



บริษัท อีกราดซิล กรุ๊ป จำกัด (มหาชน)

YGGDRAZIL GROUP PUBLIC COMPANY LIMITED

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

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No. SET010/2565

November 14, 2022

Subject Management Discussion and Analysis for Q3 ended September 30, 2022

To President, The Stock Exchange of Thailand

Yggdrazil Group Public Company Limited (“the Company”) would like to report Management Discussion and Analysis for the Q3 ended September 30, 2022 as follows:

Statement of comprehensive income for the nine months ended 30 September 2022

Overall Group Performance	9-month	9-month	Change	
	2022	2021	Increase /(Decrease)	
	THB mm	THB mm	THB mm	%
Sales and Services Revenues	234.82	213.92	20.89	9.8
Other Income	1.38	1.43	(0.04)	(3.1)
Total Revenue	236.20	215.35	20.85	9.7
Cost of Sales and Services	127.44	120.05	7.38	6.2
Gross Margin (Excl. other income)	107.38	93.87	13.51	14.4
Selling Expenses	1.55	0.37	1.18	316.0
Administrative Expenses	19.42	18.04	1.38	7.7
Gain (loss) on Exchange rate	0.14	0.46	(0.32)	(69.1)
Share of loss of Joint Ventures accounted for using the equity method	(0.01)	-	(0.01)	N.A.
Profit before Finance Costs and Income Tax	87.91	77.34	10.57	13.7
Finance Costs	0.25	0.27	0.02	(7.4)
Profit before Income Tax	87.66	77.07	10.59	13.7
Income Tax	1.25	0.25	0.99	390.0



Net Profit After Tax	86.42	76.82	9.60	12.5
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Summary of Performance

Sales and Services Revenues (9M YoY)

For the nine months ended 30 September 2022 and 2021, the company recorded total sales and services of THB 234.82 million and THB 215.34 million respectively. This is equal to an increase of THB 9.7 million YoY.

Revenue by Business Units	For the nine months ended 30 September				Change Increase /(Decrease)	
	2022		2021		THB mm	%
	THB mm	%	THB mm	%		
1. VFX	92.65	39.2	80.64	37.4	12.01	14.9
2. Game	51.57	21.8	55.49	25.8	(3.93)	(7.1)
3. Movie / Animation	90.60	38.4	77.79	36.1	12.81	16.5
Sale and Services	234.82	99.4	213.92	99.3	20.90	9.8
Other Income	1.38	0.6	1.42	0.7	(0.04)	(2.8)
Total Revenue	236.20	100.00	215.34	100.00	20.86	9.7

- VFX Business unit, revenue increased by THB 12.01 million which accounted for 14.9% compared to the same period in prior year. This is a resulted from a higher of project lists than the same period in last year.
- Game Business unit, revenue decreased by THB 3.93 million which recorded of 7.1% compared to the same period of last year. This is mainly due to the company had income from both copy of game sold and in-game purchase items in 2021. In addition, if we release the new game, revenue is expected to grow again.



- Movie / Animation Business unit, revenue increased by THB 12.81 million or 16.5% compared to the same period of last year. This is a resulted from additional projects from an international customer based which is aligned with company strategy to expand to global market.

Total Cost of goods sold was THB 127.44 million, increased by THB 7.38 million or 6.2% compared to the same period of last year. This is a proportion of quantity of projects to be delivered to customer in a period. Apart from the company's inhouse staff, increasing of outsource part is one of a driver to deliver quality work on time to customer.

Net Profit of 9-month period 2022 was THB 86.42 million, increased by THB 9.60 million or 12.5 % compared to the same period of last year. The company reported net profit margin of 36.6% of total revenue.

Statement of comprehensive income for the three months ended 30 September 2022

Overall Group Performance	3-month	3-month	Change	
	2022	2021	Increase /(Decrease)	
	THB mm	THB mm	THB mm	%
Sales and Services Revenues	60.41	68.85	(8.44)	(12.3)
Other Income	0.56	0.90	(0.34)	(37.8)
Total Revenue	60.98	69.75	(8.78)	(12.6)
Cost of Sales and Services	34.21	34.21	(0.83)	(2.4)
Gross Margin (Excl. other income)	26.21	33.82	(7.61)	(22.5)
Selling Expenses	0.47	0.18	0.29	168.1
Administrative Expenses	5.99	3.72	2.27	61.0
Gain (loss) on Exchange rate	0.15	0.19	(0.04)	(18.9)
Share of loss of Joint Ventures accounted for using the equity method	(0.01)	-	(0.01)	N.A.
Profit before Finance Costs and Income Tax	20.44	31.01	(10.56)	(34.1)
Finance Costs	0.07	0.11	(0.03)	(30.2)



Profit before Income Tax	20.37	30.90	(10.53)	(34.1)
Income Tax	0.31	0.82	(0.51)	(62.3)
Net Profit After Tax	20.06	30.08	(10.02)	(33.3)

Sales and Services Revenues (3M QoQ)

For the three months ended 30 September 2022 and 2021, the company recorded total sales and services of THB 60.41 million and THB 68.85 million respectively. This is equal to a decrease of THB 8.4 million QoQ.

Revenue by Business Units	For the three months ended				Change	
	30 September				Increase /(Decrease)	
	2022		2021			
	THB mm	%	THB mm	%	THB mm	%
1. VFX	7.68	12.6	26.07	37.4	(18.39)	(70.5)
2. Game	18.59	30.5	12.49	17.9	6.10	48.6
3. Movie / Animation	34.14	56.0	30.29	43.4	3.85	12.7
Sale and Services	60.41	99.1	68.85	98.7	(8.44)	(12.3)
Other Income	0.57	0.9	0.90	1.3	(0.33)	(37.8)
Total Revenue	60.98	100.00	69.75	100.00	(8.77)	(12.6)

- VFX Business unit, revenue decreased by THB 18.39 million which accounted for 70.5 % compared to the same period in prior year. This is a resulted from adjusted of project delivery process and revenue recognition of some projects during a period. Furthermore, the company expect to realize a revenue from those projects in Q42022.
- Game Business unit, revenue decreased by THB 6.10 million which recorded of 48.6% compared to the same period of last year. This is mainly due to the company had income from new in-game purchase items and marketing campaign with influencer during a period



in 2021. Moreover, the Company was under developing new games and marketing strategy which are targeted to be launched during 2023.

- Movie / Animation Business unit, revenue increased by THB 3.85 million or 12.7% compared to the same period of last year. This is a resulted from additional projects from an international customer based which is aligned with company strategy to expand to global market.

Total Cost of goods sold was THB 34.21 million, approximately the same compared to the same period of last year. This is resulted from costs incurred in operational process of VFX's projects including outsource to align with timeline set up in a project while some projects had a revision of delivery process.

Net Profit of 3-month period 2022 was THB 20.06 million, decreased by THB 10.02 million or 33.3 % compared to the same period of last year. The company reported net profit margin of 32.9 % of total revenue.

Statement of Financial Position ended 30 September 2022

Financial Position	30 September	31 December	Change	
	2022	2021	Increase /(Decrease)	
	THB mm	THB mm	THB mm	%
Cash and Cash Equivalents	215.62	150.71	64.90	43.1
Financial Assets measured at Fair Value through profit or loss	33.14	60.72	(27.58)	(45.4)
Trade and Other Receivables	37.03	14.73	22.31	151.5
Contract Assets	129.25	80.31	48.94	60.9
Other Current Assets	11.62	23.22	(11.60)	(49.9)
Leasehold Improvement and Equipment	51.27	56.85	(5.59)	(9.8)
Intangible Assets	81.86	51.08	30.78	60.3
Other Non-current Assets	33.00	16.75	16.25	97.0
Investment in Joint Ventures	49.99	-	49.99	N.A.
Total Assets	642.77	454.37	188.40	41.5
Trade and Other Payables	11.48	16.44	(4.96)	(43.2)



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Other Current Liabilities	13.15	15.59	(2.44)	(18.6)
Non-current Liabilities	8.28	10.27	(1.99)	(24.0)
Total Liabilities	32.91	42.30	(9.39)	(28.5)
Total Equity	609.86	412.07	197.79	32.4
Total Liabilities and Equity	642.77	454.37	188.40	41.5

Total assets as of 30 September 2022 is THB 642.77 million, increased THB 188.40 million or 41.5% compared to total assets as of December 2021. This mainly due to cash from capital increased during Q12022, contract assets from additional projects, intangible assets from Company's own intellectual property, and investment in joint venture with Master Ad Public Company Limited

Total liabilities as of 30 September 2022 is THB 32.91 million, decreased THB 9.39 million or 24.0 % compared to total liabilities as of December 2021. This mainly due to trade and other payables align with decreasing of hiring outsource.

Total equity as of 30 September 2022 is THB 609.86 million, increased THB 197.79 million. This is resulted from increased of retained earnings and capital increased to support the Company's business plan.

Please be informed accordingly,

Yours Sincerely,

-Tanat Juwiwat-

(Mr. Tanat Juwiwat)

Chief Executive Officer