

## Operational Summary in 1Q19

- Net profit was Bt150mn, increasing 3.1% YoY
- Total revenue from core business was Bt799 mn, decreasing 5.2% YoY
- Number of “Boonterm kiosk” was 129,208, decreasing 0.9% YoY
- Total usage amount was Bt10,337mn, decreasing 0.8% YoY
- Total average number of money transfer transactions was 30,553 transactions per day, increasing 17.6% YoY

## Business Overview

|   | Quarter | Quarter | Quarter | Quarter | Quarter |
|---|---------|---------|---------|---------|---------|
|   | 1/2018  | 2/2018  | 3/2018  | 4/2018  | 1/2019  |
| Total usage amount through "Boonterm Kiosk" (Million Baht)    | 10,421  | 10,611  | 10,506  | 10,442  | 10,337  |
| Total number of "Boonterm Kiosk" as the period ended (Kiosk)  | 130,404 | 129,948 | 130,109 | 130,053 | 129,208 |
| Total average number of money transfer transactions (per day) | 25,985  | 27,287  | 28,689  | 30,006  | 30,553  |

In 1Q19, 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, which the total of 129,208 kiosks covering all area nationwide. The Company's strategy continues to emphasize on efficient location and allocation strategies by relocating the kiosks from the area that generate low income to the new area that generate higher income. As well as adding new services on the kiosks to meet customers' needs in order to made the Boonterm kiosks be the services provider channel that can support and facilitate the customers. Moreover, the Company also gradually launches promotional campaigns on Boonterm kiosks to encourage new customers and retain our existing customer base which the campaigns has been well received by customers.

The number of “Boonterm Kiosk” in current total is 129,208 kiosks, decreasing 0.9% YoY, due to damaged kiosk from improper methods. The total usage amount was Bt10,337mn decreasing 0.8% YoY. However, the money transfer service increased continuously with average 30,553 transactions per day, increasing 17.6% YoY. As well as other services such as mobile top-up, e-Wallet top-up and other bill payment also increased. Total revenue from core businesses was Bt799mn, decreasing 5.2% YoY and net profit was Bt150mn, increasing of 3.1% YoY with 22 million subscribers and 2.0 million transactions per day.

The Company continues to focus on relocating Boonterm kiosks from low potential locations to higher potential locations and expand the number of kiosks efficiently as well as continual adding new services that serve the customers' need such as increasing the number of banks for money transfer service, bill payments for both public and private agencies. Furthermore, the Company has developed the Boonterm kiosk to be the smart Boonterm kiosk for selling SIM card and providing Electronics authentication services (e-KYC). All of which therefore result in raising the usage amount.

## Financial Summary

### Income Statement

| Income Statement  | Q1/2018       |               | Q4/2018       |               | Q1/2019       |               | %QoQ         | %YoY         |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
|   | MB            | %             | MB            | %             | MB            | %             |              |              |
| Income from rendering of top-up service for prepaid phone and other online service (Commission)   | 358.29        | 42.6%         | 339.36        | 41.4%         | 333.76        | 41.8%         | -1.7%        | -6.9%        |
| Income from rendering of service through online top-up machines “Boonterm kiosk” (Service Charge) | 481.50        | 57.2%         | 472.76        | 57.7%         | 463.04        | 58.0%         | -2.1%        | -3.8%        |
| Advertising income  | 2.35          | 0.3%          | 7.15          | 0.9%          | 1.85          | 0.2%          | -74.1%       | -21.3%       |
| <b>Total revenue from core business (3 items)</b>   | <b>842.14</b> | <b>100.0%</b> | <b>819.27</b> | <b>100.0%</b> | <b>798.65</b> | <b>100.0%</b> | <b>-2.5%</b> | <b>-5.2%</b> |
| Cost of services  | (658.33)      | -78.2%        | (652.92)      | -79.6%        | (629.36)      | -78.8%        | -3.6%        | -4.4%        |
| <b>Gross profit</b>   | <b>183.81</b> | <b>21.8%</b>  | <b>166.35</b> | <b>20.3%</b>  | <b>169.29</b> | <b>21.2%</b>  | <b>1.8%</b>  | <b>-7.9%</b> |
| Service & Administrative expenses   | (66.14)       | -7.9%         | (56.57)       | -6.9%         | (53.62)       | -6.7%         | -5.2%        | -18.9%       |
| <b>Operating profit</b>   | <b>117.67</b> | <b>14.0%</b>  | <b>109.78</b> | <b>13.4%</b>  | <b>115.67</b> | <b>14.5%</b>  | <b>5.4%</b>  | <b>-1.7%</b> |
| Other income  | 61.61         | 7.3%          | 64.20         | 7.8%          | 66.33         | 8.3%          | 3.3%         | 7.7%         |
| Sales profit  | 0.43          | 0.1%          | 0.26          | 0.0%          | 0.02          | 0.0%          | -92.3%       | -95.4%       |
| <b>Profit before finance cost and income tax expenses</b>   | <b>179.71</b> | <b>21.3%</b>  | <b>174.24</b> | <b>21.3%</b>  | <b>182.02</b> | <b>22.8%</b>  | <b>4.5%</b>  | <b>1.3%</b>  |
| Bank Charge   | (6.30)        | -0.8%         | (3.16)        | -0.4%         | (3.35)        | -0.4%         | 6.0%         | -46.8%       |
| Interest Expenses   | (10.64)       | -1.3%         | (10.37)       | -1.3%         | (8.99)        | -1.1%         | -13.3%       | -15.5%       |
| <b>Profit before income tax expenses</b>  | <b>162.77</b> | <b>19.3%</b>  | <b>160.71</b> | <b>19.6%</b>  | <b>169.68</b> | <b>21.3%</b>  | <b>5.6%</b>  | <b>4.3%</b>  |
| Income tax expense  | (19.00)       | -2.3%         | (19.07)       | -2.3%         | (20.57)       | -2.6%         | 7.9%         | 8.3%         |
| <b>Net profit</b>   | <b>143.77</b> | <b>17.1%</b>  | <b>141.64</b> | <b>17.3%</b>  | <b>149.11</b> | <b>18.7%</b>  | <b>5.3%</b>  | <b>3.7%</b>  |
| Non-controlling interests of the subsidiaries   | (1.24)        | -0.2%         | (0.64)        | -0.1%         | (0.40)        | -0.1%         | 100.0%       | 100.0%       |
| <b>Net profit - Equity holders of the Company</b>   | <b>145.01</b> | <b>17.2%</b>  | <b>142.28</b> | <b>17.4%</b>  | <b>149.51</b> | <b>18.7%</b>  | <b>5.1%</b>  | <b>3.1%</b>  |

### Total revenue

Total revenue from the core business in 1Q19 was Bt798.65mn, decreasing 5.2% YoY and 2.5% QoQ. The YoY decreased was mainly from declining in mobile top up value which the result of 3 factors: The competitor, the campaign “prepaid to postpaid” of mobile operators and the lower of purchasing power of middle-low income. The QoQ declined was due to the number of days in 1Q19 less than previous quarter for 2 days. For more information, the average mobile top up value per day in 1Q19, which was Bt114.85mn, was higher than 4Q18, which was Bt113.50mn. The details of total revenue are as follows.

1) **Income from rendering top-up service for prepaid phone and other online services (Commission)** was Bt333.76mn, decreasing 6.9% YoY and 1.7% QoQ.

2) **Income from rendering of services through online top-up machines “Boonterm kiosk” (Service charge)** was Bt463.04mn, decreasing 3.8% YoY and 2.1% QoQ.

3) **Advertising income** was Bt1.85mn, decreasing 21.3% YoY and 74.1% QoQ, due to deferring of advertising media at the beginning of a year.

4) **Other income** was Bt66.33mn, increasing 7.7% YoY and 3.3% QoQ, result of adding more services on kiosk.

### Cost and Expenses

1) **Cost of services** in 1Q19 was Bt629.36mn, representing 78.8% of total revenues from core business, increasing 0.6% when compared to 78.2% in 1Q18, while decreasing 0.9% QoQ, because the kiosks that its useful life reach 8 years can normally work as well as the Company can manage repairing cost and other costs more efficiently

2) **Service & Administrative expenses** in 1Q19 was Bt53.62mn, representing 6.7% of total revenues from core business, decreasing 1.2% when compared to 7.9% in 1Q18. And when compared to 6.9% in 4Q18, decreasing 0.2%, due to the effective in managing service and administrative expenses.

### Profit

1) **Gross profit** in 1Q19 was Bt169.29mn, decreasing 7.9% when compare to Bt183.81mn in 1Q18, mainly from declining in core revenue while increasing 1.8% QoQ. The QoQ increased was result from the kiosks that its useful life reach 8 years can can normally work and the Company can manage repairing cost and other costs more efficiently.

2) **Sales profit** in 1Q19 was Bt0.02mn, decreasing 95.4% YoY and 92.3% QoQ, due to in 2018 the Company emphasize on efficient Boonterm kiosk location. This result in declining of profit from selling additional parts of kiosks such as tripod, cement pedestal, coin counter etc.

3) **Net profit** in 1Q19 was Bt149.51mn, increasing 3.1% YoY and 5.1% QoQ. Since the Company has added new services, manages ARPU and controls service and administrative expenses more efficiently.

### Financial Position

| Statement of Financial position                   | 31 December 2018 |               | 31 March 2019   |               | Increase (Decrease) |              |
|---|------------------|---------------|-----------------|---------------|---------------------|--------------|
|   | MB               | %             | MB              | %             | MB                  | %            |
| Current assets                                    | 1,430.87         | 36.5%         | 1,442.22        | 37.4%         | 11.35               | 0.8%         |
| Non-current assets                                | 2,485.33         | 63.5%         | 2,410.30        | 62.6%         | -75.03              | -3.0%        |
| <b>Total assets</b>                               | <b>3,916.20</b>  | <b>100.0%</b> | <b>3,852.52</b> | <b>100.0%</b> | <b>-63.68</b>       | <b>-1.6%</b> |
| Current liabilities                               | 2,452.98         | 62.6%         | 2,307.49        | 59.9%         | -145.49             | -5.9%        |
| Non-current liabilities                           | 211.66           | 5.4%          | 144.36          | 3.8%          | -67.30              | -31.8%       |
| <b>Total liabilities</b>                          | <b>2,664.64</b>  | <b>68.0%</b>  | <b>2,451.85</b> | <b>63.6%</b>  | <b>-212.79</b>      | <b>-8.0%</b> |
| Total shareholders' equity                        | 1,251.56         | 32.0%         | 1,400.67        | 36.4%         | 149.11              | 11.9%        |
| <b>Total liabilities and shareholders' equity</b> | <b>3,916.20</b>  | <b>100.0%</b> | <b>3,852.52</b> | <b>100.0%</b> | <b>-63.68</b>       | <b>-1.6%</b> |

As at 31 March 2019, the Company had total assets of Bt3,852.52mn, decreasing 1.6% compared to total assets last year, mainly due to emphasizing in efficient Boonterm kiosk location strategy in 2018 rather than emphasizing on expanding the kiosks, the depreciation cost and the kiosks that useful life reach 8 years can normally work.

Total liabilities as at 31 March 2019 was Bt2,451.85mn, decreasing 8.0% compared to total liabilities last year, mainly from decreasing of short-term and long-term loan.

Total shareholders' equity as at 31 March 2019 was Bt1,400.67mn, increasing 11.9%, compared to total shareholders' equity as at 31 December 2018, mainly from Bt149.51mn of net profit in 1Q19.

#### Key Financial Ratio

| Financial Ratio             | Quarter | Quarter | Quarter |
|-----------------------------|---------|---------|---------|
|                             | 1/2018  | 4/2018  | 1/2019  |
| Current ratio               | 0.59    | 0.58    | 0.63    |
| Debt to Equity ratio        | 1.77    | 2.13    | 1.75    |
| Interest Bearing Debt ratio | 1.13    | 0.99    | 0.77    |
| Return on Asset             | 13.3%   | 14.3%   | 15.2%   |
| Return on Equity            | 39.5%   | 49.3%   | 44.5%   |

As of March 31, 2019, the Company had the current ratio of 0.63 times, increasing YoY, 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 1.75 times, decreasing YoY, due to a decrease of long-term loans and an increase of shareholders' equity from net profit

Interest-bearing debt to equity ratio was 0.77 times, decreasing YoY, from a decrease of long-term loans and an increase of shareholders' equity from net profit

Return on assets was 15.2% increasing YoY, from asset management that generate more income efficiently.

Return on equity was 44.5% increasing YoY, due to net profit and treasury stock.

## 2019 Management Outlook

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### Targets

- Average Revenue Per Unit (ARPU) growing more than 5% from 2018
- 134,000 Boonterm kiosks at the end of 2019
- The total usage amount through Boonterm kiosk growing more than 10% from 2018
- Investment Budget: Bt200-300mn

### Operations

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

The Company still concentrates on the strategy of managing the quality of Boonterm kiosk location with the ARPU management more than 5% growth and the total usage amount more than 10% growth from 2018 and aims to increase 5,000 Boonterm kiosk to reach 134,000 kiosks nationwide at the end of 2019 as well as add new services to increase the frequency of using services on Boonterm kiosks. The Company will cooperate with 2 more commercial banks: Government Saving Bank (GSB) and Bangkok Bank (BBL) to add on money transfer service. Currently, there are 3 commercial banks such as Kasikorn Bank (KBANK), Krungthai Bank (KTB) and Bank of Ayudhaya (BAY). The deposit/transfer money service to Government Savings Bank (GSB) will be on service in late April.

At present, Boonterm kiosk is the channel of multi-service provider with 129,208 kiosk covering nationwide, along with service agents over the country, either in the city or upcountry. Resulting in easily and conveniently for customer. The Company has developed cooperation with various agencies whether public or private sectors in making Boonterm Kiosk be another channel of service that can provide service more than mobile top-up service. Moreover, the company has developed Boonterm kiosk to be a kiosk filled with smart potentials in order to support new services and businesses of the Company, such as SIM card selling and electronics authentication services (e-KYC) on Boonterm kiosk, drop and pick up any parcel in Boonterm Post, electric motorcycle charging and battery replacement service stations (EV Charger Station). The SIM card selling through Boonterm kiosks will initially provide SIM selling service for AIS which is ready for service in the second quarter and by the end of 2019, it is expected to expand for 2,000-3,000 kiosks for all mobile operators. The Boonterm Post service is expected to provide service

at the end of this year and the electric motorcycle charging / battery replacement station, according to the guidelines of the alliance group, will be able to open for service in 3Q19 with the first 10 stations in Bangkok. In addition, the Company has expanded its business into Personal Loan / Nano Finance business and the payment system for member stores business. The personal loan / Nano Finance business will be able to start operations in the third quarter when the credit service license has been approved from the Bank of Thailand (BOT). For the business of payment system, Merchant Network, is the expanded business of BeWallet application to be an online payment system. The stores that have the payment system of the Company will be able to accept payment from customers via QR Code Payment. The customers of the stores can select to pay by using BeWallet, PromptPay or WeChat Pay. BeWallet and PromptPay have already opened while WeChat Pay will be start in the middle of this year.

Thus, the continual adding new services on Boonterm Kiosk will make the kiosk be diversified and comprehensive service point which can meet the needs of more customers. Moreover, expanding business into new businesses will create opportunities to expand the customer base both of the existing and the new market. These will result in having continuous income growth in the future.