

## Operational Summary in FY16

- Total revenue from core business was Bt2,245mn, an increase of 45.1% YoY
- Gross profit was Bt420mn, an increase of 54.7% YoY
- The total number of “Boonterm” was 92,082 kiosks, increased 26,215 kiosks or 39.8% YoY
- Total usage amount was Bt23,383mn, an increase of 52.0% YoY
- Over 23mn active subscribers and 2mn transactions per day.

## Business Overview

	4Q15	1Q16	2Q16	3Q16	4Q16	2015	2016	%YoY
Total usage amount through “Boonterm kiosk” (Million Baht)	4,498	4,909	5,332	5,766	7,377	15,386	23,383	52.00%
Total number of “Boonterm kiosk” as the period ended (Kiosks)	65,867	72,475	79,608	85,656	92,082	65,867	92,082	39.80%

In 2016, FSMART continued to grow dramatically and be able to maintain as the leader of online top-up machines market, both in terms of number of kiosks and total usage amount. Despite the higher competition in the market, FSMART has grown above the target.

FSMART has installed 26,215 Boonterm kiosks in total in 2016, which were above the target of 24,000 kiosks, resulting in the total of 92,082 kiosks, increased 39.8% YoY. The total usage amount in 4Q16 has grown significantly from an increase of active subscribers and number of transactions of prepaid mobile customers from one of the mobile operators. As a result, the total usage amount in October has dramatically grown over 25% MoM and still growing steadily. The total usage amount in 2016 has increased to Bt23,383mn which was more than the company forecasted of Bt21,000mn or an increase of 52.0% YoY. The increasing number of active subscribers over 23mn and over 2mn transactions per day has resulted in the total revenue from core business of Bt2,245mn, an increase of 45.1% YoY, and net profit was Bt420mn, an increase of 54.7% YoY.

FSMART has continued the strategic plan of maintaining the ARPU (average revenue per unit) level through selecting prime location and increase usage frequency through marketing promotion campaign. Moreover, the company co-operated with mobile operators to release top-up bonus campaign when top-up at “Boonterm kiosk” as well as adding many new services to the kiosk. In November, FSMART has launched money transfer service for Kasikorn Bank. The service has contributed to the continuous growth of total usage amount.

## Financial Summary

### Income Statement

Income Statement	4Q15		3Q16		4Q16		%QoQ	%YoY	2015		2016		%YoY
	MB	%	MB	%	MB	%			MB	%	MB	%	
Income from rendering of top-up service for prepaid phone and other online service (Commission)	188	41.7%	237	42.7%	305	44.4%	28.6%	62.6%	640	41.4%	968	43.1%	51.4%
Income from rendering of services through online top-up machines "Boonterm kiosk" (Service charge)	257	57.2%	318	57.2%	380	55.4%	19.7%	47.7%	893	57.8%	1,264	56.3%	41.5%
Entrance fee income	0	0.0%	0.02	0.0%	0	0.0%	-47.8%	-93.1%	2	0.1%	0	0.0%	-95.9%
Advertising income	5	1.0%	0.1	0.0%	1	0.2%	1194.0%	-71.9%	12	0.8%	13	0.6%	9.6%
<b>Total revenue from core business (4 items)</b>	<b>450</b>	<b>100.0%</b>	<b>555</b>	<b>100.0%</b>	<b>686</b>	<b>100.0%</b>	<b>23.7%</b>	<b>52.6%</b>	<b>1,547</b>	<b>100.0%</b>	<b>2,245</b>	<b>100.0%</b>	<b>45.1%</b>
Cost of services	-327	-72.6%	-409	-73.7%	-529	-77.1%	29.4%	62.0%	-1,126	-72.8%	-1,674	-74.6%	48.7%
<b>Gross profit</b>	<b>123</b>	<b>27.4%</b>	<b>146</b>	<b>26.3%</b>	<b>157</b>	<b>22.9%</b>	<b>7.8%</b>	<b>27.9%</b>	<b>421</b>	<b>27.2%</b>	<b>571</b>	<b>25.4%</b>	<b>35.6%</b>
Service & Administrative expenses	-50	-11.2%	-47	-8.4%	-62	-9.1%	33.1%	23.5%	-165	-10.7%	-199	-8.9%	20.5%
<b>Operating profit</b>	<b>73</b>	<b>16.2%</b>	<b>99</b>	<b>17.9%</b>	<b>95</b>	<b>13.9%</b>	<b>-4.1%</b>	<b>30.9%</b>	<b>256</b>	<b>16.5%</b>	<b>372</b>	<b>16.6%</b>	<b>45.3%</b>
Other income	27	6.1%	33	6.0%	39	5.6%	15.3%	41.0%	96	6.2%	134	6.0%	38.9%
Sales profit	1	0.0%	1	0.2%	1	0.1%	-10.4%	614.3%	1	0.1%	4	0.2%	294.8%
Finance costs	-4	-0.8%	-8	-1.5%	-10	-1.4%	17.5%	167.8%	-13	-0.8%	-30	-1.4%	132.0%
Income tax expenses	-19	-4.3%	-21	-3.8%	8	1.2%	-139.1%	-142.9%	-69	-4.4%	-59	-2.6%	-13.4%
<b>Net profit</b>	<b>77</b>	<b>17.1%</b>	<b>104</b>	<b>18.8%</b>	<b>133</b>	<b>19.4%</b>	<b>28.0%</b>	<b>72.9%</b>	<b>272</b>	<b>17.6%</b>	<b>420</b>	<b>18.7%</b>	<b>54.7%</b>

### Total revenue

FSMART's total revenues from core business was Bt2,245mn, an increase of 45.1% YoY, mainly from the increasing number of total transactions, subscribers and the number of "Boonterm kiosk" above the target. As a result, the total usage amount through "Boonterm kiosk" has grown dramatically. Details are as follows:

- 1) Income from rendering top-up service for prepaid phone and other online services (Commission)** was Bt968mn, an increase of 51.4% YoY, mainly from the prepaid mobile revenues which has grown slightly in 9M16 and increased significantly in 4Q16.
- 2) Income from rendering of services through online top-up machines "Boonterm kiosk" (Service charge)** was Bt1,264mn, an increase of 41.5% YoY, mainly from the increasing in kiosk usage which has dramatic growth in 4Q16.

3) **Advertising income** was Bt13mn, increased 9.6% YoY, due to increasing number of clients.

4) **Other income** was Bt134mn, an increase of 38.9% 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 Bt1,674mn, represented 74.6% of total revenues from core business, compared to 72.8% in 2015, due to marketing campaign with one of the mobile operators and kiosk depreciation cost that increased in line with the increasing number of kiosks.

2) **Service & Administrative expenses** was Bt199mn, represented 8.9% of total revenues from core business, which decreased from last period, due to effective cost control.

### Profit

1) **Gross profit** was Bt571mn, increased 35.6% YoY and represented 25.4% of total revenues from core business, compared to 27.2% in last period, due to marketing campaign with one of the mobile operators and kiosk depreciation cost that increased in line with the increasing number of kiosks.

2) **Sales profit** was Bt4mn increased 294.8% YoY, mainly from sales of goods which are other parts of kiosks which in line with increasing in the number of "Boonterm kiosk".

3) **Net profit** was Bt420mn, an increase of 54.7% YoY, represented 18.7% of total revenues from core business, compared to 17.6% in last period due to effective cost management and tax benefits in 2016.

### Financial Position

Statement of Financial position	4Q15		4Q16		YoY	
	MB	%	MB	%	MB	%
Current assets	720	32.2%	1,003	31.5%	282	39.2%
Non-current assets	1,517	67.8%	2,182	68.5%	665	43.8%
<b>Total assets</b>	<b>2,237</b>	<b>100.0%</b>	<b>3,185</b>	<b>100.0%</b>	<b>947</b>	<b>42.3%</b>
Current liabilities	1,218	54.4%	1,695	53.2%	477	39.2%
Non-current liabilities	2	0.1%	307	9.6%	305	15609.7%
<b>Total liabilities</b>	<b>1,220</b>	<b>54.5%</b>	<b>2,002</b>	<b>62.9%</b>	<b>782</b>	<b>64.1%</b>
<b>Total shareholders' equity</b>	<b>1,018</b>	<b>45.5%</b>	<b>1,183</b>	<b>37.1%</b>	<b>165</b>	<b>16.2%</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,237</b>	<b>100.0%</b>	<b>3,185</b>	<b>100.0%</b>	<b>947</b>	<b>42.3%</b>

As of December 31, 2016. FSMART had total assets of Bt3,185mn, increasing 42.3% YoY, due to the investment in "Boonterm kiosk" and an increasing amount of cash and cash equivalents, accrued income and other receivables.

Total liabilities of Bt2,002mn, increasing 64.1%, mainly from loans and retention received from service representatives.

Total shareholders' equity was Bt1,183mn, increasing 16.2% YoY, mainly from net profit in 2016.

**Key Financial Ratio**

Financial ratio	4Q15	3Q16	4Q16	2015	2016
Current ratio	0.59	0.51	0.59	0.59	0.59
Debt to Equity ratio	1.2	1.63	1.69	1.2	1.69
Interest Bearing Debt to Equity ratio	0.13	0.48	0.77	0.13	0.77
Return on Asset	19.00%	19.50%	18.10%	17.60%	18.80%
Return on Equity	31.50%	39.10%	47.70%	26.80%	38.30%

As of December 31, 2016. FSMART had Current ratio at 0.59, mainly from increasing amount of cash and cash equivalents, accrued income and other receivables.

Debt to Equity ratio increased to 1.69, mainly from loans and retention received from service representatives.

Interest-bearing debt to Equity ratio increased to 0.77, mainly from investment loan and working capital.

Return on Asset stood at 18.8% because of improving profitability.

Return on Equity stood at 38.3% from revenue growth in 2016.

## 2017 Management Outlook

---

- The total number of 120,000 “Boonterm kiosk” covering nationwide
- The total top-up amount of Bt30,000mn through “Boonterm kiosk”
- New services such as E-wallet mobile application “Be wallet”, money transfer service and etc.

FSMART targeted to increase the number of “Boonterm kiosk” to 120,000 units, covering nationwide, and the total top-up amount through “Boonterm kiosk” of Bt30,000mn together with the development of new products and service quality improvement strategies.

FSMART aims to be the leader of payment solutions by focusing on revenues growth from 5 digital retail channels with plans to launch new products and services continuously. In 2017, FSMART expected to increase revenue proportion from other channels, apart from mobile top-up, from 4-5% to 10% of the total usage amount. Therefore, the proportion of prepaid mobile top-up would decrease from 95% to 90% of total usage amount and this would help diversify company’s revenue structure.

FSMART has also developed a new platform to diversify the proportion of total usage amount. Firstly, FSMART has launched E-wallet mobile application called “Be wallet” in February 2017, available on both iOS and Android. The application consists of prepaid mobile top-up function and many other payment services including purchasing drinks from the vending machines. This is intended to support the demand from higher smartphone usage of the young generations. Secondly, FSMART planned to launch at least one money transfer service with another bank within this year. Lastly, FSMART planned to operate ticketing service through “House of Ticket” website and add value to the kiosk by co-operate with leading E-commerce company to sale products through “Boonterm kiosk”.