THAICOM

MANAGEMENT'S DISCUSSION AND ANALYSIS



Thaicom Public Company Limited

Management's Discussion and Analysis for Q3/2025

Thaicom Public Company Limited

1. Economic Overview

In Q3/2025 and the first nine months of the year, the global economy remained under pressure from U.S. trade policies, particularly the increase in import tariffs on goods from China and other Asian countries, which resulted in a global trade slowdown. Meanwhile, the U.S. Federal Reserve began to implement a more accommodative monetary policy, lowering the policy rate by 0.25% in September to stimulate the economy, which had slowed due to recession concerns. This caused the U.S. dollar to depreciate continuously against major currencies, including the Baht, which appreciated to its highest level in approximately four years at the end of Q3/2025. This was supported by high-level gold prices acting as a safe-haven asset amidst geopolitical tensions in the Middle East and Asia. However, in the longer term, the Baht may depreciate due to government and Bank of Thailand policies aimed at managing volatility and reducing the impact of the Baht's appreciation.

2. Company's Performance Overview

Revenue from sales of goods and rendering of services in Q3/2025 was Baht 500 million, a decrease of Baht 35 million or 6.5% from Baht 535 million in Q2/2025 (QoQ). This was mainly due to the one-time recognition of Space Tech project revenues in Q2/2025 and the impact of the Baht's appreciation. Although the Company is in a transition period as the THAICOM 4 satellite was approaching its end of useful life, the Company was able to maintain its core revenue base continuously through the adjustment of its satellite broadband customer portfolio. Furthermore, the cost of sales of goods and rendering of services and SG&A expenses continued to decrease, reflecting efficient cost and expense management. This resulted in overall stable performance during this transition. Compared to Q3/2024 (YoY), revenue from sales of goods and rendering of services decreased by 18.6% due to the expiration of the USO Phase 2 project and a decline in conventional satellite services, consistent with slowing market demand.

Despite ongoing challenges from foreign exchange volatility and macroeconomic headwinds, the Company generated a core profit[1] of Baht 7 million in Q3/2025, highlighting effective operational management and resilience. Focusing solely on the satellite business—excluding non-satellite segments and the share of loss from the telecommunications business—the Company reported Baht 21 million in core profit, exceeding the normal core profit of Baht 14 million. These results underscore the core business's robust profitability.

[1] *Core profit means profit attributable to owners of the Company before unrealized gain (loss) on exchange rate of the Company and joint ventures, and before extra items.*

The Company reported a net loss attributable to the parent of Baht 0.9 million in Q3/2025, a significant improvement from a net loss of Baht 207 million in Q2/2025. This was mainly due to foreign exchange volatility, as the Baht appreciated at a slower rate in Q3/2025 compared to Q2/2025. The Baht's appreciation directly impacts Thailand's exports, including the Company, which derives a significant portion of its revenues internationally. Acknowledging the volatility of exchange rates, the Company has taken proactive steps to mitigate the impact through foreign exchange risk management and business diversification strategies.

Regarding the telephone business abroad, the Company's share of loss from investment in the joint venture increased in Q3/2025 compared to Q2/2025 (QoQ). This occurred even though Lao Telecommunications Public Company's ("LTC") revenue in Q3/2025 increased significantly compared to the previous quarter. The increased share of loss was a result of the Lao Kip's depreciation against the U.S. dollar, causing the Company to continue recognizing a share of loss from the investment. However, in the long term, the Company continues to benefit from the ongoing tariff restructuring for telecom services implemented by the Ministry of Telecommunication and Communication of the Lao PDR, which is expected to support the continuous recovery of the share of loss from investments.

3. Business Overview

Satellite and related Services

STI, Thaicom's Subsidiary, secured a USD 184 Million ECA-Backed Financing Agreement with Deutsche Bank and Standard Chartered for THAICOM 10 Satellite Program.

20 August 2025 – The Company has entered into an export credit agency ("ECA") backed financing agreement totaling USD 184 million for the THAICOM 10 satellite program. This was executed by its subsidiary, Space Tech Innovation Company Limited ("STI"), in collaboration with Deutsche Bank and Standard Chartered, under the guarantee of the French ECA, Bpifrance Assurance Export. The financing will support the manufacturing of the THAICOM 10 satellite built by Airbus Defense and Space of France. This collaboration reflects the confidence of leading financial institutions and is a significant step in upgrading Thailand's digital infrastructure, supporting internet, security, and communication services in remote areas, both domestically and regionally.

The Company, AIS and NBTC Deployed Satellite-on-the-Move ("SOTM") Vehicles to Enhance Border Security Communications.

27 August 2025 – The Company and Advanced Info Service Public Company Limited ("AIS"), in collaboration with the National Broadcasting and Telecommunications Commission ("NBTC"), deployed a SOTM vehicle to support the Royal Thai Army's missions in operational areas along the Thai-Cambodian border. The Company's SOTM vehicle is designed to provide stable and high-speed communication in remote areas, especially along the border, to support the coordination of military units.

The Company, Pollution Control Department, and TISTR signed MOU to develop air pollution management platform using satellite technology and AI

3 September 2025 – The Company, the Pollution Control Department ("PCD"), and the Thailand Institute of Scientific and Technological Research ("TISTR") signed an MOU to develop a PM2.5 prediction model. This model utilizes satellite data combined with Artificial Intelligence and Machine Learning technologies to enhance the efficiency of area-specific air quality management, providing forecasts up to 7 days in advance. The results are displayed via the PCD website, enabling the public and relevant agencies to plan and respond in a timely manner. This cooperation marks a significant step in applying space technology for sustainable environmental solutions and improving public quality of life in the long run.

The Company Showcases Global Satellite Leadership at "World Space Business Week 2025" in Paris, France.

26 September 2025 – The Company's Chief Executive Officer, Mr. Patompob Suwansiri, was honored to attend World Space Business Week 2025 in Paris. He participated in a panel discussion on "Leading Regional Operators Defining Their New Ambitions," where he shared his vision for driving the space industry through satellite technology development, global partnerships, and the expansion of security services and Low Earth Orbit ("LEO") satellite constellations. This participation on an international stage reflects Thaicom's crucial role as a regional leader in satellite and space technology and its commitment to driving sustainable growth in the global space industry.

Utilization of Thaicom's satellites

As of the end of Q3/2025, the utilization rate for the Company's conventional satellites providing services under telecommunication licenses via THAICOM 7 and THAICOM 8 reached 62%, an increase from 60% in Q2/2025. This marked the third consecutive quarter of utilization growth, primarily driven by higher demand from customers in India, underscoring the Company's ability to sustain consistent growth in satellite utilization.

Internet and media services

The revenue from internet and media services mainly derived from Thai Advance Innovation Company Limited ("Thai AI"), consisting of the income from the sale of set-top-boxes and related equipment, including the sale and rental services for internet platform such as IPTV channels, video streaming, eSport, LOOX TV and New Space Technology business.

Revenue from internet and media services in Q3/2025 totaled Baht 3 million, representing a decrease from Baht 17 million in Q2/2025 (QoQ) and Baht 21 million in Q3/2024 (YoY). The decrease in revenue from the previous quarter was primarily due to the absence of one-time recognition of Space Tech projects revenue in Q2/2025, including a project for the Agricultural Research Development Agency ("ARDA") and a drone project for the Geo-Informatics and Space Technology Development Agency ("GISTDA"). Compared to the same period last year, the revenue decreased due to the recognition of revenue in Q3/2024 from a digital platform development project for the Department of Learning Encouragement ("DLE").

Telephone business abroad

LTC, the leading provider in the mobile and telecommunications market in the Lao People's Democratic Republic (“Lao PDR”), has shown continuous operational improvement. LTC’s revenue in Q3/2025 increased significantly compared to both the previous quarter and the same period last year, driven by the tariff restructuring for telecom services implemented by The Ministry of Telecommunication and Communication of the Lao PDR, which has been in effect since 2024.

As of the end of Q3/2025, LTC and TPLUS Digital Company Limited (“TPLUS”) collectively had 2.44 million mobile subscribers, a figure comparable to the end of 2024.

4. Consolidated Operating Results

Summary of key financial information of THCOM

Unit: Baht million	Amount			Change		Amount		Change
	Q3 2025	Q2 2025	Q3 2024	%QoQ	%YoY	9M 2025	9M 2024	%YoY
Revenue from sales of goods and rendering of services	500	535	614	-7%	-19%	1,534	1,861	-18%
Other income	18	2	1	800%	1,700%	261	44	493%
Total Revenue	**518**	**537**	**615**	**-4%**	**-16%**	**1,795**	**1,905**	**-6%**
Cost of sales of goods and rendering of services	(343)	(361)	(404)	-5%	-15%	(1,078)	(1,137)	-5%
SG&A expenses [1]	(169)	(179)	(191)	-6%	-12%	(546)	(671)	-19%
Net gain (loss) from foreign exchange	(1)	(209)	(565)	-100%	-100%	(235)	(236)	0%
Profit from operating activities	**5**	**(212)**	**(545)**	**N/A**	**-101%**	**(64)**	**(139)**	**-54%**
Profit from operating activities before interest, tax, and depreciation and amortization (EBITDA) [2]	**163**	**160**	**169**	**2%**	**-4%**	**417**	**540**	**-23%**
Financial income	48	51	61	-6%	-21%	147	224	-34%
Financial costs	(18)	(18)	(21)	0%	-14%	(55)	(73)	-25%
Reversal of loss on impairment based on Thai Financial Reporting Standard No.9	4	(1)	2	N/A	100%	3	6	-50%
Share of profit (loss) of investment in subsidiaries and joint ventures	(16)	(9)	(33)	78%	-52%	(51)	(124)	-59%
Profit before income tax expense	**23**	**(189)**	**(536)**	**N/A**	**N/A**	**(20)**	**(106)**	**-81%**
Income tax expense	(23)	(18)	(27)	28%	-15%	(69)	(106)	-35%
Profit attributable to the owners of the Company (Net Profit)	**0**	**(207)**	**(562)**	**N/A**	**N/A**	**(89)**	**(212)**	**-58%**
Less: Unrealized gain (loss) on exchange rate of the Company	(4)	(215)	(597)	-98%	-99%	(244)	(280)	-13%
Less: Unrealized gain (loss) on exchange rate of joint ventures	(3)	(6)	6	-50%	N/A	(9)	(21)	-57%
Core Profit	**7**	**14**	**29**	**-57%**	**-79%**	**164**	**89**	**84%**
Core profit excluding share of profit/(loss) from telecommunications business [3]	**21**	**38**	**68**	**-45%**	**-69%**	**239**	**227**	**5%**
Basic earnings per share (Baht)	**(0.001)**	**(0.189)**	**(0.513)**	**-100%**	**-100%**	**(0.081)**	**(0.193)**	**-58%**

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

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

(3) Excluding non-satellite business and share of loss from the telecommunications business

Revenue from sales of goods and rendering of services

The consolidated revenue from sales of goods and rendering of services in Q3/2025 was Baht 500 million, a decrease of Baht 35 million or 6.5% from Baht 535 million in Q2/2025 (QoQ), due to a decline in revenue from satellite and related services from domestic customers. Compared to Q3/2024 (YoY), revenue from sales and services decreased by 18.6%, resulting from a decline in conventional satellite services, consistent with slowing market demand.

For the 9-month period of 2025, the Company's revenue from sales of goods and rendering of services was Baht 1,534 million, a decrease of 17.6% compared to Baht 1,861 million for the 9-month period of 2024 (YoY), mainly due to a decline in domestic revenue.

Revenue from sales of goods and rendering of services Unit: Baht million	Q3 2025	Q2 2025	Q3 2024	%QoQ	%YoY	9M 2025	9M 2024	%YoY
Satellite and related services	498	523	595	-4.8%	-16.3%	1,520	1,842	-17.5%
Internet and media services	3	17	21	-82.4%	-85.7%	23	27	-14.8%
Consolidation eliminations	(1)	(5)	(2)	-80.0%	-50.0%	(8)	(8)	0.0%
Total	500	535	614	-6.5%	-18.6%	1,535	1,861	-17.5%

After the expiry of the concession, revenue from satellite and related services was composed of revenue from sales of goods and rendering of services from THAICOM 7 and THAICOM 8, which are operated under licenses to provide telecommunication services. Additionally, there was revenue from satellite services from part of bandwidth purchased on THAICOM 4 and THAICOM 6 satellites from National Telecom Public Company Limited, 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 in Q3/2025 was Baht 498 million, representing a decrease of 4.8% from Baht 523 million in Q2/2025 (QoQ) and 16.3% from Baht 595 million in Q3/2024 (YoY). Compared to Q2/2025 (QoQ), the decrease in revenue was mainly due to the one-time recognition of Space Tech projects in Q2/2025, including a project for the ARDA and a drone project for the GISTDA. Compared to Q3/2024 (YoY), the 16.3% decrease was due to a decline in conventional satellite services, consistent with slowing market demand.

For the 9-month period of 2025, revenue from satellite and related services was Baht 1,520 million, a decrease of 17.5% compared to Baht 1,842 million for the 9-month period of 2024 (YoY). This was due to the gradual revenue recognition from the USO Phase 2 project, which has yet to return to normal levels, and the decline in conventional satellite services, consistent with slowing market demand.

Internet and media Services

Revenue from internet and media services in Q3/2025 totaled Baht 3 million, representing a decrease of Baht 17 million in Q2/2025 (QoQ) and Baht 21 million in Q3/2024 (YoY). The decrease in revenue from the previous quarter was primarily due to the absence of one-time recognition of Space Tech projects revenue in Q2/2025, including a project for the ARDA and a drone project for the GISTDA. Compared to the same period last year, the revenue decreased due to the recognition of revenue in Q3/2024 from a digital platform development project for the DLE.

Other Income

In Q3/2025, other income totaled Baht 18 million, a significant increase from Baht 2 million in Q2/2025 (QoQ) and Baht 1 million in Q3/2024 (YoY). The main reason was the recognition of gain from write-off of liabilities, related to customer security deposits that exceeded the statutory limitation period.

Cost of sales of goods and rendering of services

The Company's cost of sales of goods and rendering of services in Q3/2025 totaled Baht 343 million, representing a decrease of 4.9% compared to Baht 361 million in Q2/2025 (QoQ) and 15.0% from Q3/2024 (YoY), reflecting enhanced cost management efficiency.

For the 9-month period of 2025, the Company's total cost of sales and services was Baht 1,078 million, a decrease of 5.2% compared to Baht 1,137 million for the 9-month period of 2024 (YoY), consistent with the decline in revenue.

Cost of sales of goods and rendering of services Unit: Baht million	Q3 2025	Q2 2025	Q3 2024	%QoQ	%YoY	9M 2025	9M 2024	%YoY
Satellite and related services	343	352	389	-2.6%	-11.8%	1,069	1,120	-4.6%
Internet and media services	3	14	17	-78.6%	-82.4%	19	22	-13.6%
Consolidation eliminations	(2)	(5)	(2)	-60.0%	0.0%	(9)	(5)	80.0%
Total	344	361	404	-4.7%	-14.8%	1,079	1,137	-5.1%

Cost of internet and media services

Cost of internet and media services for Q3/2025 was Baht 3 million, a decrease from Q2/2025 (QoQ) and Q3/2024 (YoY), in line with lower sales.

Selling and administrative expenses

The Company's SG&A expenses, including directors' and management's remuneration, in Q3/2025 totaled Baht 169 million, continuing to decrease from Baht 179 million in Q2/2025 (QoQ) and Baht 191 million in Q3/2024 (YoY). This resulted from the improved efficiency in managing staff expenses.

Finance cost

In Q3/2025, the Company's finance cost was Baht 18 million, which remained consistent with Q2/2025 (QoQ) at Baht 18 million. The finance cost in Q3/2025 decreased by 14.3% compared to Q3/2024 (YoY) of Baht 21 million, mainly due to repayment of loans.

Share of profit of investment in joint venture

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

In Q3/2025, the share of loss from investments in joint ventures amounted to Baht 16 million, resulting from the share of loss from the telephone business in Lao PDR ("LTC"). However, this loss decreased significantly by 51.5% compared to the Baht 33 million loss in Q3/2024 (YoY). Nevertheless, the share of loss in Q3/2025 increased compared to Baht 9 million in Q2/2025 (QoQ). This occurred even though revenue in Q3/2025 increased significantly compared to the previous quarter. This was due to the depreciation of the Lao Kip against the U.S. dollar, causing the Company to continue recognizing a share of loss from the investment. In the long term, however, the Company continues to benefit from the ongoing tariff restructuring for telecom services implemented by the Ministry of Telecommunication and Communication of the Lao PDR, which is expected to support the continuous recovery of the share of loss from investments.

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

The Company reported a net loss attributable to the parent of Baht 0.9 million in Q3/2025, a significant improvement from a net loss of Baht 207 million in Q2/2025. This was mainly due to foreign exchange volatility, as the Baht appreciated at a slower rate in Q3/2025 compared to Q2/2025. The Baht's appreciation directly impacts Thailand's exports, including the Company, which derives a significant portion of its revenues internationally. Acknowledging the volatility of exchange rates, the Company has taken proactive steps to mitigate the impact through foreign exchange risk management and business diversification strategies.

In Q3/2025, the Company generated a core profit[1] of Baht 7 million, highlighting effective operational management and resilience. Focusing solely on the satellite business—excluding non-satellite segments and the share of loss from the telecommunications business—the Company reported Baht 21 million in core profit, exceeding the normal core profit of Baht 14 million. These results underscore the core business's robust profitability.

[1] *Core profit means profit attributable to owners of the Company before unrealized gain (loss) on exchange rate of the Company and joint ventures, and before extra items.*

5. Financial Position

As of the end of Q3/2025, the Company had total assets of Baht 16,620 million, an increase of 9.6% from Baht 15,168 million at the end of 2024. The increase was primarily driven by a rise in cash and cash equivalents, resulting from a partial refund of withholding tax from the Indian Revenue Department. In addition, non-current assets increased due to the recognition of a gain from the write-off of liabilities related to property, plant, and equipment amounting to Baht 235 million, following the Company's release from contractual payment obligations. (Further details can be found in Note 7 to the financial statements.)

Asset components

Assets Unit: Baht million	30 September 2025		31 December 2024	
	Amount (Baht million)	% of Total Assets	Amount (Baht million)	% of Total Assets
Current assets	4,995	30.1%	4,711	31.1%
Property, plant and equipment	5,692	34.2%	4,559	30.1%
Right-of-use assets*	1,078	6.5%	1,233	8.1%
Intangible assets	742	4.5%	784	5.2%

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

Trade and other receivables

As of the end of Q3/2025, the Company's trade and other current receivables totaled Baht 1,009 million, accounting for 6.1% of total assets. This amount decreased by Baht 57 million from year-end 2024, mainly due to the regular collection of accounts receivable.

Liquidity

As of the end of Q3/2025, the Company's current ratio was 1.6 times, decreasing from 2.3 times at year-end 2024. This was due to an increase in current liabilities from short-term loans from financial institutions, used for investment in the new satellite project.

Right-of-use assets

As of the end of Q3/2025, the Company had right-of-use assets of Baht 1,078 million, accounting for 6.5% of total assets. These assets are primarily related to capacity purchased on THAICOM 4 and THAICOM 6 satellites under post-concession agreements, as well as capacity leased from international satellite operators to serve the Company's customers. The value of right-of-use assets decreased by 12.6% from Baht 1,233 million as of year-end 2024 due to amortization of satellite lease assets.

Borrowings and shareholders' equity

As of the end of Q3/2025, the Company had no long-term loans from financial institutions due within one year. The Company has fully repaid all long-term loans for its satellite projects. However, the Company had short-term loans from financial institutions of Baht 2,129 million, which are loans for investment in the new satellite project. At year-end 2024, the Company's net borrowings were Baht 927 million.

The Company's total equity as of the end of Q3/2025 was Baht 9,964 million, a decrease of 0.5% from Baht 10,019 million at year-end 2024, mainly due to the net loss for the period.

The Company's net debt to equity ratio was 0.21 times, an increase of 0.12 times from year-end 2024.

Cash Flows

The Company's net cash from operating activities as of the end of Q3/2025 was Baht 565 million, an increase of Baht 136 million compared to Baht 429 million as of the end of Q3/2024 (YoY). This was because in Q2/2025, the Company received a partial withholding tax refund from the Indian Revenue Department amounting to INR 1,697 million. This was recorded under other non-current liabilities in the statement of financial position (Further details can be found in Note 12 to the financial statements).

Net cash used in investing activities as of the end of Q3/2025 was Baht (686) million, compared to Baht (1,215) million as of the end of Q3/2024 (YoY). The main reason was the advance payment for equipment for the new satellite.

Net cash from financing activities as of the end of Q3/2025 was Baht 986 million, mainly comprising repayment of loans and interest paid.

As of the end of Q3/2025, the Company held total cash and cash equivalents, including temporary investments, of Baht 3,324 million.