

Operational Summary in 2Q19

- Net profit was Bt145mn, decreasing 3.4%YoY
- Total revenue from core business was Bt804mn, decreasing 5.3%YoY
- Number of “Boonterm kiosk” was 129,011, decreasing 0.7%YoY
- Total usage amount was Bt10,430mn, decreasing 1.7%YoY
- Total average number of money transfer transactions was 31,813 transactions per day, increasing 16.6%YoY

Special note effecting to net profit

The impact of the new Labor Protection Act (No.7) in the Royal Gazette for Bt2.45mn.

Business Overview

	Quarter 2/2018	Quarter 3/2018	Quarter 4/2018	Quarter 1/2019	Quarter 2/2019
Total usage amount through "Boonterm Kiosk" (Million Baht)	10,611	10,506	10,442	10,337	10,430
Total number of "Boonterm Kiosk" as the period ended (Kiosk)	129,948	130,109	130,053	129,208	129,011
Total average number of money transfer transactions (per day)	27,287	28,689	30,006	30,553	31,813

In 2Q19, FSMART is able to maintain as the leader of online top-up machine market both in terms of total usage amount and the number of kiosks, covering all area nationwide. The Company's strategy continues to emphasize on efficient location and allocation strategies as well as add new services on the kiosks such as the service of depositing money to GSB bank account, selling SIM Card with e-KYC, and other new services. 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 and encourage new customers to use services through Boonterm kiosk.

Operational result in 2Q19, The total usage amount was Bt10,430mn. decreasing 1.7%YoY. However, the money transfer service continues to grow with average 31,813 transactions per day, increasing 16.6%YoY. As well as other services such as e-Wallet top-up and other bill payments also increased. Total revenue from core businesses was Bt804mn, decreasing 5.3%YoY and net profit was Bt145mn, decreasing of 3.4%YoY. The total number of “Boonterm Kiosk” is 129,011 kiosks, In current, the number of users is 22 million subscribers with 2.0 million transactions per day.

Financial Summary

Income Statement

Income Statement	Q2/2018		Q1/2019		Q2/2019		%QoQ	%YoY
	MB	%	MB	%	MB	%		
Income from rendering of top-up service for prepaid phone and other online service (Commission)	356.42	42.0%	333.76	41.8%	331.79	41.3%	-0.6%	-6.9%
Income from rendering of service through online top-up machines "Boonterm kiosk" (Service Charge)	481.87	56.8%	463.04	58.0%	469.70	58.4%	1.4%	-2.5%
Advertising income	7.52	0.9%	1.85	0.2%	2.71	0.3%	46.5%	-64.0%
Total revenue from core business (3 items)	848.81	100.0%	798.65	100.0%	804.20	100.0%	0.7%	-5.3%
Cost of services	(664.22)	-78.3%	(629.36)	-78.7%	(640.56)	-79.7%	1.8%	-3.6%
Gross profit	184.59	21.8%	169.29	21.2%	163.64	20.4%	-3.3%	-11.4%
Service & Administrative expenses	(61.36)	-7.2%	(53.62)	-6.7%	(55.10)	-6.9%	2.8%	-10.2%
Operating profit	123.23	14.5%	115.67	14.5%	108.54	13.5%	-6.2%	-11.9%
Other income	63.52	7.5%	66.33	8.3%	67.76	8.4%	2.2%	6.7%
Sales profit	0.88	0.1%	0.02	0.0%	0.02	0.0%	0.0%	-97.7%
Profit before finance cost and income tax expenses	187.63	22.1%	182.02	22.8%	176.32	21.9%	-3.1%	-6.0%
Bank Charge	(5.09)	-0.6%	(3.35)	-0.4%	(2.36)	-0.3%	-29.6%	-53.6%
Interest Expenses	(11.56)	-1.4%	(8.99)	-1.1%	(8.78)	-1.1%	-2.3%	-24.1%
Profit before income tax expenses	170.98	20.1%	169.68	21.3%	165.18	20.5%	-2.7%	-3.4%
Income tax expense	(20.16)	-2.4%	(20.57)	-2.6%	(20.28)	-2.5%	-1.4%	0.6%
Net profit	150.82	17.8%	149.11	18.7%	144.90	18.0%	-2.8%	-3.9%
Non-controlling interests of the subsidiaries	0.42	0.1%	(0.40)	-0.1%	(0.35)	0.0%	100.0%	100.0%
Net profit - Equity holders of the Company	150.40	17.7%	149.51	18.7%	145.25	18.1%	-2.9%	-3.4%

Total revenue

Total revenue from the core business in 2Q19 was Bt804.20mn, decreasing 5.3%YoY, mainly from decreasing in mobile top-up value as a result of the purchasing power of consumers in middle-low income levels decline from the economic slowdown. While the total revenue from the core business increased 0.7%QoQ, driven by higher usage amount of other services. Although the Company closed Boonterm kiosk system for improving its efficiency to support new business and service in the future. Moreover, in 2Q19, mobile operators closed their service system on the kiosk periodically and quite frequently for the operators' IT system improvement. The details of total revenue are as follows.

1) Income from rendering top-up service for prepaid phone and other online services (Commission) was Bt331.79mn, decreasing 6.9%YoY and 0.6%QoQ.

2) Income from rendering of services through online top-up machines "Boonterm kiosk" (Service charge) was Bt469.7mn, decreasing 2.5%YoY but increasing 1.4%QoQ.

3) Advertising income was Bt2.71mn, decreasing 64.0%YoY but increasing 46.5%QoQ.

4) Other income was Bt67.76mn, increasing 6.7%YoY and 2.2%QoQ, due to adding more new services on the kiosk.

Cost and Expenses

1) **Cost of services** in 2Q19 was Bt640.56mn, representing 79.7% of total revenues from core business, increasing 1.4% when compared to 78.3% in 2Q18, while increasing 0.9%QoQ, due to developing the kiosk that reach 8 years useful life to be better work.

2) **Service & Administrative expenses** in 2Q19 was Bt55.10mn, representing 6.9% of total revenues from core business, decreasing 0.3% when compared to 7.2% in 2Q18 due to an effective in managing service and administrative expenses but increasing 0.2% when compared to 6.7% in 1Q19, due to the impact from the new Labor Protection Act (No.7) was published in the *Royal Gazette*, with more benefits for employees who have worked for an uninterrupted period of 20 years or more will be entitled to compensation of not less than the final rate from 300 days to 400 days. It affects the financial statements of the Company for Bt2.45mn. However, the Company can manage service and administrative expenses efficiently

Profit

1) **Gross profit** in 2Q19 was Bt163.64mn, decreasing 11.4% when compare to Bt184.59mn in 2Q18, mainly from declining in core revenue and decreasing 3.3%QoQ due to developing the kiosk that reach 8 years useful life to be better work. In additional, the Company closed Boonterm kiosk system for improving its efficiency to support new business and service in the future. Moreover, mobile operators closed their service system on the kiosk periodically and quite frequently for the operators' top-up system improvement.

2) **Sales profit** in 2Q19 was Bt0.02mn, decreasing 97.7%YoY due to continually emphasizing on efficient Boonterm kiosk location. This result in declining of profit from selling additional parts of kiosks such as tripod, roof stand, cement pedestal, coin counter.

3) **Net profit** in 2Q19 was Bt145.25mn, decreasing 3.4%YoY and 2.9%QoQ kiosk improvement to support new business services and the impact of the new Labor Protection Act (No.7) in the *Royal Gazette*,

Financial Position

Statement of Financial position	31 December 2018		30 June 2019		Increase (Decrease)	
	MB	%	MB	%	MB	%
Current assets	1,430.87	36.5%	1,403.11	38.1%	-27.76	-1.9%
Non-current assets	2,485.33	63.5%	2,277.54	61.9%	-207.79	-8.4%
Total assets	3,916.20	100.0%	3,680.65	100.0%	-235.55	-6.0%
Current liabilities	2,452.98	62.6%	2,298.25	62.4%	-154.73	-6.3%
Non-current liabilities	211.66	5.4%	86.43	2.4%	-125.23	-59.2%
Total liabilities	2,664.64	68.0%	2,384.68	64.8%	-279.96	-10.5%
Total shareholders' equity	1,251.56	32.0%	1,295.97	35.2%	44.41	3.6%
Total liabilities and shareholders' equity	3,916.20	100.0%	3,680.65	100.0%	-235.55	-6.0%

As at 30 June 2019, the Company had total assets of Bt3,680.65mn decreasing 6.0%YoY, mainly due to continually emphasizing on efficient Boonterm kiosk location strategy in 2018 rather than emphasizing on expanding

the kiosks and the kiosks that useful life reach 8 years can normally work. A decrease in total assets is mainly from the kiosk depreciation.

Total liabilities as at 30 June 2019 was Bt2,384.68mn, decreasing 10.5% YoY, mainly from decreasing of short-term and long-term loan.

Total shareholders' equity as at 30 June 2019 was Bt1,295.97mn, increasing 3.6%, From net profit in 1Q19 and 2Q19 for BT294.76mn. and dividend payment of Bt249.60mn.

Key Financial Ratio

Financial Ratio	Quarter	Quarter	Quarter
	2/2018	1/2019	2/2019
Current ratio	0.53	0.63	0.61
Debt to Equity ratio	2.35	1.75	1.84
Interest Bearing Debt ratio	0.95	0.77	0.79
Return on Asset	13.6%	15.2%	15.5%
Return on Equity	44.4%	44.5%	46.3%

As of June 30, 2019, the Company had the current ratio of 0.61 times, increasing from 2Q18, due to reducing in current liabilities from repayment of long-term loans and increasing in current assets from increasing of cash and cash equivalents.

Debt to equity ratio was 1.84 times, decreasing from 2Q18, due to a decrease of long-term loans and an increase of shareholders' equity from net profit

Interest-bearing debt to equity ratio was 0.79 times, decreasing from 2Q18, due to a decrease of long-term loans and an increase of shareholders' equity from net profit

Return on assets was 15.5% increasing from 2Q18, due to asset management to earning income more efficiency.

Return on equity was 46.3% increasing from 2Q18, due to net profit and treasury stock.

2019 Management Outlook

Targets

- Average Revenue Per Unit (ARPU) growing 3%-5% from 2018
- The total usage amount through Boonterm kiosk growing 5%-8% from 2018.
- 134,000 Boonterm kiosks at the end of 2019.
- Investment Budget: Bt200-300mn.

Operations

- Emphasizing on efficient kiosk location.
- Increasing 5,000 Boonterm kiosks.
- Adding 2 more commercial banks for deposit /transfer money service.
- Developing the Smart Boonterm kiosk to support 3 new businesses, namely SIM card selling and electronics Know Your Customer services (e-KYC) kiosk, Boonterm Post and electric motorcycle charging and battery replacement service stations (EV Motorcycle Charger station)
- Expanding to 2 new businesses, namely Personal Loan / Nano Finance Business and the payment system for member stores (Merchant Network)

The Company aims to expand 5,000 Boonterm kiosks and focus on the importance of Boonterm kiosk's location. As well as adding new interesting services to increase the frequency of using services. Furthermore, the Company has developed boonterm smart kiosk in various model for serving the needs of current customer and new customer in the future.

In 1H19, according to the intense competition in the online top-up machine market combined with the purchasing power of consumers in middle-low income levels decline from the economic slowdown. Therefore, the spending of the customers is limited and the total value of the top-up through Boonterm kiosk is not much growing. In the middle of Quarter 2, the Smart Boonterm kiosk that sells SIM Card with e-KYC service has launched in the market.

In 2H19, the internal economy of Thailand is still likely to slowdown from both internal and external factors. It is result in lower purchasing power of consumers, especially in the middle and lower income level. Nevertheless, the Company still operates business as planned by increasing service on Boonterm kiosk and expanding business to new businesses in order to attract more customers to use the Boonterm kiosk and expand the customer base. The Company will cooperate at least 1 more commercial banks in money transfer service. Currently, there are 4 commercial banks i.e. Kasikorn Bank (KBANK), Krungthai Bank (KTB), Bank of Ayudhaya (BAY) and Government Saving Bank (GSB) and add new interesting services continuously i.e. lottery by bank. Moreover, the Company focus on expanding the Smart Boonterm kiosk that sells SIM Card with e-KYC service and by the end of 2019, it is expected to have the SIM Card selling with e-KYC service kiosk for all mobile operators. For Loan business (Personal Loan / Nano Finance/ Car for cash) will be able to start operations by the end of this year, when the license has been

approved from the Bank of Thailand (BOT). For the other Smart Boonterm kiosk, Boonterm Post, the Company has developed cooperation with the logistic company and expect to launch it in the market next year.

At the end of this year, the electric motorcycle charging station will be able to open for service with the first 10 stations in Bangkok with according to the guidelines of the alliance group. Furthermore, the vending machine, which the Company holds for 10% of shares, manages its business system and has the services of online top-up of Boonterm on the machine will be installed 4,000 machine within this year.

The Company continues to focus on the online top-up service business through Boonterm kiosk as well as expand the business into new businesses by being not only an e-payment service provider in the online top-up market but also the channel business of multi-service through Smart Boonterm kiosk with the location covering nationwide. These will make customers easily and conveniently to access products and service as well as create opportunity to expand new customer base and increase the Company's revenue growth in the future.