a result, it will increase the competition in this sector.