



Safari World Public Company Limited

Registration No. B.M.J.0107537000351

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Subject An explanation and analysis of the financial status and operational results for the quarter ending June 30, 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 June 30, 2023, which has changed by more than 20 percent from the same period of the previous year, with significant details as follows:

The progress situation of the operation and the characteristics of business operations in Q2/2023

After the COVID-19 pandemic situation in the country and around the world is becoming controllable in 2023, and various countries around the world began to open their borders to allow citizens to travel internationally for tourism. In particular, China has successfully reopened its country on March 15, 2023, after closing its boarder for more than 3 years, allowing Chinese people to travel in and out for international tourism. This will positively impact Thailand's tourism business, particularly the Safari World group. In the past, Chinese tourists were among the top 5 customer groups with the highest number of visits to Thailand.



For the specific overview of the "Safari World" business, the only major company, in the second quarter of 2023, there has been an improvement in performance with increased revenue and a higher number of visitors compared to the first quarter. The main reason for this increase comes from the growth in the number of foreign tourist customers, increasing by about 30% from the first quarter, mainly tourists from India, and the beginning of the arrival of Chinese tourists, although still not in large numbers. Additionally, during April and May 2023, a period with several consecutive long public holidays, Safari World operated as usual, attracting many Thai tourists, resulting in a total operating revenue of 323.85 million baht in the second quarter of 2023, an increase of 27.86 million baht compared to the first quarter of 2023.

For the two subsidiary companies, namely Phuket Fantasea and Carnival Magic, in the second quarter of 2023, they continued to operate only 3 days a week, alternating opening and closing days according to the previous schedule. In the second quarter, the main customer group remained foreign tourists, but the number of those visiting Phuket was not very high. Specifically, from April to May 2023, it entered the Low Season, and the number of tourists coming to Phuket decreased compared to the beginning of 2023. This may be due to the fact that this period of every year is usually the season for Chinese tourists. Even though China started to freely open its borders for travel since March 15, 2023, the number of Chinese tourists traveling to Phuket has remained relatively low. This could be attributed to the relatively high travel costs and the need for advance travel planning. However, in June 2023, there was a gradual increase in the number of foreign tourists traveling to Phuket, but it still affected the second quarter of 2023. As a result, Phuket Fantasea and Carnival Magic had a total operating revenue of 134.50 million Baht, a decrease of 25.39 million Baht compared to the first quarter of 2023.

However, the group of company continues to closely assess the situation to make adjustments to the operational plans of the two subsidiaries. In the future, if the number of foreign tourists increases significantly, the group will consider adding more showtimes per day to accommodate enough tourists. In the second quarter of 2023, Phuket Fantasea had a total operating revenue of 87.62 million Baht, with a loss of 44.86 million Baht. As for Carnival Magic, a new theme park that just opened at the end of 2022, it may not be well-known among both Thai and foreign tourists. The revenue has been gradually increasing, and in the second quarter of 2023, Carnival Magic had an operating revenue of 46.88 million Baht and a loss of 178.28 million Baht. The majority of the expenses that led to the loss were due to depreciation and financial costs.

Although the overall performance of the group of company is starting to show improvement sequentially, with operating revenue increasing every quarter, the primary cause is the rise in revenue from the parent company, Safari World. This is significantly higher than the same period in 2019 (pre-COVID-19), possibly due to a large number of foreign tourists visiting the capital, Bangkok. In the past 2-3 years, Safari World has renovated and improved the park, adding various activities and many more feeding points, leading

to a substantial increase in revenue. However, the company group still maintains a policy of saving and reducing operating expenses, as the two subsidiaries continue to loss. In order to align with the number of customers, which is still not sufficiently high, they will continue to provide services only 3 days as usual. If the number of tourists increases, the company will consider adding showtimes instead, which will help reduce costs more than increasing the operating days. The key factor affecting the subsidiary's revenue is the number of tourists traveling to Phuket Province, which in the first half of the year is still less than half when compared to the same period in 2019 (pre-COVID-19).

The operating results for the Q2/2023 for the company and its subsidiaries

The company and its subsidiaries reported a net loss for the second quarter of 2023 of 113.20 million Baht, consisting of a profit for the company (standalone operation) of 109.33 million Baht, a loss for Phuket Fantasea of 45.85 million Baht, and a loss for Carnival Magic of 178.28 million Baht. This compares to the second quarter of 2022, where there was a net loss of 73.02 million Baht. The net loss increased by 40.18 million Baht, or 55.03 percent, with the main factors as follows;

Summary of operation result in Q2/2023

Unit: million Baht

Item	3 months period		QoQ	%	6 months period		YoY	%
	2/2023	2/2022			2023	2022		
Revenue from operation	458.35	207.44	250.91	120.96	914.22	286.12	628.10	219.52
<u>Less</u> Cost of sale and services	208.15	110.14	98.01	88.99	414.53	197.10	217.43	110.31
Loss from dead animal	4.93	5.33	(0.40)	(7.50)	10.79	13.06	(2.27)	(17.38)
Depreciation	110.28	31.84	78.44	246.36	218.29	56.62	161.67	285.54
Gross profit (loss)	134.99	60.13	74.86	124.50	270.61	19.34	251.27	1,299.22
Expected credit loss	0.48	0.42	0.06	14.29	3.46	0.57	2.89	507.02
Profit (loss) from fixed asset sale	0.86	0.57	0.29	50.88	0.92	(0.18)	1.10	611.11
Other income	7.88	3.30	4.58	138.79	9.55	10.24	(0.69)	(6.74)
<u>Less</u> Cost of sale and service	22.94	9.74	13.20	135.52	48.94	14.34	34.60	241.28
Cost of administration	130.26	85.22	45.04	52.85	236.05	172.24	63.81	37.05
Financial cost	107.46	46.10	61.36	133.10	207.15	140.72	66.43	47.21
Profit (loss) before income tax	(116.45)	(76.64)	(39.81)	(51.94)	(207.60)	(297.33)	(89.73)	(30.18)
Revenue (expense) income tax	3.25	3.62	(0.37)	(10.22)	4.65	5.56	(0.91)	(16.37)
Net Profit (loss)	(113.20)	(73.02)	(40.18)	(55.03)	(202.95)	(291.77)	88.82	30.44
EBIT	(8.99)	(30.54)			(0.45)	(156.61)		
Gross margin	29.45	28.99			29.60	6.76		
Net profit margin	(24.70)	(35.20)			(22.20)	(101.97)		

Operating Income

In the second quarter of 2023, the company and its subsidiaries had a total operating revenue of 458.35 million Baht, consisting of 323.85 million Baht from the company's operations and 87.62 million Baht and 46.88 million Baht from the subsidiaries Phuket Fantasea and Carnival Magic, respectively.

Operating revenue increased by 250.91 million Baht, or 120.96 percent, from the second quarter of 2022. This was due to an increase in foreign tourists in the second quarter of 2023, and the addition of a Carnival Magic venue. For the second quarter of 2022, which was still affected by the COVID-19 pandemic, this impacted the group of company's business operations, leading to Safari World starting regular service from May 2022, and the subsidiary only operating Phuket Fantasea 2 days per week, while Carnival Magic had not yet opened. Therefore, the operating revenue was only 207.44 million Baht, mostly from Safari World's operations.

Revenue From Operation in Q2/2023

Unit : million Baht

Item	3 months period		QoQ	%	6 months period		YoY	%
	2/2023	2/2022			2566	2565		
Sale of tickets	289.08	145.77	143.31	98.31	583.82	199.57	384.25	192.54
<i>Safari World Pcl.</i>	196.62	113.79	82.83	72.79	383.20	163.20	220.00	134.80
<i>Phuket Fantasea Pcl.</i>	58.07	31.98	26.09	81.58	125.57	36.37	89.20	245.26
<i>Carnival Magic Co.,Ltd.</i>	34.39	0.00	34.39	0.00	75.05	0.00	75.05	0.00
Sale of food and beverages	89.35	26.60	62.75	235.90	166.30	34.77	131.53	378.29
<i>Safari World Pcl.</i>	66.66	21.29	45.37	213.10	118.40	28.74	89.66	311.97
<i>Phuket Fantasea Pcl.</i>	15.52	5.31	10.21	192.28	31.56	6.03	25.53	423.38
<i>Carnival Magic Co.,Ltd.</i>	7.17	0.00	7.17	0.00	16.34	0.00	16.34	0.00
Sale of animal feeds	19.75	11.09	8.66	78.09	40.57	18.52	22.05	119.06
<i>Safari World Pcl.</i>	19.54	11.09	8.45	76.19	40.10	18.52	21.58	116.52
<i>Phuket Fantasea Pcl.</i>	0.21	0.00	0.21	0.00	0.47	0.00	0.47	0.00
<i>Carnival Magic Co.,Ltd.</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of photograph	20.25	4.02	16.23	403.73	37.97	5.89	32.08	544.65
<i>Safari World Pcl.</i>	16.78	3.84	12.94	336.98	30.74	5.71	25.03	438.35
<i>Phuket Fantasea Pcl.</i>	3.33	0.18	3.15	1750.00	6.95	0.18	6.77	3761.11
<i>Carnival Magic Co.,Ltd.</i>	0.14	0.00	0.14	0.00	0.28	0.00	0.28	0.00
Other operating	39.92	19.96	19.96	100.00	85.56	27.37	58.19	212.61
<i>Safari World Pcl.</i>	24.25	16.19	8.06	49.78	47.38	22.48	24.90	110.77
<i>Phuket Fantasea Pcl.</i>	10.49	3.77	6.72	178.25	26.38	4.89	21.49	439.47
<i>Carnival Magic Co.,Ltd.</i>	5.18	0.00	5.18	0.00	11.80	0.00	11.80	0.00
Total revenues	458.35	207.44	250.91	120.96	914.22	286.12	628.10	219.52

Other Revenue

In the second quarter of 2023, the company and its subsidiaries had other revenue of 7.88 million Baht, a 4.58 million Baht increase from the second quarter of 2022, or 138.79 percent. This was mainly due to the 2.50 million Baht reduction in billboard rental fees in the second quarter of 2022 that was recorded as other revenue.

Cost of Sales and Services

In the second quarter of 2023, the company and its subsidiaries had the cost of sales and services of 208.15 million Baht, a 98.01 million Baht increase from the second quarter of 2022, or 88.99 percent. This variation corresponds with the increased revenue from operations, the resumption of normal service at Safari World for 6 days per week, the reopening of Phuket Fantasea, and the launch of the new theme park "Carnival Magic."

Loss from Animal Deaths

In the second quarter of 2023, the company and its subsidiaries suffered a loss from animal deaths of 4.93 million Baht, a 0.40 million Baht decrease from the second quarter of 2022, or 7.50 percent. This was mainly due to the group of company's increased measures in closely caring for the animals to reduce the number of deaths.

Depreciation Costs

In the second quarter of 2023, the company and its subsidiaries had depreciation costs of 110.28 million baht, a 78.44 million Baht increase from in the second quarter of 2022, or 246.36 percent. This was mainly due to calculating depreciation from the operation of Phuket Fantasea and Carnival Magic, and the write-off of depreciation according to the lifespan of assets.

Cost of Distribution

In the second quarter of 2023, the company and its subsidiaries had a cost of distribution of 22.94 million Baht, a 13.20 million Baht increase from in the second quarter of 2022, or 135.52 percent. The main reason was the resumption of operations in all three locations of the group of company, leading to more rehiring of employees. This was primarily due to labor hiring at subsidiaries Phuket Fantasea and Carnival Magic.

Administrative Expenses

In the second quarter of 2023, the company and its subsidiaries had administrative expenses of 130.26 million Baht, a 45.04 million Baht increase from in the second quarter of 2022, or 52.85 percent. The

main reason came from the opening of services across all three locations, especially the full-scale operation of "Safari World" and the opening of "Carnival Magic" since late 2022, leading to an increase in management costs. Most of the increase was due to hiring more employees.

Financial Costs

In the second quarter of 2023, the company and its subsidiaries had financial costs of 107.46 million baht, a 61.36 million Baht increase from in the second quarter of 2022, or 133.10 percent. This was mainly due to an increase in interest-bearing debt.

Safari World and Subsidiaries Financial Analysis Report

Financial Statement

Unit: million Baht

Item	Consolidated Financial Statement		YoY	%
	30 Jun 23	31 Dec 22		
Assets				
Current Assets	149.49	202.82	(53.33)	(26.29)
Non-current Assets	8,647.43	8,785.34	(137.91)	(1.57)
Total Assets	8,796.92	8,988.16	(191.24)	(2.13)
Liabilities and Equity				
Current Liabilities	2,376.57	2,265.40	111.17	4.91
Non-current Liabilities	4,760.96	4,855.55	(94.59)	(1.95)
Total Liabilities	7,137.53	7,120.95	16.58	0.23
Total Shareholders' Equity	1,659.39	1,867.21	(207.82)	(11.13)
Total Liabilities and Shareholders' Equity	8,796.92	8,988.16	(191.24)	(2.13)
Debt to Equity Ration (time)	4.30	3.81		
Interest-bearing Debt to Equity Ration (time)	3.23	2.86		

Assets

As of 30 June 2023, the company and its subsidiaries had total assets of 8,796.92 million Baht, a 191.24 million Baht decrease from 31 December 2022, or 2.13%. This was due to:

A decrease in current assets of 53.33 million Baht, or 26.29%, mainly from a decrease in cash and cash equivalents of 57.22 Baht or 65.00%, and a decrease in inventory of 3.49 million Baht or 7.06%, resulting from the resumption of operations by the group of company, leading to the turnover of cash flow and remaining inventory.

Non-current assets decreased by 137.91 million Baht, or 1.57%, mainly due to a decrease in land, buildings, and equipment of 147.17 million Baht or 2%, stemming from depreciation charges based on the useful life of the assets.

Liabilities

As of 30 June 2023, the company and its subsidiaries had total liabilities of 7,137.53 million Baht, a 16.58 million Baht increase from 31 December 2022, or 0.23%. The main reason was an increase in lease liabilities by 14.09 million Baht or 24.00% due to a subsidiary, Phuket Fantasea, leasing 40 vehicles for operations.

As of 30 June 2023, the debt-to-equity ratio of the company was 4.30 times, and the interest-bearing debt-to-equity ratio was 3.23 times, an increase compared to 31 December 2022.

Shareholders' Equity

As of 30 June 2023, the company and its subsidiaries had shareholders' equity amounting to 1,659.39 million Baht, a 207.82 million Baht decrease from 31 December 2022, of or 11.13%, and a net loss for the six-month period of 2023 of 207.82 million Baht. This included a non-controlling interest loss of 0.55 million Baht, mainly due to the company's profitable operations, but the subsidiaries had increased losses due to incomplete service provisioning.

Liquidity

The liquidity of the company and its subsidiaries for the year ending on 30 June 2023, has a net decrease in cash of 57.22 million Baht. This includes the beginning cash and cash equivalents of 88.41 million Baht, resulting in the ending cash and cash equivalents amounting to 31.19 million Baht. The details of cash flow from each activity are as follows:

	Unit: million Baht
	Consolidated
Net cash flows from operations	314.13
Net cash flow used in investing activities	(66.75)
Net cash flow derived from money raising activities	(304.60)
Decrease in cash and cash equivalents - net	(57.22)
Cash and cash equivalents at the beginning of the period	88.41
Cash and cash equivalents at the end of the period	<u>31.19</u>

The net cash flow from operating activities amounted to 314.13 million Baht, derived from a pre-tax loss of 202.96 million Baht. This was adjusted by the items impacting pre-tax profit into cash received (paid) from operating activities. The main items that increased cash flow included depreciation and distribution costs of 228.86 million Baht, financial costs of 207.20 million Baht, employee benefits expenses of 12.49 million Baht, loss from animal death of 10.79 million Baht, reversing accounting entries of 4.28 million Baht, and income (expenses) from income tax of 4.65 million Baht. The main items that reduced cash flow include an adjustment for changes in net operating assets-liabilities, resulting in a cash decrease of 77.71 million Baht. At the same time, cash was paid for employee benefit obligations of 8.30 million Baht, and corporate income tax was paid in the amount of 3.01 million Baht.

The net cash used in investing activities amounted to 66.75 million Baht, mainly due to cash payments for the purchase of animals, buildings, and equipment amounting to 69.21 million Baht. This includes the company's purchase of animals for shows, such as dolphins, cash payments for lease rights of 6.40 million Baht, cash receipts from the sale of assets amounting to 8.65 million Baht, mainly from the sale of deteriorated vehicles used by the subsidiary "Phuket Fantasea," and cash receipts from bank interest of 0.21 million Baht.

The net cash generated in financing activities amounted to 304.60 million Baht, mostly from cash receipts from long-term borrowing from financial institutions, amounting to 18.81 million Baht, cash receipts from loans from individuals and external companies, amounting to 42.07 million Baht, cash receipts from loans from related individuals and companies, amounting to 27.15 million Baht, cash payments for financial capital costs of 217.83 million Baht, cash payments for the settlement of bond debts of 114.71 million Baht, and repayment of loans amounting to 60.09 million Baht.

Please be informed accordingly.

Sincerely yours,
Apar Kewkacha
(Apar Kewkacha)
President