

Operational Summary in 3Q20 (recovered from Covid-19 pandemic)

- Net profit was Bt123mn, increasing 18.3% QoQ.
- Total revenue from core business was Bt735mn, increasing 10.2% QoQ.
- Banking agent business (of which the Company is the agent for 6 commercial banks: KTB, KANK, BAY, GSB, BAAC, and SCB) had total transactions of 1,734,915 transactions per month, increasing 5.1% QoQ.
- Lending outstanding amount was Bt93mn (NPL 1.3%).
- Number of “Boonterm kiosk” was 130,065.

Business Overview

	Quarter	Quarter	Quarter	Quarter	Quarter
	3/2019	4/2019	1/2020	2/2020	3/2020
Total usage amount through "Boonterm Kiosk" (Million Baht)	9,943	9,786	9,630	9,074	9,987
Total usage amount - top up and payment	8,053	7,716	7,206	6,333	6,895
Total usage amount - money transfer	1,890	2,070	2,424	2,741	3,092
Total number of money transfer transactions (per month)	983,456	1,159,351	1,407,181	1,650,528	1,734,915
Total number of "Boonterm Kiosk" as the period ended (Kiosk)	130,283	130,481	130,357	130,274	130,065

For the operating result in 3Q2020, the total transaction amount was Bt9,987mn, increasing 10.1% QoQ. The total usage amount increased from both top up and payment services by Bt6,895mn. and the money transfer service, of which the Company is the banking agent for 6 banks. The money transfer has been growing consistently with 1,734,915 transactions per month, increasing 76.4% YoY. In term of lending business, the Company has been careful and selective during the current economic situation and can maintain 1.3% NPL ratio. As at the end of 3Q2020, the total number of “Boonterm Kiosk” was 130,065 kiosks. The Company continues to focus on increasing operation and kiosks location management to increase total usage from both current and new customers.

In 3rd quarter of 2020, as COVID-19 pandemic continues, despite lessen countrywide spread control measurements, Thai economy was slowly recovering from the world economy contraction. Private consumption slightly recovered from the ease of measurements. Export sector gradually recovered due to low demand of products, so did agricultural sector. Service sector remained vulnerable due to the absence of tourists, affected by COVID-19 measurements, causing the decrease in both Thai and foreign worker employment rate as well as the slow-down of other related industries. This quarter economy was also affected by tropical storms and flash flood in some upcountry areas. The adverse economic situation led to a cautious consumer spending across customer segments. However, the Company expected total usage amount to continue to recover from 2nd quarter of this year. The Company has prepared its cash flow by managing costs appropriately and being more careful with investment plans for preventing unforeseen situations.

Financial Statement Summary in 3Q2020

Statement of Comprehensive Income

Income Statement	Q3/2019		Q2/2020		Q3/2020		%QoQ	%YoY
	MB	%	MB	%	MB	%		
Income from rendering of top-up service for prepaid phone and other online service (Commission)	310.09	39.8%	223.31	33.5%	232.30	31.6%	4.0%	-25.1%
Income from rendering of service through online top-up machines "Boonterm kiosk" (Service Charge)	466.66	59.8%	435.67	65.4%	495.96	67.5%	13.8%	6.3%
Advertising income	3.41	0.4%	7.63	1.1%	6.46	0.9%	-15.3%	89.4%
Total revenue from core business (3 items)	780.16	100.0%	666.61	100.0%	734.72	100.0%	10.2%	-5.8%
Cost of services	(622.36)	-79.8%	(546.49)	-81.9%	(586.61)	-79.8%	7.3%	-5.7%
Gross profit	157.80	20.2%	120.12	18.0%	148.11	20.2%	23.3%	-6.1%
Service & Administrative expenses	(54.81)	-7.0%	(66.44)	-10.0%	(66.97)	-9.1%	0.8%	22.2%
Operating profit	102.99	13.2%	53.68	8.1%	81.14	11.0%	51.2%	-21.2%
Other income	68.61	8.8%	67.79	10.2%	64.92	8.8%	-4.2%	-5.4%
Sales profit	0.06	0.0%	(0.22)	0.0%	(1.27)	-0.2%	477.3%	-2216.7%
Profit before finance cost and income tax expenses	171.66	22.0%	121.25	18.2%	144.79	19.7%	19.4%	-15.7%
Bank charge	(2.21)	-0.3%	(3.78)	-0.6%	(1.98)	-0.3%	-47.6%	-10.4%
Interest expenses	(7.13)	-0.9%	(4.47)	-0.7%	(5.64)	-0.8%	26.2%	-20.9%
Profit before income tax expenses	162.32	20.8%	113.00	17.0%	137.17	18.7%	21.4%	-15.5%
Income tax expense	(18.59)	-2.4%	(9.10)	-1.4%	(14.24)	-1.9%	56.5%	-23.4%
Net profit	143.73	18.4%	103.90	15.6%	122.93	16.7%	18.3%	-14.5%
Non-controlling interests of the subsidiaries	(0.05)	0.0%	(0.40)	-0.1%	-	0.0%	100.0%	100.0%
Net profit - Equity holders of the Company	143.78	18.4%	104.30	15.7%	122.93	16.7%	17.9%	-14.5%

Total Revenue

Total revenue from the core business in 3Q2020 was Bt734.72mn, increasing 10.2% QoQ because of the total usage increase from better economy in COVID-19 situation. The details of total revenue are as follows:

1) **Income from rendering of top-up service for prepaid phone and receipt of online services (Commission)** was Bt232.30mn, increasing 4.0% QoQ due to the fact that Thailand's economy has recovered from the easing of COVID-19 measurements and the end of the government measurements including free internet data, free minutes for voice calling, subsidies in utilities in the previous quarter.

2) **Income from rendering of services through online top-up machines (Service Charge)** was Bt495.96mn, increasing 13.8% QoQ due to better economy, causing the increase in consumption and the increasing in number of money transfer transaction.

3) **Advertising income** was Bt6.46mn, from advertising on kiosks and on Boonterm's screen.

4) **Other income** was Bt64.92mn, decreasing 4.2% QoQ.

Costs and Expenses

1) **Cost of services** in 3Q2020 was Bt586.61mn, 79.8% of total revenue from core business or decreasing 2.2% QoQ due to efficient cost controlling.

2) **Service & administrative expenses** in 3Q2020 was Bt66.97mn, 9.1% of total revenues from core business or decreasing 0.9% QoQ, due to efficient cost controlling, mainly from selling expenses and marketing campaign for boosting the total usage and temporally supporting expense to Company's master agents in COVID-19 situation.

Profits

1) **Gross profit** in 3Q2020 was Bt148.11mn, increasing 23.3% QoQ, as a result of increase in core revenue, and efficient cost controlling.

2) **Net profit** in 3Q2020 was Bt122.93mn, increasing 23.3% QoQ, as a result of the increase in gross profit that was from total usage amount back to normal level.

Statement of Financial Position

Statement of Financial position	31 Dec 19		30 Sep 20		Increase (Decrease)	
	MB	%	MB	%	MB	%
Current assets	1,398.47	39.7%	1,267.08	39.1%	(131.39)	-9.4%
Non-current assets	2,121.70	60.3%	1,975.13	60.9%	(146.57)	-6.9%
Total assets	3,520.17	100.0%	3,242.21	100.0%	(277.96)	-7.9%
Current liabilities	1,230.19	35.0%	1,238.98	38.2%	8.79	0.7%
Interest Bearing Debt - Current	940.37	26.7%	817.66	25.2%	(122.71)	-13.1%
Interest Bearing Debt - Non current	1.17	0.0%	141.91	4.4%	140.74	12029.1%
Non-current liabilities	12.87	0.4%	15.75	0.5%	2.88	22.4%
Total liabilities	2,184.60	62.1%	2,214.30	68.3%	29.70	1.4%
Total shareholders' equity	1,335.57	37.9%	1,027.91	31.7%	(307.66)	-23.0%
Total liabilities and shareholders' equity	3,520.17	100.0%	3,242.21	100.0%	(277.96)	-7.9%

As at September 30, 2020, the Company had total assets of Bt3,242.21mn, decreasing mainly from depreciation costs.

Total liabilities were Bt2,214.30mn, from interest bearing debt increase bt18.03mn, due to cash flow management.

Total shareholders' equity was Bt1,027.91mn, as a result of Bt353.77mn of 2020 9-month net profit, deducting shares buyback of Bt164.26mn and the interim dividend payment of Bt488.53mn.

Key Financial Ratio

Financial Ratio	Quarter	Quarter	Quarter
	3/2019	2/2020	3/2020
Current ratio	0.57	0.61	0.62
Debt to Equity ratio	1.95	1.91	2.15
Interest Bearing Debt ratio	0.87	0.85	0.93
Return on Asset	15.6%	0.15	14.8%
Return on Equity	47.6%	42.0%	42.3%

As at September 30, 2020, the Company had the current ratio of 0.62, increasing 0.01 QoQ.

Debt to equity ratio was 2.15, increasing from previous year, as a result of the adoption of TFRS16, which increased lease liability at the end of the quarter to Bt141.91mn. (The debt to equity ratio would be 2.02, in case of no TFRS16 adoption.)

Interest-bearing debt to equity ratio was 0.93, increasing from previous quarter, as a result of the decrease in equity, shares buyback, and the interim dividend payment.

Return on assets was 14.8%, slightly decreasing from previous quarter. The Company still focuses on managing assets to increase the asset utilization efficiency.

Return on equity was 42.3% decreasing from previous quarter, as a result of the ability to maintain profitability, the stock buyback, and the Company's interim dividend payment.

2020 Management Outlook

Targets in 2020 (revised)

- 2H2020 transaction amount better than 1H2020 from COVID-19 situation recovery.
- Money transfer business to grow 60-65%.
- New 500 - 1,000 Boonterm kiosks.
- CAPEX of Bt100-200mn.
- Target lending amount Bt200-400mn.

Operations

- Efficient kiosk location management and adding new services in order to increase ARPU.
- To add at least 1 more commercial bank from current 6 bank on the banking agent business.
- Developing Boonterm kiosk to be a one-stop financial service kiosk, i.e. cash deposit, money withdrawal, money transfer, payment, and new account opening.
- Expanding lending (PL Loan) business for Boonterm kiosk's Master Agents (MAs), sub-agents, MAs' employees, and FSMART affiliated companies' employees.
- Expanding distribution business to mom-and-pop shops and starting petrol kiosk business.

Although Thailand is caused by the COVID-19 pandemic that affects a number of sectors including public or private sectors, the Company has been focusing on strategic adjustment in this crisis to maintain the number 1 leader in online top-up kiosk and bill payment business, emphasizing on improvement of automated kiosks that are more than 130,000 kiosks countrywide with well-controlled cost efficiency. The Company has segmented its operation into 3 business groups to improve their efficiency, namely: 1. Online Top-up & Payment Business 2. Banking Agent & Lending Business, and 3. Vending Machine & Distribution Business.

In the 2nd half of this year, the COVID-19 pandemic situation in Thailand is getting better resulting in the lessen of the pandemic control measurements and better economic activities. However, the Company's operating result was also affected by tropical storms and low employment rates especially in the service sector. The Company still expected that the operating results in 2nd half will be better than that of the 1st half due to seasonal effect in 4th quarter where economic activities are better than the rest quarters. The Company still closely monitored and manage risks that might occur and affect company operations. The Company expected to grow its transaction amount from operation efficiency increase, kiosk location management, new service adding, and money transfer transaction growth. The Company focuses on vending machine & distribution business to strengthen its business through its network across the country by developing and adjusting its operation to any situation and to look for new opportunities to keep Boonterm's operation growing sustainably.

FSMART's Operation by Business Unit

Online Top-up & Payment Business



Online Top-up & Payment Business

In 4th quarter of 2020, total usage amount would be growing comparing to the previous quarter because of the easing of measurement and the change of customer behavior affected by COVID-19 resulting to the increase in use of automatic kiosk. Collaborating with new partners would generate more amount of total usage and transactions from adding new services. The Company would run a promotion campaign to accelerate the total usage amount and increase number of transactions. The Company is still adding new services into Boonterm kiosk while managing kiosk locations to penetrate to every community.

Banking Agent & Lending Business



Banking Agent & Lending Business

The Company focuses on strengthening Boonterm kiosk efficiency to be banking agent kiosk by adding 1 more commercial bank to its ecosystem, in addition from its current 6 commercial banks. Furthermore, the Company is developing its Boonterm kiosk to be a one-stop financial service point, i.e. cash deposit, money withdrawal, money transfer, payment, and new account opening with electronic-Know-Your-Customer (e-KYC), National Credit Buro (NCB) checking services and money deposit-withdrawal kiosk. This business unit, therefore, would consistently grow. For lending business, the Company will target Boonterm kiosk's Master Agents (MAs), sub-agents, MAs' employees, and FSMART affiliated companies' employees with the Bt200-400mn. lending amount. The Company focuses on maintaining current lending portfolio and being careful on credit risks of the lending business.

Vending Machine & Distribution Business



Vending Machine & Distribution Business

FSMART emphasizes on efficient location management of vending machines with Boonterm top-up service and back office management to the newly launched fresh roasted coffee machine, developed by FORTH, which can brew various beverage menu to cover broad customer segments such as fresh roasted coffee for adults or sweet beverage for kids with appropriate price and accessibility to every area. The Company is also expanding its energy business through self-service petrol kiosks and electric vehicle (EV) chargers. In addition, the Company is leveraging its agent network in every province to start a distribution business with mom-and-pop shops and expanding business networking for further growth.