

### Operational Summary in 2Q17

- Total revenue from core business was Bt769mn, an increase of 48.0% YoY
- Net profit was Bt144mn, an increase of 51.0% YoY
- The total number of “Boonterm” was 110,563 kiosks, increased 10,541 kiosks or 38.9% YoY
- Total usage amount was Bt8,778mn, an increase of 64.6% YoY
- 24.2mn active subscribers and 2.1mn transactions per day.

### Business Overview

	2Q16	3Q16	4Q16	1Q17	2Q17
Total usage amount through “Boonterm kiosk” (Million Baht)	5,332	5,766	7,377	8,000	8,778
Total number of “Boonterm kiosk” as the period ended (Kiosks)	79,608	85,656	92,082	100,022	110,563

In 2Q17, FSMART is able to maintain as the leader of online top-up machine and continues to expand Boonterm kiosk into 122,000 kiosks and usage amount into Bt32,000mn within 2017. The Company has installed 10,541 kiosks, resulting in the total of 110,563 kiosks. The Company expands point of service to cover all areas nationwide.

In the end of 2Q17, the usage amount from mobile top-up and money transfer are still growing. In addition, other online top-up and payments are growing up such as E-wallet top-up and bill payment, including new services which launched in the beginning of 2017, namely postpaid bill payment, traffic fine payment and data package for prepaid customers, etc. The total usage amount via Boonterm kiosk is Bt8,778mn or 64.6% YOY. The numbers of active subscribers are 24.2mn with 2.1mn transactions per day.

The Company continuously organizes the marketing activities for customer base expansion which are top-up promotion “Topping up 100 Baht, free of charge” for attracting middle-class customers. Moreover, the Company offers the CRM activities to collect points for luck and prize redemption in order to increase the frequency of use from the regular customers. As a result, FSMART has total revenue from core business which is Bt769mn in 2Q17 increasing 48.0% YOY and has net profit was Bt144mn increasing 51.0% YoY.

## Financial Summary

### Income Statement

Income Statement	2Q16		1Q17		2Q17		%QoQ	%YoY
	MB	%	MB	%	MB	%		
Income from rendering of top-up service for prepaid phone and other online service (Commission)	221	42.6%	313	43.7%	338	44.0%	8.2%	52.7%
Income from rendering of services through online top-up machines “Boonterm kiosk” (Service charge)	293	56.4%	399	55.8%	429	55.8%	7.6%	46.3%
Advertising income	5	1.0%	4	0.5%	2	0.3%	(46.5%)	(62.3%)
<b>Total revenue from core business</b>	<b>520</b>	<b>100.0%</b>	<b>715</b>	<b>100.0%</b>	<b>769</b>	<b>100.0%</b>	<b>7.6%</b>	<b>48.0%</b>
Cost of services	(384)	(74.0%)	(536)	(74.9%)	(575)	(74.7%)	7.3%	49.5%
<b>Gross profit</b>	<b>135</b>	<b>26.0%</b>	<b>179</b>	<b>25.1%</b>	<b>194</b>	<b>25.3%</b>	<b>8.4%</b>	<b>43.5%</b>
Service & Administrative expenses	(44)	(8.5%)	(60)	(8.4%)	(61)	(7.9%)	1.4%	38.0%
<b>Operating profit</b>	<b>91</b>	<b>17.6%</b>	<b>119</b>	<b>16.7%</b>	<b>133</b>	<b>17.4%</b>	<b>11.9%</b>	<b>46.2%</b>
Other income	33	6.3%	45	6.3%	44	5.8%	(0.8%)	36.0%
Sales profit	1	0.3%	1	0.2%	1	0.2%	(0.1%)	(2.6%)
Finance costs	(6)	(1.2%)	(12)	(1.7%)	(14)	(1.8%)	16.0%	119.7%
<b>Profit before income tax expenses</b>	<b>119</b>	<b>22.9%</b>	<b>154</b>	<b>21.5%</b>	<b>166</b>	<b>21.5%</b>	<b>7.8%</b>	<b>38.9%</b>
Income tax expenses	(24)	(4.6%)	(22)	(3.1%)	(22)	(2.9%)	(0.4%)	(8.9%)
<b>Net profit</b>	<b>95</b>	<b>18.3%</b>	<b>132</b>	<b>18.4%</b>	<b>144</b>	<b>18.7%</b>	<b>9.1%</b>	<b>51.0%</b>

### Total revenue

FSMART’s total revenues from core business was Bt769mn, an increase of 48.0% YoY, mainly from the increasing of usage amount and the number of Boonterm kiosk which expanded to cover all areas nationwide. Details are as follows:

#### 1) Income from rendering top-up service for prepaid phone and other online services (Commission)

was Bt338mn, an increase of 52.7% YoY, mainly from the prepaid mobile top-up.

#### 2) Income from rendering of services through online top-up machines “Boonterm kiosk” (Service charge)

was Bt429mn, an increase of 46.3% YoY, mainly from the increasing in kiosk usage and money transfer service which grown steadily.

**3) Advertising income** was Bt2mn, decreased 62.3% YoY because the second quarter is low seasonal quarter of the advertising business. The economy began to recover, many companies are cautious to spend on advertising. However, customers who focus on content services are continue to advertise.

**4) Other income** was Bt44mn, an increase of 36.0% YoY, mainly from increasing in the number of Boonterm kiosk and the growth of the total usage amount through Boonterm kiosk.

### Cost and Expenses

**1) Cost of services** was Bt575mn, represented 74.7% of total revenues from core business, compared to 74.0% in 2Q16, due to kiosk depreciation cost that increased in line with the increasing number of kiosks.

**2) Service & Administrative expenses** was Bt61mn, represented 7.9% of total revenues from core business, which decreased from last period, due to effective cost control.

### Profit

**1) Gross profit** was Bt194mn, increasing 43.5% YoY because of consecutive revenue growth.

**2) Sales profit** was Bt1mn, decreasing 2.6% YoY, which is sales of equipment related to Boonterm kiosk such as tripod, cement pedestal, coin counter etc.

**3) Profit before income tax expenses** was Bt166mn, an increase of 38.9% YoY, mainly from revenues growth and effective operating cost management.

**4) Net profit** was Bt144mn, an increase of 51.0% YoY, represented 18.7% of total revenues from core business, increasing from 18.3% in last period due to effective cost management and tax benefits.

### Financial Position

Statement of Financial position	31 December 2016		30 June 2017		Increase/(Decrease)	
	MB	%	MB	%	MB	%
Current assets	1,003	31.5%	1,128	30.8%	125	12.5%
Non-current assets	2,182	68.5%	2,533	69.2%	352	16.1%
<b>Total assets</b>	<b>3,185</b>	<b>100.0%</b>	<b>3,662</b>	<b>100.0%</b>	<b>477</b>	<b>15.0%</b>
Current liabilities	1,695	53.2%	2,090	57.1%	395	23.3%
Non-current liabilities	307	9.6%	314	8.6%	7	2.2%
<b>Total liabilities</b>	<b>2,002</b>	<b>62.9%</b>	<b>2,403</b>	<b>65.6%</b>	<b>402</b>	<b>20.1%</b>
<b>Total shareholders' equity</b>	<b>1,183</b>	<b>37.1%</b>	<b>1,258</b>	<b>34.4%</b>	<b>75</b>	<b>6.4%</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,185</b>	<b>100.0%</b>	<b>3,662</b>	<b>100.0%</b>	<b>477</b>	<b>15.0%</b>

As at 30 June 2017, FSMART had total assets of Bt3,662mn, increasing 15.0% compared to total assets as at 31 December 2016, mainly from increasing number of Boonterm kiosk.

Total liabilities as at 30 June 2017 was Bt2,403mn, increasing 20.1% compared to total liabilities as at 31 December 2016, mainly from trade and other payables, retention received from service representatives and increasing in current portion of long-term loans.

Total shareholders' equity as at 30 June 2017 was Bt1,258mn, increasing 12.9% compared to total shareholders' equity as at 31 December 2016, mainly from net profit in 2Q17.

### **Key Financial Ratio**

Financial ratio	2Q16	1Q17	2Q17
Current ratio	0.58	0.52	0.54
Debt to Equity ratio	1.53	2.00	1.91
Interest Bearing Debt to Equity ratio	0.40	0.58	0.67
Return on Asset	19.3%	20.3%	20.5%
Return on Equity	34.8%	45.9%	48.5%

As at 30 June 2017, FSMART had Current ratio at 0.54, mainly from increasing of cash and cash equivalents, trade and other payables.

Debt to Equity ratio decreased to 1.91, mainly from increasing of shareholders' equity which is in line with net profit in 2Q17.

Interest-bearing debt to Equity ratio increased to 0.67, mainly from loans for investment and working capital.

Return on Asset stood at 20.5% because of effective asset management.

Return on Equity stood at 48.5% from steadily increasing net profit.

## 2017 Management Outlook

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- The total number of 122,000 “Boonterm kiosk” covering nationwide
- The total usage amount through “Boonterm kiosk” of Bt32,000mn
- New services such as one additional bank of money transfer service, public utility payment, social security fund contributions payment and other services

The Company aims to expand Boonterm kiosk to reach 122,000 kiosks nationwide and the total usage amount of Bt32,000mn. The Company focuses on being the leader of payment solutions by 5 digital retail channels strategy. The Company plans to launch new products and services continuously.

Furthermore, the Company aims to increase proportion of revenue from other channels from 4-5% in 2016 to 10% of total usage amount, resulting the usage amount of mobile top-up decreasing from 95% to 90%. As a result, the revenue structure of the Company is more diversified.

The growth of other services such as money transfer has been growing very well. In 2Q17, the amount of money transfer accounted for 10% of total usage amount which cause the risk diversification approach and the expansion of the customer base goes well. Furthermore, it will make the Company to use the database to further marketing activities in future.

For the second half of 2017, the Company will launch new services e.g. one additional bank of money transfer service, public utility payment, social security contribution payment for insured person from Section 40 and Line sticker selling through Boonterm kiosk, which is a new payment channel for Line application’s users. This will increase chance to gain the new group of customers to use the service via Boonterm kiosk.

Moreover, the Company plans to launch new services constantly which are diverse and integrated to meet the customers’ needs nowadays and to create opportunity to expand both of new and regular customers for using Boonterm kiosk and increase the Company’s growth.