

Translation

Date: February 18, 2022

Subject: Reporting on the Company's Financial Performance for the Year 2021

To: President of the Stock Exchange of Thailand

Siam Makro Public Company Limited (“the Company”) would like to announce the financial performance of the Company and its subsidiaries for the year ended December 31, 2021, which has been audited by its Certified Public Accountant as follows:

1. Operating Results: Company and its Subsidiaries

| | 2021 | 2020 | % YoY Change |
|---|----------------|----------------|-----------------|
| Consolidated Financial Performance | | | |
| Unit: million Baht | | | |
| Sales | 258,847 | 214,140 | 20.9 |
| <i>Wholesale business</i> ⁽¹⁾ | 221,344 | 214,140 | 3.4 |
| <i>Retail business</i> ^{(2) (3)} | 37,503 | n/a | n/a |
| Revenue from rental and rendering retail services | 2,521 | 361 | 597.6 |
| Total revenues | 266,435 | 218,760 | 21.8 |
| Gross profit | 30,442 | 22,124 | 37.6 |
| <i>Gross profit margin</i> | (%) 11.8 | 10.3 | 1.5 |
| EBITDA ⁽⁴⁾ | 23,110 | 12,470 | 85.3 |
| Finance costs | 1,557 | 619 | 151.3 |
| Net profit | 13,687 | 6,563 | 108.6 |
| <i>Wholesale business</i> | 6,773 | 6,563 | 3.2 |
| <i>Retail business</i> ^{(2) (3)} | 397 | n/a | n/a |
| <i>Accounting gain on step acquisition</i> ⁽⁵⁾ | 6,714 | n/a | n/a |
| <i>Business combination-related costs</i> ⁽⁶⁾ | 197 | n/a | n/a |
| Earnings per share | 2.38 | 1.37 | 74.0 |
| (Baht/Share) | | | |

(1) Consisting of Makro-Thailand, Makro-International, and Food Service APME

(2) Consisting of retail businesses under “Lotus’s” and mall business in Thailand and Malaysia (Lotus’s Thailand and Lotus’s Malaysia)

(3) Operating results from October 25 to December 31, 2021

- (4) Earnings before interest, tax, depreciation and amortization
- (5) Accounting profit recognized from the difference between the fair value and the carrying amount of interests from business combination under common control.
- (6) Business combination-related costs of Baht 197 million as part of investments in subsidiaries in the separate financial statements, which are considered expenses in the consolidated financial statements. For other business transfer expenses amounting to Baht 109 million, recorded as expenses in the separate financial statements.

The 2021 COVID-19, Delta caused wave was more severe and widespread than the previous wave in last year, causing the number of infections to skyrocket in Thailand and other countries where the Company has invested. However, as the government's epidemic control measures took effect, the severity started to taper off in each period. As the new normal became more familiar to the business sector, more economic activities could resume compared to the previous year.

The economy and business sector in Thailand slowly recovered over the fourth quarter 2021 onwards after seeing improvements in vaccination rates and infection numbers, along with the subsequent relaxation of the governmental measures and augmented aid. The domestic tourism industry has also begun to recover.

The impact of the ongoing epidemic and governmental control measures on Asia-Pacific Countries where the Company operates is similar to Thailand. The overall economies in the respective regions have shown signs of recovery since the last quarter due to various Government spending and economic stimulus plans. As for the Republic of the Union of Myanmar, political unrest continues to bore a significant impact on operating results.

As of October 25, 2021, the Company completed the entire business transfer transaction of C.P. Retail Holding Company Limited (CPRH), which made the Company the sole owner of the C.P. Retail Development Company (CPRD), Lotus's Stores (Thailand) Company Limited ("Lotus's Thailand") and Lotuss Stores (Malaysia) Sdn Bhd ("Lotus's Malaysia") (collectively, "Lotus's").

Lotus's is a leading retailer of grocery and consumer goods through a variety of store formats as well as a leading mall operator in Thailand and Malaysia. Lotus's retail business is supported by strong local supply chains and efficient distribution and logistics networks, as well as Lotus's strong brand equity. The Company's domain thus encompasses three primary business divisions: wholesale, retail, and mall operator. In addition, after the business combination, the Company aims to become Asia's No. 1 leader with a seamless B2B and B2C platform that better fulfills the daily needs of customers with technology, innovation, and operational excellence, driven by people and partners that connect on the path of sustainability.

In addition, the Company has allocated the number of newly issued ordinary shares 5,010,323,500 at the par value of Baht 0.50 per share at the offering price of Baht 43.50 per share, with the total value of Baht 217,949,072,250 to be paid as compensation for the business transfer. Later, on 22 December 2021, the Company allocated 770,000,000 new ordinary shares to the general public and received payment from the sale of the shares in the amount of Baht 32,942,818,910, resulting in the distribution of 13.53% of the shares held by minority shareholders, leaving a total of 121,512 minority shareholders with 10,580,323,500 paid-up ordinary shares at a par value of Baht 0.50 per share, representing the amount of paid-up registered capital of Baht 5,290,161,750.

Performance of the Company and its Subsidiaries for the year 2021

Revenue

In 2021, the Company had a sales revenue of Baht 258,847 million, an increase of Baht 44,707 million or 20.9% compared to 2020, mainly due to the merger of the retail business, while the wholesale business sales grew by 3.4% from the continued growth of Makro-Thailand, including the opening of 5 new stores in 2021 and a full-year sales from the stores that commenced operation in 2020, coupled with the growth of the Food Service APME that were slowly recovering from the COVID-19 crisis and the strategy adjustment expanding the market to direct consumers and modern retailers. Makro-International were facing a new wave of the COVID-19 epidemic, especially in Cambodia. However, the Company adjusted its strategy to focus on selling more products through the O2O platform, which resulted in a slight decline in overall sales for the overseas businesses compared to the previous year.

In addition, the Company had revenue from rendering of services of Baht 4,177 million, revenue from rental and rendering retail services of Baht 2,521 million, and other income of Baht 890 million, totaling Baht 7,588 million, an increase of Baht 2,968 million or 64.2% YoY, due mainly to mall rental and services from the retail business of Baht 2,174 million. Therefore, in 2021, the Company had total revenues of Baht 266,435 million, an increase of Baht 47,675 million or 21.8% YoY.

Cost of rental and rendering of services, Distribution Costs, and Administrative Expenses

In 2021, the Company had cost of rental and rendering of services, distribution costs, and administrative expenses totaling Baht 27,536 million, which accounted for 10.3% of total revenues, a Baht 9,748 million or 54.8% increase YoY, due to the cost of rental and rendering of services, distribution costs, and administrative expenses from the retail business that totaled Baht 8,645 million.

As for the wholesale business, cost of rental and rendering of services, distribution costs, and administrative expenses increased by Baht 905 million due mainly to expenses in business continuity management, preventive measure implementation to control the COVID-19 outbreak in the distribution centers (Bubble and Seal), and employee expenses that increased by the number of new stores along with other expenses related to EBT.

Net Profit

In 2021, the Company had a net profit of Baht 13,687 million, an increase of Baht 7,124 million or 108.6% YoY due mainly to a net profit of the wholesales business of Baht 6,773 million, grew by 3.2% YoY, a net profit from the retail business of Baht 397 million and the EBT which resulted in accounting gain on step acquisition of Baht 6,714 million, or Baht 2.38 per share, an increase of 74.0% YoY.

For the 4Q2021, the Company had total revenues of Baht 100,411 million, an increase of 75.9% YoY, where cost of rental and rendering of services, distribution costs, and administrative expenses amounted to Baht 13,917 million, an increase of 206.9% YoY. Whereby, when deducting financial costs, income tax expenses, and profit-sharing attributable to non-controlling interests, the Company had a net profit of Baht 9,094 million or Baht 1.58 per share, an increase of 327.0% YoY.

2. Operating Results by Business Division

2.1. The Wholesale Business

| | | 2021 | 2020 | % YoY Change |
|---------------------------------------|--------------------|----------------|----------------|-----------------|
| Wholesale Business Performance | | | | |
| | Unit: million Baht | | | |
| Sales | | 221,344 | 214,140 | 3.4 |
| Revenue from rendering of services | | 3,927 | 3,757 | 4.5 |
| Total revenues | | 226,258 | 218,760 | 3.4 |
| Gross profit | | 22,920 | 22,124 | 3.6 |
| <i>Gross profit margin</i> | (%) | 10.4 | 10.3 | 0.1 |
| EBITDA ⁽¹⁾ | | 12,751 | 12,534 | 1.7 |
| Net profit | | 6,773 | 6,563 | 3.2 |
| <i>Makro-Thailand</i> | | 7,380 | 7,345 | 0.5 |
| <i>Makro-International</i> | | (659) | (701) | 6.0 |
| <i>Food Service APME</i> | | 52 | (81) | 162.7 |
| Number of Stores | (stores) | 149 | 144 | 5 |
| <i>Thailand</i> | <i>(stores)</i> | 142 | 137 | 5 |
| <i>Overseas ⁽²⁾</i> | <i>(stores)</i> | 7 | 7 | - |
| Sales space | (sq. m) | 818,377 | 805,985 | 12,392 |
| <i>Thailand</i> | <i>(sq. m)</i> | 784,438 | 772,046 | 12,392 |
| <i>Overseas ⁽²⁾</i> | <i>(sq. m)</i> | 33,939 | 33,939 | - |

(1) Earnings before interest, tax, depreciation and amortization

(2) Excluding a restaurant/food shop under Food Service APME.

Revenue

Although the COVID-19 epidemic in 2021 resulted in a decline of the overall retail-wholesale industry and market value, the wholesale business had a sales growth of 3.4% YoY with a total sales equal to Baht 221,344 million for the year, due mainly to the sales increase from Makro-Thailand and Food Service APME. On the other hand, Makro-International continued to be affected by new waves of the ongoing COVID-19 outbreak, especially in Cambodia.

When combined with revenue from rendering of services of Baht 3,927 million, revenue from rental and retail rendering services of Baht 347 million, and a Baht 640 million other income, the group had total revenues of Baht 226,258 million, an increase of 3.4% YoY.

Cost of rental and rendering of services, Distribution Costs, and Administrative Expenses

In 2021, the wholesale business had cost of rental and rendering of services, distribution costs, and administrative expenses totaling Baht 18,693 million, an increase of Baht 905 million YoY or increased by 5.1% mainly due to:

- Distribution costs increased by Baht 293 million or 2.3% due to staff expenses that increased by the number of stores and delivery charges that increased by sales growth through online distribution channels.
- Administrative expenses increased by Baht 605 million or 12.0% from expenses in business continuity management and the implementation of preventive and disease control measures to ensure that employees, customers, products, and all Company establishments were safe from infection.

Net Profit

In 2021, the wholesale business had a net profit of Baht 6,773 million, an increase of Baht 210 million YoY or increased by 3.2%, due mainly to significant improvement in the performance of the Food Service APME and the loss reduction of Makro-International YoY, due to performance improvements in India and Myanmar despite their early stage in the economy of scale and ongoing difficulties in the persisting pandemic.

Additionally, in the 4Q2021, the wholesale business had total revenues of Baht 60,233 million, an increase of 5.5% YoY, where cost of rental and rendering of services, distribution costs, and administrative expenses totaled Baht 5,074 million, an increase of 11.9%, due partly to expenses related to the issuance of capital increase shares YoY. Whereby deducting finance costs, income tax expenses, and profit-sharing attributable to non-controlling interests, the wholesale business had a net profit of Baht 2,180 million, an increase of 2.3% YoY.

2.2. The Retail Business

| | | 2021 | 2020 | % YoY Change |
|--|---------------------------|------------------|--------------|---------------------------|
| Retail Group Performance ⁽¹⁾ | Unit: million Baht | | | |
| Sales | | 37,503 | n/a | n/a |
| Revenue from rental and rendering retail services | | 2,174 | n/a | n/a |
| Total revenues | | 40,177 | n/a | n/a |
| Gross profit | | 7,522 | n/a | n/a |
| <i>Gross profit margin</i> | <i>(%)</i> | <i>20.1</i> | <i>n/a</i> | <i>n/a</i> |
| EBITDA ⁽²⁾ | | 4,217 | n/a | n/a |
| Net profit | | 397 | n/a | n/a |
| <i>Lotus's Thailand</i> | | <i>813</i> | <i>n/a</i> | <i>n/a</i> |
| <i>Lotus's Malaysia</i> | | <i>74</i> | <i>n/a</i> | <i>n/a</i> |
| <i>C.P. Retail Development Company Limited (CPRD) ⁽³⁾</i> | | <i>(490)</i> | <i>n/a</i> | <i>n/a</i> |
| Number of stores | (stores) | 2,680 | 2,164 | 516 ⁽⁴⁾ |
| <i>Lotus's Thailand</i> | <i>(stores)</i> | <i>2,618</i> | <i>2,102</i> | <i>516 ⁽⁴⁾</i> |
| <i>Lotus's Malaysia</i> | <i>(stores)</i> | <i>62</i> | <i>62</i> | <i>-</i> |
| Sales space | (sq. m) | 1,813,696 | n/a | n/a |
| <i>Lotus's Thailand</i> | <i>(sq. m)</i> | <i>1,519,227</i> | <i>n/a</i> | <i>n/a</i> |
| <i>Lotus's Malaysia</i> | <i>(sq. m)</i> | <i>294,469</i> | <i>n/a</i> | <i>n/a</i> |
| Permanent Net Leasable Area | (sq. m) | 1,017,786 | n/a | n/a |
| <i>Lotus's Thailand</i> | <i>(sq. m)</i> | <i>717,224</i> | <i>n/a</i> | <i>n/a</i> |
| <i>occupancy rate</i> | <i>(%)</i> | <i>90</i> | <i>n/a</i> | <i>n/a</i> |
| <i>Lotus's Malaysia</i> | <i>(sq. m)</i> | <i>300,562</i> | <i>n/a</i> | <i>n/a</i> |
| <i>occupancy rate</i> | <i>(%)</i> | <i>92</i> | <i>n/a</i> | <i>n/a</i> |

(1) Operating results from October 25 to December 31, 2021

(2) Earnings before interest expenses, taxes, depreciation and amortization

(3) CPRD wholly owns Lotus's Stores (Thailand) Co., Ltd. and Lotuss Stores (Malaysia) Sdn. Bhd., which is a leading retailer of grocery and consumer goods through a variety of store formats as well as a leading mall operator in Thailand and Malaysia

(4) Use for comparison purpose only. In 2021, there are 536 new store-openings and 20 store-closures

Revenue

During October 25 to December 31, 2021, the retail business had total revenues of Baht 40,177 million, comprised of total sales of Baht 37,503 million, operating results from retail businesses in Thailand and Malaysia of Baht 31,117 million and Baht 6,386 million, respectively, revenue from rental and rendering retail services of Baht 2,174 million, and other income of Baht 500 million.

Cost of rental and rendering of services, Distribution Costs, and Administrative Expenses

During October 25 to December 31, 2021, the retail business incurred cost of rental and rendering of services, distribution costs, and administrative expenses totaling Baht 8,645 million, comprising cost of rental and rendering of services of Baht 982 million, distribution costs of Baht 6,155 million, and administrative expenses of Baht 1,508 million.

Net Profit

During the period of October 25 to December 31, 2021, the retail business had a net profit of Baht 397 million from retail business and rental business in shopping centers in Thailand and Malaysia of Baht 813 million and Baht 74 million, respectively, while CPRD, a holding company in Lotus's Thailand and Lotus's Malaysia, had a net loss of Baht 490 million due mainly to financial costs.

3. Statement of Financial Position of the Company and its Subsidiaries

The financial position of the Company as of December 31, 2021 compared to December 31, 2020 are as follows:

| | As of December 31 | | YoY Change | % YoY Change |
|---|--------------------|----------------|----------------|--------------|
| | 2021 | 2020 | | |
| Consolidated financial statements | Unit: million Baht | | | |
| Assets | | | | |
| Cash and cash equivalents, and Current investment | 68,529 | 10,518 | 58,011 | 551.5 |
| Other current assets | 41,471 | 17,733 | 23,738 | 133.9 |
| Non-current assets | 459,490 | 131,335 | 328,155 | 249.9 |
| Total assets | 569,490 | 159,586 | 409,904 | 256.9 |
| Liabilities | | | | |
| Current liabilities | 116,210 | 35,474 | 80,736 | 227.6 |
| Long-term loans from financial institutions (including Current portion) | 107,122 | 7,003 | 100,119 | 1,429.7 |
| Non-current liabilities | 57,660 | 8,846 | 48,814 | 551.8 |
| Total liabilities | 280,992 | 51,323 | 229,669 | 447.5 |
| Total equity | 288,498 | 108,263 | 180,235 | 166.5 |
| Total liabilities and equity | 569,490 | 159,586 | 409,904 | 256.9 |

Total Assets

As of December 31, 2021, the Company had total assets of Baht 569,490 million, an increase of Baht 409,904 million or 256.9% YoY, due mainly to the business transfer of the retail business and adjustment of the previous year's financial statements for investments in associates previously recorded in the financial statements of CPALL under the Thai Financial Reporting Standards for business combinations under common control.

Total Liabilities

As of December 31, 2021, the Company had total liabilities of Baht 280,992 million, an increase of Baht 229,669 million or 447.5% YoY, due mainly to the business transfer of the retail business with its long-term loans from financial institutions (including a current portion) and lease liabilities.

Equity

As of December 31, 2021, the Company had Baht 288,498 million in equity, an increase of Baht 180,235 million or 166.5% YoY, due mainly to an increase in capital and share premium from issuing shares for the business transfer and public offering.

Please be informed accordingly.

Yours faithfully,

Siam Makro Public Company Limited

(Saowaluck Thithapant)

Group Chief Shared Service Officer - Makro Wholesale Business

SET & Investor Relations

Tel. 02 067 8999 Ext. 8285 Email: ir@siammakro.co.th