



TRANSLATION

Safari World Public Company Limited

Registration No. B.M.J.0107537000351

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Subject: The Explanation and Analysis Report of the Financial Positions and Result of Business Operations
for 3 months period ending on 30 June 2022

To: Directors and President of The Stock Exchange of Thailand

Safari World Public Company Limited (the “Company”) wishes to notify the explanation and analysis of the Financial Statement for 3-month period ending on 30 June 2022 certified by auditor appointed by the Company’s Board of Director. Detail of the explanation and analysis report of the financial positions and result of business operations are hereof.

Due to the pandemic of Covid-19 since beginning of 2020 has continued for more than 2 years. At this moment, the pandemic situation is beginning to be controllable. The government has relaxed control measurements and has officially open the country border from 1 May 2022 by allow foreign tourist to enter without having RT-PCR test result if such tourist has been fully vaccinated. This result in increasing of Indian and middle east tourists travel into Phuket and Bangkok.

Safari World Park has now operated both zones 6 days per week from May 2022 and increase Phuket Fantasea show to 2 shows per day from July 2022 but still operate only 2 days per week to save cost.



Additionally, construction of Carnival Magic project has been resumed targeting to open within 2022. These developments are in accordance with the government policy bringing more tourist into Thailand, from 1 June 2022 no quarantine is required for fully vaccinated tourist and to show Pro-ATK or RT-PCR 72 hours in advance for tourist who is not fully vaccinated and cancelation of Thailand Pass registration and cancelation of mandatory Covid -19 insurance. The group of companies believe that these implementations of policy will drive the number of tourists especially the second half of 2022.

Safari World Park operation after reopening from 9 October 2021, the revenue from operation has gradually increase which Q1/2022, the revenue is 78.69 million THB from member ticket sale to Thai customer and in Q2/2022, the revenue is 207.44 million THB, increase from last quarter of 128.75 million THB resulting from reopen of the border and increasing of Indian tourists in May 2022 and school semester in June 2022.

Phuket Fantasea has reopened from more than 23 months hiatus and operate from 25 February 2022. During Q1, Phuket Fantasea only open 2 days per weeks since the number of tourists is still small but during Q2, the increasing of tourists to Phuket and Marketing strategy by joining "Thai Teaw Thai" a campaign of Tourism Authority of Thailand selling limited pre-sale ticket for a special price.

The group of companies also expect that the revenue from operation will continuously increase especially when the global pandemic of Covid-19 has been controlled and Thai government is actively promoting tourism.

Summary of Business Operations in Q2/2022 of Safari World and its subsidiaries

In 2nd quarter 2022, Safari World and its subsidiaries has net loss of 73.01 million Baht. Decrease when compared with the same period of the previous year at 181.17 million Baht or 71.28%. Decrease net loss due to Safari World Park can open 6 days per week and Phuket Fantasea park is able to reopen for service for 2 days per week after a 23 month hiatus as significant.

Revenue from operation

The group of companies' total revenue from operation for Q2/2022 was 207.44 million Baht increase from the same period of the previous year at 165.51 million Baht or 394.73%, comprising revenue from ticket sales of 145.77 million Baht, food and beverage sales of 26.59 million Baht and other operating income of 35.08 million Baht, from increasingly tourists especially Indian tourists and new semester of school in Bangkok areas.

Summary of revenue from operation of 2nd Quarter 2022

Revenue from operation for Q2/2022

Unit: Million Baht

Detail	For 3 months				For 6 months			
	2022	2021	QoQ	%	2022	2021	YoY	%
Sale of ticket	145.77	35.87	109.90	306.38	199.57	89.20	110.37	123.73
<i>Safari World Pcl.</i>	113.79	35.87	77.92	217.23	163.20	89.20	74.00	82.96
<i>Phuket Fantasea Pcl.</i>	31.98	-	31.98	-	36.37	-	36.37	-
Sale of food and beverage	26.59	1.53	25.06	1,637.91	34.77	8.49	26.28	309.54
<i>Safari World Pcl.</i>	21.29	1.53	19.76	1,291.50	28.74	8.49	20.25	238.52
<i>Phuket Fantasea Pcl.</i>	5.30	-	5.30	-	6.03	-	6.03	-
Revenue from other operation	35.08	4.53	30.55	674.39	51.78	17.31	34.47	199.13
<i>Safari World Pcl.</i>	29.67	3.95	25.72	651.14	46.71	16.15	30.56	189.23
<i>Phuket Fantasea Pcl.</i>	5.41	0.58	4.83	832.76	5.07	1.16	3.91	337.07
Total Revenue from operation	207.44	41.93	165.51	394.73	286.12	115.00	171.12	148.80

Summary of operation result of 2nd Quarter 2022

Summary of operating results for Q2/2022

Unit: Million Baht

Detail	For 3 months				For 6 months			
	2022	2021	QoQ	%	2022	2021	YoY	%
Revenue from operation	207.44	41.93	165.51	394.73	286.12	115.00	171.12	148.80
<u>Less</u> Cost of sales and services	92.80	43.28	49.52	114.42	158.92	89.70	69.22	77.17
Loss of death animals	5.33	3.50	1.83	52.29	13.06	9.27	3.79	40.88
Depreciation	25.22	4.93	20.29	411.56	48.16	28.38	19.78	69.70
Gross Profit (Loss)	84.09	(9.78)	93.87	(959.82)	65.98	(12.35)	78.33	(634.25)
Expected credit losses	0.42	(11.85)	12.27	(103.54)	0.57	(49.23)	49.80	(101.16)
Gain(loss) on sale and write-off of fixed assets	-	-	-	-	(0.30)	0.95	(1.25)	(131.58)
other income	3.87	7.89	(4.02)	(50.95)	10.36	17.36	(7.00)	(40.32)
<u>Less</u> Selling and Service Expenses	9.92	1.85	8.07	436.22	14.12	6.35	7.77	122.36
Administrative expenses	108.99	147.55	(38.56)	(26.13)	219.11	242.42	(23.31)	(9.62)
Financial cost	46.10	96.88	(50.78)	(52.42)	140.72	187.99	(47.27)	(25.14)
Loss before income tax expenses	(76.63)	(260.02)	183.39	(70.53)	(297.34)	(480.03)	182.69	(38.06)
Income tax benefit	3.62	5.84	(2.22)	(38.01)	5.57	9.26	(3.69)	(39.85)
Net loss	(73.01)	(254.18)	181.17	(71.28)	(291.77)	(470.77)	179.00	(38.02)
Earnings before interest and tax	(30.53)	(163.14)			(156.62)	(292.04)		
Gross Profit margin	40.54	(23.32)			23.06	(10.74)		
Net Profit margin	(35.20)	(606.20)			(101.97)	(409.37)		

Other income

Other income for Q2/2022 totaled 3.87 million Baht, has decreased compared to the same period of the previous year at 4.02 million Baht or 50.95% significantly due to less income from the sale of newborn animals.

Cost of sale and services

Cost of sales and services for Q2/2022 totaled 92.80 million Baht has increased when compared to the same period of the previous year at 49.52 million Baht or 114.42% due to the increase of operation days of Safari World Park and Phuket Fantasea.

Loss on death of animals

Loss from dead animals for Q2/2022 totaled 5.33 million Baht has increased compared to the same period in 2021 at 1.83 million Baht or 52.29% as a result of rapidly change of weather which make animals more vulnerable to sickness and infection. The group of companies has implemented more sophisticated animal care to reduce animal death.

Depreciation

In Q2/2022, the group of companies have depreciation of 25.22 million Baht increased when compared to the same period of year 2021 at 20.29 million Baht or 411.56% significantly due to amortization of depreciation over the useful life of the asset.

Selling and service expenses

Selling and service expenses for Q2/2022 totaled 9.92 million Baht has increased when compared to the same period of year 2021 at 8.07 million Baht or 436.22% significantly due to the reopen of operation.

Administrative expenses

In Q2/2022, the group of companies have administrative expenses of 108.99 million Baht decreased when compared to the same period of year 2021 at 38.56 million Baht or 26.13% significantly from discontinuation of property depreciation as an administrative expense of Phuket Fantasea Plc. And switch back to depreciation since its reopening.

Financial cost

Financial costs for the Q2/2022 totaled 46.10 million Baht, has increased when compared to the same period of year 2021 at 50.78 million Baht or 52.42% significantly due to re-realizing Carnival Magic's financial cost to project cost since the construction has been resumed.

Report and analysis of financial positions

STATEMENT OF FINANCIAL POSITION

	Unit: Million Baht			
Detail	30-Jun-22	31-Dec-21	YoY	%
Asset				
Current asset	141.07	102.30	38.77	37.90
Non - current asset	8,666.13	8,579.91	86.22	1.00
Total asset	8,807.20	8,682.21	124.99	1.44
Liabilities and shareholders's equity				
Current liabilities	4,156.52	3,790.70	365.82	9.65
Non - current liabilities	2,514.84	2,463.90	50.94	2.07
Total liabilities	6,671.36	6,254.60	416.76	6.66
Total Shareholders' Equity	2,135.84	2,427.61	(291.77)	(12.02)
Total Liabilities and shareholders's equity	8,807.20	8,682.21	124.99	1.44
Debt to Equity Ratio	3.12	2.58		
Interest-bearing debt to equity ratio	2.40	2.04		

Assets

As of 30 June 2022, the group of companies has total asset of 8,807.20 million Baht, had increased 124.99 million Baht or 1.44% compare the end of 2021.

Current assets had increased 38.77 million Baht or 37.90% from an increase of cash and cash equivalent amount of 21.79 million Baht or 131.97 and trade accounts receivable and other current receivables amount of 16.79 million Baht or 32.41%.

Non-current assets increased by 86.22 million Baht or 1% due to an increase in property, plant and equipment amounting to 90.80 million Baht or 1.13% from the gradual recognition of work in progress of the

“Carnival Magic Project” as fixed assets. In addition, the advance for the purchase of assets and animals increased by 21.55 million Baht or 90.88% from the purchase of animals (dolphins, nori birds) of Safari World Plc. and property of Carnival Magic.

Liabilities

As of 30 June 2022, the Group had total liabilities of 6,671.36 million Baht, an increase of 416.76 million Baht or 6.66% compared to the end of 2021. This was mainly due to an increase in interest-bearing liabilities used for the construction of the project "Carnival Magic" to be completed to officially open for service within the 3rd quarter of 2022, as well as an increase in trade and other current payables.

As of June 30, 2022, the debt to equity ratio of the Company was 3.12 times and the interest-bearing debt to equity ratio was 2.40 times, which increased compared to the end of 2021, the Company was able to manage its capital structure at an appropriate level amid the epidemic situation of COVID-19.

Shareholders' equity

As of 30 June 2022, the Group had shareholders' equity of 2,135.84 million Baht, a decrease from the end of 2021 by 291.77 million Baht or 12.02% from operations for the first six-month period of 2022 to a net loss of 291.77 million Baht. Non-controlling interests decreased by 1.54 million Baht, mainly from the performance of Safari World Plc. and its subsidiaries have increased losses.

Liquidity

Liquidity of Safari World Plc. and its subsidiaries as of 30 June 2022, had a net increase in cash flow of 21.78 million Baht, with beginning cash and cash equivalents of 16.51 million Baht, resulting in cash and cash equivalents at the end of the period equal to 38.29 million Baht. Details of cash flows for each activity are as follows:

	Unit: Million Baht
	Consolidated
Net cash provided by (used in) operating activities	21.87
Net cash used in investing activities	(88.95)
Net cash provided by financing activities	88.86
Net increase (decrease) in cash and cash equivalents	21.78
Cash and cash equivalents at the beginning of the period	16.51
Cash and cash equivalents at the end of the period	38.29

Net cash flow from operating activities amounted to 21.87 million Baht, which came from loss before income tax of 291.77 million Baht, adjusted by the reconciliation of profit before income tax to cash received (paid) from operating activities which the main item that affects Increased cash flows include depreciation and amortization of 78.73 million Baht, financial costs of 140.72 million Baht, employee benefit expenses of 11.79 million Baht, loss from amortization of fixed assets of 15.55 million Baht, less income tax of 5.57 million Baht and expected credit loss of 2.03 million Baht. The main items that resulted in a decrease in cash flow were adjusted by changes in net operating assets that resulted in a decrease in cash flow of 93.22 million Baht, while cash paid for employee benefit obligations and income tax was 18.77 million Baht.

Net cash flow used in investing activities amounted to 88.95 million Baht due to the purchase of animals, building and equipment totaling 55.82 million Baht, advance payment for the purchase of assets and animals amounting to 27.67 million Baht, cash payment for leasehold rights of 6.06 million Baht, and cash received from the sale of assets and animals in the amount of 0.60 million Baht.

Net cash flow received from financing activities amounted to 88.86 million Baht due to cash received from long-term borrowing from financial institutions amounting to 37.43 million Baht from third parties in the amount of 141.99 million Baht, cash payment for financial costs of 74.72 million Baht, and loan payment of 42.47 million Baht.

Please be informed accordingly.

Sincerely yours,

Apar Kewkacha

(Apar Kewkacha)

President