

Operational Summary in 4Q17

- Total revenue from core business was Bt3,105mn, an increase of 38.3 %YoY
- Net profit was Bt543mn, an increase of 29.3% YoY
- The total number of “Boonterm” was 124.653 kiosks, increased 32,175 kiosks or 35.4% YoY
- Total usage amount was Bt36,175mn, an increase of 54.7% YoY
- 25mn active subscribers and 2.2mn transactions per day
- Speed-up strategy to install Boonterm kiosk cover all areas to expand customer base and revenue as well as to prevent competitors entering to the market as well
- The total number of money transfer transactions was 5.8 mn, an increase of 864% YoY

Business Overview

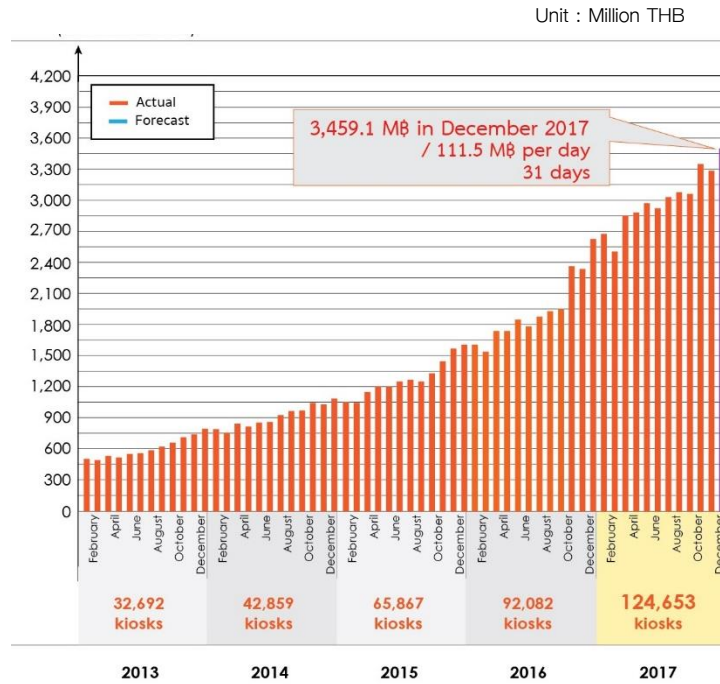
	4Q16	1Q17	2Q17	3Q17	4Q17	2016	2017	%YoY
Total usage amount through “Boonterm kiosk” (Million Baht)	7,377	8,000	8,778	9,311	10,085	23,383	36,174	54.7%
Total number of “Boonterm kiosk” as the period ended (Kiosk)	92,082	100,022	110,563	119,166	124,653	92,082	124,653	35.4%

In 2017, 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. Because of the higher competition in the market, FSMART speeds up strategy to install Boonterm kiosk cover all areas to expand customer base and revenue in the future. Meanwhile, it is able to prevent competitors entering to the market. Within 9 months the competitors gradually disappeared and the company gained 50% market share. In the part of mobile top-up market share, the company gained it from several channels especially ROM. As a result, the average ARPU from October 2017 has continued to increase. In addition, the company has offered new services and marketing promotion champagne to boost usage amount through Bonnterm kiosk throughout the year. Moreover, FSMART has grown above the target.

FSMART has installed 32,571 Boonterm kiosks in total in 2017, which were above the target of 30,000 kiosks, resulting in the total of 124,653 kiosks, increased 35.4% YoY. The total top up value has grown from an increase of active subscribers of prepaid mobile customers from three major mobile operators in each quarter, from 6% to 10%, and continues to grow. As a result, the total usage amount in 2017 has increased to Bt36,174mn which was more than the company forecasted of Bt30,000 mn or an increase of 54.7% YoY. The increasing number of active subscribers over 25mn and over 2.2mn transactions per day has resulted in the total revenue from core business of Bt3,105mn, an increase of 38.3% YoY, and net profit was Bt543mn, an increase of 29.3% YoY.

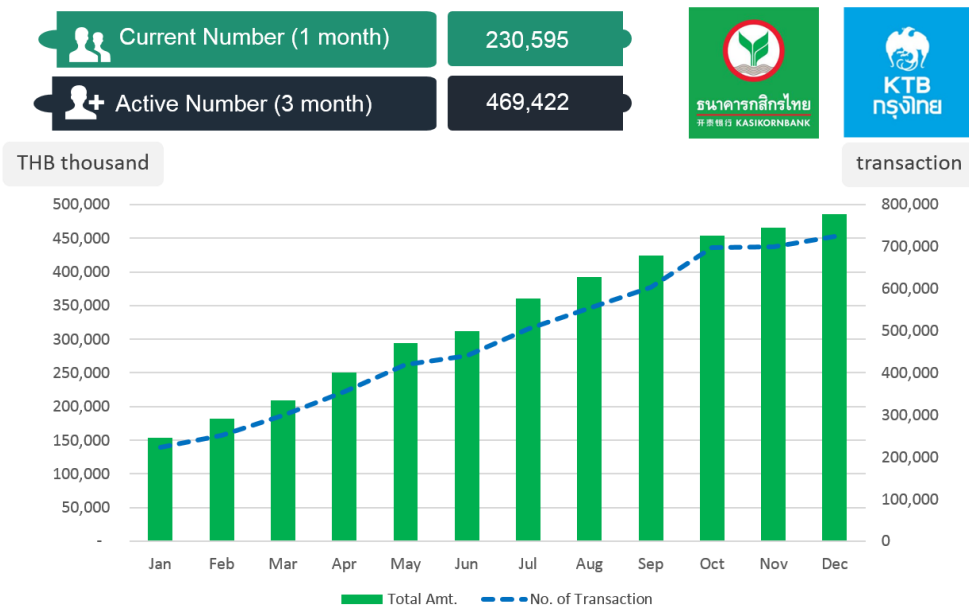
FSMART has continued the strategic plan of expanding the number of Boonterm kiosk effectively and maintaining the ARPU (average revenue per unit) level efficiently. In 2017, the average ARPU is 32,000 baht per kiosk through increase usage frequency through marketing promotion campaign and the 100 baht refill without fee promotion, as well as adding many new services such as money transfer, bill payment, and social insurance contributions payment. As a result, the company was able to find new customers. This is consistent with the top up value, which continues to grow consistently, increased 54.7% YoY.

Monthly Top-up Value



Moreover, the service of money transfer including Kasikorn Bank and Krung Thai Bank continued to grow steadily. In 2017, the total amount of money transfer was increased to Bt4,052mn and the total number of transactions was increased to 5,799,045 transactions. As of December 2019, an average number of transactions was 5,378 transactions per day, and as of December 2017, an average number of transactions was 23,353 transactions per day, a dramatically increase of 334% per year. Moreover, in 2016, total number of transactions was 0.6 mn and in 2017, total number of transactions was 5.8 mn, a dramatically increase of 864% YoY

Money Transfer Service



Financial Summary

Income Statement

Income Statement	2016		2017		%YoY
	MB	%	MB	%	
Income from rendering of top-up service for prepaid phone and other online service (Commission)	968	43.1%	1,345	43.3%	39.0%
Income from rendering of service through online top-up machines “Boonterm kiosk” (Service Charge)	1,264	56.3%	1,748	56.3%	38.3%
Entrance fee income	-	0.0%	-	0.0%	0.0%
Advertising income	13	0.6%	12	0.4%	-7.7%
Total revenue from core business (4 items)	2,245	100.0%	3,105	100.0%	38.3%
Cost of services	(1,674)	-74.6%	(2,373)	-76.4%	41.8%
Gross profit	571	25.4%	732	23.6%	28.2%
Service & Administrative expenses	(199)	-8.9%	(270)	-8.7%	35.7%
Operating profit	372	16.6%	462	14.9%	24.2%
Other income	133	5.9%	198	6.4%	48.9%
Sales profit	4	0.2%	5	0.2%	25.0%
Finance costs	(30)	-1.3%	(56)	-1.8%	86.7%
Income tax expense	(59)	-2.6%	(66)	-2.1%	11.9%
Net profit	420	18.7%	543	17.5%	29.3%

Total revenue

FSMART’s total revenues from core business was Bt3,105mn, an increase of 38.3% 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 Bt1,345mn, an increase of 39.0% YoY, mainly from the prepaid mobile revenues.
- 2) Income from rendering of services through online top-up machines “Boonterm kiosk” (Service charge)** was Bt1,748mn, an increase of 38.3% YoY, mainly from the increasing in kiosk usage and money trafer service which has continuously growth.
- 3) Advertising income** was Bt12mn, decreased 7.7% YoY, due to purchasing power of consumers was not recovered to normal. As a result, the advertising company were more conscious in spending through advertising.
- 4) Other income** was Bt198mn, an increase of 48.9% 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** in 2017 was Bt2,373mn, represented 76.4% of total revenues from core business, which increased from last period represented 74.6%, due to the acceleration to increase the number of kiosks all areas to prevent competitors entering to the market. This resulted in the increase of kiosk depreciation cost that was in line with the number of kiosks. In the end of the year, the company invested in asset in order to received privileges under investment promotion schemes granted expenditure reduction around 1.5 times. However, the expense on the increasing number of kiosks does not frequently happen on account of a long-term investment. In 2018, the Company devises the strategic plan to manage the ARPU. It is expected that the proportion of cost of services will return to a normal state in 2018.

2) **Service & Administrative expenses** was Bt270mn, represented 8.7% of total revenues from core business, which decreased from last period represented 8.9%, due to effective cost control.

Profit

1) **Gross profit** in 2017 was Bt732mn, an increase of Bt571mn from 2016. Gross profit margin was 23.6% of total revenues from core business, a decrease of 25.4% in 2016 due to the increasing of money transfer transaction which is an added service to help the company gain more profit estimated 0.6% but the proportion of gross profit is lower than mobile top-up mobile transaction. As well as, depreciation cost estimated 1% that was in line with the number of kiosks.

2) **Sales profit** was Bt5mn, an increase of Bt4mn from 2016, mainly from sales of goods which are other parts of kiosks such as tripod, cement pedestal, coin counter etc. which in line with the increasing in the number of "Boonterm kiosk".

3) **Net profit** was Bt543mn, an increase of Bt420mn from 2016. Net profit margin was 17.5%, a decrease of 18.7% in 2016. If considered by mobile top-up transaction which is company's core business and exclude money transfer transaction and depreciation, Net profit margin will increase to 19.1%

Financial Position

Statement of Financial position	31 December 2016		31 December 2017		Increase/(Decrease)	
	MB	%	MB	%	MB	%
Current assets	1,003	31.5%	1,348	31.6%	345	34.4%
Non-current assets	2,182	68.5%	2,912	68.4%	730	33.5%
Total assets	3,185	100.0%	4,260	100.0%	1,075	33.8%
Current liabilities	1,695	53.2%	2,492	58.5%	797	47.0%
Non-current liabilities	307	9.6%	434	10.2%	127	41.4%
Total liabilities	2,002	62.9%	2,926	68.7%	924	46.2%
Total shareholders' equity	1,183	37.1%	1,334	31.3%	151	12.8%
Total liabilities and shareholders' equity	3,185	100.0%	4,260	100.0%	1,075	33.8%

As at 30 December 2017, FSMART had total assets of Bt4,260mn, increasing 33.8% YoY, mainly from increasing number of Boonterm kiosk and non-current assets which were cash and cash equivalents including accrued interest and receivables.

Total liabilities as at 31 December 2017 was Bt2,926mn, increasing 46.2% compared to total liabilities as at 31 December 2016, mainly from loans from financial institution and warranty cost from service agent.

Total shareholders' equity as at 31 December 2017 was Bt1,334mn, increasing 12.8% compared to total shareholders' equity as at 31 December 2016, mainly from net profit in 2016 and dividend payment.

Key Financial Ratio

Financial Ratio	2016	2017
Current ratio	0.59	0.54
Debt to Equity ratio	1.69	2.19
Interest Bearing Debt ratio	0.77	1.13
Return on Asset	15.5%	14.6%
Return on Equity	37.6%	43.1%

As at 31 December 2017, FSMART had current ratio at 0.54 which decreased from the increase of loans from financial institution.

Debt to Equity ratio increased to 2.19, mainly from loans and warranty cost from service agent.

Interest-bearing debt to Equity ratio increased to 1.13, mainly from investment loans and working capital.

Return on Asset stood at 13.2% which increased from steadily improving profitability.

Return on Equity stood at 46.8% which increased from revenue and net profit growth including annual dividend payment.

2018 Management Outlook

- Emphasize efficient Boonterm kiosk spot with the ARPU management more than 5% of growth from 2017
- The increasing 20,000 Boonterm kiosks nationwide to reach 144,653 kiosks at the end of 2018
- Total usage amount through Boonterm kiosk more than 20%, compared to 2017
- Expanding new target of customer by launching E-wallet application on smartphone called "Be Wallet" with the target of over 200,000 subscribers

The Company emphasize efficient Boonterm kiosk spot with the ARPU management especially mobile top-up value more than 5% of growth from 2017 and aims to increase 20,000 Boonterm kiosk to reach 144,653 kiosks nationwide at the end of 2018 and total usage amount more than 20% YoY. The Company's plan to keep the regular customers is to provide diversified services and to develop the quality services to serve the customers' needs. The Company offers the CRM activities to collect points for luck and prize redemption in order to increase the frequency of use.

The Company is confident that prepaid customers are cash holders. The possibility of change of customer behavior is low. The main factor of change from prepaid to postpaid is the customers' higher income. Thus, the Company still maintains the leader position in top-up kiosk market. In 2017, the company owned 22% of the market value of Bt133,000mn, increasing 5% from 2016 which is 16% of the market value. However, at the end of 2017, the estimated prepaid numbers in the country were 70 million. The users of Boonterm kiosk were 25 million numbers, represented 35% of total prepaid numbers in the country. There is still two third of customers in prepaid market which the Company sees the opportunity in steady growth in 2018.

The Company plans to launch new services, e.g. money transfer service, bus ticket payment, utility bill payment, insurance-selling service and others and cooperates with 3 banks in money transfer service. Siam Commercial Bank (SCB)'s money transfer service is in process of approval by the Board of Directors of SCB. At the same time, the Company cooperates with SCB to test system and already gets a license from the Bank of Thailand as well as negotiates with Bangkok Bank and Bank of Ayudhaya. The Company expects to launch money transfer service with these 2 banks within 6 months. The Company's goal is to launch money transfer service with 5 banks; Kasikorn Bank (KBANK), Krungthai Bank (KTB), Siam Commercial Bank (SCB), Bangkok Bank (BBL) and Bank of Ayudhaya (BAY) which represents 90% of the bank market. The target is to increase revenue and new customer.

Furthermore, the Company plans to increase new customers by launching E-wallet mobile application called "Be wallet" with the target of over 200,000 subscribers. This application is a new platform for the demand from higher smartphone usage of customers who have average high income and interest in technology. The services on Boonterm kiosk are also available on Be Wallet, including additional services to

support e-Marketplace called “Be Mall” and e-Commerce. Payment services including purchasing drinks from the vending machines are available on E-wallet mobile application both iOS and Android. Thus, the Company can study behavior of customer who demand for cashless payment and have an interest in technology. This group of customer is different from the group of customer who use service through Boonterm kiosk.

Last but not least, Boonterm will penetrate the core market segment of the cash market and technological ignorance. Be-Wallet will penetrate the new market segment of the cashless market and use technology to facilitate spending and payment. This will help expand the customer base and create ecological system. FSMART will have a complete database to contribute more valuable things in the future.