



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

348 Soi Ladprao 94 (Punjamitr), Phlapphla, Wangthonglang, Bangkok, Thailand Tel: (662)-934-4364 Fax: (662)-934-4560

No. YGG015/2567

15 August 2024

Subject Management Discussion and Analysis for the quarter 2/ 2024

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 2024 as follows:

Performance from Consolidated Financial Statement

Unit : THB mm	Consolidated Financial Statement		Change	
	Apr – June	Apr – June	Increase	%
	2024	2023	/(Decrease)	
Sales and Services Revenues	50.17	80.35	(30.19)	(37.57)
Other Income	0.44	0.70	(0.26)	(37.67)
Total Revenue	50.60	81.05	(30.45)	(37.57)
Cost of Sales and Services	41.27	45.56	(4.29)	(9.43)
Gross Margin (Excl. other income)	8.90	34.79	(25.89)	(74.41)
Selling Expenses	0.84	1.16	(0.31)	(27.14)
Administrative Expenses (excl. Expected Credit Losses and Asset Write-Off Losses)	7.93	8.55	(0.62)	(7.22)
Expected Credit Losses and Asset Write-Off Losses	375.60	0.00	375.60	N.A.
Gain (loss) on Exchange rate	0.91	1.25	(0.34)	(27.22)



Share of loss of Joint Ventures accounted for using the equity method	(0.72)	(1.02)	0.30	(29.58)
Profit before Finance Costs and Income Tax	(374.84)	26.03	(400.87)	(1,540.06)
Finance Costs	0.20	0.06	(0.14)	210.98
Profit before Income Tax	(375.04)	25.97	(401.00)	(1,544.39)
Income Tax	(9.88)	0.24	10.12	(4,137.55)
Net Profit After Tax	(365.16)	25.72	(390.88)	(1,519.72)

The company reported total revenue of 50.17 million baht for the quarter, reflecting a decrease of 30.19 million baht, or 37.57%, compared to the same period in 2023. This decline is primarily due to some major international clients delaying the acceptance of deliverables as a result of adjustments to their project execution plans.

The cost of sales and services for the second quarter of 2024 amounted to 41.27 million baht, a reduction of 4.29 million baht, or 9.43%, in alignment with the project workload during this period. Additionally, this figure includes the recognition of depreciation and costs associated with the company's gaming division.

The company incurred selling expenses amounting to 0.84 million baht, representing 1.67% of total revenue from sales and services for the second quarter. During this period, the company recognized expected credit losses and losses from the write-off of various assets, totaling 375.60 million baht. As a result, the company reported a net loss of 365.16 million baht.

Breakdown revenue by Business unit (Consolidated Financial Statement)

The company generated total revenue from sales and services amounting to 50.60 million baht, reflecting a decrease of 30.45 million baht, or 37.57%, compared to the same period in the previous year.



Revenue by business units	Apr - June				Change	
	2024		2023		Increase /(Decrease)	
	THB mm	%	THB mm	%	THB mm	%
1. VFX	17.35	34.3	29.24	36.1	(11.89)	(40.7)
2. Game	19.90	39.3	18.69	23.1	1.21	6.5
3. Movie / Animation	12.93	25.6	32.42	40.0	(19.49)	(60.1)
Sales and Services	50.17	99.2	80.35	99.1	(30.17)	(37.6)
Other Income	0.44	0.9	0.70	0.9	(0.26)	(37.7)
Total Revenue	50.60	100.0	81.05	100.0	(30.45)	(37.6)

- VFX Business unit, revenue decreased by 11.89 million baht, a decline of 40.7% compared to the same period in the previous year. This reduction was primarily due to clients requesting extensions for project timelines and the acceptance of deliverables both domestically and internationally during the second quarter of 2024.
- Game Business unit, revenue increased by 1.21 million baht, reflecting a growth rate of 6.5% compared to the same period in the previous year. This increase was driven by higher volumes of contract game development work. However, revenue from the distribution of the company's proprietary games decreased by 1.10 million baht compared to the same period in 2023.
- Movie / Animation Business unit, revenue decreased by 19.49 million baht, a decline of 60.1% compared to the same period in the previous year. This reduction was primarily due to changes in project plans by a major client, which also led to additional research and development costs for the company as a result of the revised project scope.



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For the Six-Month Period Ended June 30, 2024, the Operating Results are as Follows:

Unit : THB mm	Consolidated Financial Statement		Change	
	Jan – June	Jan – June	Increase	%
	2024	2023	/(Decrease)	
Sales and Services Revenues	140.26	170.36	(30.10)	(17.67)
Other Income	1.40	1.26	0.13	10.41
Total Revenue	141.66	171.63	(29.97)	(17.46)
Cost of Sales and Services	96.99	96.45	0.54	0.56
Gross Margin (Excl. other income)	43.27	73.91	(30.64)	(41.45)
Selling Expenses	1.87	2.48	(0.61)	(24.52)
Administrative Expenses (excl. Expected Credit Losses and Asset Write-Off Losses)	16.27	14.03	2.23	15.90
Expected Credit Losses and Asset Write-Off Losses	375.60	0.00	375.60	N.A.
Gain (loss) on Exchange rate	6.45	1.24	5.21	419.96
Share of loss of Joint Ventures accounted for using the equity method	(0.70)	(1.29)	0.59	(45.79)
Profit before Finance Costs and Income Tax	(343.32)	58.61	(401.93)	(685.72)
Finance Costs	0.32	0.13	0.19	144.52
Profit before Income Tax	(343.64)	58.48	(402.12)	(687.61)
Income Tax	(9.43)	1.25	10.69	(854.55)
Net Profit After Tax	(334.21)	57.23	(391.44)	(683.96)



Breakdown revenue by Business unit (Consolidated Financial Statement)

The company generated total revenue from sales and services amounting to 141.66 million baht, a decrease of 29.97 million baht, or 17.46%, compared to the same period in the previous year.

Revenue by business units	Apr - June				Change	
	2024		2023		Increase /(Decrease	
	THB mm	%	THB mm	%	THB mm	%
1. VFX	48.17	34.0	57.88	33.7	(9.71)	(16.8)
2. Game	43.90	31.0	45.96	26.8	(2.06)	(4.5)
3. Movie / Animation	48.20	34.0	66.52	38.8	(18.32)	(27.5)
Sales and Services	140.27	99.0	170.36	99.3	(30.09)	(17.7)
Other Income	1.40	1.0	1.26	0.7	0.13	10.4
Total Revenue	141.66	100.0	171.62	100.0	(29.96)	(17.5)

Statement of Financial Position ended 30 June 2024

Unit : THB mm	Consolidated Financial		Change	
	Statement		Increase	%
	30 June	31 December		
	2024	2023	/(Decrease)	
Cash and Cash Equivalents	17.06	12.32	4.74	38.49
Financial Assets measured at Fair Value through profit or loss	50.65	55.94	(5.29)	(9.45)
Trade and Other Receivables	14.22	15.05	(0.83)	(5.52)
Contract assets	26.50	270.01	(243.51)	(90.18)
Films under production	128.41	103.12	25.29	24.53
Other Current Assets	9.36	21.1	(11.74)	(55.66)
Leasehold Improvement and Equipment	69.66	67.31	2.35	3.49



Intangible Assets	24.68	85.05	(60.37)	(70.98)
Other Non-current Assets	10.47	22.42	(11.95)	(53.30)
Investment in Joint Ventures	36.04	36.74	(0.70)	(1.89)
Total Assets	387.06	689.06	(302.00)	(43.83)
Trade and Other Payables	64.21	40.32	23.89	59.26
Other Current Liabilities	35.81	18.53	17.28	93.24
Non-current Liabilities	8.25	7.68	0.57	7.47
Total Liabilities	108.28	66.53	41.75	62.75
Total Equity	278.79	622.53	(343.74)	(55.22)
Total Liabilities and Equity	387.06	689.06	(302.00)	(43.83)

The company has total assets amounting to 387.06 million baht as of June 2024, a decrease of 302.00 million baht, or 43.83%, compared to total assets end of 2023. The primary reasons for this reduction include the recognition of expected credit losses on contract assets, losses from the write-off of intangible assets, and an increase in films in progress in line with the advancement of the production process.

The company had total liabilities amounting to 108.28 million baht, an increase of 41.75 million baht, or 62.75%, compared to the previous period. This increase is primarily due to the rise in trade payables and short-term borrowings.

The company had total shareholders' equity amounting to 278.79 million baht, a decrease of 343.74 million baht.

Please be informed accordingly,

Yours Sincerely,

-Tanat Juwiwat-

(Mr. Tanat Juwiwat)

Chief Executive Officer