



## TRANSLATION

Safari World Public Company Limited

Registration No. B.M.J.0107537000351

Ref. No. 021 / 2023

May 15, 2023

Subject An explanation and analysis of the financial status and operational results for the quarter ending March 31, 2023, which is more than 20% vary by the same period last year.

To: Directors and the President  
The Stock Exchange of Thailand

Safari World Public Company Limited (the "Company") would like to report an explanation and analysis of the financial status and operational results of the Company and its subsidiaries for the quarter ending on March 31, 2023, which has changed by more than 20 percent from the same period of the previous year, with significant details as follows:

### Progress situation for Q1/2023 operation and business

Following the situation of the COVID-19 pandemic both locally and globally, control started to be possible around mid-2022 due to an increasing number of people getting vaccinated against COVID-19. The government thus relaxed various measures and officially opened the country on May 1, 2022. This led to an increasing number of foreign tourists, especially from India and the Middle East, as well as ASEAN countries, gradually traveling to Thailand, particularly Bangkok, which remained the city with the highest number of foreign tourist arrivals. This, in turn resulted in an improved operational income for the Safari World group. Specifically, Safari World began to make net profit from its activities since Q3/2022, from an operational income of 254.87 million Baht, and it increased in Q4/2022 by another 34.79% from an operational income of 299.61 million Baht. In Q1/2023, Safari World alone had a total operational income of 295.99 million Baht, down 1.21% from Q4/2022.



due to the fact that there were no long holidays in February 2023 and the end of the high tourist season, combined with fewer service days every month, leading to a decrease in both Thai and foreign tourists. However, this can be considered as a gradual improvement in operational results, in line with the improving direction of the country's tourism business.

However, even in Q1/2023, the number of foreign tourists, who are our main customer group, was still not as high as before the COVID-19 pandemic (in 2019), or about 60-70% of 2019. But one of the reasons that allowed Safari World to quickly return to profitability was the increase in the number of Thai tourists. During the COVID-19 pandemic over the past 2-3 years, the company has renovated and developed a new park by adding various activities, such as animal feeding points, photo spots with animals, to make it more diverse and unique. Furthermore, we have focused on promoting marketing to Thai customer groups, selling annual membership cards to Thais at special prices at the end of 2022, and organizing activities during special holidays, such as co-hosting mini-concerts with famous artists during Children's Day. As a result, 'Safari World' has also become a popular zoo among Thai customer groups.

In addition, the company has continued to implement policies to reduce unnecessary expenses in various areas, which has been practiced throughout the three years of the COVID-19 pandemic. This includes human resources, by reducing the workforce both in the company and its subsidiaries, along with conservation policies, reducing the use of energy from various public utilities. This has resulted in the cost of sales and services, as well as administrative expenses in Q1/2023, not increasing significantly.

For the two subsidiaries, Phuket Fantasea and Carnival Magic, in the first quarter of 2023, services are still offered only three days a week, alternating days of operation. Specifically, Phuket Fantasea operates every Tuesday, Friday, and Sunday, while Carnival Magic operates every Monday, Wednesday, and Saturday. The reason for maintaining service only three days per location is due to the main customer group of the subsidiaries being foreign tourists, who were still not numerous at the beginning of 2023. Therefore, the company group has a policy of cost-saving and expense reduction in operations, to match the still small number of customers that is not enough to return to normal operations. According to the tourism statistics of Phuket in 2022, there were about 4.3 million foreign tourists traveling to Phuket, or approximately 40% of foreign tourists traveling to Phuket before the outbreak of COVID-19 in 2019, which was about 10 million people. However, the number of foreign tourists traveling to Phuket has been gradually increasing each month. If various countries around the world open their borders for free travel, especially the People's Republic of China, it will greatly benefit Phuket to return to normal quickly.

However, the group of company continues to closely monitor the situation in order to adjust the operational plans of the two subsidiaries. In the future, if the number of foreign tourists increases significantly, the group of company will consider increasing the number of daily shows to accommodate the tourists adequately. In the first quarter of 2023, Phuket Fantasea generated a total revenue of 103.30 million Baht, with a loss of 8.32 million Baht. As for Carnival Magic, a new theme park that just opened its business in late 2022, it may not be well known among both Thai and foreign tourists yet, but its revenue has been gradually increasing. In the first quarter of 2023, it generated a revenue of 56.59 million Baht, and incurred a loss of 183.17 million Baht. The main expenses contributing to the loss were depreciation and financial costs.

#### Company and the subsidiaries first quarter of 2023 operation results

The company and its subsidiaries reported a net loss for the first quarter of 2023 of 89.75 million Baht. This consists of the company's profit (from its operations only) of 101.59 million Baht, the loss of Phuket Fantasea of 8.32 million Baht, and the loss of Carnival Magic of 183.17 million Baht. Compared to the first quarter of 2022, which had a net loss of 218.75 million Baht, the net loss decreased by 129 million baht, or a decrease of 58.97%. The main factors are as follows:

#### Summary of operating results for Q1/Y2023

รายการ	Unit: Million Baht							
	Consolidated				Separate			
	1/2023	1/2022	QoQ	%	1/2023	1/2022	QoQ	%
Revenue from operation	455.87	78.69	377.18	479.32	295.99	72.45	223.54	308.54
<i>Less</i> Cost of sales and services	178.90	66.12	112.78	170.57	102.90	58.14	44.76	76.99
Loss of death animals	5.86	7.73	(1.87)	(24.19)	4.77	7.73	(2.96)	(38.29)
Depreciation	60.22	22.94	37.28	162.51	20.25	21.05	(0.80)	(3.80)
Gross Profit (Loss)	210.89	(18.10)	228.99	1,265.14	168.07	(14.47)	182.54	(1,261.51)
Expected credit losses	2.97	0.15	2.82	1,880.00	0.36	0.08	0.28	(350.00)
Gain (loss) on sales and write-off of fixed assets	0.06	(0.75)	0.81	(108.00)	(0.03)	(0.75)	0.72	96.00
other income	1.67	6.94	(5.27)	(75.94)	30.66	27.33	3.33	12.18
<i>Less</i> Distribution costs	26.36	4.19	22.17	529.12	12.49	2.68	9.81	366.04
Administrative expenses	180.70	110.12	70.58	64.09	49.39	33.95	15.44	45.48
Finance costs	99.68	94.63	5.05	5.34	34.50	28.90	5.60	19.38
Profit (loss) before income tax expenses	(91.15)	(220.70)	129.55	58.70	102.68	(53.34)	156.02	(292.50)
Income (expenses) tax benefit	1.40	1.95	(0.55)	(28.21)	(1.09)	0.63	(1.72)	(273.02)
<b>Profit (loss) for the periods</b>	<b>(89.75)</b>	<b>(218.75)</b>	<b>129.00</b>	<b>58.97</b>	<b>101.59</b>	<b>(52.71)</b>	<b>154.30</b>	<b>292.73</b>
Earnings before interest and tax	8.53	(126.07)			137.18	(24.44)		
Gross Profit margin	46.26	(23.00)			56.78	(19.97)		
Net Profit margin	(19.69)	(277.99)			34.32	(72.75)		

## Operating Income

In the first quarter of 2023, the company and its subsidiaries had a total operating income of 455.87 million Baht. This consisted of the company's operating income of 295.99 million Baht, and the subsidiary companies Phuket Fantasea and Carnival Magic contributed 103.30 million Baht and 56.59 million Baht respectively.

Operating income increased from the first quarter of 2022 by 377.18 million Baht, or an increase of 479.32%, due to the fact that in the first quarter of 2023, the company and its subsidiaries had more operating days compared to the first quarter of 2022, which was still affected by the COVID-19 outbreak. This had an impact on the company's operations, resulting in Safari World being open only 3 days a week and Phuket Fantasea being open only 2 days a week. As for Carnival Magic, it had not yet opened for service in the first quarter of 2022, so the operating income was only 78.69 million Baht, mainly from the operations of Safari World.

### Operating income for Q1/2023

Unit: Million Baht				
รายการ	Quarter		QoQ	%
	1/2023	1/2022		
Sale of tickets	294.74	53.80	240.94	447.84
<i>Safari World Pcl.</i>	186.59	49.41	137.18	277.64
<i>Phuket Fantasea Pcl.</i>	67.50	4.39	63.11	1,437.59
<i>Carnival Magic Co.,Ltd.</i>	40.65	-	40.65	-
Sale of food and beverages	76.96	8.18	68.78	840.83
<i>Safari World Pcl.</i>	51.74	7.45	44.29	594.50
<i>Phuket Fantasea Pcl.</i>	16.04	0.73	15.31	2,097.26
<i>Carnival Magic Co.,Ltd.</i>	9.18	-	9.18	-
Sale of animal feeds	20.82	7.43	13.39	180.22
<i>Safari World Pcl.</i>	20.56	7.43	13.13	176.72
<i>Phuket Fantasea Pcl.</i>	0.26	-	0.26	-
<i>Carnival Magic Co.,Ltd.</i>	-	-	-	-
Sale of photograph	17.72	1.87	15.85	847.59
<i>Safari World Pcl.</i>	13.96	1.87	12.09	646.52
<i>Phuket Fantasea Pcl.</i>	3.62	-	3.62	-
<i>Carnival Magic Co.,Ltd.</i>	0.14	-	0.14	-
Other operating	45.63	7.41	38.22	515.79
<i>Safari World Pcl.</i>	23.14	6.29	16.85	267.89
<i>Phuket Fantasea Pcl.</i>	15.87	1.11	14.76	1,329.73
<i>Carnival Magic Co.,Ltd.</i>	6.62	0.01	6.61	66,100.00
<b>Total revenues</b>	<b>455.87</b>	<b>78.69</b>	<b>377.18</b>	<b>479.32</b>

#### Other Income

In the first quarter of 2023, the company and its subsidiaries had other income amounting to 1.67 million Baht, a decrease from the first quarter of 2022 by 5.27 million Baht, or 75.94%. This was mainly due to the fact that in the first quarter of 2022, the company received a 5 million Baht discount on advertising sign rental, which was therefore recorded as other income.

#### Cost of Sales and Services

In the first quarter of 2023, the company and its subsidiaries had sales and service costs amounting to 178.90 million Baht, an increase from the first quarter of 2022 by 112.78 million Baht, or 170.57%. This change corresponds to the increased income from operations due to the reopening of Safari World for regular service 6 days a week, the resumption of service at Phuket Fantasea, and the launch of the new theme park "Carnival Magic".

#### Loss from animals' death

In the first quarter of 2023, the company and its subsidiaries incurred a loss from animal deaths amounting to 5.86 million Baht, a decrease from the first quarter of 2022 by 1.87 million Baht, or 24.19%. This is due to the company group's implementation of more thorough animal care measures, aimed at reducing the number of animal deaths significantly.

#### Depreciation value

In the first quarter of 2023, the company and its subsidiaries had depreciation expenses amounting to 60.22 million Baht, an increase from the first quarter of 2022 by 37.28 million Baht, or 162.51%. This increase resulted from depreciation charges related to the operation of Phuket Fantasea and Carnival Magic, as well as the disposal of depreciation based on the usage life of assets.

#### Cost of Distribution

In the first quarter of 2023, the company and its subsidiaries had distribution costs amounting to 26.36 million Baht, an increase from the first quarter of 2022 by 22.17 million Baht, or 529.12%. The main cause of this increase was the reopening of operations across all three companies in the group, which led to more employees being hired. The increase in labor costs was mainly from the subsidiaries Phuket Fantasea and Carnival Magic.

#### Administrative Expenses

In the first quarter of 2023, the company and its subsidiaries had administrative expenses amounting to 180.70 million Baht, an increase from the first quarter of 2022 by 70.58 million Baht, or 64.09%. The main

reason for this increase was due to the recording of depreciation costs for the two subsidiaries that did not operate, amounting to a total of 52.72 million Baht, because the assets were not in use. Additionally, with the full operation of Safari World, there was an increase in employees being hired, contributing significantly to the administrative costs.

#### Financial cost

In the first quarter of 2023, the company and its subsidiaries incurred financial costs amounting to 99.68 million Baht, an increase from the first quarter of 2022 by 5.05 million Baht, or 5.34%. This is primarily due to the increase in interest-bearing debt.

#### **Safari World and Subsidiaries Financial Analysis Report**

##### Financial Statement

	Unit: Million Baht							
	Consolidated				Individual			
	31 Mar 23	31 Mar 22	YoY	%	31 Mar 23	31 Mar 22	YoY	%
<b>Assets</b>								
Current Assets	154.39	202.82	(48.43)	(23.88)	111.00	413.76	(302.76)	(73.17)
Non-Current Assets	8,744.57	8,785.34	(40.77)	(0.46)	6,360.79	5,967.57	393.22	6.59
<b>Total Assets</b>	<b>8,898.96</b>	<b>8,988.16</b>	<b>(89.20)</b>	<b>(0.99)</b>	<b>6,471.79</b>	<b>6,381.33</b>	<b>90.46</b>	<b>1.42</b>
<b>Liabilities and Equity</b>								
Current Liabilities	2,371.46	2,265.40	106.06	4.68	1,001.55	936.18	65.37	6.98
Non-Current Liabilities	4,754.91	4,855.55	(100.64)	(2.07)	1,760.39	1,832.03	(71.64)	(3.91)
<b>Total Liabilities</b>	<b>7,126.37</b>	<b>7,120.95</b>	<b>5.42</b>	<b>0.08</b>	<b>2,761.94</b>	<b>2,768.21</b>	<b>(6.27)</b>	<b>(0.23)</b>
<b>Total Shareholders' Equity</b>	<b>1,772.59</b>	<b>1,867.21</b>	<b>(94.62)</b>	<b>(5.07)</b>	<b>3,709.85</b>	<b>3,613.12</b>	<b>96.73</b>	<b>2.68</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,898.96</b>	<b>8,988.16</b>	<b>(89.20)</b>	<b>(0.99)</b>	<b>6,471.79</b>	<b>6,381.33</b>	<b>90.46</b>	<b>1.42</b>
Debt to Equity Ratio (time)	4.02	3.81			0.74	0.77		
Interest-bearing debt to equity ratio (time)	3.00	2.86			0.58	0.59		

#### Asset

As of March 31, 2023, the company and its subsidiaries had total assets of 8,898.96 million Baht, a decrease from December 31, 2022, by 89.20 million Baht, or 0.99%. This was primarily due to:

A decrease in current assets by 48.43 million Baht or 23.88%. This was mainly due to a decrease in cash and cash equivalents by 45.64 million Baht or 51.62%, and a decrease in inventory by 3.20 million Baht or 6%. This is due to the resumption of operations by the group, leading to a turnover of cash flow and inventory.

A decrease in non-current assets by 40.77 million Baht or 0.46%. This was primarily due to a

decrease in land, buildings, and equipment by 62.63 million Baht or 0.76%, arising from the depreciation of assets according to their useful life.

#### Liabilities

As of March 31, 2023, the company and its subsidiaries had total liabilities of 7,126.37 million Baht, an increase from December 31, 2022, by 5.42 million Baht or 0.08%. The primary cause was an increase in lease liabilities by 24.92 million Baht or 43.00% because a subsidiary, Phuket Fantasea, leased 40 vehicles for operations.

As of March 31, 2023, the debt-to-equity ratio of the company was 4.02, and the interest-bearing debt-to-equity ratio was 3.00. These figures represent an increase compared to December 31, 2022. Despite the challenges posed by the COVID-19 pandemic, the group has been able to manage its capital structure appropriately.

#### Shareholder's Equity

As of March 31, 2023, the company and its subsidiaries had a total shareholders' equity of 1,772.59 million Baht, a decrease from December 31, 2022, by 94.62 million Baht or 5.07%. From the operations for the first quarter of 2023, there was a net loss of 89.75 million Baht. This included a loss of 2.50 million Baht attributed to non-controlling interests. Primarily, this was due to the company's operations resulting in a profit, but the subsidiaries saw an increased loss due to not operating at full capacity.

#### liquidity

As of the end of the fiscal year on March 31, 2023, the company and its subsidiaries' liquidity situation saw a net decrease in cash flow by 45.64 million baht. With an initial cash and cash equivalents balance of 88.41 million baht, this resulted in an ending cash and cash equivalents balance of 42.77 million baht. The details of the cash flow from each activity are as follows:

	Unit: Million Baht	
	Consolidated	Individual
Net cash flows from operations	76.98	129.48
Net cash flows are used in investing activities	(45.98)	(109.98)
The net cash flow is derived from money-raising activities	(76.64)	(41.65)
Decrease in cash and cash equivalents - net	(45.64)	(22.15)
Cash and cash equivalents at the beginning of the period	<u>88.41</u>	<u>30.82</u>
Cash and cash equivalents at the end of the period	<u>42.77</u>	<u>8.67</u>

Net cash provided by operating activities amounted to 76.98 million Baht, primarily due to a pre-tax loss of 89.75 million Baht. This was offset by cash inflows (outflows) from operating activities, which mainly resulted from depreciation and disposal costs of 119.08 million Baht, financial costs of 99.71 million Baht,

employee benefit expenses of 6.24 million Baht, a reversal of accounting entries of 3.04 million Baht, and income tax expense (benefit) of 1.40 million Baht. However, the main items that resulted in a decrease in cash flow included adjustments due to changes in net operating assets, which resulted in a decrease in cash flow of 84.10 million Baht, while there were cash payments for employee benefit obligations of 5.28 million Baht, and corporate income tax payments of 1.85 million Baht.

Net cash used in investing activities amounted to 45.98 million Baht, mostly due to payments for the purchase of animals, buildings, and equipment, amounting to 54.63 million Baht. This was mainly for the purchase of show animals, such as dolphins, by the company. Cash received from the sale of assets was 8.65 million Baht, mainly from the sale of depreciated vehicles by a subsidiary, Phuket Fantasea.

Net cash provided by financing activities amounted to 76.64 million Baht, largely from cash received from long-term borrowing from financial institutions, amounting to 15.95 million Baht, cash received from loans from individuals and external companies amounting to 10.16 million Baht, cash payments to settle financial costs of 62.43 million Baht, and repayments of borrowings amounting to 40.32 million aht.

Please be informed accordingly.

Sincerely yours,  
Apar Kewkacha  
(Apar Kewkacha)  
President