



บริษัท อีกดราซิล กรุ๊ป จำกัด (มหาชน)

YGGDRAZIL GROUP PUBLIC COMPANY LIMITED

348 ซอยลาดพร้าว 94 (ปิ่นเกล้ามิตร) แขวงพลับพลา เขตวังทองหลาง กรุงเทพฯ ประเทศไทย 10310 โทร: (662)-934-4364 โทรสาร: (662)-934-4560

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SET 012/2021

10 August 2021

Subject: Management Discussion and Analysis for Q2 ending 30 June 2021

To: President  
The Stock Exchange of Thailand

Yggdrazil Group Public Company Limited (the “Company”) would like to report Management Discussion and Analysis for the Q2 ending 30 June 2021 as follows.

#### **Overview for Q2 ending 30 June 2021**

Operating results in the second quarter, the Company reported net profit for the three-month period of 31 million baht and net profit for the six-month period of 47 million baht, with net profit growing at 798% and 181%, respectively. This comes from the growth in revenue from online game service Home sweet home survive which was launched on March 25, 2021. The company has revenue from games for the second quarter, the three-month period of 33 million baht and for the six-month period of 43 million baht, revenue from the gaming segment increased by 353%, thus causing the company to have a higher net profit.

The Company's financial position as of June 30, 2021, the Company had total assets of 415 million baht, an increase of 20 million baht from the previous year, mainly due to an increase in trade accounts receivable and contract assets of approximately 27 million baht. Cash and financial assets decreased by approximately 23 million baht due to dividend payment. And the Company had total liabilities of 41 million baht, an increase of 8 million baht from the previous year, which was caused by accrued external labor expenses. And the Company has total owner's equity of 373 million baht, an increase of 12 million baht from net profit during the period of 47 million baht and dividend payment during the period of 35 million baht.

#### **Analysis of operating result for Quarter 2 three-month period**

| Business categories                   | Quarter 2<br>2021 |            | Quarter 2<br>2020 |            | Increase<br>(Decrease) |
|---------------------------------------|-------------------|------------|-------------------|------------|------------------------|
|                                       | THB Mil           | %          | THB Mil           | %          |                        |
| <b>Revenue from sales or services</b> |                   |            |                   |            |                        |
| <b>1. Visual effects</b>              | 26.4              | 31.3       | 23.4              | 47.5       | 3                      |
| <b>2. Animation</b>                   | 24.8              | 29.4       | 20.5              | 41.6       | 4.3                    |
| <b>3. Game &amp; Innovation</b>       | 33.1              | 39.3       | 5.4               | 11.0       | 27.7                   |
| <b>Total</b>                          | <b>84.3</b>       | <b>100</b> | <b>49.3</b>       | <b>100</b> | <b>35</b>              |

The Company had revenue of 84.3 million baht, an increase of 35 million baht or 71% from the previous year, due to the following reasons:

- Revenue from visual effects segment in the second quarter of 2021 amounted to 26.4 million baht, an increase from the year 2020 by 3 million baht due to the company receiving more advertising jobs both domestic and international.
- Revenue from the animation segment in the second quarter of 2021 amounted to 24.8 million baht, a decrease of 4.3 million baht from the year 2020. It is in line with the demand in the animation market which is constantly growing from the streaming market that continues to grow in the global market.



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- Revenue from Games and Innovation segment in the second quarter of 2021 amounted to 33 million baht, an increase from the year 2020 by 27.7 million baht. This was because the releasing the new game Home Sweet Home Survive on 25 March 2021. The revenue recognizes in full in this quarter.

#### **Gross profit margin**

|                                | Quarter 2<br>2021 | Quarter 2<br>2020 | Increase<br>(Decrease) |
|--------------------------------|-------------------|-------------------|------------------------|
| Revenue from sales or services | 84.3              | 49.3              | 35                     |
| Cost of sales or services      | (47.8)            | (33.6)            | (14.2)                 |
| Gross profit                   | 36.5              | 15.7              | 20.8                   |
| Gross profit margin (%)        | 43%               | 32%               |                        |

- Gross profit in the second quarter of 2021 amounted to 36.5 million baht or gross profit at 43%, an increase of 20.8 million baht or 11 %. This year's gross profit margin of online game services is around 52%, causing the overall gross margin to increase.

#### **Selling and administrative expenses**

|                                     | Quarter 1<br>2021 | Quarter 1<br>2020 | Increase<br>(Decrease) |
|-------------------------------------|-------------------|-------------------|------------------------|
| Selling and administrative expenses | 5.8               | 7.0               | (1.2)                  |

- Selling and administrative expenses decreased by 1.2 million baht as a result of the company recorded allowance for expected credit loss less by 1 million baht when compared to the same quarter of the previous year.

Please be inform accordingly

Yours sincerely,

*-Tanat Juwivat-*

Chief Executive officer