

YGGDRAZIL GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

Independent Auditor's report

To the shareholders and the Board of Directors of Yggdrazil Group Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Yggdrazil Group Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2024
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Materiality uncertainty related to going concern

I draw attention to Note 3 about going concern. It describes the Group's status regarding net loss from operations and the lack of liquidity which resulted in negative cash flows generated from operating activities. The Group has developed key business schemes to address the liquidity issue and is in the process of following a business operational plan and financial restructuring strategy to ensure that the Group has adequate liquidity, the ability to meet obligations, and the capacity to continue business operations. The continuation of business operations depends upon the success of management's operational plan and other relevant factors, as disclosed in Note 3. These circumstances indicate that there is a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, I have determined the matter: the assessment of impairment of trade receivables and contract assets to be the key audit matter to be communicated in my report.

Key audit matter	How my audit addressed the key audit matter
<p>Assessment of impairment of trade receivables and contract assets</p> <p>Refer to Note 9 Critical accounting estimates and judgements, Note 12 Trade and other receivable, and Note 13.1 Contract assets.</p> <p>As at 31 December 2024, the Group has trade receivables and contract assets in net total of Baht 1.4 million and Baht 7.2 million, respectively. The Company has trade receivables and contract assets in net total of Baht 1.9 million and Baht 8.6 million, respectively.</p> <p>The management assessed the impairment of trade receivables and contract assets by exercising its judgement on assumptions about default risk and expected loss rates and considered selecting the factors used in the impairment calculation, based on the Group's and Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.</p> <p>Based on the impairment test, for the year ended 31 December 2024, the Group recognised expected credit loss on trade receivables and contract assets amounting to Baht 4.2 million and Baht 305.6 Baht, respectively, in consolidated and separate statements of comprehensive income.</p> <p>I focused on auditing the assessment of impairment of trade receivables and contract assets because the impairment assessment involves management's judgement about the assumptions about default risk and expected loss rates and it significantly effects to the financial performance.</p>	<p>My key audit procedures relating to the management's estimation of loss allowances included:</p> <ol style="list-style-type: none">1) Understanding the method over assumptions, and data used to estimate the loss allowances for trade receivables and contract assets.2) Assessing the reasonableness of method, assumptions and the reliability of data used in estimation of such loss allowances.3) Testing calculation of the loss allowances for trade receivables and contract assets. <p>I considered, based on my audit work, management's key assumptions used in assessing the impairment of trade receivables and contract assets were reasonable and consistent with the related supporting documents.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Sinsiri Thangsombat

Certified Public Accountant (Thailand) No. 7352

Bangkok

24 February 2025

Yggdrazil Group Public Company Limited
Statement of Financial Position
As at 31 December 2024

	Notes	Consolidated financial statement		Separate financial statement	
		2024 Baht	2023 Baht	2024 Baht	2023 Baht
Assets					
Current assets					
Cash and cash equivalents	11, 17	18,047,940	12,319,679	12,224,983	11,310,442
Financial assets measured at amortised cost	17	139,423	5,698,536	139,423	5,698,536
Financial assets measured at fair value through profit or loss	8, 17	578,523	5,863,309	578,523	5,863,309
Trade and other receivables	12, 17	2,784,976	15,051,386	3,331,639	60,667,219
Contract assets	13	7,193,672	270,005,303	8,603,672	270,005,303
Character design costs	14	-	5,165,764	-	5,165,764
Films under production	15	34,632,038	103,117,030	-	-
Short-term loans to related parties	16	-	-	41,353,873	59,440,117
Other current assets	17, 18	6,694,626	10,237,504	5,799,439	10,191,478
Total current assets		70,071,198	427,458,511	72,031,552	428,342,168
Non-current assets					
Financial assets measured at fair value through profit or loss	8, 17	25,709,000	50,079,355	24,060,085	24,813,105
Restricted fixed deposits	17	-	4,001,000	-	4,001,000
Investment in joint venture	19	21,553,582	36,743,784	34,428,491	50,000,000
Investments in subsidiaries	20	-	-	7,709,167	31,999,800
Leasehold improvement and equipment	21	35,172,703	67,311,124	34,992,095	66,835,168
Right-of-use assets	22	4,552,852	2,502,427	4,552,852	2,502,427
Intangible assets	23	13,831,547	85,053,195	13,831,547	85,225,397
Deferred tax assets	24	-	6,913,753	-	6,913,753
Other non-current assets	17, 25	1,160,440	8,999,360	1,160,440	8,999,360
Total non-current assets		101,980,124	261,603,998	120,734,677	281,290,010
Total assets		172,051,322	689,062,509	192,766,229	709,632,178

Director _____
(Mr. Tanat Juwivat)

Director _____
(Mr. Saroot Tubloy)

The accompanying notes are an integral part of these financial statements.

Yggdrazil Group Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2024

	Notes	Consolidated		Separate	
		financial statement		financial statement	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings	17, 26	32,992,040	-	33,792,040	-
Trade and other payables	17, 27	49,822,723	40,321,797	57,998,789	44,487,547
Contract liabilities	13	708,874	5,001,075	708,874	5,001,075
Financial derivative liabilities	8, 17	-	257,074	-	257,074
Current portion of lease liabilities	7, 17	1,619,344	2,664,341	1,619,344	2,664,341
Other current liabilities	28	1,653,983	10,605,463	1,343,557	10,551,714
Total current liabilities		86,796,964	58,849,750	95,462,604	62,961,751
Non-current liabilities					
Lease liabilities	7, 17	2,989,760	118,625	2,989,760	118,625
Employee benefit obligations	29	4,465,950	7,561,398	4,383,507	7,414,720
Total non-current liabilities		7,455,710	7,680,023	7,373,267	7,533,345
Total liabilities		94,252,674	66,529,773	102,835,871	70,495,096
Equity					
Share capital	30				
Authorised share capital					
Ordinary shares, 692,000,000 shares of par Baht 0.50 each		346,000,000	346,000,000	346,000,000	346,000,000
Issued and fully paid-up share capital					
Ordinary shares, 601,997,187 shares of paid-up Baht 0.50 each		300,998,594	300,998,594	300,998,594	300,998,594
Premium on paid-up capital		236,245,639	236,245,639	236,245,639	236,245,639
Retained earnings (deficits)					
Appropriated - legal reserve	31	16,800,000	16,800,000	16,800,000	16,800,000
Unappropriated		(479,004,451)	68,879,896	(465,229,894)	84,092,500
Other component of equity		2,758,866	(391,393)	1,116,019	1,000,349
Total equity		77,798,648	622,532,736	89,930,358	639,137,082
Total liabilities and equity		172,051,322	689,062,509	192,766,229	709,632,178

The accompanying notes are an integral part of these financial statements.

Yggdrazil Group Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2024

	Notes	Consolidated financial statement		Separate financial statement	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
Revenue from sales or services		174,943,152	312,581,273	164,137,512	315,237,173
Cost of sales of goods or of services		(141,771,743)	(191,954,558)	(133,607,916)	(192,736,411)
Gross profit		33,171,409	120,626,715	30,529,596	122,500,762
Other income		2,809,555	2,402,423	10,376,937	2,960,223
Selling expenses		(2,586,452)	(6,780,944)	(2,586,452)	(6,780,944)
Administrative expenses		(241,183,454)	(32,832,368)	(173,881,350)	(31,550,339)
Expected credit loss		(314,731,717)	(12,235,789)	(403,864,872)	(12,235,789)
Loss on exchange rate		(592,561)	(3,202,676)	(598,163)	(3,202,676)
Share of profit (loss) of joint venture accounted for using the equity method	19	(15,190,202)	74,296	-	-
Profit (loss) before finance costs and income tax		(538,303,422)	68,051,657	(540,024,304)	71,691,237
Finance costs		(1,103,634)	(241,042)	(1,119,546)	(241,042)
Profit (loss) before income tax		(539,407,056)	67,810,615	(541,143,850)	71,450,195
Income tax (expense) income	33	(8,477,291)	1,663,760	(8,178,544)	1,663,760
Profit (loss) for the year		(547,884,347)	69,474,375	(549,322,394)	73,113,955
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations		(70,183)	(1,183,834)	(134,418)	(1,183,834)
Income tax relating to items that will not be reclassified to profit or loss	24	250,088	236,767	250,088	236,767
Total items that will not be reclassified to profit or loss		179,905	(947,067)	115,670	(947,067)
Items that may be reclassified subsequently to profit or loss					
Currency translation differences		2,970,354	(1,391,742)	-	-
Total items that may be reclassified subsequently to profit or loss		2,970,354	(1,391,742)	-	-
Other comprehensive income (expense) for the year - net of tax		3,150,259	(2,338,809)	115,670	(947,067)
Total comprehensive income (expense) for the year		(544,734,088)	67,135,566	(549,206,724)	72,166,888
Earnings (losses) per share					
Basic earnings (losses) per share	34	(0.91)	0.11	(0.91)	0.12

The accompanying notes are an integral part of these financial statements.

Yggdrazil Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2024

Consolidated financial statement							
Notes	Issued and fully paid-up share capital Baht	Premium on paid-up capital Baht	Legal reserve Baht	Unappropriated retained earnings (deficits) Baht	Other component of equity		Total Baht
					Remeasurement of retirement benefit obligations Baht	Translation of financial statements Baht	
Opening balance at 1 January 2023	300,998,594	236,245,639	14,800,000	41,738,075	1,947,416	-	595,729,724
Changes in equity for the year							
Dividends	35	-	-	(40,332,554)	-	-	(40,332,554)
Legal reserve appropriation	31	-	2,000,000	(2,000,000)	-	-	-
Total comprehensive income for the year		-	-	69,474,375	(947,067)	(1,391,742)	67,135,566
Closing balance at 31 December 2023	<u>300,998,594</u>	<u>236,245,639</u>	<u>16,800,000</u>	<u>68,879,896</u>	<u>1,000,349</u>	<u>(1,391,742)</u>	<u>622,532,736</u>
Opening balance at 1 January 2024	300,998,594	236,245,639	16,800,000	68,879,896	1,000,349	(1,391,742)	622,532,736
Changes in equity for the year							
Total comprehensive expense for the year		-	-	(547,884,347)	179,905	2,970,354	(544,734,088)
Closing balance at 31 December 2024	<u>300,998,594</u>	<u>236,245,639</u>	<u>16,800,000</u>	<u>(479,004,451)</u>	<u>1,180,254</u>	<u>1,578,612</u>	<u>77,798,648</u>

The accompanying notes are an integral part of these financial statements.

Yggdrasil Group Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2024

	Notes	Separate financial statement					Total Baht
		Issued and fully paid-up share capital Baht	Premium on paid-up capital Baht	Legal reserve Baht	Unappropriated retained earnings (deficits) Baht	Other component of equity	
						Remeasurement of retirement benefit obligations Baht	
Opening balance as at 1 January 2023		300,998,594	236,245,639	14,800,000	53,311,099	1,947,416	607,302,748
Changes in equity for the year							
Dividends	35	-	-	-	(40,332,554)	-	(40,332,554)
Legal reserve appropriation	31	-	-	2,000,000	(2,000,000)	-	-
Total comprehensive income for the year		-	-	-	73,113,955	(947,067)	72,166,888
Closing balance at 31 December 2023		<u>300,998,594</u>	<u>236,245,639</u>	<u>16,800,000</u>	<u>84,092,500</u>	<u>1,000,349</u>	<u>639,137,082</u>
Opening balance as at 1 January 2024		300,998,594	236,245,639	16,800,000	84,092,500	1,000,349	639,137,082
Changes in equity for the year							
Total comprehensive expense for the year		-	-	-	(549,322,394)	115,670	(549,206,724)
Closing balance at 31 December 2024		<u>300,998,594</u>	<u>236,245,639</u>	<u>16,800,000</u>	<u>(465,229,894)</u>	<u>1,116,019</u>	<u>89,930,358</u>

The accompanying notes are an integral part of these financial statements.

Yggdrazil Group Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2024

	Notes	Consolidated		Separate	
		financial statement		financial statement	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
(Loss) Profit before income tax		(539,407,056)	67,810,615	(541,143,850)	71,450,195
Adjustments for :					
Depreciation and amortisation	32	29,000,691	24,381,288	28,916,764	24,373,072
Expected of credit loss	32	314,731,717	12,235,789	314,731,717	12,235,789
Unrealised loss on exchange rate		1,403,616	126,980	2,368,938	126,980
Write-off non-creditable withholding tax		-	-	-	-
Employee benefit expense	29	1,384,069	1,171,359	1,384,069	1,024,681
Gain on sales of financial assets	17	(151,824)	-	(151,824)	-
Loss from changes in fair value of financial assets	17	130,342	1,227,746	130,342	1,227,746
(Gain) loss from changes in fair value of derivatives		(257,074)	257,074	(257,074)	257,074
Loss allowance for short-term loans to related parties	32	-	-	89,133,155	-
Impairment loss from investment in subsidiaries	32	-	-	24,290,633	-
Impairment loss from investment in joint venture	32	-	-	15,571,509	-
Impairment loss from film under production	32	83,434,561	-	-	-
Fair value loss on investment in joint production and distribution of animation	17, 32	23,617,335	-	-	-
Impairment loss from fixed assets	21	20,401,000	-	20,401,000	-
Loss (gain) on disposal of equipment		5,253,716	(4,035)	5,430,362	(4,035)
Loss from write-off on intangible assets	32	70,860,175	-	72,080,930	-
Loss from write-off on character design costs	32	3,221,675	-	3,221,675	-
Gain from termination of lease contract		(67,536)	-	(67,536)	-
Share of (profit) loss of joint ventures accounted for using the equity method	19	15,190,202	(74,296)	-	-
Unrealised gain on transaction between the Group and joint venture	19	-	1,874,048	-	-
Loss from changes in fair value of short-term loan to related party		-	-	-	2,985,158
Unrealised gain (loss) from translation of financial statements		2,970,354	(1,391,742)	-	-
Interest income		(355,214)	(1,153,358)	(7,145,274)	(1,651,158)
Interest expense		1,119,546	241,042	1,119,546	241,042
Profit from operations before change in operating assets and liabilities		32,480,295	106,702,510	30,015,082	112,266,544
Decrease (increase) in operating assets :					
Trade and other receivables		7,853,157	1,696,539	52,922,327	(43,919,294)
Contract assets		(42,749,085)	(78,507,684)	(44,253,941)	(78,507,684)
Character design costs	14	1,944,089	4,143,777	1,944,089	4,143,777
Films under production		(14,949,569)	(103,117,030)	-	-
Other current assets		(1,150,383)	(4,338,452)	(301,222)	(4,292,436)
Other non-current assets		66,760	(140,000)	66,760	(140,000)

The accompanying notes are an integral part of these financial statements.

Yggdrasil Group Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2024

	Notes	Consolidated		Separate	
		financial statement		financial statement	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
Increase (decrease) in operating liabilities :					
Trade and other payables		9,500,926	20,497,642	13,511,242	24,778,802
Contract liabilities		(4,292,201)	1,894,249	(4,292,201)	1,894,249
Other current liabilities		(9,071,121)	(1,427,957)	(9,029,051)	(1,481,706)
Cash (used in) generated from operations activities		(20,367,132)	(52,596,406)	40,583,085	14,742,252
Interest received		441,353	1,122,831	441,353	1,119,613
Interest paid		(1,026,264)	(241,042)	(1,026,264)	(241,042)
Employee benefit obligations paid	29	(4,549,700)	(187,000)	(4,549,700)	(187,000)
Income tax paid		(1,640,532)	(1,571,122)	(1,574,445)	(1,571,111)
Net cash (used in) generated from operating activities		(27,142,275)	(53,472,739)	33,874,029	13,862,712
Cash flows from investing activities					
Cash receipt from financial assets		10,906,268	-	10,906,268	-
Cash payment for investment in subsidiaries		-	-	-	(5,999,800)
Cash receipt from restricted fixed deposits		4,001,000	-	4,001,000	-
Cash payment for purchase of equipment		(1,929,692)	(8,671,546)	(1,929,692)	(8,671,546)
Cash payment for purchase of computer software	23	-	(46,549)	-	(46,549)
Cash payment for game under development cost	23	(12,058,447)	(35,640,108)	(13,107,000)	(35,812,310)
Cash payment for loans to related parties	37	-	-	(74,895,861)	(61,924,258)
Cash receipt from loans to related parties	37	-	-	9,700,320	-
Cash payment for purchase of computer and computer software in advance		-	(1,920,000)	-	(1,920,000)
Cash receipt from disposal of equipment		2,128,917	4,377	1,742,987	488,549
Disposal of game under development costs	23	-	7,583,649	-	7,583,649
Net cash generated from (used in) investing activities		3,048,046	(38,690,177)	(63,581,978)	(106,302,265)
Cash flows from financing activities					
Dividend payment	35	-	(40,332,554)	-	(40,332,554)
Proceeds from short-term borrowings	26	76,577,000	-	77,377,000	-
Repayments on short-term borrowings	26	(43,584,960)	-	(43,584,960)	-
Repayments on lease liabilities	22	(3,169,550)	(3,405,205)	(3,169,550)	(3,405,205)
Net cash generated from (used in) financing activities		29,822,490	(43,737,759)	30,622,490	(43,737,759)
Net decrease in cash and cash equivalents		5,728,261	(135,900,675)	914,541	(136,177,312)
Cash and cash equivalents at the beginning of the year		12,319,679	148,220,354	11,310,442	147,487,754
Cash and cash equivalents at the end of the year		18,047,940	12,319,679	12,224,983	11,310,442
Non-cash transactions					
Reclassification from advance payment to computer hardware		7,772,160	13,600,000	7,772,160	13,600,000
Reclassification from game development cost to character design cost	23	-	9,309,541	-	9,309,541
Acquisition of right-of-use assets		9,390,256	963,014	9,390,256	963,014
Contract asset from disposal of game under development cost	23	-	7,583,649	-	7,583,649

The accompanying notes are an integral part of these financial statements.

1 General information

Yggdrazil Group Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

348 Soi Lat Phrao 94 (Panjamitri) Phlapphla, Wang Thong Lang, Bangkok 10310.

The principal business operations of the Company and its subsidiaries (together “the Group”) are rendering services to produce computer graphics for advertisements, music videos and movies and to produce animation including rendering services to produce and sale games.

These consolidated and separate financial statements were authorised for issue by the Board of Directors of the Company on 24 February 2025.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except available-for-sale investments as disclosed in the accounting policies below.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 9.

An English version of the consolidated and separate financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3 Going concern

The Group invested in films under production in the amount of Baht 112.3 million and contract assets and trade receivables on completed projects based on contracts which are not be able to bill to the customers. This resulted in negative cash flow generated from operating activities and net loss. In addition, the Company has total equity which is below 50% of issued and fully paid-up share capital. During year 2024, the Company entered into short-term borrowings from a financial institution for operating working capital and entered into debt restructuring agreement to extend the debt repayment period. The Company has already repaid of full principle and interest expense as disclosed in Note 26 to financial statements. In addition, the Company entered into contracts in order to obtain financial supports from external parties. As at 31 December 2024, the Company has outstanding borrowings from external parties amounting to Baht 29 million (which do not include the credit facilities amount amounting to Baht 19 million), and outstanding bank overdrafts amounting to Baht 4 million. In the current liquidity situation, it shows that there is limitation in seeking the source of funds to meet the short-term borrowing obligations.

The Group has determined key business schemes to address the liquidity issue as below.

- The Group entered into the contract in order to obtain financial supports from external parties as below details.
 - On 12 February 2025, the Group entered into the contract in order to obtain financial supports from external party which loan will be provided to the Group in the form of a short-term borrowing of Baht 10 million, with an interest rate of 6% to 8% per annum and repayment within 12 months from the granting date.
 - On 19 February 2025, the Group entered into the contract in order to obtain financial supports from external party which loan will be provided to the Group in the form of a short-term borrowing of Baht 9 million, with an interest rate of 6% to 8% per annum and repayment within 12 months from the granting date.

On 31 December 2024, the Group has available credit facilities amount of Baht 19 million. The Group enters into the contract when the repayment plan and interest rates align with the terms mutually agreed upon between the Group and the external parties.

- The Group has considered adjusting the business strategy to focus on providing services to customers more than developing intangible assets, as it is expected that providing services to customers is more likely and certain to succeed than developing intangible assets.
- The Group has plan to offer films under production for sale, which is currently under negotiation with business partner, the details of which are disclosed in Notes 15 to the financial statements.
- The Group has plan to bill the current customers which have outstanding balance in account receivables and contract assets in portion which the Group expected to receive faster by determining the follow up plan to be more efficiency.
- The Group considered to determine the payment term identified in contracts regarding to providing services to customers by changing clause from payment term in total after completion of performance obligation per contracts with customers to payment term being consistent with complete satisfaction of a performance obligation per contracts with customers.
- The Group has plan to pay accrued expenses in installment, mainly the employee benefit. As at 31 December 2024, the Company paid the accrued expenses as determined plan.

The Group is under process to follow business operational plan and financial restructuring strategy to provide assurance that the Group has adequate liquidity, ability to meet debt obligation, and ability to continue business operations. The factors regarding the adequate liquidity, ability to meet debt obligation, and ability to continue business operations may depend upon the success management's plan and other related factors which indicate the existence of material uncertainties which may cast significant doubt regarding the Group's ability to meet its financial obligations and continue as a going concern. Therefore, the Group may not be able to sell its assets and repay its liabilities in the normal business course to the amounts recorded in the financial statements. The Group has possibility to not be able to sell the assets and repay liabilities as determined business operational plan. The management assured that the Group is able to continue its operations in the next 12 months after the financial statement date. Therefore, the Group continues to use the going concern basis in preparing financial statements.

4 Significant events during the year

On 28 June 2024, the Company received the resignation letter from the position of Chief Financial Officer from Miss Sirakarn Sudhikiat, effective from 28 June 2024 onwards.

As of 30 June 2024, the Group considered adjusting its business strategy to focus on providing services to customers rather than developing its own intangible assets. For this reason, the Group considered indications of impairment of contract assets which depended on intangible assets and write off on intangible assets which are identified. Therefore, the Group is required to follow procedures for identifying indications and testing for impairment of each such assets and recognised expected credit losses for contract assets and loss from write-off on intangible assets amounting to Baht 305.6 million and Baht 61.3 million, respectively.

As of 30 September 2024, the Group considered discontinuing developing its remaining own game under development cost. Therefore, the Group writes off intangible assets and recognised loss from writes off on intangible assets amounting to Baht 9.6 million.

As of 31 December 2024, the Group recognised expected credit losses for trade receivables amounting to Baht 4.2 million, considered indications of impairment of film under production and recognised the impairment losses for film under production amounting to Baht 83.4 million, and recognised the loss from change in fair value of investment in joint production and distribution of animation project amounting to Baht 23.6 million.

The amounts of allowance for expected credit losses from contract assets and trade receivables, loss from write off intangible assets and impairment losses for film under production represent the impact in the income statement as administrative expenses in full amount.

As the Group has invested in a film production contract with a company incorporated in the United States ("Film Producer") since 2023. On 15 July 2024, the Film Producer entered into film selling agent agreement with the counterparty company incorporated in the United States ("Agent") which appointed as a sale agent with the right to procure distributors and obtain the rights and privileges specified in the contract. The details of which are disclosed in Notes 15 and 37 to financial statements.

5 New and amended financial reporting standards

5.1 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 which are relevant to the Group.

- a) **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

For the new and amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024, the Group had assessed that they do not have significant impact to the Group.

5.2 New and amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2025 which are relevant to the Group.

The following amended TFRSs were not mandatory for the current reporting period and the Group has not early adopted the standards, which management is assessing impacts from the standards.

- a) **Amendments to TAS 1 Presentation of Financial Statements** clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting period (for example, the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the end of reporting period if the entity must only comply with the covenants after the reporting period. However, if the entity must comply with a covenant either before or at the end of reporting period, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting period.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting period. The disclosures include:

- the carrying amount of the liability;
- information about the covenants; and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments also clarify what TAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument.

The amendments must be applied retrospectively in accordance with the normal requirements in TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

6 Accounting policies

6.1 Investment in subsidiaries and joint ventures

In the separate financial statements, investments in subsidiaries and joint ventures are accounted for using cost and equity method, respectively.

In the consolidated financial statements, investments in joint ventures are accounted for using the equity method of accounting.

6.2 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from foreign currency transactions of monetary assets and liabilities are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

(c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income is translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

6.3 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 - 90 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 6.6 (e).

6.4 Character design costs

Character design costs comprise costs directly attributable to character design and production and are stated at the lower of cost or net realisable value and will be amortized as cost of sales of goods or of services in profit or loss when revenue related to the design of such characters is recognised.

6.5 Films under production

Films under production are costs of films under production which will be recognised as cost of films upon the sale or release of the films based on the future consumption used in various channels. Costs of films comprise costs directly attributable to films production and are stated at cost.

6.6 Financial asset

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a part of administrative expense in the statement of comprehensive income.
- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment losses/ reversal of impairment, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Foreign exchange gains and losses are presented in other gains/(losses). Impairment expenses are presented as a part of administrative expense in the statement of comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income/administrative expenses in the period in which it arises.

e) Impairment

The Group assesses on a forward looking basis the expected credit loss associated with its debt instruments carried at amortised cost method. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the TFRS 9 simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables and contract assets.

For other financial assets carried at amortised cost, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss included in administrative expenses.

6.7 Leasehold improvement and equipment

Leasehold improvement and equipment are stated at historical cost less accumulated depreciation.

Depreciation on assets is calculated using the straight-line method to allocate their cost net of their residual values over their estimated useful lives, as follows:

Leasehold improvements	5 - 20 years
Fixtures	5 years
Office equipment	5 years
Computers	5 - 10 years

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other income or expenses.

6.8 Intangible assets

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives within 10 years.

Research and development / Internally generated intangible asset

Research expenditure is recognised as an expense as incurred.

Game development cost is recognised as an asset when the Group can demonstrate all of the following:

- the expenditure attributable to its development can be measured reliably;
- the Group can demonstrate that it is technically, financially, commercially, and resourcefully feasible; and
- the Group intends to and has the ability to complete the development for the purpose of using or selling.

Game development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised game development costs are amortised when the asset is ready to sell over the period of its expected benefit.

6.9 Impairment of assets

Intangible assets not yet available for use are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned is reversed.

6.10 Leases

Leases - where the Group is the lessee

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

6.11 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

6.12 Current and deferred income taxes

Income tax comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their value for tax purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

6.13 Employee benefits

a) Defined contribution plan

The Company pays contributions to a separate fund on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

b) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are charged or credited to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

c) Termination benefits

The Company recognises termination benefits at the earlier of (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

6.14 Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

6.15 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Revenue from sales of goods or services: is recognised when control of a good or service transfers to a customer. For revenue from sales of services, the method for measuring progress towards complete satisfaction of a performance obligation is based on the input method. In addition, the Group measures revenue from non-cash consideration at fair value. If the fair value of the non-cash consideration cannot be reasonably estimated, the Group would measure it indirectly, by reference to the stand-alone selling price of the goods or services promised to the customer in exchange for the consideration.

Revenue from online game service: is recognised when the Group provides service to customers. The amount paid in advance by the customers but had not been purchased items in game is presented as contract liabilities in the statement of financial position.

Revenue from sales of film right and film production: is recognised as a right to use its intellectual property. Revenue is recognised at a point in time with the exception on the recognition of sales-based loyalties which revenue is recognised when the subsequent sales occurred.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities is set off against contract assets.

7 Financial risk management

7.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The management of the Group is responsible for managing the risk and seeks to minimise potential adverse effects on the Group's financial performance.

7.1.1 Market risk

a) Foreign exchange risk

The Group has conducted business with customers in foreign currency so the Group has exposed to the currency risk due to changing in exchange rate from value date until settlement date. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. The Group uses forward contracts, transacted with the financial institutions, to hedge their exposure to foreign currency risk.

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	Consolidated financial statements			
	US Dollar 2024 Baht	Yuan 2024 Baht	US Dollar 2023 Baht	Yuan 2023 Baht
Trade and other receivables	231,790	1,202,345	3,645,948	568,740
Contract assets	1,162,349	-	37,031,296	62,636,525
Trade and other payables	(2,693,239)	-	-	-
Contract liabilities	(708,874)	-	(1,294,106)	-
	Seperate financial statements			
	US Dollar 2024 Baht	Yuan 2024 Baht	US Dollar 2023 Baht	Yuan 2023 Baht
Trade and other receivables	231,790	1,202,345	3,645,948	568,740
Contract assets	1,162,349	-	37,031,296	62,636,525
Short-term loans to related parties	52,698,835	-	59,440,117	-
Contract liabilities	(708,874)	-	(1,294,106)	-

Sensitivity

The following table sets out the analysis of the exposure to assess the impact of a change in the exchange rate of Thai Baht per foreign currency to the net profit and share's holder equity.

	Consolidated financial statements	
	2024 Baht	2023 Baht
+ 1%		
US Dollar	20,080	(393,831)
Yuan	(12,023)	(632,053)
	8,057	(1,025,884)
- 1%		
US Dollar	(20,080)	393,831
Yuan	12,023	632,053
	(8,057)	1,025,884
	Seperate financial statements	
	2024 Baht	2023 Baht
+ 1%		
US Dollar	(533,841)	(988,233)
Yuan	(12,023)	(632,053)
	(545,864)	(1,620,286)
- 1%		
US Dollar	533,841	988,233
Yuan	12,023	632,053
	545,864	1,620,286

b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions and borrowing with floating interest rates which may expose cashflow risk to the Group due to change in interest rate. However, management has considered that interest rate risk is immaterial.

7.1.2 Credit risk

Credit risk arises from risk of outstanding receivables.

a) Risk management

The Group has policies for selecting customers which have the appropriate financial position and reputation in the industry, based on the evidences to support by both quantitative information such as the financial statement and registered capital in combination with qualitative information such as background, and directors of the Group.

The Group has concentration of credit risk for some customers due to that project value reflect on the significant portion of the Group's revenue. Such risk is expected to be gradually diversified in the future as the Group undertakes more project from various customers. The Group has mitigated outstanding receivables risk by ensuring that contracts are reviewed by legal advisor. Moreover, the Group will constantly monitor the progress of project status.

b) Impairment of financial assets

The Group has 5 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Contract assets
- Debt investments carried at amortised cost; and
- Other non-current assets.

While cash and cash equivalents, trade and other receivables, debt instruments measured at amortised cost, restricted fixed deposits and other non-current assets are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables and contract assets

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 1 January 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current information based on expected changes in this information.

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

The loss allowance for trade receivables, disclosed based on their credit terms, is determined as follows:

	Consolidated financial statements					Total Baht
	Current Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	
31 December 2024						
Gross carrying amount - trade receivables	904,508	4,421,493	255,324	25,000	13,412,404	19,018,729
Loss allowance	-	(4,171,385)	-	-	(13,412,404)	(17,583,789)
31 December 2023						
Gross carrying amount - trade receivables	8,157,666	1,400,000		2,864,635	13,412,789	25,835,090
Loss allowance	-	-	-	-	(13,412,789)	(13,412,789)
	Separate financial statements					Total Baht
	Current Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	
31 December 2024						
Gross carrying amount - trade receivables	1,451,171	4,421,493	255,324	25,000	13,412,404	19,565,392
Loss allowance	-	(4,171,385)	-	-	(13,412,404)	(17,583,789)
31 December 2023						
Gross carrying amount - trade receivables	53,775,418	1,400,000	2,864,635	-	13,412,789	71,452,842
Loss allowance	-	-	-	-	(13,412,789)	(13,412,789)

The loss allowance for contract assets, disclosed based on their aging from the transaction date, is determined as follows

	Consolidated financial statements				Total Baht
	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	
31 December 2024					
Gross carrying amount - contract assets	6,912,349	202,088	90,159,139	228,984,036	326,257,612
Loss allowance	-	-	(90,079,904)	(228,984,036)	(319,063,940)
31 December 2023					
Gross carrying amount - contract assets	36,933,249	51,843,865	101,657,544	93,073,869	283,508,527
Loss allowance	-	-	-	(13,503,224)	(13,503,224)

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

	Separate financial statements				Total Baht
	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	
31 December 2024					
Gross carrying amount					
- contract assets	8,322,349	202,088	90,159,139	228,984,036	327,667,612
Loss allowance	-	-	(90,079,904)	(228,984,036)	(319,063,940)
31 December 2023					
Gross carrying amount					
- contract assets	36,933,249	51,843,865	101,657,544	93,073,869	283,508,527
Loss allowance	-	-	-	(13,503,224)	(13,503,224)

As at 31 December 2024, the net contract assets which are not set loss allowance on is expected to be transferred to trade receivables within 6 months.

The loss allowances for trade receivables and contract assets as at 31 December reconcile to the opening loss allowances as follows:

	Consolidated and Separate financial statements			
	Contract assets		Trade receivables	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Opening loss allowance at 1 January	13,503,224	13,503,224	13,412,789	1,177,000
Increase in loss allowance recognised in profit or loss during the year	305,560,716	-	4,171,000	12,235,789
Receivables written off during the year as uncollectible	-	-	-	-
Unused amount reversed	-	-	-	-
Closing loss allowance at 31 December	319,063,940	13,503,224	17,583,789	13,412,789

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

The Group write-off trade receivables and contract assets when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, or a failure to make contractual payments.

Impairment losses on trade receivables and contract assets are presented as a part of administrative expenses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Debt investments

The Group considers that investments measured at amortised cost (except short-term loans to related parties) is considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

Short-term loans to related parties are considered to have significant increase in credit risk, and the loss allowance recognised was estimated based on a life-time expected losses.

The reconciliations of loss allowance for financial assets at amortised cost for the years ended 31 December are as follows:

	Separate financial statements	
	Short-term loans to related parties	
	2024	2023
	Baht	Baht
Loss allowance as at 1 January	-	-
Increase in loss allowance recognised in profit or loss during the year	89,133,155	-
Closing loss allowance as at 31 December	89,133,155	-

Financial asset measured at fair value through profit or loss (FVPL)

The Group is also exposed to credit risk in relation to debt investments that are measured at FVPL. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

7.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Group projects cash flows and maintaining financing plans as mention in Note 3 and 26 to financial statement.

a) Financing arrangements

The Group has undrawn credit facilities as at 31 December as follows:

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
Floating rate		
Expiring within one year		
- Bank overdraft	277,960	4,270,000
Fixed rate		
Expiring within one year		
- Short-term borrowings from others	19,000,000	-
	<u>19,277,960</u>	<u>4,270,000</u>

b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Consolidated financial statements		
	Within 1 year Baht	1 - 5 years Baht	Total Baht
As at 31 December 2024			
Bank overdrafts and short-term borrowings	32,992,040	-	32,992,040
Trade and other payables	49,822,723	-	49,822,723
Lease liabilities	1,619,344	2,989,760	4,609,104
Total financial liabilities	<u>84,434,107</u>	<u>2,989,760</u>	<u>84,434,107</u>
As at 31 December 2023			
Trade and other payables	40,321,797	-	40,321,797
Lease liabilities	2,664,341	118,625	2,782,966
Total financial liabilities	<u>42,986,138</u>	<u>118,625</u>	<u>43,104,763</u>

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

	Separate financial statements		
	Within 1 year Baht	1 - 5 years Baht	Total Baht
As at 31 December 2024			
Bank overdrafts and short-term borrowings	33,792,040		33,792,040
Trade and other payables	57,998,789	-	57,998,789
Lease liabilities	1,619,344	2,989,760	4,609,104
Total financial liabilities	93,410,173	2,989,760	96,399,933
As at 31 December 2023			
Trade and other payables	44,487,547	-	44,487,547
Lease liabilities	2,664,341	118,625	2,782,966
Total financial liabilities	47,151,888	118,625	47,270,513

7.2 Capital management

7.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure and reduce the cost of capital.

The Group monitors capital based on gearing ratio which is determined by dividing net debt with equity.

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Net debt	94,252,674	66,529,773	102,835,871	70,495,096
Equity (including non-controlling interests)	77,798,648	622,532,736	89,930,358	639,137,082
Net debt to equity ratio	1.21	0.11	1.14	0.11

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

8 Fair value

The following table presents fair value of financial assets recognised by their fair value hierarchy.

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Assets								
Financial assets at fair value through profit or loss								
Investment in mutual funds	-	-	578,523	5,863,309	-	-	578,523	5,863,309
Investment in venture capital fund	-	-	-	-	24,060,085	24,813,105	24,060,085	24,813,105
Investment in joint production and distribution of animation project	-	-	-	-	1,648,915	25,266,250	1,648,915	25,266,250
Total assets	-	-	578,523	5,863,309	25,709,000	50,079,355	26,287,523	55,942,664
Liabilities								
Financial derivative liabilities	-	-	-	257,074	-	-	-	257,074
Total liabilities	-	-	-	257,074	-	-	-	257,074
	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Assets								
Financial assets at fair value through profit or loss								
Investment in mutual funds	-	-	578,523	5,863,309	-	-	578,523	5,863,309
Investment in venture capital fund	-	-	-	-	24,060,085	24,813,105	24,060,085	24,813,105
Total assets	-	-	578,523	5,863,309	24,060,085	24,813,105	24,060,085	30,676,414
Liabilities								
Financial derivative liabilities	-	-	-	257,074	-	-	-	257,074
Total liabilities	-	-	-	257,074	-	-	-	257,074

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

Financial assets and financial liabilities are approximately to the carrying amounts as follows:

- Cash and cash equivalent
- Trade and other receivables
- Contract assets
- Short term loans to related parties
- Bank overdrafts and short-term borrowings
- Trade and other payables; and
- Contract liabilities.

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the current bid price / closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, company-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

There were no transfers between levels of fair value hierarchy during the year.

Valuation techniques used to derive Level 2 fair values

Financial assets measured at fair value through profit or loss

Investment units in money market fund are measured at fair value derived from the net asset value of the investment units which was based on the closing price at the end of the reporting period from the Asset Management Company.

Investment in Government Savings Bank's Lottery are measured at cost value which approximate their fair values based on the price which the Company can redeem at the end of the reporting period.

Derivatives

Derivatives comprise forward foreign exchange contracts which have been calculated using rates quoted by the Company's counterparties to terminate the contracts at the end of reporting period.

All of the resulting fair value estimates are included in level 2, except for investment in venture capital fund and Investment in joint production and distribution of animation project.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items

	Consolidated financial statements Baht	Separate financial statements Baht
Opening balance 1 January 2023	51,403,535	26,137,285
Unrealised losses recognised in profit or loss	(1,324,180)	(1,324,180)
Closing balance 31 December 2023	50,079,355	24,813,105
Unrealised losses recognised in profit or loss	(24,370,355)	(753,020)
Closing balance 31 December 2024	25,709,000	24,060,085

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Method	Fair value	
		2024 Baht	2023 Baht
Investment in venture capital fund	Reference price from net asset value	24,060,085	24,813,105
Investment in joint production and distribution of animation project	Reference price from net asset value	1,648,915	25,266,250

As at 31 December 2024, management assessed that the measurement of investment in joint production and distribution derived from net asset value of the investment at the end of the reporting period is appropriate because it reflects the business plan and the maximum benefits expected to be received.

Management reviews the valuation processes and the results at least every year.

9 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Revenue recognition

The Company uses the proportion of the costs incurred comparing to the estimated costs to complete for recognition of revenue. Where there is increase in the proportion of the costs incurred comparing to the estimated costs to complete from management's estimates, the amount of revenue recognised in the period would be increased, or would be decreased if there is decrease the proportion of the costs incurred comparing to the estimated costs to complete.

b) Valuation of movies under production

The Group has recognised the cost of film under production when incurred. When there is an indicator that the estimated remaining net cash flows are not sufficient to recover each film under production cost, the Group will test impairment on such asset and the impairment will be recognised. The estimation of net cash flow is calculated and estimated by management.

c) Useful life of intangible asset

The Group estimates the useful life of game development cost based on the period of its expected benefit.

d) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 23.

e) Determination of discount rate applied to leases

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

f) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

10 Segment information

The Group's chief executive officer examines the Group's performance both from a product and geographic perspective and has identified 3 reportable segments of the Group's business.

The management use a measure of segment's revenue and gross margin to assess the performance of the operating segments. For the game segment, the revenue consists of revenue from services and revenue from sales of good in intangible assets.

Financial information by segment of the Group are as follows:

	Consolidated financial statement			
	31 December 2024			
	Computer graphic Thousand Baht	Games Thousand Baht	Animation Thousand Baht	Total Thousand Baht
Revenue from sales or services	54,788	64,523	55,632	174,943
Cost of sales of goods or of services	(41,672)	(44,810)	(55,290)	(141,772)
Operating result by segment	13,116	19,713	342	33,171
Other income				2,810
Selling expenses				(2,586)
Administrative expenses				(241,183)
Expected credit loss				(314,732)
Loss on exchange rate				(593)
Share of loss of joint ventures accounted for using the equity method				(15,190)
Finance costs				(1,104)
Loss before income tax				(539,407)
Income tax expense				(8,477)
Net loss for the year				(547,884)
Timing of revenue recognition				
At a point in time	-	10,578	-	10,578
Over time	54,788	53,945	55,632	164,365
Revenue from sales or services	54,788	64,523	55,632	174,943

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

Consolidated financial statement				
31 December 2023				
	Computer graphic Thousand Baht	Games Thousand Baht	Animation Thousand Baht	Total Thousand Baht
Revenue from sales or services	108,249	93,653	110,679	312,581
Cost of sales of goods or of services	(52,938)	(65,296)	(73,721)	(191,955)
Operating result by segment	55,311	28,357	36,958	120,626
Other income				2,402
Selling expenses				(6,781)
Administrative expenses				(45,068)
Loss on exchange rate				(3,202)
Share of loss of joint ventures accounted for using the equity method				74
Finance costs				(241)
Profit before income tax				67,810
Income tax expense				1,664
Net profit for the year				69,474
Timing of revenue recognition				
At a point in time	-	19,050	-	19,050
Over time	108,249	74,603	110,679	293,531
Revenue from sales or services	108,249	93,653	110,679	312,581
Separate financial statement				
31 December 2024				
	Computer graphic Thousand Baht	Games Thousand Baht	Animation Thousand Baht	Total Thousand Baht
Revenue from sales or services	54,788	46,558	62,792	164,138
Cost of sales of goods or of services	(41,672)	(36,646)	(55,290)	(133,608)
Operating result by segment	13,116	9,912	7,502	30,530
Other income				10,376
Selling expenses				(2,586)
Administrative expenses				(173,881)
Expected credit loss				(403,865)
Loss on exchange rate				(598)
Finance costs				(1,120)
Loss before income tax				(541,144)
Income tax expense				(7,955)
Net loss for the year				(549,099)
Timing of revenue recognition				
At a point in time	-	10,578	-	10,578
Over time	54,788	35,980	62,792	153,560
Revenue from sales or services	54,788	46,558	62,792	164,138

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

	Separate financial statement			
	31 December 2023			
	Computer graphic Thousand Baht	Games Thousand Baht	Animation Thousand Baht	Total Thousand Baht
Revenue from sales or services	108,993	94,742	111,502	315,237
Cost of sales of goods or of services	(53,157)	(65,616)	(73,963)	(192,736)
Operating result by segment	55,836	29,126	37,539	122,501
Other income				2,960
Selling expenses				(6,781)
Administrative expenses				(43,786)
Loss on exchange rate				(3,203)
Finance costs				(241)
Profit before income tax				71,450
Income tax expense				1,664
Net profit for the year				73,114
Timing of revenue recognition				
At a point in time	-	19,050	-	19,050
Over time	108,993	75,692	111,502	296,187
Revenue from sales or services	108,993	94,742	111,502	315,237

For the year ended 31 December 2024, the Company had revenue from providing services to 3 major customers, which was 59% from total revenue (2023: 45% from total revenue).

Proportion of revenues for the years ended 31 December 2024 and 2023 separate by geographical segments are as follows:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
The People's Republic of China	37	31	39	31
The Republic of Singapore	29	2	31	2
Thai	20	37	16	38
Korea	5	20	5	20
The United States of America	5	5	5	5
Japan	4	4	4	4
Others	0	1	0	0
Total	100	100	100	100

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

11 Cash and cash equivalents

	Consolidated financial statement		Separate financial statement	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Cash on hand	117,466	66,170	65,784	65,206
Deposits held at call with banks	17,786,240	8,917,075	12,014,965	7,908,802
Short-term investment due within three months	144,234	3,336,434	144,234	3,336,434
Cash and cash equivalents	18,047,940	12,319,679	12,224,983	11,310,442

The effective interest rate on short-term bank deposits was 0.15% to 0.55% (2023: 0.15% to 0.55%).

The effective interest rate on short-term investment due within three months was 1.05% (2023: 1.05%).

12 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Trade accounts receivables	19,018,729	25,835,090	19,565,392	71,452,842
<u>Less</u> Loss allowance (Note 7.1.2)	(17,583,789)	(13,412,789)	(17,583,789)	(13,412,789)
Trade accounts receivables, net	1,434,940	12,422,301	1,981,603	58,040,053
Prepaid expenses	1,192,163	2,601,172	1,192,163	2,599,253
Other receivables	157,873	27,913	157,873	27,913
Total	2,784,976	15,051,386	3,331,639	60,667,219

13 Assets and liabilities relating to contracts with customers

13.1 Contract assets

The Group has recognised the following assets related to contracts with customers:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Contract assets	326,257,612	283,508,527	327,667,612	283,508,527
<u>Less</u> Loss allowance (Note 7.1.2)	(319,063,940)	(13,503,224)	(319,063,940)	(13,503,224)
Total contract assets, net	7,193,672	270,005,303	8,603,672	270,005,303

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

As of 31 December 2024, the Group has contract assets in which the projects based on contract are completed but not yet billed to the customers and uncompleted projects amounting to Baht 41.4 million and Baht 284.9 million, respectively. The Company has contract assets in which the projects based on contract are completed but not yet billed to the customers and uncompleted projects amounting to Baht 48.6 million and Baht 279.1 million, respectively (31 December 2023: The Group and the Company has contract assets in which the projects based on contract are completed but not yet billed to the customers and uncompleted projects amounting to Baht 50.0 million and Baht 233.5 million, respectively). The Group considers indications of impairment of contract assets which are identified. Therefore, the Group is required to follow procedures for identifying indications and testing for impairment of each such asset. Regarding to considering of adjust its business strategy, some portion of contract assets was expected to not be able to bill to the customers and not be able to complete the projects based on contracts.

For the year ended 31 December 2024, the Group recognises expected credit losses amounting to Baht 305.6 million (For the year ended 31 December 2023: The Group recognised expected credit losses amounting to Baht 13.5 million).

Expected revenue of incomplete performance obligation

As of 31 December 2024, the Group expects to recognise revenue of incomplete performance obligation (or partially complete) of the contract with the customers amounting to Baht 4.1 million (31 December 2023: Baht 116.7 million) which the Group expected to satisfy performance obligation of the contract within 2025 (31 December 2023: within 2024).

13.2 Contract liabilities

The Group has recognised the following liabilities related to contracts with customers:

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
Contract liabilities	708,874	5,001,075
Total contract liabilities	708,874	5,001,075

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
Revenue recognised that was included in the contract liability balance at the beginning of the period	1,437,333	3,106,826

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

14 Character design costs

The movements of character design costs are as follows:

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
Book value at 1 January	5,165,764	9,309,541
Recognise as cost of sales of goods or of services	(1,944,089)	(4,143,777)
Write off	(3,221,675)	-
Closing amount at 31 December	-	5,165,764

During 2024, the Group considers adjusting its business strategy leading to cancellation of development plan of intangible assets which include character design costs. For the year ended 31 December 2024, the Group recognises loss from write off of character design costs amounting to Baht 3.2 million.

15 Films under production

On 17 July 2023, the Company entered into the film production contract agreement with the counterparty company incorporated in the United States ("Film Producer") for the total investment of USD 3.5 million, and the Company will receive 50 percent of the profit sharing. The Company made the following payments:

- On 21 July 2023, the Company paid in amount of USD 0.35 million or Baht 11.3 million
- On 2 October 2023, the Company paid in amount of USD 0.95 million or Baht 30.3 million
- On 31 October 2023, the Company paid in amount of USD 0.55 million or Baht 17.7 million
- On 3 November 2023, the Company paid in amount of USD 0.55 million or Baht 17.7 million.

On 27 November 2023, the Company transferred rights and obligations to Yggdrazil International Limited (the related company) at cost amounting to Baht 77.0 million with no gain or loss recognize and entered into the licensing agreement with Yggdrazil International Limited (the related company) to grant right to use all Intellectual Property regarding the Licensed game for development and production of an American cinematographic film. The related company agreed to pay at the rate of 10% of net revenue sharing from the distribution of the project.

Yggdrazil International Limited (the related company) has paid the remaining amount based on the contract as follows:

- On 27 November 2023, the Company paid in amount of USD 0.47 million or Bath 15.2 million
- On 13 December 2023, the Company paid in amount of USD 0.16 million or Bath 5.0 million
- On 16 January 2024, the Company paid in amount of USD 0.16 million or Baht 5.0 million
- On 23 February 2024, the Company paid in amount of USD 0.10 million or Baht 3.1 million
- On 8 April 2024, the Company paid in amount of USD 0.11 million or Baht 3.5 million
- On 30 April 2024, the Company paid in amount of USD 0.11 million or Baht 3.5 million.

On 15 July 2024, the Film Producer entered into film selling agent agreement with the counterparty company incorporated in the United States ("Agent") which appointed as a sale agent with the right to procure distributors and obtain the rights and privileges specified in the contract. During 2024, the Film Producer entered into a contract with a total of 5 distributors.

As of 31 December 2024, the Group considers indications that estimation of net cash flow is not sufficient to recover the film under production cost. The management considers the estimation of net cash flow calculated from agreed guarantee regarding to the signed contracts with distributors during 2024 including the estimation which the sale agent expected to proceed sale of film under production in other territories after the period end by not including revenue sharing which is not assessed reliably. The Group recognises impairment losses for film under production amount of USD 2.37 million or Baht 83.4 million. The amounts of impairment loss represent the impact in the income statement as administrative expenses in full amount.

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

16 Short-term loans to related parties

The Company had entered into short-term loan agreements with the subsidiaries. The borrowing is unsecured and carries interest rate of 6.00% to 6.60% per annum (2023: 6% per annum) with requirement on repayment of the principal and all accrued interest at call. As at 31 December 2024, the Company did not issue written notice to call the loan amount together with all accrued interest income.

	Separate financial statements	
	2024	2023
	Baht	Baht
Short-term loan and accrued interest income		
Principle	123,282,089	58,939,100
Accrued interest income	7,204,939	501,017
<u>Less</u> Loss allowance (Note 7.1.2)	(89,133,155)	-
Total short-term loan and accrued interest income	<u>41,353,873</u>	<u>59,440,117</u>

17 Financial assets and financial liabilities

The Group has financial assets and financial liabilities as follows:

	Consolidated financial statements					
	2024			2023		
	FVPL	Amortised	Total	FVPL	Amortised	Total
	Baht	cost	Baht	Baht	cost	Baht
		Baht			Baht	
Financial assets						
Cash and cash equivalents	-	18,047,940	18,047,940	-	12,319,679	12,319,679
Financial assets measured at amortised cost	-	139,423	139,423	-	5,698,536	5,698,536
Financial assets measured at fair value through profit or loss	26,287,523	-	26,287,523	55,942,664	-	55,942,664
Trade and other receivables	-	2,784,976	2,784,976	-	15,051,386	15,051,386
Restricted fixed deposits	-	-	-	-	4,001,000	4,001,000
Other non-current assets	-	1,160,440	1,160,440	-	8,999,360	8,999,360

	Separate financial statements					
	2024			2023		
	FVPL	Amortised	Total	FVPL	Amortised	Total
	Baht	cost	Baht	Baht	cost	Baht
		Baht			Baht	
Financial assets						
Cash and cash equivalents	-	12,224,983	12,224,983	-	11,310,442	11,310,442
Financial assets measured at amortised cost	-	139,423	139,423	-	5,698,536	5,698,536
Financial assets measured at fair value through profit or loss	24,638,608	-	24,638,608	30,676,414	-	30,676,414
Trade and other receivables	-	3,331,639	3,331,639	-	60,667,219	60,667,219
Restricted fixed deposits	-	-	-	-	4,001,000	4,001,000
Other non-current assets	-	1,160,440	1,160,440	-	8,999,360	8,999,360

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

	Consolidated financial statements					
	2024			2023		
	FVPL Baht	Amortised cost Baht	Total Baht	FVPL Baht	Amortised cost Baht	Total Baht
Financial liabilities						
Bank overdrafts and short-term borrowings	-	32,992,040	32,992,040	-	-	-
Trade and other payables	-	49,822,723	49,822,723	-	40,321,797	40,321,797
Lease liabilities	-	4,609,104	4,609,104	-	2,782,966	2,782,966
Financial derivative	-	-	-	257,074	-	257,074

	Separate financial statements					
	2024			2023		
	FVPL Baht	Amortised cost Baht	Total Baht	FVPL Baht	Amortised cost Baht	Total Baht
Financial liabilities						
Bank overdrafts and short-term borrowings	-	33,792,040	33,792,040	-	-	-
Trade and other payables	-	57,998,789	57,998,789	-	44,487,547	44,487,547
Lease liabilities	-	4,609,104	4,609,104	-	2,782,966	2,782,966
Financial derivative	-	-	-	257,074	-	257,074

17.1 Financial assets measured at amortised cost

As of 31 December 2024 and 2023, financial assets measured at amortised cost are fixed deposits with maturity date between 6 months and 1 year. The effective interest rate on fixed deposit was 0.96% to 1.09% per annum (2023: 0.38% to 0.52% per annum).

The movements of the financial assets measured at amortised cost for the year ended are as follows:

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
Book value at 1 January	5,698,536	5,677,160
Withdrawal of fixed deposit	(5,600,000)	-
Interest income	40,887	21,376
Closing amount at 31 December	139,423	5,698,536

17.2 Financial assets measured at fair value through profit or loss

As of 31 December 2024 and 2023, financial assets measured at fair value through profit or loss are investment in money market fund, Investment in joint production, and distribution of animation project.

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Current Assets				
Investment in mutual funds	578,523	5,863,309	578,523	5,863,309
Non-current Assets				
Investment in venture capital fund	24,060,085	24,813,105	24,060,085	24,813,105
Investment in joint production and distribution of animation project	1,648,915	25,266,250	-	-

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

The movements of the financial assets measured at fair value through profit or loss for year are as follows:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Book value at 1 January	55,942,664	57,170,410	30,676,414	31,904,160
Sales of financial assets	(5,154,444)	-	(5,154,444)	-
Change in fair value	(24,500,697)	(1,227,746)	(883,362)	(1,227,746)
Closing amount at 31 December	26,287,523	55,942,664	24,638,608	30,676,414

Amounts recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Gain on sales of financial assets	151,824	-	151,824	-
Fair value gain on investment in mutual funds	11,848	96,434	11,848	96,434
Fair value loss on investment in venture capital fund	(753,020)	(1,324,180)	(753,020)	(1,324,180)
Fair value loss on investment in joint production and distribution of animation project	(23,617,335)	-	-	-

18 Other current assets

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Tax receivable	4,874,497	3,999,600	4,861,657	3,999,600
Deferred input VAT	1,240,290	785,254	612,205	739,246
Withholding tax	483,424	3,451	310,190	3,451
Other current assets	96,415	449,199	15,387	449,181
Deposits	-	5,000,000	-	5,000,000
Total	6,694,626	10,237,504	5,799,439	10,191,478

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

19 Investment in joint venture

19.1 Investment details in joint venture

As at 31 December 2024 and 2023 investment in joint venture are as follows:

Entity name	Country of incorporation	Nature of business	% of ownership interest		Consolidated Financial statements		Separate financial statements	
			2024	2023	Investment at equity method		Investment at cost method	
			%	%	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Joint venture MYGG Company Limited	Thailand	Business of distributing, advertising, publishing and localizing traditional electronic games	50	50	21,553,582	36,743,784	34,428,491	50,000,000
Total					21,553,582	36,743,784	34,428,491	50,000,000

There are no contingent liabilities in respect of the Group's interest in joint ventures.

As of 31 December 2024, the Company has considered that there is indication that the recoverable amount is not exceeds the carrying amount of investment in joint venture. The management considers the recoverable amount from net asset value of investment in joint venture. The expected rate of return on investment is applied for discounting. The Company recognises impairment losses for investment in joint venture amounting to Baht 15.6 million. The amounts of allowance for impairment loss represent the impact in the income statement as administrative expenses in full amount.

19.2 Summarised financial information for joint venture

The table below is summarised of financial information for joint venture. The financial information is included in joint venture own financial statements which has been amended to reflect adjustments necessary for the equity method, including adjusting fair value.

	MYGG Company Limited	
	2024 Baht	2023 Baht
Summarised of performance		
Revenue from services	1,500,000	6,400,000
Other income	242,996	533,486
Cost of services	(5,045,421)	(4,818,267)
Selling and administrative expenses	(27,077,979)	(1,966,628)
(Loss) profit before income tax expense	(30,380,404)	148,591
Income tax expense	-	-
(Loss) profit for the year	(30,380,404)	148,591
Summarised of statement of financial position		
Cash and cash equivalents	40,748,983	45,510,217
Trade and other receivables	10,499,711	9,902,005
Other current assets	3,309,053	3,390,499
Total current assets	54,557,747	58,802,721
Equipment	1,006,241	1,332,794
Intangible assets	15,572,579	41,810,026
Total non-current assets	16,578,820	43,142,820
Trade and other payables	2,271,129	2,700,662
Other current liabilities	8,456	7,493
Total current liabilities	2,279,585	2,708,155
Net assets	68,856,982	99,237,386

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

Reconciliation to carrying amounts:

	MYGG Company Limited	
	2024	2023
	Baht	Baht
Opening carrying amount	36,743,784	38,543,536
Increase in investment	-	-
Share of (loss) gain	(15,190,202)	74,296
Unrealised loss on transaction between the Group and joint venture	-	(1,874,048)
Closing carrying amount	21,553,582	36,743,784

20 Investments in subsidiaries

As at 31 December 2024 and 2023, the subsidiary included in consolidated financial statement is listed below. The subsidiary has only ordinary shares in which the Company directly holds those shares. The proportion of ownership interests held by the Company is equal to voting rights in subsidiaries held by the Company.

Entity name	Nature of business	Country of incorporation	Ownership interest held by the Company		Ownership interests held by non-controlling interests	
			2024 (%)	2023 (%)	2024 (%)	2023 (%)
Subsidiaries						
YGG GLOBAL Company Limited	Computer graphics, animations and visual effects services	Thailand	100	100	-	-
YGG CG Company Limited	Computer graphics, animations and visual effects services	Thailand	100	100	-	-
YGG International Limited	Television programming, entertainment and arts services	United Arab Emirates	100	100	-	-

The movement of the subsidiaries as at 31 December 2024 and 2023 is as follows:

	Separate financial statements	
	2024	2023
	Baht	Baht
Opening amount	31,999,800	26,000,000
Addition of investments in subsidiaries	-	5,999,800
Allowance for impairment loss	(24,290,633)	-
Closing amount	7,709,167	31,999,800

As of 31 December 2024, the Company has considered that there is indication that the recoverable amount is not exceeds the carrying amount of investment in subsidiaries. The management considers the recoverable amount from net asset value of such each subsidiaries. The Company recognises impairment losses for investments in subsidiaries amounting to Baht 24.3 million. The amounts of allowance for impairment loss represent the impact in the income statement as administrative expenses in full amount.

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

21 Leasehold improvement and equipment

	Consolidated financial statements			
	Leasehold improvement Baht	Office equipment Baht	Computers Baht	Total Baht
As at 1 January 2023				
Cost	22,405,423	13,083,758	114,164,998	149,654,179
<u>Less</u> Accumulated depreciation	(11,912,154)	(11,126,546)	(68,187,284)	(91,225,984)
Book amount, net	10,493,269	1,957,212	45,977,714	58,428,195
For the year ended 31 December 2023				
Opening book amount, net	10,493,269	1,957,212	45,977,714	58,428,195
Additions	778,641	1,145,887	20,493,907	22,418,435
Depreciation charges	(1,311,670)	(760,482)	(11,463,012)	(13,535,164)
Disposals, net	-	(206)	(136)	(342)
Closing book amount, net	9,960,240	2,342,411	55,008,473	67,311,124
As at 31 December 2023				
Cost	23,184,064	13,108,229	128,428,913	164,721,206
<u>Less</u> Accumulated depreciation	(13,223,824)	(10,765,818)	(73,420,440)	(97,410,082)
Book amount, net	9,960,240	2,342,411	55,008,473	67,311,124
For the year ended 31 December 2024				
Opening book amount, net	9,960,240	2,342,411	55,008,473	67,311,124
Additions	10,588	721,462	8,969,802	9,701,852
Depreciation charges	(944,790)	(756,320)	(12,167,191)	(13,868,301)
Disposals, net	(5,513,204)	(238,416)	(1,819,352)	(7,570,972)
Impairment loss	-	-	(20,401,000)	(20,401,000)
Closing book amount, net	3,512,834	2,069,137	29,590,732	35,172,703
As at 31 December 2024				
Cost	5,899,855	12,445,890	131,236,883	149,582,628
<u>Less</u> Accumulated depreciation	(2,387,021)	(10,376,753)	(81,245,151)	(94,008,925)
<u>Less</u> Accumulated impairment	-	-	(20,401,000)	(20,401,000)
Book amount, net	3,512,834	2,069,137	29,590,732	35,172,703

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

	Separate financial statements			
	Leasehold improvement Baht	Office equipment Baht	Computers Baht	Total Baht
As at 1 January 2023				
Cost	22,405,423	13,083,758	114,164,998	149,654,179
<u>Less</u> Accumulated depreciation	(11,912,154)	(11,126,546)	(68,187,284)	(91,225,984)
Book amount, net	10,493,269	1,957,212	45,977,714	58,428,195
For the year ended 31 December 2023				
Opening book amount, net	10,493,269	1,957,212	45,977,714	58,428,195
Additions	778,641	1,145,887	20,493,907	22,418,435
Depreciation charges	(1,311,670)	(757,111)	(11,458,167)	(13,526,948)
Disposals, net	-	(198,763)	(285,751)	(484,514)
Closing book amount, net	9,960,240	2,147,225	54,727,703	66,835,168
As at 31 December 2023				
Cost	23,184,064	12,909,672	128,143,298	164,237,034
<u>Less</u> Accumulated depreciation	(13,223,824)	(10,762,447)	(73,415,595)	(97,401,866)
Book amount, net	9,960,240	2,147,225	54,727,703	66,835,168
For the year ended 31 December 2024				
Opening book amount, net	9,960,240	2,147,225	54,727,703	66,835,168
Additions	10,588	721,462	8,969,802	9,701,852
Depreciation charges	(944,790)	(721,968)	(12,117,616)	(13,784,374)
Disposals, net	(5,513,204)	(155,972)	(1,690,375)	(7,359,551)
Impairment loss	-	-	(20,401,000)	(20,401,000)
Closing book amount, net	3,512,834	1,990,747	29,488,514	34,992,095
As at 31 December 2024				
Cost	5,899,855	12,348,585	131,103,597	149,352,037
<u>Less</u> Accumulated depreciation	(2,397,021)	(10,357,838)	(81,214,083)	(93,958,942)
<u>Less</u> Accumulated impairment	-	-	(20,401,000)	(20,401,000)
Book amount, net	3,512,834	1,990,747	29,488,514	34,992,095

22 Right-of-use assets

As at 31 December 2024 and 2023, right-of-use asset balance are as follows:

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
Cost - capitalised finance leases	18,613,137	13,963,866
<u>Less</u> Accumulated depreciation	(14,060,285)	(11,461,439)
Net book amount	4,552,852	2,502,427

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
Depreciation charge of right-of-use assets	2,712,470	3,170,931
Total	2,712,470	3,170,931
Total cash outflow for leases		
Interest paid	180,540	229,195
Repayments on lease liabilities	3,169,550	3,405,205
Total	3,350,090	3,634,400
Expense relating to short-term leases and leases of low-value assets	926,614	860,118

23 Intangible assets

	Consolidated financial statements				Total Baht
	Computer software Baht	Computer software under installation Baht	Game development cost Baht	Game under development cost Baht	
As at 1 January 2023					
Cost	19,888,496	3,376,487	10,335,978	55,590,161	89,191,122
<u>Less</u> Accumulated amortisation	(11,599,551)	-	(3,656,650)	-	(15,256,201)
Book amount, net	8,288,945	3,376,487	6,679,328	55,590,161	73,934,921
For the year ended 31 December 2023					
Opening book amount, net	8,288,945	3,376,487	6,679,328	55,590,161	73,934,921
Addition	46,549	-	-	-	46,549
Capitalised game development cost	-	6,330,721	-	29,309,387	35,640,108
Transfer in (out)	9,707,208	(9,707,208)	42,033,671	(42,033,671)	-
Reclassify to character design costs	-	-	(9,309,541)	-	(9,309,541)
Disposal, net	-	-	-	(7,583,649)	(7,583,649)
Amortisation charges	(1,703,758)	-	(5,971,435)	-	(7,675,193)
Closing book amount, net	16,338,944	-	33,432,023	35,282,228	85,053,195
As at 31 December 2023					
Cost	29,642,253	-	43,060,108	35,282,228	107,984,589
<u>Less</u> Accumulated amortisation	(13,303,309)	-	(9,628,085)	-	(22,931,394)
Book amount, net	16,338,944	-	33,432,023	35,282,228	85,053,195
For the year ended 31 December 2024					
Opening book amount, net	16,338,944	-	33,432,023	35,282,228	85,053,195
Capitalised game development cost	-	-	-	12,058,447	12,058,447
Transfer in (out)	-	-	6,636,121	(6,636,121)	-
Write off	-	-	(30,155,621)	(40,704,554)	(70,860,175)
Amortisation charges	(2,507,397)	-	(9,912,523)	-	(12,419,920)
Closing book amount, net	13,831,547	-	-	-	13,831,547
As at 31 December 2024					
Cost	29,642,253	-	19,540,608	-	49,182,861
<u>Less</u> Accumulated amortisation	(15,810,706)	-	(19,540,608)	-	(35,351,314)
Book amount, net	13,831,547	-	-	-	13,831,547

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

	Separate financial statements				Total Baht
	Computer software Baht	Computer software under installation Baht	Game development cost Baht	Game under development cost Baht	
As at 1 January 2023					
Cost	19,888,496	3,376,487	10,335,978	55,590,161	89,191,122
<u>Less</u> Accumulated amortisation	(11,599,551)	-	(3,656,650)	-	(15,256,201)
Book amount, net	8,288,945	3,376,487	6,679,328	55,590,161	73,934,921
For the year ended 31 December 2023					
Opening book amount, net	8,288,945	3,376,487	6,679,328	55,590,161	73,934,921
Addition	46,549	-	-	-	46,549
Capitalised game development cost	-	6,330,721	-	29,481,589	35,812,310
Transfer in (out)	9,707,208	(9,707,208)	42,033,671	(42,033,671)	-
Reclassify to character design costs	-	-	(9,309,541)	-	(9,309,541)
Disposal, net	-	-	-	(7,583,649)	(7,583,649)
Amortisation charges	(1,703,758)	-	(5,971,435)	-	(7,675,193)
Closing book amount, net	16,338,944	-	33,432,023	35,454,430	85,225,397
As at 31 December 2023					
Cost	29,642,253	-	43,060,108	35,454,430	108,156,791
<u>Less</u> Accumulated amortisation	(13,303,309)	-	(9,628,085)	-	(22,931,394)
Book amount, net	16,338,944	-	33,432,023	35,454,430	85,225,397
For the year ended 31 December 2024					
Opening book amount, net	16,338,944	-	33,432,023	35,454,430	85,225,397
Capitalised game development cost	-	-	-	13,107,000	13,107,000
Transfer in (out)	-	-	6,636,121	(6,636,121)	-
Write off	-	-	(30,155,621)	(41,925,309)	(72,080,930)
Amortisation charges	(2,507,397)	-	(9,912,523)	-	(12,419,920)
Closing book amount, net	13,831,547	-	-	-	13,831,547
As at 31 December 2024					
Cost	29,642,253	-	19,540,608	-	49,182,861
<u>Less</u> Accumulated amortisation	(15,810,706)	-	(19,540,608)	-	(35,351,314)
Book amount, net	13,831,547	-	-	-	13,831,547

During the year 2023, the Company entered into a contract to provide game production services for one customer. This includes designing and developing game characters. The Company has transferred game development costs related to character design in the service agreement to character design costs amount of Baht 9.3 million.

During the year 2024, the Group considers adjusting its business strategy leading to cancellation of development plan of intangible assets. The Group recognises loss from write off of intangible assets amounting to Baht 70.9 million.

24 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
Deferred tax assets	-	6,913,753
Deferred tax liabilities	-	-
Deferred tax assets, net	-	6,913,753

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

The movement of deferred income taxes during the years is as follows:

	Consolidated and separate financial statements						
	Loss allowance Baht	Right-of-use assets and lease liabilities Baht	Employee benefits Baht	Depreciation Baht	Unrealised gain from investments Baht	Derivatives Baht	Total Baht
Deferred tax assets							
As at 1 January 2023	2,936,045	4,242	1,078,641	21,242	9,658	-	4,049,828
Charged (credited) to statement of comprehensive income	2,447,157	(1,857)	167,536	1,396	10,741	2,185	2,627,158
Credited to other comprehensive income	-	-	236,767	-	-	-	236,767
As at 31 December 2023	5,383,202	2,385	1,482,944	22,638	20,399	2,185	6,913,753
As at 1 January 2024	5,383,202	2,385	1,482,944	22,638	20,399	2,185	6,913,753
Charged (credited) to statement of comprehensive income	(5,383,202)	(2,385)	(1,733,032)	(22,638)	(20,399)	(2,185)	(7,163,841)
Credited to other comprehensive income	-	-	250,088	-	-	-	250,088
As at 31 December 2024	-	-	-	-	-	-	-

	Consolidated and separate financial statements		
	Unrealised gain from investment Baht	Derivatives Baht	Total Baht
Deferred tax liabilities			
As at 1 January 2023	-	-	-
(Credited) charged to statement of comprehensive income	-	-	-
As at 31 December 2023	-	-	-
As at 1 January 2024	-	-	-
Charged (credited) to statement of comprehensive income	-	-	-
As at 31 December 2024	-	-	-

25 Other non-current assets

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
Deposits	1,160,440	1,227,200
Advance payment for computer hardware and computer software	-	7,772,160
Total	1,160,440	8,999,360

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

26 Bank overdrafts and short-term borrowings

Movements of borrowings for nine-month period ended 31 December 2024 are as follows:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Bank overdrafts				
Opening net book value	-	-	-	-
Addition	15,577,000	-	15,577,000	-
Repayment	(11,584,960)	-	(11,584,960)	-
Closing net book value	3,992,040	-	3,992,040	-
Short-term borrowings from financial institutions				
Opening net book value	-	-	-	-
Addition	18,000,000	-	18,000,000	-
-Repayment	(18,000,000)	-	(18,000,000)	-
Closing net book value	-	-	-	-
Short-term borrowings from others				
Opening net book value	-	-	-	-
Addition	43,000,000	-	43,000,000	-
Repayment	(14,000,000)	-	(14,000,000)	-
Closing net book value	29,000,000	-	29,000,000	-
Short-term borrowings from related parties				
Opening net book value	-	-	-	-
Addition	-	-	800,000	-
Repayment	-	-	-	-
Closing net book value	-	-	800,000	-
Total bank overdrafts and short-term borrowings	32,992,040	-	33,792,040	-

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

On 2 April 2024, the Company had issued promissory note at the amount of Baht 9.0 million to Export-Import Bank of Thailand. The promissory note is secured with cash deposit of Baht 1.3 million and carries interest rate of 5.75% per annum. The Company is required to repay the principle together with all accrued interest in full since 26 June 2024. Regarding to the uncertainties of current liquidity, on 25 September 2024, the Company entered into debt restructuring agreement to extend the repayment period by repayment in installment as follow.

- Installment 1: The Company already repaid amount of Baht 1.0 million on 27 September 2024
- Installment 2: The Company has obligation to repay amount of Baht 0.3 million by 25 October 2024
- installment 3: The Company has obligation to repay amount of Baht 0.3 million by 25 November 2024
- Installment 4: The Company has obligation to repay amount of Baht 4.3 million by 25 December 2024.

On 28 June 2024 and 30 June 2024, the Company had entered into borrowing agreements with external personnel amounting to Baht 8.0 million in total. The borrowing is unsecured and carries interest rate of 6% per annum counting from 2 July 2024 and 1 August 2024, respectively, until full repayment of both principle and accrued interest. The purpose of borrowing is to support the current working capital. The Company fully repaid only principle because the repayments were completed before specific dates per borrowing agreements which amounts are detailed as Baht 4.0 million on 1 July 2024, Baht 2.0 million on 5 July 2024, Baht 1.0 million on 8 July 2024, and Baht 1.0 million on 10 July 2024. On 16 July 2024, the Company had entered into borrowing agreements with external personnel amounting to Baht 2.5 million. The borrowing is unsecured and carries interest rate of 6% per annum recognised since 5 August 2024 until full repayment of both principle and accrued interest. The purpose of borrowing is to support the current working capital. The Company fully repaid only principle because the repayments were completed before specific dates per borrowing agreements on 31 July 2024.

On 31 July 2024, the Company had entered into borrowing agreements with another external personnel amounting to Baht 3.5 million. The borrowing is unsecured and carries interest rate of 6% per annum recognised since 1 September 2024 until full repayment of both principle and accrued interest. The purpose of borrowing is to support the current working capital. The Company fully repaid only principle because the repayments were completed before specific dates per borrowing on 26 August 2024.

On 31 August 2024 and 30 September 2024, the Company had entered into borrowing agreements with another external personnel amounting to Baht 9.0 million. The borrowing is unsecured and carries interest rate of 6% per annum recognised since 1 October 2024 and 1 January 2025, respectively, until full repayment of both principle and accrued interest. The purpose of borrowing is to support the current working capital. As of the period ended 31 December 2024, the Company has not yet repaid of full principle and accrued interest and recognised such accrued interest as agreements.

On 12 July 2024, the Company had entered into borrowing agreements with related party amounting to Baht 0.8 million. The borrowing is unsecured and carries interest rate of 6% per annum recognised since 1 September 2024 until full repayment of both principle and accrued interest. The purpose of borrowing is to support the current working capital. As of the period ended 31 December 2024, the Company has not yet repaid of full principle and accrued interest and recognised such accrued interest as agreements.

On 27 November 2024 and 25 December 2024, the Company had entered into borrowing agreements with external personnel amounting to Baht 20 million. The borrowing is unsecured and carries interest rate of 8% per annum recognised since 27 December 2024 and 27 January 2025, respectively, until full repayment of both principle and accrued interest. The purpose of borrowing is to support the current working capital. As of the period ended 31 December 2024, the Company has not yet repaid of full principle and accrued interest and recognised such accrued interest as agreements.

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

27 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Accrued expenses	43,738,972	37,437,997	55,093,564	41,603,747
Advance payment from related parties	2,538,059	2,598,611	2,538,059	2,598,611
Trade accounts payables	3,258,919	269,735	64,480	269,735
Other payables	286,773	15,454	302,686	15,454
Total	49,822,723	40,321,797	57,998,789	44,487,547

28 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Deferred output VAT	914,790	9,630,300	914,790	9,630,300
Other current liabilities	739,193	975,163	428,767	921,414
Total	1,653,983	10,605,463	1,343,557	10,551,714

29 Employee benefit obligations

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Post - employee benefits	4,465,950	7,561,398	4,383,507	7,414,720
Employee benefit obligations	4,465,950	7,561,398	4,383,507	7,414,720

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

The movements of the employee benefit obligations for the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Opening amount	7,561,398	5,393,205	7,414,720	5,393,205
Current service cost	1,152,730	994,447	1,152,730	847,769
Interest expense	231,339	176,912	231,339	176,912
	8,945,467	6,564,564	8,798,789	6,417,886
Remeasurements:				
Loss from change in demographic assumptions	-	745,807	-	745,807
Loss (gain) from change in financial assumptions	259,221	154,584	259,221	154,584
Experience loss	(189,038)	283,443	(124,803)	283,443
Benefit payment	(4,549,700)	(187,000)	(4,549,700)	(187,000)
Closing amount	4,465,950	7,561,398	4,383,507	7,414,720

During year 2024, the Group restructured the organisation by reducing the number of permanent employees to outsourcing instead. The Group agreed to provide legal severance pay to the employees amounting to Baht 4.5 million. As at 31 December 2024, the Group has recognised such accrued expense amounting to Baht 1.1 million and classified in financial statement line item trade and other payable. The Group already settled such remaining accrued expense in January 2025.

The expenses recognised into profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Current service cost	1,152,730	994,447	1,152,730	847,769
Interest expense	231,339	176,912	231,339	176,912
Total	1,384,069	1,171,359	1,384,069	1,152,730

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Discount rate	2.45 - 2.91%	3.12 - 3.66%	2.45%	3.12%
Future salary increase rate	2.00 - 5.00%	2.00 - 5.00%	5.00%	5.00%
Staff turnover rate	14.02 - 18.62%	14.02 - 17.91%	18.62%	17.91%
Retirement age	55 years	55 years	55 years	55 years
Mortality rate	105% of 2017 Thai Mortality table	105% of 2017 Thai Mortality table	105% of of 2017 Thai Mortality table	105% of of 2017 Thai Mortality table

Sensitivity analysis for each significant actuarial assumption:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Discount rate				
Increase by 1%	(378,777)	(844,021)	(378,777)	(816,763)
Decrease by 1%	432,712	992,688	432,712	958,179
Salary increase rate				
Increase by 1%	417,250	964,790	417,250	930,032
Decrease by 1%	(373,487)	(838,268)	(373,487)	(810,374)
Turnover rate				
Increase by 20%	(443,293)	(887,769)	(443,293)	(1,090,205)
Decrease by 20%	531,466	1,212,078	531,466	1,414,514
Mortality rate				
Increase by 20%	(35,198)	(74,057)	(35,198)	(74,057)
Decrease by 20%	35,546	74,919	35,546	74,919

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

The weighted average duration of the defined benefit obligation is 12 years (2023: 15 years).

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Between 1 - 2 years	1,103,500	325,317	1,103,500	325,317
Between 2 - 5 years	1,548,172	1,788,195	1,548,172	1,788,195
Over 5 years	10,893,802	52,121,934	10,893,802	35,539,783
Total	13,545,474	54,235,446	13,545,474	37,653,295

30 Share capital and premium on share capital

	Separate financial statements			
	Number of shares Shares	Ordinary shares Baht	Premium on paid-up capital Baht	Total Baht
Opening amount as at 1 January 2023	601,997,187	300,998,594	236,245,639	537,244,233
Proceeds from shares issued - right offering	-	-	-	-
Closing amount as at 31 December 2023	601,997,187	300,998,594	236,245,639	537,244,233
Proceeds from shares issued	-	-	-	-
Closing amount as at 31 December 2024	601,997,187	300,998,594	236,245,639	537,244,233

31 Legal reserve

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
As at 1 January	16,800,000	14,800,000
Appropriation during the year	-	2,000,000
As at 31 December	16,800,000	16,800,000

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5% percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% percent of the registered capital. This reserve is not available for dividend distribution.

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

32 Expenses by nature

The following expenditures, classified by nature, have been charged in arriving at net profit (loss):

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Staff costs	73,708,749	98,324,599	69,415,282	93,930,818
Outsourcing fee	42,168,140	64,137,408	39,551,382	69,408,969
Depreciation and amortisation	29,000,691	24,381,288	28,916,764	24,373,072
Game distribution fee	3,086,156	4,946,832	3,086,156	4,946,832
Expected credit loss	314,731,717	12,235,789	314,731,717	12,235,789
Impairment loss from film under production	83,434,561	-	-	-
Loss allowance for short-term loans to related parties	-	-	89,133,155	-
Impairment loss from Investment in subsidiaries	-	-	24,290,633	-
Impairment loss from Investment in joint venture	-	-	15,571,509	-
Fair value loss on investment in joint production and distribution of animation	23,617,335	-	-	-
Loss from write-off - Intangible assets	70,860,175	-	72,080,930	-
Loss from write-off - Character design	3,221,675	-	3,221,675	-
Loss from disposal fixed assets	5,838,576	-	5,838,576	-
Impairment loss from fixed assets	20,401,000	-	20,401,000	-
Technology costs	8,460,699	10,266,399	8,460,699	10,266,399
Utilities expenses	6,164,334	8,409,834	6,153,378	8,409,834
Sales promotion expenses	2,133,030	3,770,572	2,133,030	3,770,572
Other expenses	13,446,528	17,330,938	10,954,704	15,961,198
Total	700,273,366	243,803,659	713,940,590	243,303,483

33 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Current taxes	1,313,450	963,398	1,014,703	963,398
Deferred taxes Origination and reversal of Temporary differences (Note 24)	7,163,841	(2,627,158)	7,163,841	(2,627,158)
Income expense tax	8,477,291	(1,663,760)	8,178,544	(1,663,760)

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

The tax on the Group's profit (loss) before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Group as follows:

	Consolidated financial statements		Separate financial statements	
	2024 Baht	2023 Baht	2024 Baht	2021 Baht
(Loss) profit before taxes	(539,407,056)	67,810,615	(541,143,850)	71,450,195
Tax calculated at a tax rate of 20%	(107,881,411)	13,562,123	(108,228,770)	14,290,039
Tax effects of:				
Income not subject to tax	(16,968,018)	(59,859,314)	(16,968,018)	(60,715,678)
Income subject for tax purpose	5,566	1,217	5,566	1,217
Expenses not deductible for tax purposes	133,321,154	44,632,214	133,369,766	44,760,662
Income tax expense	8,477,291	(1,663,760)	8,178,544	(1,663,760)

34 Earnings (losses) per share

Basic earnings (losses) per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Profit (loss) attributable to shareholders (Baht)	(547,884,347)	69,474,375	(549,322,394)	73,113,955
Weighted average number of ordinary shares issued during the year (Shares)	601,997,187	601,997,187	601,997,187	601,997,187
Basic earnings (losses) per share (Baht)	(0.91)	0.11	(0.91)	0.12

35 Dividends per share

2023

The Annual General Meeting of Shareholders No.1/2023 on 26 April 2023 approved dividend payment for fiscal year 2022 and its retained earnings of Baht 0.259 per share totalling to Baht 155.9 million and appropriate its retained earnings to legal reserve additionally amounting to Baht 2 million. During the year, the Company has paid interim dividend of Baht 0.192 per share totalling to Baht 115.6 million, so the remaining was Baht 0.067 per share totalling to Baht 40.3 million. The dividends were paid on 22 May 2023.

36 Commitments

Operating lease commitments

As of 31 December 2024, the Group did not enter into a non-cancellable lease agreement for building and equipment which the period is less than 12 months (2023: Baht 720,000).

Capital Commitment

As of 31 December 2024, the Group has capital expenditure contract but has not been recognised in the financial statements amounting to Baht 6,413,935 (2023: Baht 6,459,298).

37 Related party transactions

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationships between the Company and its related parties are summarised below:

Name	Relationship
YGG Global Company Limited	Subsidiary company
YGG CG Company Limited	Subsidiary company
YGG International Limited	Subsidiary company
MYGG Company Limited	Joint venture

The Company's shares are held by Mr. Tanat Juwiwat and Mr. Saroot Tubloy in proportion of 0.40% and 2.72%, respectively (31 December 2023: 41.14% and 13.70%, respectively).

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

The following significant transactions and balances were carried out with related parties:

a) Transactions with related parties

Transactions with related parties are as follows:

	Separate financial statements		Pricing policies
	2024 Baht	2023 Baht	
Revenue from sales and services			
Joint ventures	-	5,311,800	Based on the rate charged to general customers and according to the terms of the contract
Other income			
Subsidiary company	8,845,538	674,099	Based on the rate charged to general customers and according to the terms of the contract
Joint ventures	1,024,375	1,113,857	
Purchase of goods and services			
Subsidiary company	15,833,040	-	Based on the rate charged to general customers and according to the terms of the contract
Joint ventures	1,500,000	6,400,000	

b) Outstanding balances arising from sales and purchases of goods and services

The outstanding balances at the end of the period ended in relation to transactions with related parties are as follows:

	Separate financial statements	
	2024 Baht	2023 Baht
Receivables from:		
Subsidiary company	551,068	45,617,753
Joint ventures	73,366	1,699,436
Total	624,434	47,226,302
Payables to:		
Unbilled invoice from subsidiary company	20,516,950	4,683,910
Advance payment from joint ventures	2,538,059	2,598,611
Unbilled invoice from joint ventures	7,900,000	6,400,000
Total	30,955,009	13,682,521

Yggdrasil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

c) Short-term loans to related parties

The movements of loans to related parties for the year ended 31 December 2024 are as follows:

	Separate financial statement
	2024
	Baht
Opening book value, net	59,440,117
Addition short-term loan during the period	74,895,861
Addition accrued interest income during the period	7,061,251
Unrealised loss on exchange rate	(1,122,100)
Loans repayment received	
Principle	(9,700,320)
Interest income	(87,781)
Loss allowance	(89,133,155)
	<hr/>
Closing book value, net	41,353,873

The loans to related parties were made on commercial terms and conditions. The loans are unsecured and carries interest rate of 6.00% to 6.60% per annum with requirement on repayment of the principal and all accrued interest at call.

c) Short-term borrowings from related party

The movements of loans to related party for the year ended 31 December 2024 are as follows:

	Separate financial statement
	2024
	Baht
Opening book value, net	-
Addition short-term loan during the period	800,000
Addition accrued interest expense during the period	15,913
	<hr/>
Closing book value, net	815,913

The short-term borrowings from related party were made on commercial terms and conditions. The loans are unsecured and carries interest rate of 6.00% per annum with requirement on repayment of the principal and all accrued interest at call.

Yggdrazil Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

e) Key management compensation

Key management compensation for the years are as follows:

	Consolidated and separate financial statements	
	2024 Baht	2023 Baht
Short-term employee benefits	12,720,000	14,120,767
Post-employee benefits	929,619	955,036
Total	13,649,619	15,075,803

38 Promotional privileges

The Company received tax privileges from the Board of Investment for Digital Content of Enterprise software as follows:

The certificate No. 60-0048-1-01-2-0 dated 18 January 2017.

- a) The privileges include the exemption from corporate income tax for the promoted activities for a period of seven years from the promoted activities.
- b) The exemption to not include dividend from the promoted activities to calculate the privileges include the exemption from corporate income tax.

The Company has revenues from promoted and non-promoted activities for the years ended 31 December 2024 and 2023 as follows:

	Separate financial statement		
	2024		
	Promoted revenue Baht	Non-promoted revenue Baht	Total Baht
Revenue from sales or services	84,840,092	79,297,420	164,137,512
Other income	-	10,376,937	10,376,937
Total	84,840,092	89,674,357	174,514,449
	Separate financial statement		
	2023		
	Promoted revenue Baht	Non-promoted revenue Baht	Total Baht
Revenue from sales or services	301,839,593	13,397,580	315,237,173
Other income	-	2,960,223	2,960,223
Total	301,839,593	16,357,803	318,197,396

39 Events occurring after the reporting date

On 6 January 2025, The Board of Directors Meeting of Yggdrazil Group Public Company Limited (the "Company") No. 1/2025 approved to propose to the Extraordinary General Meeting of Shareholders No. 1/2025 to consider and approve significant matters as follows:

- 1) The decrease of Company's registered capital from the original registered capital at Baht 346,000,000 to the new registered capital at Baht 300,998,593.50, which are the shares allocated for
 - Issuance and offering of the newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Rights Offering) in amount of 2 shares
 - Accommodating the exercise of warrants to purchase ordinary shares of the Company No. 1 (YGGW1) in amount of 90,000,000 shares
 - Accommodating the interim stock dividend payment in the amount of 2,811 shares as approved by the Extraordinary General Meeting of Shareholders No.1/2022 which was held on 4 February 2022.
- 2) The issuance and offering of warrants to purchase ordinary shares of the Company No. 2 (YGG-W2) in the amount not exceeding 141,999,532 units to the existing shareholders in proportion to their shareholding (Rights Offering) without offering value at the allocation ratio of 6 existing shares per 1 unit of YGG-W2 Warrants (any fractions shall be rounded down) with the exercise ratio of 1 unit of YGG-W2 Warrants having the right to purchase 1 ordinary share and the exercise price is 3.00 Baht. In addition, the Investor who subscribe the newly issued ordinary shares through the private placement (PP) are entitled to receive the aforementioned YGG-W2 Warrants allocation.
- 3) The increase of Company's registered capital in the amount of Baht 195,999,766.00 from registered capital Baht 300,998,593.50 to new registered capital Baht 496,998,359.50 by issuing in an amount not exceeding 391,999,532 shares newly issued ordinary shares with a par value of Baht 0.50 per share.
- 4) The allocation of newly issued ordinary shares of the Company in the amount of 391,999,532 shares with a par value of Baht 0.50 per share with details as follows:
 - 4.1) Allocation of newly issued ordinary shares in the amount of 250,000,000 shares with a par value of Baht 0.50 per share, to offer through Private Placement, to 6 people.
 - 4.2) Allocation of newly issued ordinary shares in the amount of 141,999,532 shares with a par value of 0.50 Baht per share to accommodate the exercise of warrants to purchase ordinary shares of the Company No. 2 (YGG-W2) allocated to the existing shareholders in proportion to their shareholding (Rights Offering) without offering value.

On 24 January 2025, the Board of Directors' Meeting of the Company No. 2/2025 resolved to approve significant which is approval the change in the allocation of newly issued ordinary shares through private placement from 6 investors to 5 investors by cancelling the allocation of newly issued ordinary shares to Investor No.1 and allocating the newly issued ordinary shares to Investor No.2 instead.

All above will be proposed at the Extraordinary General Meeting of Shareholders No. 1/2025 for the approval on 11 March 2025.