

November 11, 2021

The President & Director,

The Stock Exchange of Thailand (SET)

**LETTER OF CLARIFICATION for CENTEL's Operating Performance Results  
for the 3 months ended September 30, 2021**

Central Plaza Hotel Pcl. (the "Company" or "CENTEL") wishes to inform and clarify to the SET regarding the analysis of the Company's operating performance results for the 3 months, ended September 30, 2021, with the following details:

1. Overview of the tourism industry in Thailand and the Maldives
  2. Analysis of the operating performance of the Company and for each respective Business Group
  3. Financial Status of the Company
  4. Factors that may impact ongoing business operations for 2021
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1. Overview of the tourism industry in Thailand and the Maldives

1.1 The tourism industry in Thailand

The total number of international tourist arrivals in Q3/2021 was 45,398 – compared to number of international tourist arrivals in the same period last year as prohibited international flights to Thailand. For 9M/2021, total international tourist arrivals were 85,845 compared to 6.7 million in the same periods last year, a drop of 99% YoY.

November 1, 2021, Thailand kicked off the country reopening to allow fully vaccinated travellers to Thailand without quarantine from 63 low-risk countries/territories, the travellers must follow the regulations issued by Thailand's Government. For example, they have been in the approved countries/territories for 21 days or more. They also are required a Medical Certificate with an RT-PCR lab result indicating that no COVID-19 is detected within 72 hours before departure.

## 1.2 The tourism industry in the Maldives

The total number of international tourist arrivals in Q3/2021 was 360,313 – compared to 18,993 or an increase of 1,797% YoY. The top three arrivals were Indian, Russian, and German with the contribution of 31%, 13%, and 7% of total arrivals, respectively in Q3/2021.

For 9M/2021, the total arrivals were 870,862 compared to 401,810 in the same period last year, or an increase of 117% YoY. Indian and Russian were major growth drivers at the rate of 468% and 444% YoY with the contribution of 23% and 20% of total arrivals, respectively.

## 2. Analysis of the operating performance of the Company and for each respective Business Group

### 2.1 Analysis of the operating performance

#### Operating Performance for Q3/2021 and Q3/2020

(Amount - in Baht Million)	Q3/2021		Q3/2020		Changes YoY (Increase+/ Decrease-)	
	Amount	%	Amount	%	Amount	%
	Revenues - hotel business	420	17%	475	16%	(55)
Revenues - food business	2,004	83%	2,587	84%	(583)	-23%
<b>Total revenues</b>	<b>2,424</b>	<b>100%</b>	<b>3,062</b>	<b>100%</b>	<b>(638)</b>	<b>-21%</b>
Cost of sales - hotel business	(201)	-8%	(306)	-10%	(105)	-34%
Cost of sales - food business	(850)	-35%	(1,167)	-38%	(317)	-27%
<b>Total cost of sales<sup>(1)</sup></b>	<b>(1,051)</b>	<b>-43%</b>	<b>(1,473)</b>	<b>-48%</b>	<b>(422)</b>	<b>-29%</b>
Selling & General Administrative Expenses	(1,116)	-46%	(1,534)	-50%	(418)	-27%
Share of Loss - Investments (by the equity method)	(17)	-1%	(23)	-1%	(6)	-26%
<b>Earning before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>240</b>	<b>10%</b>	<b>32</b>	<b>1%</b>	<b>208</b>	<b>650%</b>
Depreciation & Amortization	(847)	-35%	(864)	-28%	(17)	-2%
<b>Loss before Interest and Tax (EBIT)</b>	<b>(607)</b>	<b>-25%</b>	<b>(832)</b>	<b>-27%</b>	<b>(225)</b>	<b>-27%</b>
Finance Costs <sup>(2)</sup>	(214)	-9%	(191)	-6%	23	12%
Corporate Tax Income / (Expenses)	(12)	0%	67	2%	(79)	-118%
Loss from Non-Controlling Interests	29	1%	58	2%	(29)	-50%
<b>Net Loss</b>	<b>(804)</b>	<b>-33%</b>	<b>(898)</b>	<b>-29%</b>	<b>94</b>	<b>10%</b>

<sup>(1)</sup> Cost of Sales EXCLUDES Depreciation & Amortization Expenses that are allocated to Cost of Sales

<sup>(2)</sup> Finance costs excluding interest expenses related to the lease according to TFRS 16 are Baht 90 million (Q3/2020: Baht 66 million)

Q3/2021: The Company achieved total revenues of Baht 2,424 million (Q3/2020: Baht 3,062 million) a decrease of Baht 638 million (or a drop of 21% YoY), with the proportion of total revenues between the hotel business and the food business being 17%:83% (Q3/2020: 16%:84%); while Gross Profit was Baht 1,255 million, a decrease of 17% YoY as a result of revenue drop from the impact of the 3<sup>rd</sup> wave of the pandemic in Thailand. However, a Gross Profit Margin improved from 51% of the revenues (excluding other income) in Q3/2020 to 54% in Q3/2021. The Company achieved an Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) of Baht 240 million, (Q3/2020: Baht 32 million), an increase of Baht 208 million (or 650% YoY) from last year. An EBITDA margin of 10% was an increase compared to last year (Q3/2020: 1%) due mainly to more efficiency in cost management for both hotel and food businesses, the recovery of hotels in the Maldives, and a discount of rental fees for food business. The Company had a net loss of Baht 804 million, a loss reduction of Baht 94 million (or 10% YoY).

#### Operating Performance for 9 months 2021 and 2020

(Amount - in Baht Million)	9 months 2021		9 months 2020		Changes YoY (Increase+/- Decrease-)	
	Amount	%	Amount	%	Amount	%
	Revenues - hotel business	1,242	16%	2,410	24%	(1,168)
Revenues - food business	6,645	84%	7,589	76%	(944)	-12%
<b>Total revenues</b>	<b>7,887</b>	<b>100%</b>	<b>9,999</b>	<b>100%</b>	<b>(2,112)</b>	<b>-21%</b>
Cost of sales - hotel business	(605)	-8%	(1,027)	-10%	(422)	-41%
Cost of sales - food business	(2,741)	-35%	(3,292)	-33%	(551)	-17%
<b>Total cost of sales<sup>(1)</sup></b>	<b>(3,346)</b>	<b>-42%</b>	<b>(4,319)</b>	<b>-43%</b>	<b>(973)</b>	<b>-23%</b>
Selling & General Administrative Expenses	(3,475)	-44%	(4,146)	-41%	(671)	-16%
Share of Loss - Investments (by the equity method)	(39)	0%	(10)	0%	(29)	-290%
<b>Earning before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>1,027</b>	<b>13%</b>	<b>1,524</b>	<b>15%</b>	<b>(497)</b>	<b>-33%</b>
Depreciation & Amortization	(2,473)	-31%	(2,571)	-26%	(98)	-4%
<b>Loss before Interest and Tax (EBIT)</b>	<b>(1,446)</b>	<b>-18%</b>	<b>(1,047)</b>	<b>-10%</b>	<b>(399)</b>	<b>-38%</b>
Finance Costs <sup>(2)</sup>	(551)	-7%	(505)	-5%	46	9%
Corporate Tax Income	4	0%	92	1%	(88)	-96%
Loss from Non-Controlling Interests	61	1%	88	1%	(27)	-31%
<b>Net Loss from operation</b>	<b>(1,932)</b>	<b>-24%</b>	<b>(1,372)</b>	<b>-14%</b>	<b>(560)</b>	<b>-41%</b>
<b>Extraordinary Items</b>						
Reversal (Provision) for assets Impairment	45	1%	(36)	0%	81	225%
<b>Net Loss</b>	<b>(1,887)</b>	<b>-24%</b>	<b>(1,408)</b>	<b>-14%</b>	<b>(479)</b>	<b>-34%</b>

<sup>(1)</sup> Cost of Sales EXCLUDES Depreciation & Amortization Expenses that are allocated to Cost of Sales

<sup>(2)</sup> Finance costs excluding interest expenses related to the lease according to TFRS 16 are Baht 232 million (9M/2020: Baht 177 million)

9 months 2021: The Company achieved Total Revenues of Baht 7,887 million (9M/2020: Baht 9,999 million), a decrease of Baht 2,112 million (or a drop of 21% YoY), with the proportion of total revenues between the Hotel Business and the Food Business being 16%:84% (9M/2020: 24%:76%); while Total Gross Profit was Baht 4,202 million, a decrease of Baht 1,215 million or 22% YoY and representing a Gross Profit Margin of 56% of total revenues (excluding other income) that maintained as the same period last year. The Company achieved an EBITDA of Baht 1,027 million (9M/2020: Baht 1,524 million), a decrease of Baht 497 million (or a decrease of 33% YoY) that equaled to an EBITDA Margin of 13% which is a decrease from the same period last year (9M/2020: 15%). The Company had a Net Loss from the operation of Baht 1,932 million, an increased loss of Baht 560 million or 41% YoY. As such, if the extraordinary item relating to the reversal (provision) of assets impairment was included, the Company would then have a Net Loss of Baht 1,887 million, an increased loss of Baht 479 million, or 34% YoY.

## 2.2 Analysis of the Operating Results for each respective Business Group

### 2.2.1 Hotel Business

As of September 30, 2021, the Company had hotels under management in a total of 84 hotels (17,224 rooms); with 45 hotels (8,803 rooms) already in operation together with another 39 hotels (8,421 rooms) still under development. Of the 45 hotels already in operation, 18 hotels (4,443 rooms) are owned and operated by the Company, with the other 27 hotels (4,360 rooms) being operated under the Company's Hotel Management Agreements.

As of September 30, 2021, there was a total of 29 operating hotels with 10 owned hotels and 19 managed hotels. The details are as follows:

Number	Owned hotels	Rooms	Country
1	Centara Grand & Bangkok Convention Centre at CentralWorld	509	Thailand
2	Centara Grand Beach Resort & Villas Hua Hin	251	Thailand
3	Centara Grand Mirage Beach Resort, Pattaya	553	Thailand
4	Centara Grand at Central Plaza Ladprao Bangkok	565	Thailand
5	Centra by Centara Government Complex Hotel & Convention Centre Cheang Watthana	212	Thailand
6	Centara Grand Beach Resort, Phuket	261	Thailand
7	Centara Ras Fushi Resort & Spa Maldives	140	Maldives

8	Centara Grand Island Resort & Spa Maldives	112	Maldives
9	Cosi Pattaya Wong Amat Beach	282	Thailand
10	Centara Villas Phuket	72	Thailand
	<b>Total</b>	<b>2,957</b>	

Number	Managed hotels	Rooms	Country
1	Centara Koh Chang Tropicana Resort	157	Thailand
2	Centara Chuan Talay Resort & Villas Trat	43	Thailand
3	Centara Q Resort Rayong	41	Thailand
4	Khum Phaya Resort and Spa, Centara Boutique Collection	85	Thailand
5	Centara Watgate Pavillion Hotel Bangkok	281	Thailand
6	Centara Hotel & Convention Centre Udon Thani	259	Thailand
7	Centra by Centara Phu Pano Resort Krabi	158	Thailand
8	Centra by Centara Cha Am Beach Resort Hua Hin	188	Thailand
9	Centara Ceysands Resort & Spa Sri Lanka	165	Sri Lanka
10	Centara Muscat Hotel Oman	152	Oman
11	Muscat Dunes Hotel managed by Centara	71	Oman
12	Centara West Bay Hotel & Residences Doha	172	Qatar
13	Centra by Centara Maris Resort Jomtien	282	Thailand
14	Centara Ao Nang Beach Resort & Spa Krabi	179	Thailand
15	Roukh Kiri Khaoyai	12	Thailand
16	Centara Sonrisa Residences & Suites Sriracha	145	Thailand
17	Centara Mirage Resort Mui Ne	984	Vietnam
18	COSI Krabi Ao Nang Beach	142	Thailand
19	Maikhao Dream Villa Resort & Spa, Centara Boutique Collection	22	Thailand
	<b>Total</b>	<b>3,538</b>	

Operations Results - Hotel Business (for owned hotels) Q3/2021

Occupancy Rate (OCC) %	Total Operating Performance		
	Q3/2021	Q3/2020	% Changes YoY
Bangkok	21%	29%	-8% pts.
Upcountry	9%	17%	-8% pts.
Maldives	64%	-	64% pts.
Thailand - Average	13%	21%	-8% pts.
Total - Average	16%	20%	-4% pts.

Average Room Rate - ARR (Baht)	Total Operating Performance		
	Q3/2021	Q3/2020	% Changes YoY
Bangkok	1,215	1,907	-36%
Upcountry	2,009	3,282	-39%
Maldives	9,643	-	NA
Thailand - Average	1,592	2,654	-40%
Total - Average	3,497	2,654	32%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	Q3/2021	Q3/2020	% Changes YoY
Bangkok	258	556	-54%
Upcountry	183	574	-68%
Maldives	6,174	-	NA
Thailand - Average	207	568	-64%
Total - Average	560	533	5%

Note: Calculation based on total available rooms of operating and temporary closing hotels

Operating Performance - Hotel Business Q3/2021

Hotel Business (In Baht Million)	Q3/2021	Q3/2020	% Changes YoY
Revenues - Hotel Business operations	366	429	-15%
Total Revenues (including other income)	420	475	-12%
Gross Profit	165	123	34%
% Gross Profit Margin	45%	29%	16% pts.
EBITDA / (Loss)	(397)	(403)	2%
% EBITDA / (Loss) Margin	(95%)	(85%)	-10% pts.
Net Loss	(786)	(800)	2%
% Net Loss	-187%	-169%	-18% pts.

• Q3/2021:

In Q3/2021, Thailand was hit by the 3<sup>rd</sup> wave of COVID-19, while the Maldives' performance improved due to the lifting of the travel ban from South Asia countries, including India, effective since July 15, 2021. The performance of the Maldives is a main factor of the increase in RevPar by 5% YoY to be at Baht 560. While the Occupancy Rate (OCC) decreased from 20% to 16% in Q3/2021, Average Room Rate (ARR) increased by 32% YoY to Baht 3,497.

- Bangkok: RevPar decreased by 54% to be at Baht 258 as a result of the Occupancy Rate (OCC) decreasing from 29% to 21% and the Average Room Rate (ARR) also declining by 36% YoY to Baht 1,215.
- Upcountry: RevPar decreased by 68% to be at Baht 183 as a result of the Occupancy Rate decreasing from 17% to 9%, and the Average Room Rate (ARR) dropped by 39% YoY to Baht 2,009.
- Maldives: Due to the temporary closure of the hotels in Q3/2020, there is no compared performance YoY. However, in Q3/2021, RevPar presented at Baht 6,174 as a result of the Average Room Rate (ARR) of Baht 9,643 and the Occupancy Rate at 64%.

Although the RevPar increased by 5% YoY, the total revenue of hotel business dropped to Baht 420 million in Q3/2021 or a decrease of Baht 55 million (or 12% YoY) compared to Q3/2020. This was because of a decrease in the hotels' revenue in Thailand particularly Meeting, Incentives, Conference and Exhibitions (MICE) revenues from the three hotels in Bangkok with high MICE's

revenue contribution, which are Centara Grand & Bangkok Convention Centre at CentralWorld, Centara Grand at Central Plaza Ladprao Bangkok, and Centra by Centara Government Complex Hotel & Convention Centre Cheang Watthana and temporary closure of Centara Grand Mirage Beach Resort, Pattaya from August 1, 2021 – September 10, 2021.

In Q3/2021, Gross Profit was Baht 165 million (Q3/2020: Baht 123 million), an increase of 34% YoY. The Gross Profit margin was 45% of the hotel's revenue (Q3/2020: 29%). An improvement of Gross Profit margin YoY as a result of cost control efficiency and the recovery of two hotels in the Maldives. The company had an EBITDA loss of Baht 397 million (Q3/2020: EBITDA Loss of Baht 403 million), a decreased loss of Baht 6 million. A Loss before Interest, Tax, Depreciation, and Amortization margin (%EBITDA margin) was -95% (Q3/2020: -85%). However, a drop of %EBITDA margin compared to the same period last year was mainly from key items as follows:

- An unrealized loss on the exchange rate from foreign currency loans in a total of Baht 97 million in Q3/2021 (Q3/2020: Loss of Baht 56 million).
- Pre-opening costs and expenses of Centara Reserve Samui in a total of Baht 35 million in Q3/2021.
- Compensation for the layoff in a total of Baht 50 million in Q3/2021.

The Company had a Net Loss after tax and non-controlling interests of the subsidiaries was Baht 786 million, a decreased loss by Baht 14 million or 2% YoY.



Operations Results - Hotel Business (for owned hotels) for 9 months 2021

Occupancy Rate (OCC) %	Total Operating Performance		
	9 months 2021	9 months 2020	% Changes YoY
Bangkok	17%	27%	-10% pts.
Upcountry	8%	28%	-20% pts.
Maldives	55%	24%	31% pts.
Thailand - Average	11%	28%	-17% pts.
Total - Average	14%	28%	-14% pts.

Average Room Rate - ARR (Baht)	Total Operating Performance		
	9 months 2021	9 months 2020	% Changes YoY
Bangkok	1,395	2,333	-40%
Upcountry	2,827	4,358	-35%
Maldives	9,487	18,979	-50%
Thailand - Average	2,127	3,685	-42%
Total - Average	3,861	4,497	-14%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	9 months 2021	9 months 2020	% Changes YoY
Bangkok	237	639	-63%
Upcountry	238	1,221	-81%
Maldives*	5,197	4,477	16%
Thailand - Average	238	1,025	-77%
Total - Average	531	1,239	-57%

\*Total revenue per available rooms in USD (TRevPar) increased by 67%.

Note: Calculation based on total available rooms of operating and temporary closing hotels

Operating Performance - Hotel Business 9M/2021

Hotel Business (In Baht Million)	9 months 2021	9 months 2020	% Changes YoY
Revenues - Hotel Business operations	1,071	2,215	-52%
Total Revenues (including other income)	1,242	2,410	-49%
Gross Profit	466	1,188	-61%
% Gross Profit Margin	44%	54%	-10% pts.
EBITDA / (Loss)	(787)	(32)	-2330%
% EBITDA / (Loss) Margin	(63%)	(1%)	-62% pts.
Net Loss from Operation	(1,959)	(1,269)	-54%
Reversal (Provision) of assets impairment	45	(36)	225%
Net Loss	(1,914)	(1,305)	-47%
% Net Loss	(154%)	(54%)	-100% pts.

- 9 months 2021:

- The Hotel Business achieved Total Revenues of Baht 1,242 million, a decrease of Baht 1,168 million or (or a drop of 49% YoY).

Average Occupancy Rate (OCC) decreased from 28% to 14%; while Average Room Rate (ARR) dropped by 14% YoY to Baht 3,861 that then resulted in the RevPar being decreased by 57% YoY to be at Baht 531.

- Bangkok: RevPar decreased by 63% YoY to be at Baht 237, due to the fall in Occupancy Rate (OCC) from 27% to 17%; and Average Room Rate (ARR) was Baht 1,395, a decrease of 40% YoY.
- Upcountry: RevPar decreased by 81% to be at Baht 238, resulting from the Occupancy Rate (OCC) falling from 28% to 8%; and the Average Room Rate (ARR) decreased by 35% YoY to Baht 2,827.
- Maldives: RevPar increased by 16% YoY to Baht 5,197, with the Occupancy Rate (OCC) rising from 24% to 55%; but Average Room Rate (ARR) decreased by 50% YoY to Baht 9,487. However, if considered in US Dollars, Total Revenue Per Available Rooms (TRevPar) improved by 67% YoY.

For the 9 months 2021, the Company achieved a Total Gross Profit of Baht 466 million (9 months 2020: Baht 1,188 million), a decrease of 61% YoY, with the Gross Profit Margin being at 44% that

is a decrease compared to the same period last year (9 months 2020: 54%). The EBITDA Margin was -63% of total revenues, a decrease compared to the same period last year (9 months 2020: -1%). An EBITDA was a loss of Baht 787 million (9 months 2020: a loss of 32 million). The Company had a Net Loss from the operation of Baht 1,959 million, an increased loss of Baht 690 million or 54% YoY. As such, if the extraordinary items related to the reversal (provision) of assets impairment were included, the company had a Net Loss of Baht 1,914 million, an increased loss of Baht 609 million, or 47% YoY.

## 2.2.2 Food Business

### Operating Results - Food Business Q3/2021

Same Store Sales	Q3/2021	Q3/2020
Top 4 brands	-26%	-19%
Other brands*	-51%	0%**
Total Average	-30%	-20%

Total Systems Sales	Q3/2021	Q3/2020
Top 4 brands	-24%	-16%
Other brands*	-30%	-16%
Total Average	-25%	-16%

\*Excluded Suki House, Grab Kitchen by Every Food, and 4 Joint Ventures' brands

\*\* Revised figure

Number of QSR Outlets	Q3/2021	Q3/2020
KFC	293	285
Mister Donut	393	372
Auntie Anne's	194	180
Ootoya	43	47
Pepper Lunch	46	45
Cold Stone Creamery	16	16
The Terrace	9	10
Chubuton	17	17

Yoshinoya	25	18
Tenya	14	14
Katsuya	46	38
Aroi Dee	39	19
Suki House	-	3
Kowlune	9	4
Arigato	65	45
Grab Kitchen by Every Food	19	7
Joint ventures' brands		
Salad Factory <sup>(1)</sup>	18	9
Brown Café	12	2
Café Amazon - Vietnam <sup>(1)</sup>	6	6
Som Tum Nua	6	6
<b>Total</b>	<b>1,270</b>	<b>1,143</b>

<sup>(1)</sup> Presented as Joint ventures in Financial Statement

Food Business (in Baht Million)	Q3/2021	Q3/2020	% Changes YoY
Sales Revenues	1,940	2,564	-24%
Total Revenues (including other income)	2,004	2,587	-23%
Gross Profit	1,090	1,397	-22%
% Gross Profit Margin	56%	54%	2% pts.
EBITDA	637	435	47%
% EBITDA Margin	32%	17%	15% pts.
Net Loss	(18)	(97)	81%
% Net Loss	-1%	-4%	3% pts.

- For Q3/2021, The Company achieved the food business's Total Revenues of Baht 2,004 million, a decrease of Baht 583 million (or a drop of 23% YoY) mainly as a result of a decrease of Same Store Sale (%SSS) - 30% YoY, while Total System Sale (%TSS) dropped by 25% YoY. At the end of Q3/2021, The Company had a total of 1,270 outlets, a net increase of 127 outlets compared to the end of Q3/2020. The number of outlets mainly increased from Mister Donut (+21), Auntie's Anne (+14), Aroi Dee (+20), Arigato (+20), Grab

Kitchen by Every Food (+12), and Joint Ventures' brands (+19). The number of outlets net increased by 65 outlets compared to Q2/2021.

- The Food's performance has been impacted by the COVID-19 since Q2/2021 and the severe widespread outbreak in Q3/2021 caused by the Delta variant. Consequently, the Government adopted tightening measures to curb the COVID-19 pandemic and to reduce the number of new infected cases. The limiting social activities differed across the provinces depending on the situation. The most impacting measure in Q3/2021 is the closure of shopping malls except for pharmacies and supermarkets (July 20 – August 2) and also the restriction/ban of dine-in and allowing for take-away at assigned areas or delivery only. The most impacted areas were dark-red zone provinces due to maximum restrictions. Even, the measures have been eased since September. For example, the restaurants were allowed to resume dine-in service but seating is still be limited. However, the shopping malls traffic still decreased because people were worried about the outbreak due to an increase of newly infected cases. Apart from a ban on dine-in, the maximum measures in the dark-red provinces included night time curfew and shopping hours cut. The number of dark-red provinces increased from 10 provinces at the beginning of Q3/2021 to be 29 provinces in August. The situation in Q3/2021 was dramatically different from Q3/2020, in which the restrictions were lifted after the 1<sup>st</sup> wave of the pandemic.
- The most decrease in Same Store Sale (%SSS) was Japanese's brands and the Terrace brand, which most of the outlets located in shopping malls in dark-red provinces and high dine-in revenue contribution. The key brands, KFC, Mister Donut, and Auntie's Anne also were impacted by baning on dine-in. consequently, SSS also dropped YoY but less drop than Thai and Japanese brands due to having many outlets outside shopping malls and distribution through delivery and takeaway. Even, a severe impact was on dine-in and takeaway distribution channels, the delivery channel has grown significantly and reached a new high in Q3/2021.
- The Company had EBITDA of Baht 637 million with an EBITDA margin at 32% and Net Loss of Baht 18 million, a decreased loss of Baht 79 million compared to the same period last year (or 81%).

## Operating Results - Food Business for 9 months 2021

Same Systems Sales (SSS)	9 months 2021	9 months 2020
Top 4 brands	-18%	-19%
Other brands*	-23%	-39%
Total Average	-19%	-22%

Total Systems Sales (TSS)	9 months 2021	9 months 2020
Top 4 brands	-16%	-16%
Other brands*	-7%	-26%
Total Average	-14%	-18%

\*Excluded Suki House, Grab Kitchen by Every Food, and 4 Joint Ventures' brands

Food Business (in Baht Million)	9 months 2021	9 months 2020	% Changes YoY
Sales Revenues	6,477	7,521	-14%
Total Revenues (including other income)	6,645	7,589	-12%
Gross Profit	3,736	4,229	-12%
Gross Profit Margin %	58%	56%	2% pts.
EBITDA	1,814	1,556	17%
% EBITDA Margin	27%	21%	6% pts.
Net Profit / (Loss)	27	(103)	126%
% Net Profit / (Loss)	0%	-1%	1% pts.

- For 9 months 2021, The Company had total revenue of the food business in a total of Baht 6,645 million, a decrease of Baht 944 million compared to the same period last year (or a drop of 12% YoY). A decrease of revenue is due to the severe impact of COVID-19 to SSS, particularly during the 2<sup>nd</sup> wave in Q1/2021, and the widespread in Q3/2021. The Government implemented highly restricted measures in late June to reduce the number of infections. Consequently, For 9 months 2021, SSS decreased by 19% YoY (9 months 2020: -22%). The top 4 brands reported a drop of SSS at 18% YoY. The Company had an EBITDA of Baht 1,814 million or a % EBITDA margin at 27%, and a Net Profit of Baht 27 million or an increase of Baht 130 million compared to the same period last year (or 126%).

### 3. Financial Status

#### Financial Position and Cash Flows

As of September 30, 2021, the Company had Total Assets of Baht 47,880 million, an increase of Baht 12,500 million (or 35% YoY) compared to the end of 2020, mainly due to the increase in property, plant, and equipment totaling Baht 12,526 million, which was from the land revaluation of Baht 12,013 million.

Total Liabilities were Baht 29,576 million, an increase of Baht 4,431 million (or 18% YoY) compared to the end of 2020. The increases in Total Liabilities were mainly from an increase in long-term loans from financial institutions both in current and non-current liabilities of Baht 4,529 million and deferred tax liability net rise of Baht 2,228 million, which is related to the impact of revalued land of Baht 2,403 million. On the other hand, lease liabilities both in current and non-current liabilities decreased by Baht 1,278 million, and a decrease of bank overdrafts and short-term loans from financial institutions of Baht 339 million.

The Company had Total Shareholders' Equity of Baht 18,304 million, an increase from the end of 2020 of Baht 8,069 million (or 79% YoY), resulting mainly an increase of other components of shareholders' equity of in a total of Baht 9,943 million with related to the revaluation of the land of Baht 9,610 million.

As of September 30, 2021, the Company had Net Cash Flows from Operating activities totaling Baht 1,106 million, a decrease of Baht 116 million YoY; together with Net Cash Flows used in Investing activities of Baht 2,328 million, an increase of Baht 302 million (or 15% YoY), which mainly consisted of payments to purchase property, plant and equipment including intangible assets totaling Baht 1,420 million, cash for purchasing subsidiary of Baht 191 million, and cash paid for investing and lending to joint ventures of Baht 382 million. While the Company had Net Cash Flows from Financing activities totaling Baht 1,202 million, a decrease of Baht 386 million YoY, which mainly came from long-term loans from financial institutions, a net increase of Baht 4,328 million, and cash received from Bank overdraft and short term land from financial institutions of Baht 1,121 million being netted-off with repayments of Bank overdraft and short-term loans totaling Baht 1,517 million, repayments of lease liabilities totaling Baht 1,349 million, and repayment debenture of Baht 980 million.

#### Analysis of Financial Ratios

Financial Ratios	Q3/2021	2020
Current Ratio (times)	0.6	0.6
Interest Bearing Debt / Equity (times)	1.3	2.2
Interest Bearing Debts (excluding lease liabilities) / Equity (times)	0.8	1.1

As of September 30, 2021, the Company's current ratio at 0.6 times the same as the end of 2020. Interest Bearing Debts / Equity Ratio decreased to 1.3 times, which was better than the end of last year mainly as a result of an increase in equity due to the revaluation of land. The Company had Interest Bearing Debts (excluding liabilities relating to lease) / Equity of 0.8 times, which was well below the financial covenant with financial institutions at 2.0 times.

#### 4. Factors that may impact ongoing business operations

- Factors that may impact ongoing business operations in 2021:

Hotel Business: The cost-efficient management and prudent investment plans are the key strategies under uncertain circumstances. The Company is closely monitoring the capital expenditure (CAPEX) at the possible minimum level.

However, aside from cost control efficiency to effect on the performance, in Q4/2021, the company will book the revenue of the new hotels, Centara Mirage Beach Resort Dubai, which opened on October 14, 2021, and Centara Reserve Samui targeted to open on December 1, 2021, the impact on the hotel's revenue are:

- Centara Mirage Beach Resort Dubai is 4 stars category with 607 keys. Due to the Joint venture project with the company holding 40% of the total shares, the equity method is used for booking the earning. On the other hand, the management fees are fully booked into other income.
  - Centara Reserve Samui is a luxury category with 184 keys. Consolidating method is used for booking the profit and loss.
- Business trends for 2021
    - Hotel Business – if the reopened country is successful as the target, the tourism will gradually recover from Q4/2021 onward. However, the recovery of the hotel business in 2021 will depend on the efficiency in the control of the COVID-19 pandemic and the regulations of international traveling. However, the company expected the performance to gradually improve corresponding with the recovery of Thailand tourism. Additionally, the positive impact of the continued recovery of the Maldives and incremental revenue of the two new hotels in Q4/2021 as aforementioned. In 2021, Expected Revenue per Available Room (RevPar) will decrease by 30-40% YoY with an Occupancy (OCC) of approximately 15%-20%.



- Food Business: the company expects to see the continued impact of COVID-19 on Thailand's economy and the food business's revenue. However, according to increasing numbers of vaccinated people, less severe symptoms of COVID-19, a decreasing trend of newly infected cases, an increase in the confidence of the effective management of the public health, and easing pandemic restrictions particularly banning dine-in and limited numbers of seats. All of these are positive factors to boost confidential consumers. As a result, sales in October tend to improve particularly from dine-in compared to Q3/2021. The reopened country to draw tourism demand starting from November will be a positive factor to the economy, especially in tourist destinations. However, it might not have a significant impact on our food business.

Even, the situation of COVID-19 is improving in Q4/2021. The Company is still closely monitoring the situation and has made plans to effectively meet and face the ongoing uncertainties with regard to having appropriate liquidity management. The strategy is focusing on 3 key operational aspects; namely: generating sales revenues, decreasing costs and expenses, and being cautious and prudent regarding business expansion and investments projects.

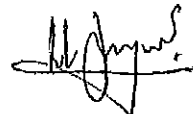
- With regard to plans to generate sales revenues, the Company is still focusing on expanding sale distribution channels together with developing new business models, with the main aim of establishing new sales channels and offering new choices for its customers. As such, those sales channels through which the Company expects to achieve ongoing sales growth through omnichannel including delivery services - both through its own online '1312 Food Hunt', food delivery application as well as through various other food aggregators and other e-commerce platforms for example Big Order selling.
- With regard to cost savings and management, the company focuses on the efficient procurement of raw materials corresponding with appropriate promotions. The Company has restructured its workforce to enable the Company to achieve increased flexibility in managing its costs of sales and concentrating on work efficiency and hiring freezes. The company efforts to access the COVID-19 vaccines and allocate them to the frontline workers for their safety and reduce the risk of site inflections. For rental fees, the Company has been negotiating with landlords for rental fees deduction corresponding to the dynamic situation, which is related to the Government's measures.
- With regard to its investment plans for outlet expansion, the Company will focus on new outlets for its key brands with an emphasis on outlets located outside of shopping malls, together with developing new business models - such as a Cloud Kitchen/ Delco to support delivery channels, a container model to support low-cost outlet expansion for

maintaining return on investment together with creating a business model to support digital trend such as curbside/ click & collect for key brands and franchised expansion.

According to the recovery trend of the pandemic situation in Thailand, the company foresees improving performance Q4/2021 onward particularly dine-in. The company expected an Same Store Sale (SSS) Growth and Total System Sale (TSS) Growth approximately -12% to -15% and -10% to -12% YoY, respectively in 2021. For the outlet expansion, the company estimated a net increase in the number of outlets of 180-200 outlets. However, the business performance partially depends on the measurement of the Government, economic recovery, and economic activities.

For your information accordingly;

Respectfully Yours,



(Dr. Ronnachit Mahattanapreut)

Company Secretary