



บริษัท ไอแอนดีไอ กรุ๊ป จำกัด (มหาชน)
I&I Group Public Company Limited
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No. IIG 001/2020

31 July 2020

Subject: Management discussion and analysis for the first quarter of 2020

Attn: Governors and President Market for Alternative Investment (mai)

I&I Group Public Company Limited (“the Company”) would like to submit the management discussion and analysis of the operating results for the first quarter of 2020 ended March 31, 2020 as follows:

Revenue from Software Subscription from Salesforce

For the first 3 months of 2020, revenue from subscription fee of Salesforce has increased by 7.31 THB mn or 27.21% from the first 3 months of 2019 due to the fact that businesses in banking and insurance sector began to bring technology into the business operations resulting in a significant increase in revenue compared with the previous year.

Revenue from Software Subscription and the Grant of License from Oracle

For the first 3 months of 2020, revenue from subscription fee from Oracle has increased slightly by 0.20 THB mn or 2.42% from the first 3 months of 2019 as ICE could maintain the existing customers such as Muang Thai Insurance Public Company Limited and revenue from the grant of license from Oracle in the first 3 months of 2020 has decreased by 10.20 THB mn or 71.67% from the first 3 months of 2019 because during the period, ICE had a limitation in finding new customers and the main factor was the spread of COVID – 19, some customers postponed the purchase decision during the period.

Revenue from Implementation and Application Management Service for CRM System

For the first 3 months of 2020, revenue from implementation and application management service for CRM system has increased by 4.25 THB mn or 24.04% from the first 3 months of 2019 due to the continuation of service provided to customers which in line with the current situation that various organizations were unable to work at the workplace, thus online working or on-cloud working is considered to be appropriate with the new normal.

Revenue from Implementation and Application Management Service for ERP System

For the first 3 months of 2020, revenue from implementation and application management service for ERP system has increased by 13.28 THB mn or 36.86% from the first 3 months of 2019 due to the ability to provide more services to existing customers such as KTC, this is in accordance with the current situation that various



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organizations were unable to work at the workplace, some of the customers are shifting from on premise to on cloud.

Revenue from Placement Service

For the first 3 months of 2020, revenue from placement service has declined by 2.04 THB mn or 32.08% from the first 3 months of 2019 because the major customer which is Siam Commercial Bank (SCB) has slowed down the use of such service due to the pandemic of COVID-19 that make it difficult to get into customer's work place and led to a decrease in income.

Revenue from Consulting Service and Implementation specialized in Brand Strategy Planning, Customer Experience Management and Digital Marketing

I&I Experience Company Limited was established on June 25, 2019. The main business is to provide consulting service in strategic planning, branding, customer experience management, and digital marketing. For the first 3 months of 2020, revenue from consulting service and implementation amounting to 0.90 THB mn.

Operating Profit and Net Profit

For the 3 months of 2020, operating profit margin and net profit margin have increased significantly compared with the first 3 months of 2019 because the Company and its subsidiary have generated more revenues from all business groups while the Company was better to control the expenses in the same period.

Financial Position

At the end of 2019 and the first 3 months of 2020, the Company and its subsidiary had the total assets of 443.14 THB mn and 570.13 THB mn respectively. Most of the current assets consist of trade and other receivables and prepaid software license fees which is in accordance with the nature of the business. Most of the non-current assets at the end of 2019 and the first 3 months of 2020 consist of goodwill which resulted from an acquisition of shares of ICE on March 27, 2019.

At the end of 2019 and the first 3 months of 2020, the Company and its subsidiary had the total liabilities of 144.85 THB mn and 295.07 THB mn or 32.69% and 51.76% of total assets respectively. Most of the current liabilities consist of current portion of deferred income, trade and other payables which arose from the company business. In addition, the Company also had loan from financial institution in the year 2018 amounting to 12.00 THB mn. The non-current liability included lease liability, deferred income, and employee benefit obligations.

At the end of 2019 and the first 3 months of 2020, the Company and its subsidiary had the shareholder's equity of 298.28 THB mn and 275.06 THB mn or 67.31% and 48.24% of total assets respectively. For the first 3 months of 2020, legal reserve equal to 4.24 THB mn and unappropriated retained earnings equal to -2.39 THB



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mn. The main reason that retained earnings were negative in the first 3 months of 2020 was due to an adjustment according to the financial reporting standard no. 9 – financial instruments, however, if considering separate financial information, the unappropriated retained earnings is equal to 4.70 THB mn.

Please be informed accordingly.

Best Regards

(Mr. Somchai Mekasuvanroj)

Chief Executive Officer

I&I Group Public Company Limited