



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. YGG011/2023

11 August 2023

Subject Management Discussion and Analysis for Q2 ending 30 June 2023

To President, The Stock Exchange of Thailand

Yggdrazil Group Public Company Limited (“the Company”) would like to report Management Discussion and Analysis for the period ended 30 June 2023 as follows:

Performance from Consolidated Financial Statement

Unit : THB mm	Consolidated Financial Statement	Separate Financial Statement	Change	
	April – June 2023	April - June 2022	Increase /(Decrease)	%
Sales and Services Revenues	80.35	87.84	(7.49)	-8.5%
Other Income	0.70	0.65	0.05	8.5%
Total Revenue	81.05	88.49	(7.43)	-8.4%
Cost of Sales and Services	45.56	45.78	(0.22)	-0.5%
Gross Margin (Excl. other income)	34.79	42.06	(7.27)	-17.3%
Selling Expenses	1.16	0.42	0.74	175.4%
Administrative Expenses	8.55	5.81	2.74	47.2%
Gain (loss) on Exchange rate	1.25	(0.11)	1.37	N.A.
Share of loss of Joint Ventures accounted for using the equity method	(1.02)	-	(1.02)	N.A.
Profit before Finance Costs and Income Tax	26.03	36.37	(10.34)	-28.4%



Finance Costs	0.06	0.08	(0.02)	-22.9%
Profit before Income Tax	25.97	36.28	(10.32)	-28.4%
Income Tax	0.24	0.32	(0.08)	-23.8%
Net Profit After Tax	25.72	35.96	(10.24)	-28.5%

For the period ended 30 June 2023, company recorded total revenue of THB 81.05 million which decreased by THB 7.43 million or equivalent to 4.40% compared to 3-months 2023. For the second quarter of 2023, Total Cost of goods sold was THB 45.56 million and Gross profit margin recorded at 43.30% of total sales and service income.

Total Cost of goods sold during the second quarter of 2023 was THB 45.56 million, decreased by THB 0.22 million or 0.48% compared to the same period of last year. This mainly due to a decreasing in quantity of projects and postponing of Home Sweet Home Online launched from original plan to late June 2023.

Total selling and administrative expense in 3-month 2023 was THB 9.71 million, increased by THB 3.48 million compared to 3-months 2023 in previous year. An increasing of expenses aligned with international marketing plan and brand awareness via product and services. Net Profit for the 3-months 2023 ended 30 June 2023 was THB 25.72 million. The Company reported the net profit of 31.73% of total revenue.

**Breakdown revenue by Business unit (Consolidated Financial Statement)**

For the period ended 30 June 2023, the company recorded total sales and services of THB 80.35 million. This is equal to decreasing of THB 7.49 million or equivalent to 8.53 YoY.

Revenue by business units	For the period ended 30 June				Change	
	2023		2022		Increase /(Decrease	
	THB mm	%	THB mm	%	THB mm	%
1. VFX	29.24	36.07	33.88	38.29	(4.64)	-13.7%
2. Game	18.69	23.06	22.56	25.49	(3.87)	17.1%
3. Movie / Animation	32.43	40.00	31.41	35.49	1.02	3.2%
Sales and Services	80.35	99.14	87.84	99.27	(7.49)	8.5%
Other Income	0.70	0.86	0.65	0.73	0.05	8.5%
Total Revenue	81.05	100.0	88.49	100.0	(7.44)	-8.4%

- VFX Business unit, revenue decreased by THB 4.64 million which accounted for 13.7% decrease compared to the same period in prior year. This mainly due to a revision of revenue recognition plan of the project during Quarter 2 in 2022. Therefore, company will recognize all revenue of those projects within this year.
- Game Business unit, revenue decreased by THB 3.87 million which recorded decreasing of 17.1% YoY. This mainly due to postpone of Own-IP game launched which align with marketing strategy.
- Movie / Animation Business unit, revenue increased by THB 1.02 million which recorded growth of 3.2% compared to the same period of last year. In addition, company has continuous projects from an international customer based which is aligned with company strategy to expand to global market.

For the 6-month period ended 30 June 2023 as follows:



Performance from Consolidated Financial Statement

Unit : THB mm	Consolidated	Separate	Change	
	Financial Statement	Financial Statement	Increase	%
	Jan – June 2023	Jan - June 2022	/(Decrease)	
Sales and Services Revenues	170.36	174.40	(4.04)	-2.32%
Other Income	1.26	0.82	0.44	54.14%
Total Revenue	171.63	175.22	(3.59)	-2.05%
Cost of Sales and Services	96.45	93.23	3.22	3.45%
Gross Margin (Excl. other income)	73.91	81.17	(7.26)	-8.94%
Selling Expenses	2.48	1.08	1.40	128.85%
Administrative Expenses	14.03	13.43	0.61	4.51%
Gain (loss) on Exchange rate	1.24	(0.01)	1.25	N.A.
Share of loss of Joint Ventures accounted for using the equity method	(1.29)	-	(1.29)	N.A.
Profit before Finance Costs and Income Tax	58.61	67.47	(8.85)	-13.12%
Finance Costs	0.13	0.17	(0.04)	-23.88%
Profit before Income Tax	58.48	67.29	(8.81)	-13.10%
Income Tax	1.25	0.94	0.31	33.36%
Net Profit After Tax	57.23	66.36	(9.13)	-13.75%

For the 6-months ended 30 June 2023, company recorded total revenue of THB 171.63 million which decreased by THB 3.59 million or decrease by 2.05% compared to 6-months 2022. Total Cost of goods sold was THB 96.45 million and Gross profit margin recorded at 43.39% of total sales and service income. Net Profit for the 6-months 2023 ended 30 June 2023 was THB 57.23 million or equivalent to 33.35% of total revenue.

**Breakdown revenue by Business unit (Consolidated Financial Statement)**

For the 6-months ended 30 June 2023, the company recorded total sales and services of THB 170.36 million. This is equal to a decrease of THB 4.04 million or decrease by 2.32 YoY.

Revenue by business units	For the period ended 30 June				Change	
	2023		2022		Increase /(Decrease)	
	THB mm	%	THB mm	%	THB mm	%
1. VFX	57.88	33.72	84.96	48.49	(27.08)	-31.9%
2. Game	45.96	26.78	32.98	18.82	12.98	39.4%
3. Movie / Animation	66.52	38.76	56.46	32.22	10.06	17.8%
Sales and Services	170.36	99.26	174.40	99.53	(4.04)	-2.3%
Other Income	1.26	0.74	0.82	0.47	0.44	54.1%
Total Revenue	171.63	100.0	175.22	100.0	(7.44)	-2.1%

Statement of Financial Position ended 30 June 2023



Unit : THB mm	Consolidated Financial Statement		Change	
	Ended 30 June 23	Ended 31 Dec 22	Increase / (Decrease)	%
Cash and Cash Equivalents	111.76	148.22	(36.46)	-24.60%
Financial assets measured at amortised cost	45.69	5.68	40.01	704.82%
Financial Assets measured at Fair Value through profit or loss	57.20	57.17	0.03	0.06%
Trade and Other Receivables	30.07	29.10	0.97	3.33%
Contract Assets	212.71	191.50	21.22	11.08%
Other Current Assets	9.36	5.90	3.46	58.69%
Leasehold Improvement and Equipment	69.51	58.43	11.08	18.96%
Intangible Assets	75.33	73.93	1.40	1.89%
Other Non-current Assets	20.38	33.30	(12.92)	-38.80%
Investment in Joint Ventures	35.51	38.54	(3.03)	-7.86%
Total Assets	667.52	641.77	25.75	4.01%
Trade and Other Payables	32.47	19.68	12.79	65.00%
Other Current Liabilities	15.71	18.76	(3.05)	-16.25%
Non-current Liabilities	6.72	7.60	(0.89)	-11.65%
Total Liabilities	54.90	46.04	8.86	19.23%
Total Equity	612.63	595.73	16.90	2.84%
Total Liabilities and Equity	667.52	641.77	25.75	4.01%

Total assets as of 30 June 2023 was THB 667.52 million, increased THB 25.75 million or 4.01% compared to total assets as of December 2022. This mainly due to increasing of cashflow from receivable and amount of project.

Total liabilities as of 30 June 2023 was THB 54.90 million, increased THB 8.86 million or 19.23% compared to total liabilities as of December 2022. This mainly due to decreasing of other liabilities



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Total equity as of 30 June 2023 is THB 667.52 million, increased THB 25.75 million. This is resulted from increased of retained earnings.

Please be informed accordingly,

Yours Sincerely,

-Tanat Juwiwat-

(Mr. Tanat Juwiwat)

Chief Executive Officer