

Operational Summary in 3Q17

- Total revenue from core business was Bt788mn, an increase of 42.1% YoY
- Net profit was Bt145mn, an increase of 39.0% YoY
- The total number of “Boonterm” was 119,166 kiosks, increased 8,603 kiosks or 39.1% YoY
- Total usage amount was Bt9,311mn, an increase of 61.5% YoY
- 24mn active subscribers and 2.1mn transactions per day.

Business Overview

	3Q16	4Q16	1Q17	2Q17	3Q17
Total usage amount through “Boonterm kiosk” (Million Baht)	5,766	7,377	8,000	8,778	9,311
Total number of “Boonterm kiosk” as the period ended (Kiosks)	85,656	92,082	100,022	110,563	119,166

In 3Q17, 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 8,603 kiosks, resulting in the total of 119,166 kiosks. The Company expands point of service to cover all areas nationwide.

In the end of 3Q17, 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, data package for prepaid customers, Provincial Electricity Authority (PEA) bill payment, etc. The total usage amount via Boonterm kiosk is Bt9,311mn or 61.5% YOY. The numbers of active subscribers are 24mn 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 Bt788mn in 3Q17 increasing 42.1% YOY and has net profit was Bt145mn increasing 39.0% YoY.

Financial Summary

Income Statement

Income Statement	3Q16		2Q17		3Q17		%QoQ	%YoY
	MB	%	MB	%	MB	%		
Income from rendering of top-up service for prepaid phone and other online service (Commission)	237	42.7%	338	44.0%	341	43.3%	0.8%	43.8%
Income from rendering of services through online top-up machines “Boonterm kiosk” (Service charge)	318	57.2%	429	55.8%	446	56.6%	3.9%	40.4%
Advertising income	0	0.0%	2	0.3%	1	0.2%	(31.8%)	(1232.0%)
Total revenue from core business	555	100.0%	769	100.0%	788	100.0%	2.5%	42.1%
Cost of services	(409)	(73.7%)	(575)	(74.7%)	(604)	(76.7%)	5.1%	47.9%
Gross profit	146	26.3%	194	25.3%	184	23.3%	(5.4%)	25.7%
Service & Administrative expenses	(47)	(8.4%)	(61)	(7.9%)	(63)	(7.9%)	2.7%	33.2%
Operating profit	99	17.9%	133	17.4%	121	15.4%	(9.1%)	22.2%
Other income	33	6.0%	44	5.8%	50	6.3%	12.1%	48.8%
Sales profit	1	0.2%	1	0.2%	1	0.2%	(17.5%)	17.9%
Finance costs	(8)	(1.5%)	(14)	(1.8%)	(15)	(1.9%)	6.4%	75.1%
Profit before income tax expenses	125	22.6%	166	21.5%	157	20.0%	(4.8%)	25.8%
Income tax expenses	(21)	(3.8%)	(22)	(2.9%)	(13)	(1.7%)	(40.5%)	(38.7%)
Net profit	104	18.8%	144	18.7%	145	18.4%	0.6%	39.0%

Total revenue

FSMART’s total revenues from core business was Bt788mn, an increase of 42.1% 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 Bt341mn, an increase of 43.8% YoY, mainly from the prepaid mobile top-up.
- 2) Income from rendering of services through online top-up machines “Boonterm kiosk” (Service charge)** was Bt446mn, an increase of 40.4% YoY, mainly from the increasing in kiosk usage and money transfer service which grown steadily.

3) Advertising income was Bt1mn, decreased 1232.0% 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 and slow down to increase marketing budget according to Thailand's mourning period of King Rama 9. However, customers who focus on content services are continue to advertise.

4) Other income was Bt50mn, an increase of 48.8% 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 Bt604mn, represented 76.7% of total revenues from core business, compared to 73.7% in 3Q16, due to kiosk depreciation cost that increased in line with the increasing number of kiosks.

2) Service & Administrative expenses was Bt63mn, represented 7.9% of total revenues from core business, which decreased from last period, due to effective cost control.

Profit

1) Gross profit was Bt184mn, increasing 25.7% YoY because of consecutive revenue growth.

2) Sales profit was Bt1mn, decreasing 17.9% 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 Bt157mn, an increase of 25.8% YoY, mainly from revenues growth and effective operating cost management.

4) Net profit was Bt145mn, an increase of 39.0% YoY, represented 18.4% of total revenues from core business.

Financial Position

Statement of Financial position	31 December 2016		30 September 2017		Increase/(Decrease)	
	MB	%	MB	%	MB	%
Current assets	1,003	31.5%	1,254	31.5%	241	25.0%
Non-current assets	2,182	68.5%	2,726	68.5%	544	24.9%
Total assets	3,185	100.0%	3,979	100.0%	795	25.0%
Current liabilities	1,695	53.2%	2,311	58.1%	616	36.3%
Non-current liabilities	307	9.6%	456	11.5%	149	48.4%
Total liabilities	2,002	62.9%	2,767	69.5%	765	38.2%
Total shareholders' equity	1,183	37.1%	1,213	30.5%	30	2.5%
Total liabilities and shareholders' equity	3,185	100.0%	3,979	100.0%	795	25.0%

As at 30 September 2017. FSMART had total assets of Bt3,979mn, increasing 25.0% compared to total assets as at 31 December 2016, mainly from increasing number of Boonterm kiosk.

Total liabilities as at 30 September 2017 was Bt2,767mn, increasing 38.2% compared to total liabilities as at 31 December 2016, mainly from increasing in current portion of long-term loans.

Total shareholders' equity as at 30 September 2017 was Bt1,213mn, increasing 2.5% compared to total shareholders' equity as at 31 December 2016, mainly from net profit in 3Q17.

Key Financial Ratio

Financial ratio	3Q16	2Q17	3Q17
Current ratio	0.51	0.54	0.54
Debt to Equity ratio	1.63	1.91	2.28
Interest Bearing Debt to Equity ratio	0.48	0.67	1.00
Return on Asset	19.5%	20.5%	18.0%
Return on Equity	39.1%	48.5%	46.8%

As at 30 September 2017. FSMART had Current ratio at 0.54 which is in line with 2Q17.

Debt to Equity ratio decreased to 2.28, mainly from increasing of loans for expanding Boonterm Kiosk

Interest-bearing debt to Equity ratio increased to 1.00, mainly from loans for investment and working capital.

Return on Asset stood at 18.0%, mainly from assets which decreased from expanding Boonterm kiosk.

Return on Equity stood at 46.8% which decreased from increasing total shareholders' equity

2017 Management Outlook

- 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 3Q17, the amount of money transfer accounted for 14% of total usage amount which cause the risk diversification approach and the expansion of the customer base goes well. In the mid-September 2017, the Company launched new services e.g. PEA bill payment and Line sticker selling through Boonterm kiosk which is the new payment channel for Line application’s users.

For the second half of 2017, the Company will launch new services e.g. one additional bank of money transfer service and social security contribution payment for insured person from Section 40.

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.