MANAGEMENT REPORT
(FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021)

INFORMATION REQUIRED BY THE SEC PURSUANT TO SRC RULE 20

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(A) Business Development

Robinsons Retail Holdings, Inc. was incorporated on February 4, 2002. The primary purpose of the Company and its subsidiaries is to engage in the business of trading goods, commodities and merchandise of any kind. The Company was listed at the Philippine Stock Exchange on November 11, 2013.

Robinsons Retail Holdings, Inc. (RRHI) is one of the leading multi-format retail groups in the Philippines. With over 40 years of retail experience, it possesses a deep understanding of Philippine consumers and enjoys market leading positions across its major business segments. Since the opening of its first Robinsons Department Store in Metro Manila in 1980, RRHI has successfully expanded into five business segments, entering into the supermarket business in 1985, the Do-It-Yourself (DIY) business in 1994, the convenience store and specialty store businesses in 2000, and the drugstore business in 2012. It also launched Robinsons Townville, a chain of community malls in 2015, which are located in residential areas to bring its products closer and its services more convenient to its customers.

RRHI operates one of the broadest ranges of retail formats of any retail group in the Philippines and, accordingly, is well-positioned to capture emerging consumer markets and take advantage of the continuing macroeconomic growth in the Philippines, particularly the increase in disposable income and higher consumption of the broad middle-income segment, its key target market.

RRHI operates its supermarkets, department stores, consumer electronics and appliances stores, big box hardware stores, and community malls namely Robinsons Supermarket, the Marketplace, Shopwise, Robinsons Easymart, Robinsons Department Store, Robinsons Appliances, Robinsons Builders, and Robinsons Townville.

The company's other store formats are under well-known international brands, namely Handyman Do it Best, True Value, Toys "R" Us, Ministop, Daiso Japan;Pet Lovers Centre and No Brand, and beauty brands Benefit, Shiseido, and Elizabeth Arden. RRHI also operates trusted domestic brands, such as Savers Appliances, Southstar Drug, Rose Pharmacy, TGP and mass merchandise store Super50.

In 2018, the Company acquired 100% of grocery retailer Rustan Supercenters, Inc., from Mulgrave Corporation B.V (MCBV), a wholly-owned subsidiary of DFI (formerly Dairy Farm International Holdings, Ltd.) It also engaged in a franchise license agreement with Singapore-based Pet Lovers Centre in its foray into pet retail. Adding to its investments in technology, the Company, through a subsidiary, also invested in Growsari, an online platform that caters to sari-sari store owners.

In 2019, RRHI was appointed exclusive franchisee for Korean grocery store No Brand and skincare Scentence of E-Mart in South Korea. RRHI also opened Super50 in the same year, a one-price concept store, in partnership with Pesotree.

In 2020, RRHI, through its subsidiary, SSDI acquired 100% of Rose Pharmacy, Inc. which operates over 300 stores strategically located in Visayas and Mindanao.

In 2021, the Company invested in Edamama, an online start-up that focuses on products for mothers and babies. It also entered the hard discount retailer space through its investment in HD Retail Holding Pte. Ltd. (“HDR”), operator of hard discount store O!Save. The investment was made through RRHI subsidiary, New Day Ventures Limited. RRHI currently has 24.25% stake in HDR and a seat in its Board of Directors, along with three institutional investors with equal stake in the business. The Company also acquired 20.0% ownership interest in GoTyme Bank Corportion (GoTyme). GoTyme’s principal activity is to carry on and engage in the business of a digital bank.

The Company launched the Robinsons Rewards Loyalty program in May 2013. The loyalty program allows members to collect and redeem points across the Robinsons formats, is intended to increase customer loyalty and also to enhance the Company’s brand image through a physical card, and a mobile app launched in 2019. Robinsons Rewards enables the Company to gather data on customer profiles in terms of their demographics, purchasing patterns, and product preferences through data analytics, all the while safeguarding consumer data and privacy. Starting January 1, 2020, the management and operation of the loyalty program was transferred to Data Analytics, Ventures, Inc. (DAVI), a related party.

In 2020, RRHI accelerated its ecommerce initiatives by launching its own ecommerce sites, namely gorobinsons.ph, southstardrug.com.ph and robinsonsappliances.com.ph. GoRobinsons serves is envisioned to be the Company’s virtual mall, and currently houses 11 banners as of 2021, including all its Supermarket banners, Robinsons Department Store, No Brand, Handyman Do It Best, True Value, Toys ‘R’ Us, Shiseido and Southstar Drug.

A number of the company’s formats also engage in e-commerce through partnerships with major third-party e-commerce players, such as Lazada, Shopee, Metromart, Pickaroo, GrabMart and GrabFood.

The Company has not been into any bankruptcy, receivership or similar proceedings since its incorporation.

Acquisitions by RRHI’s subsidiaries
On November 23, 2018, RRHI acquired 100% stake in Rustan Supercenters, Inc., operator of food retail banners The Marketplace, Rustan’s Supermarket, Shopwise (hypermarket), Shopwise Express, and Wellcome.

On February 27, 2018, RI and Pesotree incorporated Super50, a company engaged in the business of retail and wholesale goods with paid-up capital amounting to ₱30.0 million. RI’s ownership interest in Super50 is 51.0%.

On February 22, 2018, RHMI incorporated RLSI, with a total subscription amounting to ₱62.50 million, of which, ₱50.00 million was paid. RLSI is primarily engaged in the business of trading goods, commodities and merchandise of any kind.

On October 16, 2020, RRHI, through its subsidiary South Star Drug, Inc., acquired 100% stake in Rose Pharmacy, Inc., a leading drugstore chain in Visayas and Mindanao, from Mulgrave Corporation B.V (MCBV), a wholly-owned subsidiary of Dairy Farm International Holdings, Ltd.

The percentage contribution to the Company's revenues for each of the three years ended December 2019, 2020, and 2021 by each of the Company's business segments after elimination are as follows:

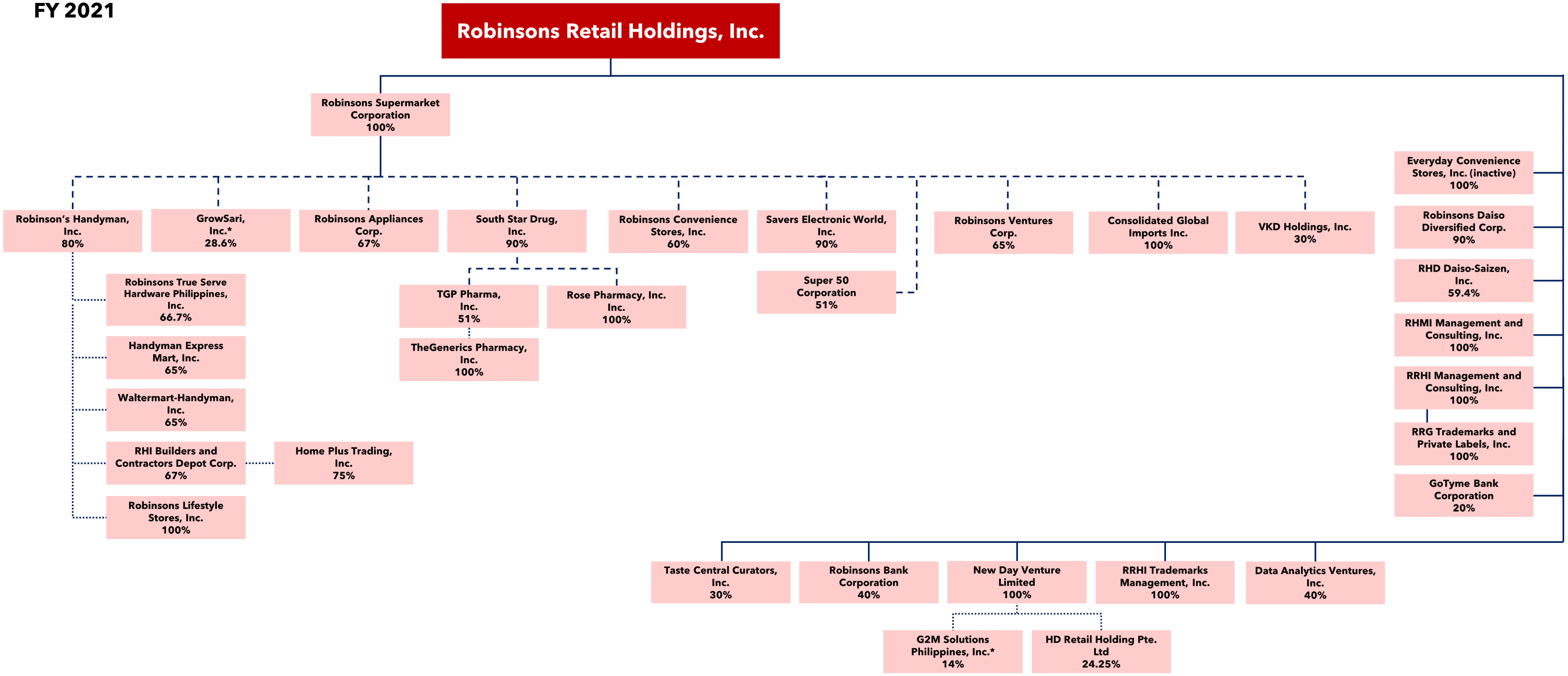
	For the years ended December 31		
	2019	2020	2021
Supermarket	54.3%	62.3%	57.8%
Department store	11.1%	5.6%	6.1%
DIY Store	8.8%	7.5%	7.5%
Convenience store	4.1%	3.2%	3.2%
Drug store	10.9%	12.6%	17.4%
Specialty segment	10.8%	8.8%	8.0%

The Company ended 2021 with 2,208 stores with total gross floor area of 1.51 million square meters.

(B) Business of Issuer

The industry segments where the Company and its subsidiaries and affiliates operate are summarized below:

FY 2021



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(a) Description of the Registrant

(i) **Principal Products and Services.** The Company's core retail operations has six business segments — supermarkets, department stores, DIY stores, convenience stores, drug stores and specialty stores:

- *Supermarkets.* Targeting the broad middle to upper income market, the supermarkets are operated under the banners Robinsons Supermarket (mainstream supermarket), The Marketplace (premium), Shopwise (hypermarket) and Robinsons Easymart (minimart). The Company also operates Korean grocery store, No Brand.

  Robinsons Supermarket is the first major supermarket chain in the Philippines specifically positioned with a focus on health and wellness, which is its key point of differentiation from competitors. Robinsons Supermarket actively encourages consumers to adopt a healthy lifestyle by promoting a wide range of high-quality health and wellness products. It also partnered with the Food and Nutrition Research Institute of the Philippines ("FNRI"), which evaluates and accredits the nutritional contents of all food products following the internationally-accepted CODEX Standards of Nutrition Classification. It also partners with the Best Fresh suppliers with proven expertise, resources and nationwide retail capability to ensure a consistent supply of high quality and nutritional fresh food products at affordable prices.

  Offering value for money options, the Supermarket Segment carries its own private labels such as Robinsons (formerly Robinsons Supersavers) and Healthy You. It also carries private labels sourced through its partnership with DFI, including Meadows, Southdale Farm, Simply Living, French Cellars, and Winemakers Reserve, among others.

- *Department Stores.* The department stores are operated under the Robinsons Department Store (RDS) brand name and offer a large selection of both local and international branded products that are grouped into five categories: (i) toys, children's apparel and accessories, (ii) homes, snacks and stationery; (iii) shoes, bags, luggage and sportswear, (iv) ladies' apparel and accessories, beauty and intimate apparel; and (v) men's apparel, accessories and furnishings. RDS is focused on catering to middle-income customers and approximately 86.8% of Robinsons Department Stores' sales for 2021 are on consignment basis.

- *DIY Stores.* The DIY stores are operated under the brand names Handyman Do it Best and True Value, of which the Companies are cooperative member-retailers in the Philippines from these US DIY brands and the big box formats under Robinsons Builders (rebranded from A.M. Builders' Depot) and De Oro Pacific Home Plus, which were acquired in 2014 and 2016, respectively. Each brand has its own specialized positioning, with Handyman Do it Best focused on affordable, high quality DIY and home improvement products; True Value positioned as an up market lifestyle home center; and Robinsons Builders/Home Plus focused on home builders. In 2021, around 54.0% of DIY store segment revenue was derived from sales of consigned merchandise.

- *Convenience Stores.* The Company is the exclusive Philippine master franchisee of Ministop Japan. Ministop began operations in the Philippines in 2000 and is a franchise of Ministop Co. Ltd., one of the largest convenience store chains in Japan. Revenue is generated through selling of merchandise to franchisees. Ministop's key strength is its ability to provide fresh and ready-to-eat food for its customers.

- *Drugstores.* In July 2012, wholly-owned subsidiaries of RRHI RSC and Robinsons Inc. (now merged in RSC) each acquired a 45% interest in South Star Drug, Inc.(SSDI). The acquisition represents a 90% interest on the shares of stock of SSDI. South Star Drug carries a wide range of prescription and over-the-counter pharmaceutical products together with a range of food, personal care and other products. On May 17, 2016, SSDI acquired 51.00% of TGP Pharma, Inc. On October 16, 2020, SSDI acquired 100% of Rose Pharmacy, Inc.

- *Specialty Stores.* Currently, the Company operates eight formats of specialty stores, namely: 1) toys and juvenile products retail under Toys "R" Us; 2) consumer electronics and appliances stores operated under Robinsons Appliances and Savers Appliances) beauty brands Shiseido, Benefit, Elizabeth Arden; 4) mass merchandise stores under Daiso Japan and Super50; and 6) pet retail under Pet Lovers Centre.

  The Company, as of end of 2021 has 2,208 stores, consisting of 286 supermarkets (including No Brand), 52 department stores, 227 DIY stores, 456 convenience stores, 899 drugstores and 288 specialty stores. This excludes 2,030 TGP franchised stores.

(ii) **Significant Subsidiaries.** As of December 31, 2021, Robinsons Retail Holdings, Inc. (RRHI) has eight wholly-owned subsidiaries and eighteen partly-owned subsidiaries in which RRHI's ownership allows it to exercise control, all of which are consolidated with the Group's financial statements.

Key details of each of RRHI's subsidiary companies are set forth below.

1. ***Robinson's Supermarket Corporation.*** Robinson's Supermarket Corporation (RSC) was incorporated in the Philippines and registered with the SEC on August 21, 1990. RSC is 100% owned by RRHI. RSC's principal business is to engage in the business of buying, selling, distributing and marketing at wholesale and retail.

2. ***Robinson's Handyman, Inc.*** Robinson's Handyman, Inc. (RHMI) was incorporated in the Philippines and registered with the SEC on June 15, 1994 primarily to engage in the business of trading goods, commodities and merchandise of any kind. RHMI is 80% owned by RSC.

3. ***Robinsons True Serve Hardware Philippines, Inc.*** Robinsons True Serve Hardware Philippines, Inc. (RTSHPI) was incorporated in the Philippines and registered with the SEC on February 19, 2007, primarily to engage in general hardware business, both retail and wholesale. The Company started commercial operations on March 1, 2007. RTSHPI is 66.67% owned by RHMI.

4. ***Waltermart-Handyman, Inc.*** Waltermart-Handyman, Inc. (WHI) was incorporated in the Philippines and registered with the SEC on July 15, 1996 primarily to engage in the business of trading goods, commodities and merchandise of any kind. WHI is 65% owned by RHMI.

5. ***Handyman Express Mart, Inc.*** Handyman Express Mart, Inc. (HEMI) was incorporated in the Philippines and registered with the SEC on April 13, 2000. The Company is engaged in the business of trading goods, commodities and merchandise of any kind. HEMI is 65% owned by RHMI

6. ***RHI Builders and Contractors Depot Corp.*** RHI Builders and Contractors Depot Corp. (RHIB) was incorporated in the Philippines and registered with the SEC on May 7, 2014. The Company is engaged in the business of trading goods, commodities and merchandise of any kind. RHIB is 67% owned by RHMI.

7. ***Homeplus Trading Depot, Inc.*** was incorporated in the Philippines and registered with the SEC on May 4, 2016. The Company is engaged in the business of trading goods, commodities and merchandise of any kind. HPTDI is 75% owned by RHIB.

8. ***Robinsons Appliances Corp.*** Robinsons Appliances Corp. (RAC) was registered with the SEC on August 21, 2000. RAC's principal business is to engage in the business of trading goods such as appliances on wholesale or retail basis. RAC is 67% owned by RSC.

9. ***Robinsons Convenience Stores, Inc.*** Robinsons Convenience Stores, Inc. (RCSI) was registered with the SEC on March 15, 2000. Its primary purpose is to engage in the business of acquiring and granting licenses and/or rights to proprietary marks, trademarks, trade names, patents, copyrights, know-how, technology, processes, methods, techniques, devises, systems and the like. The Company is also engaged in the business of trading of goods, such as food and non-food, on a wholesale basis. RCSI is 60% owned by RSC.

10. ***South Star Drug, Inc.*** South Star Drug, Inc (SSD) is a trading company incorporated and registered with the SEC on November 24, 2003. Its primary purpose is to carry on the business of pharmacy, selling all kinds of drugs, medicines, medical equipments, and all other items. SSDI is 90% owned by RSC.

11. ***Rose Pharmacy, Inc.*** Rose Pharmacy Inc. (RPI) was incorporated and registered with the SEC on December 13, 1974 primarily to engage in the business of trading medical and pharmaceutical goods, on either wholesale or retail basis. RPI is 100% owned by SSDI, a 90% owned subsidiary of RRHI.

12. ***TGP Pharma, Inc.*** - TGP Pharma, Inc. (TGPI) was incorporated and registered with the SEC on September 15, 2010. TGPI is 51% owned by South Star Drug Inc., a 90% owned subsidiary of RRHI. TGPI's principal business is to engage in the trading of goods such as pharmaceutical products, food supplements, cosmetics and general merchandise on wholesale or retail basis.

13. ***The Generics Pharmacy Inc.*** – The Generics Pharmacy Inc. (TPI) was incorporated and registered with the SEC on February 27, 2007. The Company is 100% owned by TGP Pharma Inc. TPI's principal business is to engage in the trading goods such as pharmaceutical products, food supplements, cosmetics and general merchandise on wholesale or retail basis.

14. ***Everyday Convenience Stores, Inc.*** Everyday Convenience Stores, Inc. (ECSI), wholly owned by RRHI and was incorporated in the Philippines and registered with the SEC on August 8, 2000. Its primary purpose is to engage in the business of trading goods, commodities and merchandise of any kind.

15. ***Robinsons Daiso Diversified Corp.*** Robinsons Daiso Diversified Corp. (RDDC) is a domestic corporation organized under the laws of the Philippines to engage in the business of retail and wholesale of goods. The Company was incorporated and registered with the SEC on July 16, 2008. The Company started commercial operations on April 29, 2009. RDDC is 90% owned by RRHI.

16. ***RHD Daiso-Saizen, Inc.*** RHD Daiso-Saizen, Inc. (RHDDS) was organized and registered with the SEC on November 29, 2011. The primary purpose of the Company is to engage in the business of trading of goods such as food and non-food on wholesale basis and acquiring and franchising licenses, and/or rights to propriety marks. RHDDS is 59.40% owned by RRHI.

17. **Robinsons Ventures Corporation.** Robinsons Ventures Corporation was incorporated and registered with the SEC on August 5, 1996 to engage in the business of trading goods, commodities wares and merchandise of any kind and description. The Company is a majority owned subsidiary of Robinsons Supermarket Corporation.

18. ***RHMI Management and Consulting, Inc.*** RHMI Management and Consulting, Inc. was incorporated on May 27, 2013. Its primary purpose is to provide client companies, individuals, businesses or organizations, professional management advise and subject matter expertise in areas of finance, taxation, information technology, human capital, procurement, supply chain and others except management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI. As of December 31, 2020, The Company has not yet started commercial operations.

19. ***RRHI Management and Consulting, Inc.*** RRHI Management and Consulting, Inc. was incorporated on May 27, 2013. Its primary purpose is to provide client companies, individuals, businesses or organizations, professional management advise and subject matter expertise in areas of finance, taxation, information technology, human capital, procurement, supply chain and others except management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI. As of December 31, 2020, the Company has not yet started commercial operations.

20. ***RRG Trademarks and Private Labels, Inc.*** RRG Trademarks and Private Labels, Inc. was incorporated on May 23, 2013. Its primary purpose is to engage in the management and franchise of trademarks, brands and labels in the retail sector, provided, it shall not engage in the management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI. As of

December 31, 2020, the Company has not yet started commercial operations.

21. ***RRHI Trademarks Management, Inc.*** RRHI Trademarks Management, Inc. was incorporated on May 23, 2013. Its primary purpose is to engage in the management and franchise of trademarks, brands and labels in the retail sector, provided, it shall not engage in the management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI.

22. ***Savers Electronic World, Inc.*** Savers Electronic World, Inc. (SEWI), was incorporated and registered with the SEC on March 4, 2015. Its primary purpose is to engage in the business of trading goods such as appliances on wholesale or retail basis. Its primary competence is institutional sales. SEWI is 90% owned by RSC.

23. ***New Day Ventures Limited.*** The Parent Company acquired New Day Ventures Limited to engage in business of investment holding.

24. ***Robinsons Lifestyle Stores, Inc.*** Robinsons Lifestyle Stores, Inc. (RLSI) was incorporated and registered with the SEC on February 22 ,2018. Its primary purpose is to engage in the business and wholesale of goods. RLSI is 100% owned by RHMI.

25. ***Super50 Corporation.*** Super50 Corporation was incorporated and registered with the SEC on March 23 ,2018. Its primary purpose is to engage in the business and wholesale of goods. Super 50 is 51% owned by RSC.

26. ***Consolidated Global Imports, Inc.*** The company was incorporated and registered with the SEC on July 9, 2002. Its primary purpose is to engage in the business of trading goods such as food and non-food on wholesale/retail basis. It is 100% owned by RSC.

(iii) **Foreign Sales.** The Company has no record of foreign sales as it is not exporting any of its merchandise abroad.

(iv) **Distribution Methods.** The Company relies significantly on distributors, third-party service providers and the distribution networks of its multinational suppliers for transportation, warehousing and the delivery of products to its stores. The majority of its merchandise is delivered to the distribution centers by its suppliers and from the distribution centers to its stores by third-party service providers.

The Company manages a strong and efficient supply chain that features just-in-time delivery. Many of its distribution centers employ a cross-docking system, where all non-perishable goods received from suppliers are sorted, consolidated and dispatched to the stores in Metro Manila within one to five days, and within three to ten days of their receipt in Visayas and Mindanao, depending on the business segment. This reduces stocking requirements and permits the faster delivery of products.

Some of its business segments, such as the supermarket, DIY and specialty stores (particularly toys and juvenile products), also employ a stock operation system equipped to handle high turnover and bulk items. For example, the supermarket segment implements a stock operation system for all top-tier vendors. An average of two weeks inventory of goods is ordered to be stocked and stored in the warehouse.

Distribution planners make daily plans for replenishment and delivery of the goods to stores to ensure that stores do not run out of the key items supplied by the top-tier vendors. With the stock operation system, the distribution centers are able to supply the stores regularly with top-selling SKUs with expediency at low inventory carrying cost.

The Company engages third-party service providers to provide trucking and shipping services to ensure timely delivery of merchandise from distribution centers to stores across the Philippines. Some suppliers also deliver products directly to the stores.

To operate its large-scale business efficiently and effectively, its operations are supported by advanced information technology systems. Its world-class management information systems include a merchandise management system Blue Yonder (formerly JDA Software Group Inc.), and an advanced ARC merchandise analytics solutions system from Manthan Systems, Pvt. Ltd and a Retail Data Lake in AWS. These systems allow the Company to analyze and optimize merchandise performance, make proactive decisions on its day-to-day operations and provide the ability to quickly and efficiently respond to changes in customer trends.

The Company uses warehouse management systems to ensure on-time delivery and sufficient stock in stores, thus optimizing inventory levels across its distribution centers and store network. Further, the Company utilizes financial and asset management systems from SAP AG.

The Company also deploys its Point of Sale System through NCR StoreLine. The Company also uses SPA from Manthan Systems, which has a sophisticated supplier portal system that allows them to collaborate with its suppliers. Through this system, suppliers may have access to its database providing them with the ability to manage their own inventory, ensure high service levels and facilitate more targeted marketing activities.

Lastly, the Company operates its own e-commerce websites, primarily GoRobinsons and the websites of its drugstore and appliances banners. The Company leverages on its extensive store network which serve as order fulfillment centers. The concierge model relies on third party delivery services with exclusive riders to bring items directly to the customer.

(v) **New Products and Services.** In May 2013, the Company introduced the Robinsons Rewards Card, a loyalty card that allows holders to redeem accrued points across its retail formats. As of the end of 2021, Go Rewards Cards was already accepted in most of the Company's formats except TGP. The Go Rewards loyalty program is a powerful tool to increase customer retention across all formats and was launched as a mobile app platform in 2018. Starting January 1, 2020, the management and operation of the loyalty programme has been transferred to DAVI, a related party.

In 2018, RRHI signed franchise license agreement with Pet Lovers Centre Ltd for the retailing of pet products and services. It also entered a joint venture to launch mass merchandise store Super50.

In 2019, RRHI, through a subsidiary, signed franchise license agreement with EMart of Korea to operate stand-alone hard discount store No Brand and skin care store Scentence inside Robinsons Department Store – Beauty Section.

In 2020, RRHI, through a subsidiary, acquired Rose Pharmacy, Inc., a leading drugstore chain in Visayas and Mindanao, from Mulgrave Corporation B.V (MCBV), a wholly-owned subsidiary of Dairy Farm International Holdings, Ltd. In the same year, the Company also launched its own e-commerce websites, primarily GoRobinsons.ph and the online selling platforms of its drugstore and appliances banners.

(vi) **Competition.** The Company competes principally with national and international operators retail chains in the Philippines, such as SM Investments, Puregold Price Club Inc., Metro Retail Stores Group, Ace Hardware, Mercury Drug Corporation, 7-Eleven, among others. Each of these competitors competes with the Company on the basis of product selection, product quality, acquisition or development of new brands, customer service, price, store location, presence in e-commerce space, or a combination of these factors.

- *Supermarkets.* The Philippine food retail market continues to be competitive.. The Supermarket Segment primarily competes with modern retail operators, including hypermarkets, supermarkets, convenience stores and local grocery stores, on the basis of location, store ambiance, presentation, price, supply chain and additional benefits such as loyalty programs. Its main competitors are SM Retail, Puregold Price Club and Metro Retail Stores Group. Similar to the Company's supermarket banners these retail chains have an established presence in the Philippines and continue to open supermarkets in the same cities, and often in the same neighborhoods where the Company has opened or intend to open its supermarkets. With The Marketplace and Shopwise from its acquisition of RSCI , RRHI's position as the third largest grocery retail player is enhanced and offers new prospects for synergies and differentiation given a wide assortment of premium products that specifically targets an insulated affluent market.

- *Department stores.* The Philippines' department stores industry is dominated by a few operators. RDS competes with major department store operators such as SM Retail, Metro Retail Stores Group, Landmark and Rustan's on the basis of location, brand recognition, store image, presentation, price, understanding of fashion trends and market demand and value-added customer services. Each of the competing department store chains has an established presence in the Philippines and has the same target market of middle and upper middle-income consumer segments.

- *DIY stores.* The market for DIY and related products in the Philippines is highly competitive and fragmented. Retailers are largely classified into stand-alone big-box operators, mall-based DIY retailers and traditional hardware retailers.

  For the mall-based formats Handyman Do it Best and True Value, the Company believes that its direct competitor is Ace Hardware, which has comparable scale of operations. They compete with Ace Hardware primarily on the basis of product selection, price, promotions and customer service.

  For the big-box hardware format, Robinsons Builders and Home Plus have a strong presence in the Visayas and Cagayan de Oro and it is directly competing against Citi Hardware which has a strong foothold in Visayas and Mindanao. Robinsons Builders and Home Plus also compete with Wilcon Depot. Wilcon's network is concentrated in Metro Manila and Luzon, but it has begun to expand farther south of the Philippines, with stores in Cebu, Negros, Iloilo, Agusan del Norte, Davao and in other provinces.

  The Company broadly competes on the basis of pricing, delivery, brand recognition, quality, after sales services and availability of products.

- *Convenience stores.*
  Ministop faces direct competition from other chains of convenience stores, supermarkets and other retail outlets. With respect to their ready-to-eat products, Ministop also competes with other providers of these products, such as fast-food restaurants.

  The Company's primary convenience store competitors are 7-Eleven, Alfamart, Family Mart and Lawson. Philippine Seven Corp, the operator of the 7-Eleven chain, is the largest convenience store chain in the Philippines. Alfamart, operated by the SM Group, offers similar goods and services in 24/7 minimart format. Mercury Drug also competes in the CVS space, as it is shifting its merchandise mix to include more daily essentials and impulse buy products alongside its primary pharmacy business. Some Mercury Drug stores also operate 24/7.

  The Company competes primarily on the basis of store location and product assortment and quality.

- *Drugstores.* The drugstore industry in the Philippines is intensely competitive and highly regulated. Southstar Drug and Rose Pharmacy primarily competes with other retail drug store chains, such as Mercury Drug and Watsons. TGP likewise competes with Generika Drugstore and small independent pharmacies.

- *Specialty stores.*
  Toys "R" Us. Toys "R" Us is the second largest toys retailer after Toy Kingdom. Toys "R" Us competes with Toy Kingdom on the basis of its strong brand name and store recognition. With its line of affordable but quality private labels and

exclusive products, Toys “R” Us offers a complete and differentiated product offering to its shoppers.

Robinsons Appliances and *Savers Appliances.* Robinsons Appliances directly competes with other major consumer electronics and appliances retailers in the Philippines, both online and offline. With 86 stores strategically located nationwide, the banners provide quick, convenient access to a wide range of home appliances and consumer electronics, with varied payment, installation and delivery options for customers. The same product assortment and delivery scope is also made available online through www.robinsonsappliances.com.ph.

Savers Appliances likewise competes with major appliances retailers. Savers Appliances is a fast-growing appliance retailer and distributor providing a wide assortment of top tier brands in prominent retail shops in Metro Manila, North and Central Luzon, serving a broad consumer base from the aspirational to the affluent market. Driven by its tagline “We Give You More”, Savers Appliances caters to institutional clients requiring various consumer and commercial capacity appliance products such as system air-conditioning, refrigeration and ventilating equipment supported by delivery, installation, and after sales services. It also operates its own e-commerce platform, saversappliances.com.ph.

Mass Merchandise. Daiso Japan and Japan Home Center are currently the major players in the one-price discount stores operators in the Philippines. New competitors include Miniso and Mumuso, which share a similar target market through Japanese-style merchandise and store branding. With the company’s exclusive partnership with Daiso Industries Co. Ltd. of Japan, the stores are able to offer a broad range of authentic Daiso merchandise that boasts of product quality and aesthetic appeal at affordable prices starting at P88. On the other hand, Super50 competes at a lower price point, which is at P50.

Beauty Division. The Beauty Market (cosmetics and skin care) in the Philippines is very dynamic, with each retailer racing against each other for variety and a strong commercial presence. Competition is likewise coming from large international beauty companies which are setting up stand-alone stores in major malls aside from locating inside department stores (for example, MAC, Clinique, Lancome, Dior).

Pet Lovers Centre. Pet Lovers Centre competes with other pet retailers, such as Pet Express, and Dogs and the City, in terms of services and assortment, primarily pet supplies.

(vii) **Suppliers.** Revenue is derived substantially from direct sales and sales of consigned merchandise, and the success depends on the ability to retain and attract new suppliers and consignors on favorable terms. The sourcing of products is dependent, in part, on the relationships with the suppliers. The Company maintains long-standing working relationships with a broad range of national and multinational suppliers and distributors across all business segments. The Company believes that the business as a whole is not dependent on any single supplier.

Supermarkets. With over 2,000 regular suppliers as of 2021, Robinsons Supermarket's supplier base is diversified between local suppliers such as San Miguel Corp. and Universal Robina Corporation (URC) and multinational corporations such as Nestle Philippines, Unilever and Procter & Gamble. Robinsons Supermarket's top five suppliers together accounted for 25.0%, 24.5% and 23.8% of the net sales in 2019, 2020 and 2021, respectively.

Department Stores. For outright sales, Robinson Department Store sources and sells its own direct-purchase merchandise in its stores. Most of its outright sales consist of beauty and personal care, household merchandise and children's apparel. RDS' outright sales include a private label named Essentials that carries paper products. It has also strengthened sourcing for home and children's departments, thus adding more offerings to customers. As of 2021, Unilever, L'Oreal, Mondelez Phils., Procter & Gamble, Brandlines (Nivea) and Johnson & Johnson were some of RDS' largest outright sales suppliers.

DIY Stores. For outright sales, the Company sources the DIY and other products at favorable terms primarily from large-scale local suppliers and from over 500 foreign vendors accredited by Do it Best Corporation and True Value. For the big-box format, it also sources its tiles, sanitary wares, wood, among others, from foreign vendors based in the Asia-Pacific region.

Convenience Stores. To effectively satisfy customer preferences, the Company has established working relationships with over 240 regular suppliers as of 2021. The supplier base is diversified from large local suppliers such as Globe, URC and San Miguel Corp; smaller local suppliers for Ministop's ready-to-eat and private label products; to multinational corporations such as Coca Cola, Phillip Morris Phils and Unilever Phils. Ministop selects its suppliers using a number of criteria, including customer preferences, suppliers' capacity to serve all Ministop stores, product assortment and quality, brand reputation, business plans and budgets and compliance with Ministop's commercial principles.

Drugstores. Southstar Drug and Rose Pharmacy source pharmaceutical products from over 380 suppliers and distributors. Southstar Drug and Rose Pharmacy's top five largest pharmaceutical suppliers accounted for 35% and 73% of the total purchases in 2021, respectively. The Company only accepts products which are FDA-certified in the Philippines and ensures that the products it carries come from reputable and known manufacturers and companies. The Company sources non-pharmaceutical products from over 300 established suppliers and providers.

TGP. TGP sources generic and branded medicines from established distributors and toll-manufacturers that produce private label generic medicines for the Company. TGP selects its partners using a number of criteria, including quality, affordability and capacity to serve the Company's demands. All products are FDA-certified in the Philippines to ensure that the medicines are compliant with the prescribed standards of the regulatory agency. TGP's top five largest suppliers constitutes 44.9% of the total purchases in 2021.

Specialty stores.

Toys "R" Us. The Toys "R" Us private labels and exclusives, as well as importations (done through indentors/consolidators, which provide a differentiated offering), are directly sourced through the Toys "R" Us regional buying office where orders are consolidated to ensure that products are sourced at the lowest costs and margins are maximized. The Company also partners with local suppliers for locally developed merchandise both on outright or consignment.

Robinsons Appliances and *Savers Appliances.* Durability, energy efficiency and strong service network are among the top requirements of customers in choosing consumer electronics and home appliances. Robinsons Appliances and Savers Appliances partner with global brands with focus on providing smart, innovative, aesthetically appealing, and user-friendly appliances and gadgets for personal and commercial use. Notable global brand favorites of customers include Samsung, LG, Sony, Panasonic, Carrier, Sharp Electrolux, Whirlpool, TCL and Haier. Community relations is also a priority engagement for both Robinsons Appliances and Savers Appliances. Brands and partners present in both online and offline stores activate joint community programs with various advocacies including financial literacy for homemakers and entrepreneurs, technical advancement for students, appliance relief support for calamity-stricken areas, appliance and gadget support for select local institutions, and others. In partnership with the Gokongwei Brothers Foundation, these programs will soon evolve organically to further enhance after sales support and community relations.

Beauty Division. As the country's exclusive franchisee of the international brands it carries, RRHI-Beauty stores source their physical merchandise from legitimate distributors of its labels Shiseido, Benefit and Elizabeth Arden.

Mass Merchandise. Daiso Japan's one price point merchandise is composed of various items that have been evaluated and manufactured with the Japanese standards of Daiso Industries Co., Ltd. The stores are supplied primarily by the principal company, as well as approved international and local partners/suppliers.. This ensures quality and the authenticity of the store's diverse product range. Grounded on the pillars of variety, quality, and uniqueness, Daiso stores are home to practical and collectible home and kitchen products, utensils, office supplies, snacks, and beauty essentials. Super50 sources from various suppliers of quality goods sold at an affordable price point.

Pet Lovers Centre: As the country's exclusive franchisee of the Singaporean brand, the store sources their physical merchandise from legitimate distributors of its labels.

(viii) **Dependence upon single or few suppliers or customers.** The Company believes that its business as a whole is not dependent on any single supplier. The Company's five largest suppliers accounted at estimated 13.8% of consolidated net sales in 2021. The Company does not rely a single or few customers but to the buying public in general.

(ix) **Transactions with related parties.** In the ordinary course of business, the Company engages in a variety of transactions with related parties. The Company is controlled by the Gokongwei Family. Members of the Gokongwei Family also serve as directors and executive officers. Certain members of the Gokongwei Family are also major shareholders of JG Summit Holdings, Inc. The most significant transactions with the Gokongwei Family include leasing retail stores in the shopping malls owned by Robinsons Land Corporation (RLC), a company controlled by the Gokongwei Family. The Company policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company rents a significant number of its stores, commercial centers and office buildings from RLC and its affiliates. Members of the Company, including primarily Robinsons Supermarket and Ministop, sourced significant amount of their products from URC.

(x) **Patents, Trademarks, Licenses, Franchises, Concessions or Labor Contract.**

Following are the marks of the subsidiaries of RRHI as of December 31, 2021:

Supermarket Trademarks

Name of Trademark	Symbol of Trademark
1. ROBINSONS SUPERMARKET	Robinsons Supermarket
2. HEALTHY YOU	Healthy You
3. NATURE`S PURE	Nature's Pure
4. BREEDER`S CHOICE DOG FOOD	Breeder's Choice Dog Food
5. ROBINSONS EASYMART	Robinsons Easymart
6. ROBINSONS SELECTIONS	ROBINSONS SELECTIONS
7. JAYNITH'S SUPERMART	JAYNITH'S SUPERMART
8. ROBINSONS TOWNVILLE	ROBINSONS Townville
9. ROBINSONS PRIVATE LABEL	Robinsons
10. HEALTHY YOU	HEALTHY YOU

11. SHOPWISE
12. SHOPWISE EXPRESS
13. SUREBUY
14. SUREBUY PREMIUM
15. BENNY'S
16. FRESH PICKS
17. PIZZAYOLO
18. THE GOOD LIFE YOU CAN AFFORD
19. WISE CARD
20. WISE CARD ELITE
21. CHICKEN CORNER
22. MONGOLIAN STIR FRY BY SHOPWISE

Department Store Trademarks

Name of Trademark	Symbol of trademark
1. EXECUTIVE BY ROBINSONS	
2. PLAYGROUND	
3. PORTSIDE	
4. NITELITES	

5. BRIDGET`S CLOSET
6. HOME ESSENTIALS
7. B+ACTIVE
8. ALL ABOUT KIDS
9. RAFAEL
10. GRAB A TEE
11. NEVER BEEN KISSED
12. JUMPING BEANS
13. SIMPLY ME
14. PUNKBERRY
15. SUN KISSED
16. MARJOLAINE
17. LIBERTE
18. STELLA
19. TED MOSS
20. VANITY
21. PORTSIDE ACTIVE
22. MALEBOX
23. BELLA
24. BOTTOMS UP
25. WORKSHOP

26. RAFAEL SCRIPT

27. TED MOSS ACCESSORIES

28. LOCKSAC

29. TAB

30. CONQUEST

31. BRITISH POLO

DIY Store Trademarks

Name of Trademark	Symbol of trademark
1. ROBINSONS HANDYMAN	
2. THUNDER	
3. HIGH GEAR	
4. WISHY WASHY	
5. BOW WOW	
6. SUPER CHOW	
7. BATH BASICS	
8. ROBINSONS BUILDERS	

9. TRUE HOME	
10. BIANCA	
11. BLANCO	
12. A.M BUILDERS DEPOT	
13. ICONO	
14. ICONO PREMIO	
15. ICONO CLASSICO	
16. IMAGO	
17. DE ORO PACIFIC HOME PLUS	
18. CAT CHEW	
19. MODERN HOME	

Convenience Store Trademarks

Name of Trademark	Symbol of trademark
1. CHILLZ	
2. UNCLE JOHN'S FRIED CHICKEN	
3. MY SUNDAE	
4. MY CHOICE	
5. KARIMAN	

6. HOTCHIX
7. EATS TO GO
8. MY SUNDAE NEW RENDITION
9. UNCLE JOHN’S FC NEW RENDITION

Drug Store Trademarks

Name of Trademark	Symbol of trademark
1. SOUTH STAR DRUG	
2. SOUTH STAR DRUG MAPAGKAKATIWALAANG TUNAY	
3. MANSON DRUG TUNAY AT MURA ANG GAMOT	
4. TGP – THE GENERICS PHARMACY	
5. THE GENERICS PHARMACY	
6. THE GENERICS PHARMACY MABISA NA MATIPID PA	
7. BASTA GENERICS, THE GENERICS PHARMACY	BASTA GENERICS, THE GENERICS PHARMACY
8. TGP THE GENERICS PHARMACY MABISA NA, MATIPID PA!	
9. TGP WITH LOGO	
10. TGP+ THE GENERICS PHARMACY	

11. ROSE PHARMACY

12. ROSE PHARMACY

13. ROSE + CLINIC

14. ROSE XPRESS DELIVERY

15. ROSE PHARMACY

16. ROSE PHARMACY

17. KAY SARAP MAGMAHAL A Culture of Loving Service Uniquely of Rose Pharmacy

Specialty Store Trademarks

Name of Trademark	Symbol of trademark
1. ROBINSONS APPLIANCES	
2. ROBINSONS SPECIALTY STORES, INC.	
3. SAIZEN	
4. SAVER'S APPLIANCES	

Others

Name of Trademark	Symbol of trademark
1. R	
2. R ROBINSONS RETAIL HOLDINGS, INC	

3. ROBINSONS SHOP CARD

4. Fit & Fun Wellness Buddy Run

5. Wellness Moms

6. We Love Wellness

7. Healthier Days Start Here

8. I Love Wellness

9. Robinsons Wallet

10. #EasyOnThePlastic

11. Easymart Rays

12. Take It Easy

13. Your Store for Everyday Needs

14. Go Chicken

15. Tindahan

16. Curated Home

17. 19. Fit Kids

(xi) **Government Approvals.** The Company and all its subsidiaries have obtained all permits, licenses and approvals from national and local government units and other government agencies necessary to lease store spaces and operate the same.

As a retailer, the Company and its subsidiaries are subject to the following laws and regulations: a) The Retail Trade Liberalization Act; b) The Food, Drug and Cosmetics Act; c) The Consumer Act; d) The Meat Inspection Code; e) The Price Act; f) The Philippine Food Fortification Act; g) The Comprehensive Dangerous Drugs Act; h) The Pharmacy Law; i) The Generics Act and j) The Philippine Labor Code.

(xii) **Effects of Existing or Probable Governmental Regulations on the Business.** The Group operates its businesses in a highly regulated environment. These businesses depend upon permits issued by the government authorities or agencies for their operations. The suspension or revocation of such permits could materially and adversely affect the operation of these businesses.

(xiii) **Research and Development**

None during the year.

(xiv) **Cost and Effects of Compliance with Environmental Laws.** Operators of retail stores with total store areas (including parking) of over 10,000 square meters (sqm) and/or operators of supermarkets with food stalls are required to obtain an Environment Compliance Certificate (ECC) for each store prior to commencement of business to certify that the operation will not pose an unacceptable environmental impact. Operators of supermarkets may also apply for and secure a Certificate of Non-Coverage (CNC) which exempts them from securing an ECC for their projects.

The Company must obtain a Philippine Department of Environment and Natural Resources (DENR) identification number from the regional office of the Philippine Environmental Management Bureau (EMB) to dispose of hazardous waste. In the absence of an identification number, the Company may be penalized with a fine ranging from ₱600 to ₱4,000.

(xv) **Employees.** As of December 31, 2021, the Group had 20,535 employees. The Company anticipates that it will have approximately 23,261 employees within the next 12 months for the planned store openings in 2022. The Company's management believes that good labor relations generally exist throughout the operating companies. The Company has experienced no material work stoppages or strikes in the past three years. The Company currently has no labor union or any collective bargaining agreement with any group of employees.

(xvi) **Risks**

1. The Company may experience difficulty in implementing its growth strategy brought about by unsuccessful future store openings, unsuccessful expansion through acquisition and failure of existing stores to benefit from the current favorable retail environment. In addition, new stores may place a greater burden on its existing resources and adversely affect its business as it faces the risk of market saturation brought about by increased competition from other retail companies in the Philippines.

2. The Company depends on RLC and other mall operators for the development of parts of its business and leases all of its premises, thus it may not be able to continue to renew these leases or to enter into new leases in favorable locations on acceptable terms thereby exposing the Company to risks relating to the leasing and sub-leasing of any of its stores as well as portions of its supermarket space.

3. The Company's retail business depends on its ability to source and sell the appropriate mix of products to suit the changing consumer preferences and relies on services rendered by independent contractors that may not always meet its requirements for quality or be available or completed within its budget. Also the success of its business depends in part on its ability to develop and maintain good relationships with its current and future suppliers and consignors. Likewise, the success of its business depends in part on its ability to develop and maintain good relationships with its franchisors and/or licensors. Thus, a deterioration of the value of its brand names and trademarks may have a material adverse effect on its business.

4. The Company operates in a regulated industry and its business is affected by the development and application of regulations in the Philippines. Continued compliance with, and any changes in, environmental laws and regulations may adversely affect its results of operations and financial condition. The Company may fail to fulfill the terms of licenses, permits and other authorizations, or fail to renew them on expiration. The Company may face difficulty in hiring sufficient numbers of pharmacists to meet the demands of its drug store operations due to shortage of registered pharmacists in the Philippines thereby facing the risk of not being able to operate new drug store or be forced to close existing ones. Product liability claims in respect of defective goods sold in its stores and food safety and food-borne illness concerns could adversely affect its reputation and its financial prospects.
Likewise, the sale of counterfeit products may affect its reputation and profitability. On the other hand, its senior citizen, persons with disability and similar discounts for purchases of prescribed medicines and prime commodities may be subject to abuse or unchecked fraudulent practices by unqualified customers.

5. The Company is exposed to certain risks in connection with the substantial use of cash in its operations. Damage to or other potential losses involving, its assets may not be covered by insurance. Its business, financial performance and results of operations are subject to seasonality. The Company relies on dividends and distributions from its subsidiaries to fund its cash and financing requirements.

6. The Company is controlled by the Gokongwei Family and its interests may differ significantly from the interests of other shareholders as its business and operations are dependent upon key executives. The Company is party to a large number of related party transactions and its operating results and financial condition are affected by a significant minority shareholding in Robinsons Bank.

7. Its operations are concentrated in the Philippines, and therefore any downturn in general economic conditions in the Philippines could have a material adverse impact on its business operations. Any political instability in the Philippines may adversely affect its business operations. Continued terrorist activities and high-profile violent crime in the Philippines could destabilize the country, adversely affecting its business environment and the occurrence of natural disasters or other

catastrophes, severe weather conditions, or outbreaks of contagious diseases may materially adversely affect the Philippine economy and disrupt its operations.

8. Future changes in the value of the Philippine Peso against the U.S. dollar and other currencies may adversely affect its results of operations

9. Government mandated measures such as lockdowns due to COVID 19 pandemic created significant volatility across the business of the group. This resulted to both temporary and permanent store closures.

Item 2. Properties. Commercial spaces for all of retail establishments from various entities across the Philippines are leased by the Company. The lease rates and terms for these commercial spaces follow standard market rates and practices for similar businesses. The following table is illustrative of the rates paid per region.

Region	Rental Scheme	Lease Rate	Term
Metro Manila	Fixed	P105 to P1,628 per sqm	1-25 years
	% to sales	1.5% to 11.20% of sales	1-25 years
	Fixed or % to sales, whichever is higher	P174 to P1,826 per sqm or 2.0% to 7.9% of sales	1-15 years
	Fixed plus % to Sales	P125 to 3,816 per sqm plus 1.25% to 5.0% of sales	1-19 years
Luzon (outside Metro Manila)	Fixed	P55 to P1,390 per sqm	1-25 years
	% to sales	2.00% to 7.20% of sales	1-17 years
	Fixed or % to sales, whichever is higher	P105 to P750 per sqm or 2.0% to 5.0% of sales	1-19 years
	Fixed plus % to sales	P125 to P1,390 per sqm plus 1.0% to 3.00% of sales	1-17 years
Visayas	Fixed	P90.00 to P1,034 per sqm	1-25 years
	% to sales	2.00% to 7.20% of sales	1-15 years
	Fixed or % to sales, whichever is higher	120 to 900 per sqm or 2% to 6% of sales	1-15 years
	Fixed plus % to sales	125 to 2,648 per sqm plus 1.0% to 6.00%	1-15 years
Mindanao	Fixed	P183 to P1,034 per sqm	1-25 years

% to sales	2.00% to 7.20% of sales	1-15 years
Fixed or % to sales, whichever is higher	P122 to P900 per sqm or 2.0%-5.5% of sales	1-15 years
Fixed plus % to sales	P125 to P739 per sqm plus 1.0% to 3.0% of sales	1-5 years

Supermarket. The following table sets out the location, number of stores and gross selling space of the Company's supermarkets that are leased as of December 31, 2021.

	No. of stores	Gross Selling Area in sqm
Metro Manila	124	262,594
Luzon	110	247,038
Visayas	36	108,450
Mindanao	16	56,895
Total	**286**	**674,977**

Department stores. The following table sets out the location, number of stores and gross selling space of the Company's department stores that are leased as of December 31, 2021.

	No. of stores	Gross Selling Area in sqm
Metro Manila	11	126,823
Luzon	20	125,292
Visayas	12	88,433
Mindanao	9	64,311
Total	**52**	**404,859**

DIY Stores. The following table sets out the location, number of stores and gross selling space of DIY stores as of December 31, 2021, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	66	58,316
Luzon	92	65,629
Visayas	45	43,814
Mindanao	24	25,909
Total	**227**	**193,668**

Convenience Stores. The following table sets out the location, number of stores and gross selling space of Ministop stores as December 31, 2021, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	282	21,440
Luzon	154	11,785
Visayas	20	1,266

Mindanao	–	–
Total	**456**	**34,491**

Drug Stores. The following table sets out the number of South Star Drug and Rose Pharmacy stores by region as December 31, 2021, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	119	8,850
Luzon	378	35,755
Visayas	266	22,318
Mindanao	136	10,923
Total	**899**	**77,846**

Specialty Stores. The following table sets out the number of stores of *Robinsons Appliances and Savers Appliances* stores, *Toys "R" Us* stores (including the *Toy "R" Us Toybox* sections located in RDS stores), *Daiso Japan* stores, international fashion specialty retail and beauty brand formats as of December 31, 2021, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	88	40,048
Luzon	132	60,141
Visayas	39	17,343
Mindanao	29	12,126
Total	**288**	**129,658**

Item 3. Legal Proceedings. As of December 31, 2021, neither the Company nor any of its subsidiaries or affiliates or any of their properties is engaged in or a subject of any material litigation, claims or arbitration either as plaintiff or defendant, which could be expected to have a material effect on its financial position and the Company is not aware of any facts likely to give rise to any proceedings which would materially and adversely affect business or operations.

Item 4. Submission of Matters to a Vote of Security Holders. There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

(A) Principal Market or Markets Where the Registrant's Common Equity is Traded

The common stock of the Company is listed on the Philippine Stock Exchange.

STOCK PRICES

<u>2022</u>

	High	Low
January 2022	64.00	53.85
February 2022	62.00	53.55

2021

	High	Low
First Quarter	66.45	51.00
Second Quarter	57.20	48.50
Third Quarter	57.95	48.50
Fourth Quarter	68.40	51.80

2020

	High	Low
First Quarter	58.95	54.35
Second Quarter	65.75	62.00
Third Quarter	68.00	64.50
Fourth Quarter	66.65	65.00

2019

	High	Low
First Quarter	89.70	78.00
Second Quarter	80.35	68.85
Third Quarter	81.70	74.80
Fourth Quarter	80.00	72.00

2018

	High	Low
First Quarter	₱101.80	₱83.80
Second Quarter	92.00	76.50
Third Quarter	89.00	77.50
Fourth Quarter	81.8	70

2017

	High	Low
First Quarter	₱83.95	₱72.70
Second Quarter	89.20	75.50
Third Quarter	105.00	82.60
Fourth Quarter	108.10	89.95

(B) Holders

The number of shareholders of record as of December 31, 2021 was 42. Common shares outstanding as of December 31, 2021 were 1,512,010,200.

List of Top 20 stockholders as of December 31, 2021

Name of stockholder	Number of shares held	Percent to Total Outstanding
1. JE Holdings, Inc.	491,299,997	32.49%
2. GCH Investments Pte Ltd	315,308,689	20.85%

Name of stockholder	Number of shares held	Percent to Total Outstanding
3. PCD Nominee Corporation (Filipino)	219,006,808	14.48%
4. PCD Nominee Corporation (Non-Filipino)	178,471,773	11.80%
5. Lance Y. Gokongwei	91,952,655	6.08%
6. Robina Gokongwei-Pe	91,952,654	6.08%
7. James L. Go	31,928,005	2.11%
8. RBC-TIG ATF TA#030-172-530113	29,968,949	1.98%
8. Robinson Bank Trust Account No. TA#030-172-530121	29,968,949	1.98%
9. Lisa Y. Gokongwei-Cheng	29,926,449	1.98%
10. Wilfred T. Co	2,027,936	0.13%
11. Lucio W. Yan &/or Clara Y. Yan	100,000	0.01%
12. UP Engineering Research and Development Foundation, Inc.	43,300	0.00%
13. Lisa Y. Gokongwei-Cheng	42,500	0.00%
14. Pacifico B. Tacub	2,000	0.00%
14. Stephen T. Teo &/or Teresita R. Teo	2,000	0.00%
15. Gabrielle Claudia F. Herrera	1,200	0.00%
15. Nadezhda Iskra F. Herrera	1,200	0.00%
15. Joselito C. Herrera	1,200	0.00%
16. Vicente Piccio Mercado	1,000	0.00%
16. John T. Lao	1,000	0.00%
16. Miguel P. Guerrero or Alice T. Guerrero	1,000	0.00%
17. Maria Lourdes Medroso Mercado	600	0.00%
18. Felicitas F. Tacub	100	0.00%
18. Julius Victor Emmanuel D. Sanvictores	100	0.00%
18. Hector A. Sanvictores	100	0.00%
19. Dondi Ron R. Limgenco	11	0.00%
20. Ronald S. Bes	10	0.00%
21. Owen Nathaniel S. Au ITF: Li Marcus Au	5	0.00%
22. John L. Gokongwei, Jr.	1	0.00%
22. Antonio L. Go	1	0.00%
22. Roberto R. Romulo	1	0.00%
22. Joselito T. Bautista	1	0.00%
22. Ian James Winward McLeod	1	0.00%
22. Choo Peng Chee	1	0.00%
22. Botschaft N. Cheng or Sevila Ngo	1	0.00%
22. Rodolfo P. Ng	1	0.00%
22. Cirilo P. Noel	1	0.00%
22. Robinson Bank Trust Account No. TA#030-172-530122	1	0.00%
Total outstanding	1,512,010,200	100.00%

(C) Dividends

On April 27, 2021, the Company's Board of Directors (BOD) approved the declaration of a regular cash dividend in the amount of ₱0.83 per share and a special cash dividend in the amount of ₱ 1.00 per share from the unrestricted retained earnings of the Company as of December 31, 2020 to all stockholders of record as of May 20, 2021 and payable on June 10, 2021.

On May 13, 2020, the Company's Board of Directors (BOD) approved the declaration of a cash dividend in the amount of ₱1.00 per share from the unrestricted retained earnings of the Company as of December 31, 2019 to all stockholders of record as of June 3, 2020 and payable on June 30, 2020.

On May 30, 2019, the Company's Board of Directors (BOD) approved the declaration of a cash dividend in the amount of ₱0.72 per share from the unrestricted retained earnings of the Company as of December 31, 2018 to all stockholders of record as of June 20, 2019 and payable on July 12, 2019.

(D) Restriction that Limits the Payment of Dividends on Common Shares
None

(E) Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction.
None

Item 6. Management's Discussion and Analysis or Plan of Operation

December 31, 2021 vs December 31, 2020

Consolidated Results of Operations
(Amounts in Million Pesos)

Robinsons Retail Holdings, Inc. recorded net income of ₱4,850 million for the twelve months ended December 31, 2021, an increase of 39.2% as compared to ₱3,486 million for the twelve months ended December 31, 2020. Net income attributable to parent amounted to ₱4,528 million for the twelve months ended December 31, 2021, an increase of 40.8% vs. 2020 driven mainly by the recovery from the negative economic effects of the pandemic.

Consolidated net sales increased by 1.5% from ₱151,070 million for the twelve months ended December 31, 2020 to ₱153,327 million for the twelve months ended December 31, 2021. The increase in sales was driven by the strong performance of the drugstore segment, recovery of the department store segment and positive contributions of do-it-yourself (DIY), convenience store and specialty stores. Rose Pharmacy contributed for a full year at ₱8,155 million for 2021 compared to ₱1,187 million for two months in 2020.

Blended same store sales growth (SSSG) was -4.9% for the full year 2021. Supermarket segment posted -8.7% SSSG for the year, while the drugstore segment recorded flat SSSG same as last year. The department store segment posted 8.7% due to strong performance in the 4th quarter of the year due to the holiday season and easing of restrictions. Specialty segment posted SSSG of 6.0% this year coming from a low base of -28.0% last year. This was primarily driven by strong performance in appliances and toys. Meanwhile, aggregate online sales rose to 3.6% of total RRHI sales for the year compared to only 1.1% last year.

Gross profit margin was at 23.0% for the year driven by higher vendor supports and better product mix across segments.

Operating expenses grew by 4.5% as of December 31, 2021. In 2020, the Group implemented cost containment measures to cushion the impact of weakened sales performance with OPEX declining

70bps as % of sales, partially mitigating the 100bps gross margin compression. Full year EBITDA margin increased by 3.0% to 8.6% of sales driven by margins. EBIT increased by 20bps to 4.0% of sales. Net income attributable to equity holders of the parent company increased by 40.8% to ₱4,528 million in 2021 driven by recovery in EBIT, forex gains and increase in earnings from associate.

<u>COVID-19 Impact, Risks and Mitigation</u>

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID 19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until May 16, 2020 when quarantine restrictions were relaxed, save for a reimposition of MECQ in Metro Manila and nearby provinces in the 1st 2 weeks of August 2020.

In January to April 2021, GCQ was imposed in some areas including Metro Manila. This was replaced by MECQ from April 12 to April 30, 2021 for Metro Manila and neighboring areas such as Bulacan, Cavite, Laguna, Batangas and for some areas in the provinces. The president ordered a small lifting of quarantine regulations in NCR and the province of Bulacan on June 14, as the two areas were shifted to GCQ with “some restrictions” from June 16 to 30, 2021. On July 7, the president has approved returning NCR and 29 other locations in the country to the usual GCQ status till the end of the month, after their previous COVID-19 quarantine classification expired on July 15.

The government’s pandemic task team has agreed to lower NCR and Laguna from ECQ to MECQ commencing August 21, 2021.

The government approved placing Metro Manila and Laguna under MECQ from August 21 to 31, 2021. By the end of August, the Government announced that the National Capital Region, Bataan, and Laguna will remain under MECQ from September 1 to 7, 2021, with the same additional restrictions.

In the same month, the COVID-19 Alert Levels System was tested in NCR. It’s a new system of quarantine categories that applies to entire cities, municipalities, or regions.

This method is made up of five alert levels and the granular lockdown technique, which is a two-week micro-level quarantine for regions declared “critical zones” by local government units (LGUs). Starting September 8, 2021 until the end of the month, Metro Manila shifted back to GCQ. Metro Manila was placed under Alert Level 4 on September 16, 2021 enforcing granular lockdowns only in vital sectors. By the end of September, the Government placed 11 regions under MECQ until October 15, 2021, while 25 areas went under GCQ with heightened restrictions until the end of the month.

On October 13, 2021 the IATF approved the recommendation to reduce the alert level in NCR from alert level 4 to alert level 3 until October 31, 2021. On November 4, 2021 the Government approved the de-escalation of NCR from alert level 3 to alert level 2.

The Group has recognized the health and business risks posed by the virus to the general public and the need to join the collective effort in mitigating the spread of COVID-19. In the face of this global crisis, the Group remains collected and vigilant as it operates and maintains mitigation efforts to help safeguard the health and safety of its employees and customers.

Segment Operations

(i) ***Supermarket***. The Supermarket segment continued to account for the largest share in the Group's sales, EBIT and EBITDA. Full year consolidated net sales of the whole supermarket segment was at ₱88,630 million, 5.8% lower than last year. Full year SSSG was at -8.7% given the heavy pantry loading in 2020 when the lockdowns started in mid-March, aggressive expansion of both online and offline competitors and ongoing renovations in key Shopwise and The Marketplace stores. Meanwhile, online sales amounted to 3.7% of total sales.

Gross margins expanded by 60bps to 21.5% for the year, attributable to the stronger advertising support for category promotions, higher business advancement support for new stores, increased revenues from new product listings. The gains in gross margins trickled down to EBITDA margins that expanded by 10 bps to 8.4%.

(ii) ***Department Stores.*** Robinsons Department Store has shown strong performance in 4Q with net sales growth of 24.3% to ₱4,169 million, bringing full year net sales to ₱9,326 million up by 10.4% Year on Year. Total e-commerce sales accounted for 1.4% of sales. 4th quarter SSSG surged to 21.3%, lifting year-end SSSG to 8.7%. The improvement in SSSG is mainly driven by the increase in mall foot traffic due to easing of restrictions during the holiday season. All categories, especially Home, delivered strong performances.

Gross margin jumped by 200bps to 29.3% in the 4th quarter due to better category mix, reversing the decline seen in the first nine months, with full year gross margins up by 30bps to 29.9%. OPEX has also declined by 14.7% and 3.7% in 4th quarter and year end, respectively driven by cost cutting measures. As a result, EBITDA margins accelerated by 910bps to 14.4% for 4th quarter and 330bps to 6.6% for the year.

(iii) ***Convenience stores.*** Full year net sales amounted to ₱4,915 million. E-commerce sales rose to 2.7% of sales from 0.9% 2020. SSSG in the first quarter was -33.4%, given the NCR Bubble Cluster in March, but improved from the second quarter to the 4th quarter, narrowing the full year SSSG to -9.6%. Sales from commercial areas, where 54.0% of our stores are located, showed signs of recovery with mid to high digit SSSG for the 4th quarter.

Gross margin and royalty income expanded to 35.4% in 2021 driven by the increase in commission income and DC allowance. Commissions from value-added services such as telco services, bills payments, cash-ins are gaining traction accounting for 1.5% of sales from 0.9% in 2020. EBITDA margin declined by 70bps to 5.9% in 2021 as OPEX grew with the conversion of several franchised stores to direct stores.

(iv) ***Drug Stores***. Net sales of the drugstore segment reached ₱26,668 million, up by 39.9%. E-commerce sales grew to 4.4% of sales.

SSSG ended flattish for the year. First quarter SSSG was exceptionally low as it was coming from a high base in the same period in 2020. The strong performance in the last 3 quarters negated the 18.7% decline in the 1st quarter, with higher demand for anti-diabetes, respiratory and cardiovascular products, as well as fever and flu medicines.

Blended gross margins increased by 50bps to 19.5% versus full year 2020 lifted by the continued alignment of trading terms and other supply chain synergies between Southstar Drug and Rose Pharmacy.

EBITDA margin still declined by 70bps to 8.6% given the full year impact of Rose Pharmacy. Excluding Rose Pharmacy, EBITDA margin improved 10bps versus 2020.

(v) ***DIY Stores.*** The DIY segment's full year net sales increased by 1.3% to ₱11,502 million, supported by the e-commerce sales which grew 2.5x, contributing to 3.7% of sales. SSSG at 1.3%, lifted by the strong performance of the small appliances, tools and cleaning supplies categories.

Gross margins were down by 90bps to 31.6% due to more promotional events this year. Softer sales and higher OPEX compressed EBITDA margins to 13.5%.

(vi) ***Specialty Stores Segment***. The specialty segment net sales declined by 7.4% to ₱12,287 million due to the closure of the fashion segment and the reclassification of Growsari and No Brand to the supermarket segment. On a like-for-like basis, excluding Growsari and No Brand in 2020, net sales grew by 5.6%. Meanwhile, e-commerce sales grew 63% and accounted for 3.0% of sales. Full-year SSSG was at 6.0% with all specialty store formats contributing positive SSSG.

Blended gross margin rose by 400bps to 24.6%, mainly driven by the better sales mix from the appliance business. This translated to EBITDA margin expansion by 150bps to 7.9%.

<u>Financial Position</u>

As of December 31, 2021, the Group's balance sheet showed consolidated assets of ₱134,234 million.

Cash and cash equivalents as of December 31, 2021 is at ₱16,170 million. Net cash provided by operating activities totaled ₱7,184 million. Net cash spent from investing activities amounted to ₱ 270 million. Excluding the impact of PFRS 16, net cash spent from financing activities amounted to ₱7,957 million of which ₱1,850 million came from net loan payments with ₱3,147 million payment of dividends and ₱2,801 million to buy back treasury shares.

Trade and other receivables decreased by 15.2% from ₱3,144 million to ₱2,667 million as of December 31, 2021.

Debt and equity instrument financial assets declined by ₱2,306 million or 16.6% for the full year 2021 due to redemptions during the period.

Trade and other payables decreased from ₱23,363 million to ₱21,216 million as of December 31, 2021 mainly driven by tempered purchases and spending. Current loans payable decreased by ₱ 1,850 million due to loan payments.

Stockholder's equity stood at ₱76,513 million as of December 31, 2021.

December 31, 2020 vs December 31, 2019

Consolidated Results of Operations
(Amounts in Million Pesos)

In 2019, the Group adopted Philippine Financial Reporting Standards (PFRS) 16-Leases in accounting for its operating leases where the Group is the lessee. The Group recognized an asset representing right of use of the leased property (ROU) and a liability for lease payments (Lease Liability). The effects of the new standard for both 2020 and 2019 results are as follows:

Financial Summary *(Amount in million Pesos except EPS)*	Period Ended December 31					
	2020		2019		% Change	
	Under PFRS 16 (A)	Under Previous Standard (B)	Under PFRS 16, As Restated (C)	Under Previous Standard (D)	2020 (A) vs. 2019 (C)	2020 (B) vs. 2019 (D)
Consolidated Statement of Comprehensive Income Data						
Sales- net of sales discounts and returns	151,070.3	151,070.3	162,915.7	162,915.7	-7.3%	-7.3%
Cost of merchandise sold	118,172.3	118,172.3	125,734.5	125,734.5	-6.0%	-6.0%
Operating expenses	28,736.7	29,530.2	32,123.2	32,761.2	-10.5%	-9.9%
Interest expense	2,326.3	146.4	2,578.5	300.7	-9.8%	-51.3%
Income before income tax	4,418.9	5,805.2	6,109.6	7,749.3	-27.7%	-25.1%
Provision for income tax	933.3	1,349.2	1,559.3	2,091.7	-40.1%	-35.5%
Net income	3,485.6	4,456.1	4,550.3	5,657.7	-23.4%	-21.2%
Net income attributable to Parent Company	3,216.6	4,132.1	3,918.6	4,907.8	-17.9%	-15.8%
EPS	2.05	2.63	2.49	3.11	-17.8%	-15.4%
Consolidated Statement of Cash Flow Data						
Net cash provided by (used in) operating activities	7,614.4	3,679.8	12,049.0	7,606.8	-36.8%	-51.6%
Net cash provided by (used in) investing activities	(4,937.2)	(4,937.2)	1,817.8	1,817.8	-371.6%	-371.6%
Net cash used in financing activities	(1,644.6)	2,290.0	(8,359.8)	(3,917.7)	-80.3%	-158.5%
Consolidated Statement of Financial Position Data						
Total assets	141,596.2	115,874.9	137,866.1	111,055.5	2.7%	4.3%
Total liabilities	64,005.9	36,678.5	61,339.7	33,421.7	4.3%	9.7%
Total stockholder's equity	77,590.2	79,196.3	76,526.4	77,633.8	1.4%	2.0%

Robinsons Retail Holdings, Inc. recorded net income at ₱3,486 million for the twelve months ended December 31, 2020, a decrease of 23.4% as compared to ₱4,550 million for the twelve months ended December 31, 2019. Without the impact of PFRS 16, net income would have been ₱4,456 million, this year vs. ₱5,658 million last year. Net income attributable to parent amounted to ₱ 3,217 million for the twelve months ended December 31, 2020, a decline of 17.9% vs. same period last year as business performance was affected mainly by the negative economic effects of the pandemic.

Consolidated net sales decreased by 7.3% from ₱162,916 million for the twelve months ended December 31, 2019 to ₱151,070 million for the twelve months ended December 31, 2020. Sales were impacted by the temporary closure of the stores considered non-essential during the Enhanced Community Quarantine (ECQ) imposed by government starting March 17, 2020. Majority of the Company's stores across all formats resumed operations only in May 16, 2020 following relaxed quarantine restrictions save for a reimposition of MECQ in Metro Manila and nearby provinces in the 1st 2 weeks of August. Since then, operating hours have been shortened and foot traffic is down due to the negative economic effects of the pandemic such as a) higher unemployment rate; b) decline in OFW remittances; c) slump in tourism activity; and d) easing of government subsidy. Excluding Rose Pharmacy, net sales declined 8.0% year-on-year to ₱149,884 million.

Blended same store sales growth (SSSG) was –15.6% for the fourth quarter of 2020 and –8.9% for the full year 2020. Supermarket segment posted 7.7% SSSG for the year, while the drugstore segment recorded flat SSSG given the high base effect of 9.9% SSSG last year. The rest of the formats registered negative SSSG mainly due to the lockdowns imposed by government and ordinances prohibiting individuals below 15 and above 65 years old to go out. Convenience stores were closed because of the closure of offices and schools where the stores are located due to work-from-home and remote learning setups, respectively. Strict curfew hours for extended periods during the different phases of quarantine also affected foot traffic and store operating hours.

Meanwhile, aggregate online sales rose to 1.4% of total RRHI sales in the fourth quarter compared to only 0.2% in the first quarter of the year. It reached ₱1.6 billion in 2020, registering a threefold increase and accounting for 1.1% of total sales from 0.4% the previous year.

Gross profit margin was at 22.4% in the fourth quarter, mainly due to the consolidation of lower margin business of Rose Pharmacy. Due to the lack of scale, Rose Pharmacy does not yet enjoy the same margins as Southstar Drug, but aligning trade margins will be a priority similar to the margins gained from the consolidation of Robinsons Supermarket and Rustan. Excluding Rose Pharmacy, gross margin increased by 30bps to 22.7% in the fourth quarter, with full year down by 100bps to 21.8% in line with expectations of 50-100bps gross margin compression maily driven by sales decline in higher margin discretionary formats.

The Group implemented cost containment measures to cushion the impact of weakened sales performance with OPEX declining 70bps as % of sales, partially mitigating the 100bps gross margin compression. Full year EBITDA margin was down by only 50bps to 8.5% due to lower store productivity from reduced operating hours and low foot traffic, despite efficiencies from the integration of Rustan in the Supermarket business. Net income attributable to equity holders of the parent company declined by 17.9% to ₱3,217 million in 2020.

<u>COVID-19 Impact, Risks and Mitigation</u>

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID 19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until May 16, 2020 when quarantine restrictions were relaxed save for a reimposition of MECQ in Metro Manila and nearby provinces in the 1st 2 weeks of August.

The Group has recognized the health and business risks posed by the virus to the general public and the need to join the collective effort in mitigating the spread of COVID-19. In the face of this global crisis, the Group remains collected and vigilant as it operates and maintains mitigation efforts to help safeguard the health and safety of its employees and customers.

<u>Segment Operations</u>

(vii) ***Supermarket***. The Supermarket segment continued to account for the largest share in the Group's sales, EBIT and EBITDA. Full year consolidated net sales of the whole supermarket segment was at ₱94,121 million, 6.3% higher than last year. This was despite the slowdown in the fourth quarter where SSSG eased to -2.3% caused mainly by the decline in consumer purchasing power and increasing competition from social commerce and online grocery platforms. Full year SSSG, however, still ended at a robust 7.7% given the strong pandemic-induced sales in the first 3 quarters. Fourth quarter online sales amounted to 1.4% of total sales while full year online sales breached the ₱1.0 billion mark, representing 1.1% of total Group sales and 3.1% of the sales of all 58 stores offering online grocery service.

Gross margins expanded by 110bps to 22.2% in the fourth quarter, driven by the recovery in back end margins or other income, narrowing the decline for the full year by 10bps to 20.9%. EBITDA margin declined by 30bps to 8.3% in the fourth quarter but expanded by 50bps to 8.3% for the full year due to the cost-efficiencies from the integration for Rustan, rent discounts and better DC cost recovery.

(viii) ***Department Stores.*** Robinsons Department Store's net sales were down 45.2% to ₱3,354 million in the fourth quarter, with full-year net sales at ₱8,451 million. The categories with the least decline were: a) home (-33%) driven by kitchenware, small appliances and storage (-19%); b) sports accessories (-24%); c)men's undergarments (-37%); d) health & beauty (-39%); and e) infants (-41%) driven by accessories (-27%). Online sales, including call & collect/delivery (We Shop for You) increased 7x from the previous year.

Although SSSG for the quarter was still weak at -45.6%, this was an improvement from the -59.0% and -79.6% recorded in the third and second quarters, respectively. Full year SSSG was at –52.0% mainly due to the low foot traffic and drop in back-to-school sales due to the shift to online classes and increased competition from online shops.

Despite the 50bps decline to 27.3% in the fourth quarter, gross margin for 2020 was up by 190bps at 29.6% benefiting from higher DC fees that started in the last quarter of 2019 and improvement in category mix. Fourth quarter EBITDA margins was at 5.3%, an improvement from the 1.5% recorded in the third quarter, with full year EBITDA margins at 3.3%.

(ix) ***Convenience stores.*** Ministop system-wide sales at ₱1.4 billion in the fourth quarter was a decline of 45.4% year-on-year, but an improvement from the -47.0% in the third quarter. Full year system-wide sales and merchandise sales were at ₱6.4 billion and ₱4.8 billion, respectively. Total e-commerce sales for the fourth quarter rose to 1.3% of sales from 0.8% in the first quarter with the increased traction from our delivery tie-up with Grabfood and Grabmart (particularly for ready-to-eat food) under the new normal. Average daily sales continue to improve month-on-month in the fourth quarter as we aggressively expanded our assortment and recovery in ready-to-eat food sales. Fourth quarter SSSG slightly improved although still weak at -38.9% from -44.3% in the third quarter. Full year SSSG was at -31.8% as approximately 60% of our store network are located in BPO and commercial districts which were the most challenged with FY SSSG at -42% and -39%, respectively.

Gross profit and royalty income margin dipped 90bps to 34.2% in 2020 due to higher number of company owned stores. Meanwhile, EBITDA margin for the fourth quarter was lifted by the steep decline in operating costs advancing by 490bps to 8.3%, including substantial rental discounts being negotiated. This was a turnaround from the negative EBITDA margin registered in the fourth quarter, bringing full year EBITDA margin at 6.6%.

(x) ***Drug Stores***. Net sales of the drugstore segment grew significantly by 14.8% to ₱5,390 million in the fourth quarter and 7.8% to ₱19,059 million in 2020 mainly due to the two-month consolidation of Rose Pharmacy. Excluding Rose Pharmacy, net sales increased by 1.1% to ₱17,872 million for the full year. The contribution of online sales increased to 0.7% in the fourth quarter from only 0.3% in the second quarter when the site started. Southstar Drug registered negative SSSG for the fourth quarter due to the following: a) high base effect of 7.4% in 2019 from the meningococcemia scare, rapid progression of dengue in the country, and flu outbreak; and b) lower demand for prescription medicines due to less people visiting hospitals. Meanwhile, 2020 SSSG was flat.

Blended gross margins declined by 170bps to 16.8% in the fourth quarter and 30bps to 19.0% for the full year, impacted by the consolidation of the lower margin business of Rose Pharmacy. Excluding Rose Pharmacy, gross margins increased by 10bps to 19.4%.
Rose Pharmacy recorded higher operating cost which dragged down consolidated EBITDA margin by 10bps to 9.1% in 2020. Excluding Rose Pharmacy, EBITDA margin of the drugstore segment rose by 30bps to 9.7% in 2020.

(xi) ***DIY Stores.*** The DIY segment posted ₱3,651 million in net sales for the fourth quarter, down 8.9% from the same period last year. Full year net sales reached ₱11,358 million, 21% lower year-on-year. Total ecommerce sales reached 1.5% of sales in 2020 from 0.3% last year. Fourth quarter SSSG at –11.7% was a vast improvement from the 49.8% decline in the second quarter and 18.6% decline in the third quarter due to a slightly better mall footfall towards the end of the year. Full year SSSG ended at –23.4%. Categories with the least decline were cleaning (-6.7%), pet food (–11.6%) and Lawn and Garden (-13.6%).

Gross margins contracted by 170bps to 29.1% in the fourth quarter due to mark downs to flush out old inventories, but was maintained at 32.5% level in 2020 supported by the gains achieved in the first nine months. OPEX as % of sales improved by 80bps, partially mitigating the decline in gross margin, with EBITDA margin down by 70bps to 14.6% in the fourth quarter. Year-end EBITDA margin compressed by 70bps to 15.6%.

(xii) ***Specialty Stores Segment***. The specialty segment contributed ₱4,073 million in the fourth quarter, bringing full year 2020 net sales to ₱13,271 million, down by 31.2%. The decline in sales was due to shorter operating time as quarantines and LGU lockdowns remained in effect. By format, the consumer appliances and electronics format contributed 61% of total specialty sales, followed by Daiso and Growsari w ith 12%, Toys R Us with 11%, and the balance from fashion & beauty, Super50, No Brand and Pet Lovers. Fast fashion stores are being closed down since 2018 with the last store to be closed in April 2021. As such, no new inventory were purchased for the whole year of 2020.

SSSG of the specialty segment was at -27.6% in the fourth quarter. Holiday season lifted sales in December but was not enough to offset weakness in prior quarters. Full year SSSG was at -28.0%. E-commerce for 2020 rose to 1.8% of sales from 0.7% last year.

Gross margins shrank to 19.8% in the fourth quarter and 20.6% for the year. Margins for appliances remained compressed in the last quarter of 2020, partially offset by margin improvement from the toys segment. EBITDA margin fell to 6.4% in 2020 due to the challenged SSSG.

Financial Position

As of December 31, 2020, after the impact of the new accounting standard PFRS 16-Leases, the Group's balance sheet showed consolidated assets of ₱141,596 million. Without the impact of the new standard, consolidated assets amounted to ₱116,558 million.

Cash and cash equivalents as of December 31, 2020 is at ₱21,338 million. Net cash provided by operating activities excluding the impact of PFRS 16 totaled ₱3,679 million. Net cash spent from investing activities amounted to ₱4,937 million, ₱4,333 million of which pertains to the acquisition of Rose Pharmacy. Excluding the impact of PFRS 16, net cash provided by financing activities amounted to ₱2,290 million of which ₱4,950 million came from net loan proceeds offset by ₱1,921 million payment of dividends and ₱793 million to buy back treasury shares.

Trade and other receivables decreased by 18.7% from ₱3,865 million to ₱3,144 million as of December 31, 2020.

Debt and equity instrument financial assets declined by ₱926 million or 6.2% for the full year 2020 due to redemptions during the period.

Trade and other payables decreased from ₱25,102 million to ₱23,363 million as of December 31, 2020 mainly driven by tempered purchases and spending. Current loans payable increased by ₱ 4,950 million to augment working capital.

Stockholder's equity stood at ₱77,590 million as of December 31, 2020.

December 31, 2019 vs December 31, 2018

Consolidated Results of Operations

(Amounts in Million Pesos)

In 2019, the Group adopted Philippine Financial Reporting Standards (PFRS) 16, Leases in accounting for its operating leases where the Group is the lessee. The Group recognized an asset representing right of use of the leased property (ROU) and a liability for lease payments (lease Liability).

Financial Summary *(Amount in million Pesos except EPS)*	Years Ended December 31 2019 Under PFRS 16 (A)	 2019 Under Previous Standard (B)	 2018 Under Previous Standard ('C)	% Change 2019 (A) vs. 2018 (C)	 2019 (B) vs. 2018 (C)
Consolidated Statement of Comprehensive Income Data					
Sales- net of sales discounts and returns	162,915.7	162,915.7	132,680.5	22.8%	22.8%
Cost of merchandise sold	125,734.5	125,734.5	102,845.4	22.3%	22.3%
Operating expenses	32,123.2	32,761.2	25,631.4	25.3%	27.8%
Interest expense	2,578.5	300.7	159.1	1521.0%	89.0%
Income before income tax	6,109.6	7,749.3	7,597.2	-19.6%	2.0%
Provision for income tax	1,559.3	2,091.7	1,772.0	-12.0%	18.0%
Net income	4,550.3	5,657.7	5,825.1	-21.9%	-2.9%
Net income attributable to Parent Company	3,918.6	4,907.8	5,107.3	-23.3%	-3.9%
EPS	2.49	3.11	3.65	-31.8%	-14.6%
Consolidated Statement of Cash Flow Data					
Net cash from operating activities	12,049.0	7,606.8	9,087.1	32.6%	-16.3%
Net cash provided by (used in) investing activities	1,817.8	1,817.8	(6,373.8)	-128.5%	-128.5%
Net cash used in financing activities	(8,359.8)	(3,917.7)	(2,494.7)	235.1%	57.0%
Consolidated Statement of Financial Position Data					
Total assets	137,866.1	111,055.5	107,777.1	27.9%	3.0%
Total liabilities	61,339.7	33,421.7	35,072.9	74.9%	-4.7%
Total stockholder's equity	76,526.4	77,633.8	72,704.2	5.3%	6.8%

Robinsons Retail Holdings, Inc. recorded net income at ₱4,550 million for the twelve months ended December 31, 2019, a decrease of 22% as compared to ₱5,825 million for the twelve months ended December 31, 2018. Without the impact of PFRS 16, net income would be ₱5,658 million, a 2.9% decrease compared to last year. The decrease was largely due to one-offs in 2019. Net income attributable to parent amounted to ₱3,919 million for the twelve months ended December 31, 2019 after impact of PFRS 16. Without its impact, net income attributable to parent amounted to ₱4,908 million, a decrease of 3.9% as compared to ₱5,107 million for the twelve months ended December 31, 2018.

Consolidated net sales increased by 22.8% from ₱132,681 million for the twelve months ended December 31, 2018 to ₱162,916 million for the twelve months ended December 31, 2019. The robust revenue growth was largely due to the full year sales contribution of the stores that opened in 2018 as well as strong same stores sales growth. Royalty, rent and other income also increased from ₱ 2,422 million to ₱2,740 million, a growth of 13.1%, due to higher royalty fee income of the convenience store segment.

Gross profit for the twelve months ended December 31, 2019 amounted to ₱37,181 million, 24.6% higher than ₱29,835 million for the twelve months ended December 31, 2018. The increase was attributed to higher sales and full year contribution of RSCI.

Operating expenses grew by 25.3% from ₱25,631 million to ₱32,123 million for the twelve months ended December 31, 2019 after the impact of PFRS 16. Without the new standard, operating expenses amount to ₱32,761, an increase of 27.8% due to higher expenses and accelerated store network expansion.

Earnings before interests and taxes (EBIT) grew by 17.7% from ₱7,798 million to ₱6,626 million for the twelve months ended December 31, 2019 after impact of PFRS 16. Without the new standards, EBIT grew by 8.1% to ₱7,160 million. As a percentage of sales, EBIT before PFRS 16 is at 4.4% this year versus 5.0% last year due to faster increase in operating expenses as a percentage of sales.
Other income and charges (before PFRS 16) decreased by 39% from ₱971 million to ₱589 million for the twelve months ended December 31, 2019 primarily due to interest expense and one offs in 2019.

Interest expense recognized due to lease liability amounted to ₱2,278 million. Amortization expense on Right of Use assets meanwhile amounted to ₱3,804 million for the year 2019.

Earnings before interests, taxes, depreciation, amortization (EBITDA) and other non-cash items expanded by 62.7% from ₱9,021 million for the twelve months ended December 31, 2018 to ₱ 14,678 million for the twelve months ended December 31, 2019 after impact of PFRS 16. Without the new standards, EBITDA for the year 2019 amounted to ₱10,236 million. As percentage of sales, this is 6.3% this year versus 6.8% last year.

<u>Segment Operations</u>

(xiii) ***Supermarket***. The Supermarket segment continued to account for the largest share in the group's sales, EBIT and EBITDA for the full year ended 2019. Supermarket generated net sales of ₱88,515 million for the twelve months ended December 31, 2019 expanding by 42% from ₱62,362 million sales registered in 2018. The increase includes a full year consolidation of Rustan's. The growth was driven by the store expansion this year with the addition of 12 new stores to 176 Robinsons supermarket stores and 87 Rustan's stores acquired in 2018 and further boosted by sustained performance of existing stores and strong same store sales growth of 3.6%.

Gross profit expanded to ₱18,612 million, 52.7% higher than last year's ₱12,189 million. As a percentage to sales, gross profit margin grew by 150 bps to 21% this year versus 19.5% last year as a result of the higher margin business of Rustan's.

Without impact of PFRS 16, EBIT reached ₱3,344 million for the twelve months ended December 31, 2019, 16.6% growth from ₱2,868 in the same period last year. Likewise, EBITDA, without impact of the new standards, expanded by 28% to ₱4,968 million for the full year 2018 against ₱3,883 million in 2018. As a percentage to sales, EBITDA declined by 60 bps at 5.6% in 2019 compared to 6.2% in 2018.

(xiv) ***Department Stores.*** Robinsons Department Store (RDS) sales for the year ended December 31, 2019 grew 1.5% from last year's ₱17,781 million to this year's ₱ 18,040 million.

This resulted to a gross margin of ₱4,989 million for 2018 against ₱4,769 million for the same period last year. As percentage of sales, this is 90bps higher than last year. The increase in sales contributed to the improved margins for the year.

Without the impact of PFRS 16, RDS generated EBITDA of ₱977 million for the year December 31, 2019, an increase of 6.1% against ₱921 million in the same period last year.

(xv) ***Convenience stores.*** The convenience stores segment registered a system-wide sales and merchandise sales of ₱9,794 million and ₱6,744 million, respectively for the period ended December 31, 2019, a 8.0% and 9.2% increase from ₱9,065 million and ₱6,177 million for the same period last year. The increase in sales is attributed to the acceleration of same store sales growth of 3.2% in 2019.

Other income which mainly consists of royalty fee is at ₱1,847 million this year. Royalty fee is computed as a percentages of system-wide gross profit and accounts for the bulk of the total other income. Gross margin and other income is 450bps lower from 39.6% last year to 35.1% this year.

Before impact of PFRS 16, Convenience stores recorded a negative EBIT of ₱36 million this year versus last year's ₱101 million. EBITDA generated for 2019 is at ₱ 267 million, a decline of 21.9% versus ₱340 million of the same period last year.

(xvi) ***Drug Stores***. The drug store segment registered net sales of ₱17,685 million as of December 31, 2019, representing a growth of 11.8% from last year's net sales of ₱15,824 million. The growth was mainly driven by the segment's healthy same store sales growth and sales contribution of new stores.

Gross profit expanded by 11.1% from ₱3,077 million in 2018 to ₱3,419 million this year. Gross profit as a percentage of sales shrank by 10 bps to 19.3% in 2019 against 19.4% last year.

Before impact of PFRS 16, EBIT as of December 31, 2019 reached ₱1,203 million, an increase of 12.3% from last year's ₱1,071 million. Likewise, EBITDA also grew by 12.7% from ₱1,192 million in 2018 to ₱1,344 million this year. As a percentage of sales, EBITDA increased 10bps from 7.5% last year to 7.6% this year.

(xvii) ***DIY Stores.*** Net sales grew by 3.4% from ₱13,905 million to ₱14,383 million for the year ended December 31, 2018 and December 31, 2019, respectively.

The sales lift was driven primarily by same store sales growth of 2.5%.

Gross profit increased by 5.2% to 4,675 million for the year ended December 31, 2019 from ₱4,445 million in the same period last year. As a percentage to sales, gross profit is 50bps higher at 32.5% compared to 32.0% last year.

Without the impact of PFRS 16, with operating expenses increasing at a higher pace than the growth in gross profit, EBIT grew by 2.0% at ₱1,223 million for the year ended December 31, 2019 versus ₱1,199 million in same period last year. EBITDA, without the impact of the new accounting standard grew only by 2.7% to ₱1,467 million for the year 2019 against ₱1,428 million for the same period in 2018.

(xviii) ***Specialty Stores Segment***. The net sales of the Specialty Stores segment increased by 6.0% from ₱18,200 million to ₱19,283 million for the twelve months ended

December 31, 2018 and December 31, 2019, respectively. The Specialty segment has 376 stores in 2019 lower by 11 net stores compared to 387 stores last year.

The gross profit meanwhile increased by3.5% from ₱4,797 million to ₱4,966 million for the period.

For the year ended December 31, 2019, without impact of new standards, the Specialty Stores segment generated an EBITDA of ₱1,262 million, a decrease of 1.7% from last year's EBITDA of ₱1,283 million.

Financial Position

In 2019, the Company adopted PFRS 16, leases which resulted in recognition of right of use asset (ROU) of ₱26,317 million and lease liability of ₱28,053 million. As of December 31, 2019, after the impact of the new accounting standards, the Company's balance sheet showed consolidated assets of ₱137,866 million, which is 28% higher than the total consolidated assets of ₱107,777 million as of December 31, 2018. Without the new standards, consolidated assets amounted to ₱ 111,056 or 3.0% higher compared to last year.

Cash and cash equivalents increased from ₱14,788 million as of December 31, 2018, to ₱20,293 million as of December 31, 2019. Before the impact of PFRS 16, Net cash generated from operating activities totaled ₱7,607 million. Net cash in investing activities amounted to ₱ 1,818 million, ₱3,346 million of which was used to acquire properties and equipment and net proceeds of ₱5,583 from available-for-sale investments. Net cash spent from financing activities amounted to ₱3,995 million.

Trade and other receivables increased by 21.9% from ₱3,172 million to ₱3,865 million as of December 31, 2019.

Available for Sale financial assets declined by 24.8% for 2019 due to redemptions during the year. Investment in associates meanwhile increased by 15.1% primarily due to new investments and increase in share of fair value in AFS of associates.

Trade and other payables increased from ₱24,577 million to ₱25,102 million as of December 31, 2019.

Current loans payable decreased as a result of availment and payments during the year amounting to ₱915 million and ₱3,075 million, respectively.

Stockholder's equity grew from ₱72,704 million as of December 31, 2018, to ₱76,526 million as of December 31, 2019. Without PFRS 16, the stockholder's equity will be ₱77,634 million. The new accounting standards resulted to a decline of 1.4% in total stockholder's equity due to decline in net income by ₱1,107 million.

Material Changes in the 2021 Financial Statements

(Increase/decrease of 5% or more versus 2020)

Consolidated Statements of Comprehensive Income-Year Ended December 31, 2021 versus year ended December 31, 2020

(in millions)	December 31 2021	December 31 2020	Growth
SALES- net of sales discounts and returns	153,327	151,070	1.5%
COST OF MERCHANDISE SOLD	118,101	118,172	-0.1%
GROSS PROFIT	35,226	32,898	7.1%
ROYALTY, RENT AND OTHER REVENUE	870	1,618	-46.2%
GROSS PROFIT INCLUDING OTHER REVENUE	36,096	34,516	4.6%
OPERATING EXPENSES	(30,037)	(28,737)	4.5%
OTHER INCOME (CHARGES)			
Interest income	447	677	-34.0%
Foreign currency exchange gain (loss) - net	230	(171)	-234.8%
Dividend income	77	27	181.3%
Equity in net earnings of an associate	292	197	48.6%
Interest expense	(1,961)	(2,326)	-15.7%
Others	125	236	-47.2%
	(790)	(1,361)	-41.9%
INCOME BEFORE INCOME TAX	5,269	4,419	19.2%
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	1,122	1,423	-21.1%
Deferred	(704)	(489)	43.8%
	419	933	-55.1%
NET INCOME	4,850	3,486	39.2%
OTHER COMPREHENSIVE INCOME	25	75	-66.8%
TOTAL COMPREHENSIVE INCOME	4,875	3,560	36.9%

7.1% increase in Gross Profit
The increase is due to higher vendor supports and better product mix.

46.2% decrease in royalty, rent and other income
Primarily due to lower royalty income from convenience stores segment caused by COVID 19 pandemic.

4.5% increase in operating expenses
Primarily due to lower expenses last year from containment measures to cushion impact of Covid-19.

34.0% decrease in interest income
Caused by disposal of available for sale investment.

234.8% decrease in foreign currency exchange loss
Primarily due to higher forex rates of USD to Peso.

181.3% increase in dividend income
Primarily due to additional investment in financial instruments on equity securities.

48.6% increase in earnings from associate
Increase caused by equity in earnings in Rbank.

15.7% decrease in interest expense
Decrease during the year is primarily due to lower interest expense of lease liability recognized.

47.2% decrease in other charges
This is due to lower one-off other income for the period

21.1% decrease in provision for income tax-current
Due to higher tax credits of the subsidiaries and impact of CREATE Law.

43.8% decrease in provision for income tax-deferred
Due deferred tax impact of PFRS 16, excess MCIT and CREATE Law

39.2% increase in net income
Due to forex gains, increase earnings from associates and lower income tax rate due to CREATE Law.

66.8% decrease in other comprehensive income
Primarily due to marked-to-market movements in the fair value of debt and equity instrument financial assets.

Consolidated Statements of Financial Position - December 31, 2021 versus December 31, 2020

(in millions)	December 31 2021	December 31 2020	Growth
ASSETS			
Current Assets			
Cash and cash equivalents	16,170	21,338	-24.2%
Trade and other receivables	2,667	3,144	-15.2%
Merchandise inventories	25,090	22,234	12.8%
Other current assets	2,989	2,656	12.6%
Total Current Assets	46,916	49,373	-5.0%
Noncurrent Assets			
Debt and equity instrument financial assets	11,626	13,932	-16.6%
Property and equipment	17,620	18,174	-3.0%
Right-of-use assets	22,639	25,038	-9.6%
Investment in associates	8,896	8,585	3.6%
Intangible assets	22,672	22,673	0.0%
Deferred tax assets - net	1,350	1,532	-11.9%
Retirement plan asset	53	26	106.4%
Other noncurrent assets	2,462	2,265	8.7%
Total Noncurrent Assets	87,318	92,224	-5.3%
	134,234	141,596	-5.2%
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	21,216	23,363	-9.2%
Short-term loans payable	7,734	9,584	-19.3%
Lease liabilities - current portion	2,965	2,715	9.2%
Income tax payable	229	352	-35.0%
Other current liabilities	382	255	49.8%
Total Current Liabilities	32,526	36,269	-10.3%
Noncurrent Liabilities			
Lease liabilities - net of current portion	22,868	24,613	-7.1%
Deferred tax liabilities - net	2,026	2,550	-20.5%
Retirement obligation	302	575	-47.5%
Total Noncurrent Liabilities	25,196	27,737	-9.2%
Total Liabilities	57,722	64,006	-9.8%
Equity			
Capital stock	1,576	1,576	0.0%
Additional paid-in capital	40,768	40,768	0.0%
Treasury stock	(3,616)	(810)	346.4%
Other comprehensive income	443	434	1.9%
Equity reserve	(995)	(995)	0.0%
Retained earnings			0.0%
Appropriated	23,966	27,853	-14.0%
Unappropriated	9,827	4,226	132.6%
Total equity attributable to equity holders of the Parent Company	71,969	73,052	-1.5%
Non-controlling interest in consolidated subsidiaries	4,544	4,538	0.1%
Total Equity	76,513	77,590	-1.4%
	134,234	141,596	-5.2%

24.2% decrease in cash and cash equivalents
Primarily from operations and redemption of available for sale investments.

15.2% decrease in trade and other receivables
Due to collections for the period.

12.8% increase in merchandise inventories
Due to increased volume of inventories from higher store network versus last year.

12.6% increase in other current assets
Due to higher creditable withholding tax.

16.6% decrease in Available for Sale Investment
Decline is due to redemptions during the year.

9.6% decrease in Right-of-use assets
Decline is due to amortization during the year

11.9% decrease in deferred tax asset-net
Primarily due to DTA from impact of PFRS 16 and impact of CREATE Law.

106.4% increase in retirement plan asset
Increase is due to the contribution to the retirement fund.

8.7% increase in other non-current asset
Caused by increase in security deposits and construction bonds

9.2% decrease in payables
The decrease is caused by payments of payable for the year.

19.3% decrease in Loans
Decline is caused by payment of loans for the period.

5.5% decrease in lease liability
Decline is due to rental payments offset by accretion of interest expense.

35.0% decrease in income tax payable
Decrease in income tax payable is due to higher tax credits and impact of CREATE Law.

20.5% decrease in deferred tax liability
Caused by the impact of CREATE Law.

47.5% decrease in net retirement obligation
Increase is due to the contribution to the retirement fund..

346.4% increase in treasury stock
This is caused by share buyback of the Company for the period.

5.3% increase in retained earnings
Movement is due to net income during the year, net of dividends declared.

Key Performance Indicators
A summary of RRHI's key performance indicators follows:

Key Performance Indicators	**2021**	**2020**	**2019**
	(in millions)		
Net sales	153,327.4	151,070.3	162,916.5
EBIT	6,059.5	5,779.4	7,798.2
EBITDA	13,147.2	12,766.5	14,678.0
Core Net Earnings	3,801.4	2,710.8	4,053.5
	Ratios		
Liquidity ratio:			
Current ratio	1.44	1.36	1.42
Profitability ratio:			
Gross profit margin	0.23	0.22	0.23
Debt to equity ratio	0.75	0.82	0.80
Asset to equity ratio	1.75	1.82	1.80
Interest rate coverage ratio	3.09	2.48	3.02

The manner in which the Company calculates the above key performance indicators is as follows:

Key Performance Indicators

Net sales	= Gross sales net of VAT, less sales returns and allowances and sales discounts
EBIT	= Operating income
EBITDA	= Operating income add depreciation and amortization expense.
Core Net Earnings	= Net income less equity in net earnings of an associate less interest income on bond investments less unrealized foreign currency exchange gain (loss)
Current ratio	= Total current assets over current liabilities
Operating margin	= Operating income over net sales
Debt to equity ratio	= Total liability over total equity
Asset to equity ratio	= Total assets over total equity
Interest coverage ratio	= EBIT over interest expense

The Company pursued its efforts in converting the proceeds from its IPO into acquisition of investments and network expansion. The Company does not expect any liquidity problems that may arise in the near future.

<u>Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income</u>

a.) The Philippine retail industry has experienced strong growth in recent years, primarily due to robust domestic economic growth as well as the population's growing desire to upgrade their lifestyles. However, market concentration of the Philippines' store-based retailing industry remains relatively low, with only a few major retail chain operators having a sizeable presence. The leading incumbent domestic retailers have created high barriers to entry based on their nationwide network of stores, brand equity as well as deep understanding of the market. In addition, foreign retail presence is also relatively limited as foreign entry was highly regulated until 2000.

As one of the most underpenetrated markets in Asia, the Philippine store-based retail industry presents strong growth potential in the foreseeable future. Similarly, total retail space per capita in the Philippines is behind that of other emerging Asian economies such as China, Thailand, Malaysia and Vietnam.

Penetration level of the modern retail format is currently low in the Philippines, with only a few major retail chains. Small traditional sari-sari stores remain the dominant channel for the entire grocery retail market, especially in lower-tier cities where the level of economic activity does not yet justify significant development by the larger retail chains. Sari-sari, which means "variety", indicates the wide array of grocery products sold by these small shops, which are prevalent, both in urban and rural areas. In provincial areas, the absence of supermarket chains and independent small grocers highlights the importance of sari-sari stores as the primary source of grocery products including packaged food, home care, and beauty and personal care, especially among the lower-income population.

With the rapid emergence of modern retail formats driven by increasing affluence in urban areas as well as the creation of a wider pool of higher-income consumers in provincial cities, the proportion of sales from traditional retail formats is expected to gradually decline and replaced by successful large-scale modern retailers.

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID 19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until April 12, 2020.

The effects of the pandemic continued into 2021, albeit with meaningful signs of recovery in daily business operations which became apparent especially in the fourth quarter of the year. While foot traffic and consumer mobility were affected during periods of community lockdowns, consumers and business alike adapted to the changing conditions and the new normal. Compared to 2020, there were less periods of stringent quarantines, which allowed for more operating days for RRHI's discretionary formats. 2021 also saw the rollout of COVID-19 vaccination programs across local government units and corporations. This aided in better performance across RRHI's businesses, as vaccinated individuals allowed for better mobility and rising consumer confidence.

The pandemic affected the Company's strategic pivots towards accelerated e-commerce operations and digitalization. While brick and mortar stores still constitute the significantly larger proportion of sales. RRHI believes in the relevance of e-commerce to serve the rising omnichannel consumer, even in a post-COVID reality.

RRHI continues to monitor the pandemic, as the virus may still result into variants that can harm consumers industry. However, RRHI is cautiously optimistic that it will be able to remain resilient to further disruptions caused by COVID-19, as a greater proportion on the population is inoculated with primary, secondary and booster shots through government-led programs, and safety measures continue to be implemented across the various aspects of operations.

Given the dynamic nature of these circumstances, the related impact on the Group's results of operations, cash flows, liquidity and financial condition could not be reasonably estimated at this time and will be reflected in the Group's 2021 financial statements.

b.) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Not Applicable

c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by courts or are currently being contested by the Group, the outcome of which are not presently determinable.

In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have material adverse effect in the Group's financial position and results of operations.

d.) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.

The Company does not have any material commitments for capital expenditures.

Item 7. Financial Statements

The Consolidated financial statements are filed as part of this report.

Item 8. Changes and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with the external auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company and its subsidiaries.

(A) External Audit Fees and Services

Audit and Audit - Related Fees

The following table sets out the aggregate fees billed to the Company and its subsidiaries for the last two years for professional services rendered by SyCip, Gorres Velayo & Co.,

	2021	2020	2019
Audit and Audit-Related Fees			
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱8,712,640	₱9,407,440	₱8,788,422
Professional Fees related to the Initial Public Offering	None	None	None
Tax Fees	None	None	None
All Other Fees	98,560	430,000	370,370
Total	₱8,811,200	₱9,837,440	₱9,158,792

Other fees pertain to agreed-upon procedures performed by the external auditors for the Company for calendar years 2021, 2020 and 2019.

No other service was provided by the external auditors for the Company for the calendar years 2021, 2020 and 2019.

Prior to the commencement of the audit, the Audit and Risk Oversight Committee discusses with the external auditor the nature, scope and expenses of the audit. It likewise evaluates and determines the non-audit work, if any, of the external auditor, and periodically review the proportion of non-audit fees paid to the external auditor to the Company's overall consultancy expenses. The Committee shall evaluate if the non-audit work will create a potential conflict of interest and shall disallow any non-audit work that will conflict with the duties of the external auditor or may pose a threat to its independence.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

(A) Board of Directors and Executive Officers of the Registrant

Currently, the Board consists of nine members, of which four are independent directors. The table below sets forth certain information regarding the members of our Board.

DIRECTORS

Name	Age	Position	Citizenship
Lance Y. Gokongwei	55	Chairman	Filipino
James L. Go	82	Vice-Chairman	Filipino
Robina Gokongwei-Pe	60	President and Chief Executive Officer	Filipino
Ian McLeod	63	Director	British
Choo Peng Chee	61	Director	Singaporean
Antonio L. Go*	82	Independent Director	Filipino
Roberto R. Romulo**	83	Independent Director	Filipino
Rodolfo P. Ang	60	Independent Director	Filipino
Cirilo P. Noel	65	Independent Director	Filipino

** He is not related to any of the other directors*
**Amb. Roberto R. Romulo passed away on January 23, 2022*

All of the above directors have served their respective offices since May 14, 2021 except for Mr. Choo Peng Chee who has been an independent director of the Company since July 30, 2021. There are no other directors who resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of the stockholders for any reason whatsoever.

Messrs. Antonio L. Go, Roberto R. Romulo(+), Rodolfo P. Ang and Cirilo P. Noel are the independent directors of the Company.

The table below sets forth certain information regarding our executive officers.

Name	Age	Position	Citizenship
Mylene A. Kasiban	52	Chief Financial Officer and Chief Risk Officer	Filipino
Gina R. Dipaling	56	Investor Relations Officer	Filipino
Gabriel Tagala III	53	Vice President, Human Resources	Filipino
Graciela A. Banatao	46	Treasurer	Filipino
Rosalinda F. Rivera	51	Corporate Secretary	Filipino
Gilbert S. Millado, Jr.	48	General Counsel and Compliance Officer	Filipino

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

James L. Go is the Vice Chairman of the Company and the Chairman of JG Summit Holdings, Inc., and Cebu Air, Inc. He is also Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation, JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of PLDT, Inc. since November 3, 2011. He is a member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT, Inc. He was elected a director of Manila Electric Company on December 16, 2013. Mr. James L. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Lance Y. Gokongwei is the Chairman of the Company. He is likewise the Chairman of Robinsons Supermarket Corporation and Robinsons Convenience Stores, Inc. He is the President and Chief Executive Officer of JG Summit Holdings, Inc. and Cebu Air, Inc. He is the Chairman of Universal Robina Corporation, Robinsons Land Corporation, Altus Property Ventures, Inc., JG Summit Olefins Corporation, and Robinsons Bank Corporation. He is the Vice Chairman and a Director of Manila Electric Company and a Director of RL Commercial REIT, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, Shakey's Asia Pizza Ventures, Inc., AB Capital and Investment Corporation, and Endeavor Acquisition Corporation. He is a trustee and the Chairman of the Gokongwei Brothers Foundation, Inc. Mr. Lance Y. Gokongwei received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Robina Gokongwei Pe is the President and Chief Executive Officer of the Company. She is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, Cebu Air, Inc., and Robinsons Bank Corporation. She is a trustee and the secretary of the Gokongwei Brothers Foundation, Inc. and a trustee and Vice Chairman of the Immaculate Concepcion Academy Scholarship Fund. She is also a member of the Xavier School Board of Trustees. She was formerly a member of the University of the Philippines Centennial Commission. She attended the University of the Philippines-Diliman from 1978 to 1981 and obtained a Bachelor of Arts degree (Journalism) from New York University in 1984.

Ian McLeod was elected as a director of the Company on November 23, 2018. He was named Group Chief Executive of The Dairy Farm Group in September 2017 (the pan-Asian multi-format retailer), having spent the previous two years as Chief Executive Officer of Southeastern Grocers, the fifth largest supermarket chain in the United States. With over 30 year's retail experience, Ian began his career with Asda (subsequently Wal-Mart) in 1981, where he spent 20 years working in the United Kingdom and Germany. Following this, he moved to Halfords (the UK's leading cycling and motoring retailer) where he became Chief Executive Officer in 2005. In 2008, he moved to Australia as Managing Director of Coles, overseeing 2,200 outlets and 100,000 employees. Whilst there he oversaw fundamental improvements in product quality and value as well as customer service. This resulted in Coles producing substantial increases in both turnover and profits, as well as significant market outperformance. Ian attended the Harvard Business School Advanced Management Program in 1999 and was awarded an Honorary Doctorate in his native Scotland in 2010 for services to Business and Retail.

Choo Peng Chee was elected as a director of the Company on July 30, 2021. He was appointed CEO DFI Retail North Asia of the DFI Retail Group in August 2021, covering all food retail operations (grocery retail and convenience stores) in Hong Kong, Macau, China, as well as the convenience format in Singapore. A director of the Dairy Farm Management Services Board since 2013 and also a member of the Executive Board of the DFI Retail Group. He joined the Group in 2000 and was the Chief Executive Officer of Cold Storage, Market Place and Shop N Save in Singapore from 2005 to 2009. He subsequently served as the Chief Executive Officer for Wellcome Hong Kong from 2010, and was appointed as the Regional Director, North Asia (Food) in 2013, and CEO – North Asia & Group Convenience in 2018. He brings with him more than 35 years of retail experience to this role and has an MBA in Retailing from the University of Stirling, Scotland.

Antonio L. Go has been an Independent Director of the Corporation since July 4, 2013. He is currently the Chairman of Equicom Savings Bank and ALGO Leasing and Finance, Inc., and MyHealth Ventures Corporation. He is also the Vice-Chairman of Maxicare Healthcare Corporation. He is a Director of Equitable Computer Services Inc., Medilink Network, Inc., Equicom Manila Holdings Inc., Equicom, Inc., Equitable Development Corporation, Pin-An Holdings Corp., Equicom Information Technology, Inc., DDMP REIT, Inc., Maxicare Health Services, Inc., T32 Dental Centre Pte. Ltd. (Singapore), Dental Implant and Maxillofacial Centre Pte. Ltd. (Hong Kong), Mioki Holdings Pte Ltd., Algo Healthcare Holdings Pte. Ltd., Equicom Health Solutions Pte. Ltd.,SteelAsia Manufacturing Corporation, Oriental Petroleum and Minerals, Inc., JG Summit Holdings, Inc., and Dito Telecommunity Corporation. He is also a Trustee of the Go Kim Pah Foundation, Equitable Foundation, Inc, and Gokongwei Brothers Foundation, Inc. Mr. Go graduated from Youngstown University, United States with a degree in BS Business Administration. He attended the International Advance Management Program at the International Management Institute, Geneva, Switzerland as well as the Financial Planning/Control program at the ABA National School of Bankard Management, Northwestern University, United States.

Roberto R. Romulo (+) has been an independent director of the Company since July 4, 2013. He is the Chairman of AIG Philippines Insurance Inc., Medilink Network Inc., Nationwide Development Corporation, and Romulo Asia Pacific Advisory. He is currently a board member of Equicom Savings Bank, Philippine Long Distance Telephone Co. and Maxicare Healthcare Corporation. He is a Member of the Board of Counselors of McLarty Associates (formerly Kissinger McLarty Associates). He is the Chairman Emeritus of Zuellig Family Foundation and is the Chairman of other non-profit organizations, namely, Carlos P. Romulo Foundation for Peace and Development and Asia Europe Foundation of the Philippines. He joined government service in June 1989 when he was appointed Ambassador to Belgium, Luxembourg and the Commission of the European Communities. In 1992, he was appointed Secretary of Foreign Affairs. In 1995, he rejoined the private sector and was elected as Chairman of PLDT, and Vice-Chair of San Miguel International. He was Chairman of Interpharma Investments Ltd. (Zuellig Pharma) from 1997 to 2007. He was also a board member of United Industrial Corporation Limited from January 2003 to April 2010 and of Singapore Land Limited from January 2003 to August 2014. He graduated with a Bachelor of Arts degree (Political Science) from Georgetown University, Washington, D.C. and a Bachelor of Laws degree from Ateneo de Manila University.

Rodolfo P. Ang was elected as an independent director of the Corporation on March 9, 2020. He is the Vice President for Administration and Information Systems and an Associate Professor of the School of Management of Ateneo De Manila University. He is the former Dean of the Ateneo Graduate School of Business. He is also an independent director of the Philippine Insurers and Reinsurers Association. He sits on the Board of Trustees of Xavier School. He has served the Commission on Higher Education in various capacities, as a member of the Technical Panel for Business and Management Education, member of the Technical Committee for Business Administration and Entrepreneurship, and member of the NCR Regional Quality Assessment Team. He obtained his Bachelor of Science Degree in Management (Honors Program) and Bachelor of Arts Degree in Communications from Ateneo De Manila University where he graduated Magna Cum Laude. He received his Master's Degree in Business Administration Major in Finance from Boston College, Carroll Graduate School of Management.

Cirilo P. Noel was elected as an independent director of the Corporation on August 12, 2020. He is a lawyer and certified public accountant. Mr. Noel is a member of the Board of Directors of Security Bank Corporation and was appointed Vice Chairman in April 2020. He is likewise a Board member of the following publicly listed companies: Globe Telecom, Inc., San Miguel Foods and Beverage, Inc. and First Philippine Holdings Corporation. He is the Chairman of Palm Concepcion Power Corporation, Juxtapose Ergo Consultus, Inc. and Cofiar Land Corp. He is a member of the Board of St. Luke's Medical Center-Global City since August 2017. He is also a member of the Board of Trustees of St. Luke's Medical Center-Quezon City, St. Luke's Medical Center College of Medicine, and St. Luke's Medical Center Foundation, Inc. He is also currently affiliated with the Makati Business Club, Harvard Law School Association of the Phils., and Harvard Club of the Philippines. He held various positions in SGV & Co. including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2016), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008), and Partner, Tax Services (from 1993 to 2017). He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Law degree from the Ateneo Law School. He has a Master of Law degree from the Harvard Law School and a Fellow of the Harvard International Tax Program. He attended the AIM Management Development Program.

Rosalinda F. **Rivera** has been the Corporate Secretary of the Company since June 2013. In 2020, she assumed the role of Corporate Secretary for all the subsidiaries of the Company. She was the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons

Land Corporation from 2003 up to 2020. Prior to joining the JG Group in 2002, she was a Senior Associate at Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law degree in International Banking from the Boston University School of Law.

(i) **Officers**

James L. Go, see "i. Directors".

Robina Y. Gokongwei-Pe, see "i. Directors".

Mylene A. Kasiban, is the Chief Financial Officer (CFO) of the Company since May 2016. She has more than 15 years of experience as a CFO in country and regional capacities for multinational companies such as Mondelez, The Hershey Company and Johnson and Johnson. Mylene is a Certified Public Accountant and graduated Cum Laude with a Bachelor of Science in Accounting and Economics from St. Scholastica's College. She has a Masters in Business Administration from the University of Bath, UK and a Post Graduate Diploma in Financial Strategy from the Said Business School, University of Oxford.

Graciela A. Banatao, is the Company Treasurer. She graduated Cum Laude with a Bachelors Degree in Accountancy from St. Paul University (Tuguegarao City) in 1996 and became a Certified Public Accountant in the same year. She started her career in Sycip, Gorres and Velayo (SGV) as account-in-charge in 1996 and has a total of 19 years experience in treasury and accounting from companies such as SGV, Questronix Corporation, Abbott Laboratories and Universal Robina Corporation. She joined the Robinsons Retail group in 2014.

***Rosalinda F.* Rivera** has been the Corporate Secretary of the Company since June 2013. In 2020, she assumed the role of Corporate Secretary for all the subsidiaries of the Company. She was the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Land Corporation from 2003 up to 2020. Prior to joining the JG Group in 2002, she was a Senior Associate at Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law degree in International Banking from the Boston University School of Law.

Gina R. Dipaling is the Vice-President for Corporate Planning and Investor Relations Officer for the Company. She was an Investment Research Analyst and Director for two decades at various multinational stock brokerage firms before joining the Gokongwei Group in 2010. She started as Corporate Planning Manager and IR Director at JG Summit and was promoted and transferred to Robinsons Retail in 2013. She is a graduate of BS Mathematics Cum Laude at Silliman University and a masters degree candidate on MS Statistics at the University of the Philippines Diliman.

Gabriel D. Tagala III is the Vice-President for Human Resources of the Company, joining the Company 2017. He was previously the Human Resources Director for Southeast Asia, Branded Consumer Foods Group, of Universal Robina Corporation. He received a Bachelor of Arts degree from San Sebastian College.

Atty. Gilbert S. Millado Jr., is the General Counsel, Assistant Corporate Secretary, and Compliance Officer of the Company and the General Counsel and Corporate Secretary of all subsidiaries under the Company. He was previously the Corporate Legal Counsel of RLC from 2003 to 2012. He also served as the Corporate Legal Counsel of the Araneta Properties from 2000 to 2003. He received a Bachelor of Laws degree from Far Eastern University and was admitted to the Philippine Bar in 2000.

(B) Significant Employees

The Company does not believe that its business is dependent on the services of any particular employee.

(C) Family Relationships

a. Mr. James L. Go is the uncle of Mr. Lance Y. Gokongwei.
b. Mr. Lance Y. Gokongwei and Ms. Robina Gokongwei-Pe are siblings.

(D) Involvement in certain Legal Proceedings of Directors and Executive Officers

As of December 31, 2021, and to the best of the Company's knowledge and belief and after due inquiry, none of the Company's directors, nominees for election as director, or executive officers, in the past five years up to the date of this report: (i) have had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a three-year period of that time; (ii) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offences; (iii) have been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (iv) been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Item 10. Executive Compensation

Key management personnel of the Group include the President and Chief Operating Officer.

(A) Summary Compensation Table

The following table sets out the Company's chief operating officer and four most highly compensated senior officers for the last three years and projected for the ensuing year (2022).

Name	Position
Robina Y. Gokongwei-Pe........................	President and Chief Executive Officer
Mylene A. Kasiban..............................	Chief Financial Officer
Stanley C. Co...	Managing Director – Supermarket Segment
Jovito U. Santos..................................	Group General Manager – Appliances Segment
Stephen M. Yap...................................	Vice President – Chief Information Officer

The aggregate compensation of executive officers and directors of the Company for last year and projected for the year 2022 are as follows:

ACTUAL

	Year	Salaries	Bonuses (in ₱ million)	Total
President, Managing Director of Supermarket Segment, Chief Financial Officer, Group General Manager of Appliances Segment and Chief Information Officer named above	2018	45.43	3.22	48.65
	2019	48.57	3.45	52.02
	2020	51.67	4.36	56.03
	2021	49.27	4.36	53.59
Aggregate compensation paid to all other general managers, heads for shared services and directors as a group unnamed	2018	89.17	6.93	96.10
	2019	112.74	9.54	122.3
	2020	116.8	9.95	126.76
	2021	127.78	10.89	138.67

(B)

PROJECTED 2022 (in ₱ million)			
	Salaries	Bonuses	Total
President, Managing Director of Supermarket Segment, Chief Financial Officer, Group General Manager of Appliances Segment and Chief Information Officer named above	53.35	4.51	57.86
Aggregate compensation paid to all other general managers, heads for shared services and directors as a group unnamed	137.90	11.66	149.56

(C) Standard Arrangements

Other than payment of reasonable per diem as may be determined by the Board for every meeting, there are no standard arrangements pursuant to which the directors are compensated, directly or indirectly, for any services provided as a director.

(D) Other Arrangements

There are no other arrangements pursuant to which any of the directors is compensated, directly or indirectly, for any service provided as a director.

(E) Terms and Conditions of any Employment Contract or any Compensatory Plan or Arrangement between the Company and the Executive Officers

Not applicable.

(F) **Outstanding Warrants or Options Held by the Company's CEO, the Executive Officers and Directors.**

Not applicable.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners holding more than 5% of the Company's voting securities as of December 31, 2021

As of December 31, 2021, the Company knows no one who beneficially owns in excess of 5% of the Company's common stock except as set forth in the table below.

Title of Class	Names and addresses of record owners and relationship with the Company	Name of beneficial owner and relationship with record owner	Citizenship	Number of shares held	% to Total Outstanding
Common	JE Holdings, Inc. 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street Ortigas Center, Pasig City (stockholder)	Same as record owner (See note 1)	Filipino	491,299,997	32.49%
Common	GCH Investments Pte Ltd 239 Alexandra Road, Singapore 159930 (stockholder)	Same as record owner (See note 2)	Singaporean	315,308,689	20.85%
Common	PCD Nominee Corporation (Filipino) 37/F Tower 1, The Enterprise Center, Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PDTC Participants and their clients (See note 3)	Filipino	219,006,808	14.48%
Common	PCD Nominee Corporation (Non-Filipino) 37/F Tower 1, The Enterprise Center, Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PDTC Participants and their clients (See note 3)	Non-Filipino	178,471,773	11.80%
Common	Lance Y. Gokongwei 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street Ortigas Center, Pasig City (Chairman, Director and stockholder)	Same as record owner	Filipino	91,952,655	6.08%
Common	Robina Gokongwei Pe 110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City (President and CEO, Director and stockholder)	Same as record owner	Filipino	91,952,654	6.08%

Notes:

1. JE Holdings, Inc. is a company owned by members of the Gokongwei family. Under the By-Laws of JE Holdings, Inc., the President is authorized to represent the Corporation at all functions and proceedings. The incumbent President of JE Holdings, Inc. is Mr. Lance Y. Gokongwei.

2. GCH Investments Pte Ltd is a wholly owned member of the Dairy Farm International Holdings Ltd. Group of Companies.

3. PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly-owned by Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares though his participant will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

   Out of the PCD Nominee Corporation account, CLSA Philippines, Inc., Deutsche Bank Manila, holds the following shares of the Corporation as of December 31, 2021:

	No. of shares	% to outstanding shares
CLSA Philippines, Inc.	123,819,948	8.18%

   Voting instructions may be provided by the beneficial owners of the shares.

(A) Security Ownership of Management as of December 31, 2021

Title of Class	Name of beneficial owner	Position	Amount & nature of beneficial ownership		Citizenship	% to Total Outstanding
			Direct	Indirect		
Named Executive Officers (Note 1)						
Common	1. Lance Y. Gokongwei	Director, Chairman	91,952,655	-	Filipino	6.08%
Common	2. Robina Gokongwei-Pe	Director, President and Chief Executive Officer	91,952,654	-	Filipino	6.08%
	Sub-Total		183,905,309	-		12.16%
Other Directors and Executive Officers						
Common	3. James L. Go	Director and Vice Chairman	31,928,005	-	Filipino	2.11%
Common	4. Ian McLeod	Director	1	-	British	*
Common	5. Choo Peng Chee	Director	1	-	Singaporean	*
Common	6. Antonio L. Go	Director (Independent)	1	-	Filipino	*
Common	7. Roberto R. Romulo(+)	Director (Independent)	1	-	Filipino	*
Common	8. Rodolfo P. Ang	Director (Independent)	1	-	Filipino	*
Common	9. Cirilo P. Noel	Director (Independent)	1	-	Filipino	*
-	10. Mylene A. Kasiban	Chief Financial Officer	-	-	Filipino	-
-	11. Graciela A. Banatao	Treasurer	-		Filipino	

Title of Class	Name of beneficial owner	Position	Amount & nature of beneficial ownership		Citizenship	% to Total Outstanding
			Direct	Indirect		
Common	12. Gina R. Dipaling	Investor Relations Officer	1,500	-	Filipino	-
-	13. Gabriel Tagala III	Vice President, Human Resources	-	-	Filipino	-
-	14. Rosalinda F. Rivera	Corporate Secretary	-	-	Filipino	-
Common	15. Gilbert S. Millado, Jr.	General Counsel and Compliance Officer	500	-	Filipino	*
-	16. Stanley Co	Managing Director – Supermarket Segment	-	-	Filipino	-
-	17. Jovito Santos	Group General Manager – Appliances Segment	-	-	Filipino	-
-	18. Stephen M. Yap	Vice President – Chief Information Officer	-	-	Filipino	-
	Sub-Total		31,930,011	-		2.11%
All directors and executive officers as a group unnamed			215,835,320	-		14.27 %

Notes:
As defined under Part IV (B) (1) (b) of Annex "C" of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2021.

(B) Voting Trust Holders of 5% or more - as of December 31, 2021

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

Changes in Control

As of December 31, 2021, there has been no change in the control of the Corporation since the beginning of its last fiscal year.

Item 12. Certain Relationships and Related Transactions

See Note 24 (Related Party Transactions Disclosures) of the Notes to Consolidated Financial Statements.

The Company and its subsidiaries and affiliates, in their regular conduct of business, have engaged in transactions with each other and with other affiliated companies, consisting principally of sales and purchases at market prices and advances made and obtained.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

Corporate Objectives

Robinsons Retail Holdings, Inc. aims to retain its position as the second-largest multi-format retailer in the Philippines catering to the broad middle market. It plans to expand its store network across its retail formats with focus on regions outside of Metro Manila where modern retail penetration is still low. Aside from organic expansion, part of its strategy is to participate in the market's consolidation by entering into mergers and acquisitions in existing and complementary retail formats. Robinsons Retail targets consistent sales growth while improving margins to ensure sustainability of operations.

Dividend Policy

On March 9, 2020, the Board of Directors of the Company approved the adoption of a new dividend policy effective 2020. Under the dividend policy, the Company shall implement an annual cash dividend payout ratio of forty percent (40%) of its audited consolidated net income for the preceding fiscal year subject to compliance with the requirements of applicable laws and regulations, the terms and conditions of its outstanding loan facilities and the absence of circumstances which may restrict the payment of such amount of dividends, including, but not limited to, instances wherein the Company proposes to implement and undertake major projects and developments through its subsidiaries. There can be no guarantee that the Company will pay any dividends in the future.

Discussion on Compliance with Leading Practice on Corporate Governance

(a) Evaluation System to Determine Level of Compliance

The Corporate Governance and Sustainability Committee oversees the development and implementation of corporate governance principles and policies. It is tasked with the implementation of a Corporate Governance Framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as the business and regulatory environment. In addition, this Committee has oversight functions over the evaluation of the performance of the Board and its Committees and Management and ensures that its business processes and practices are consistent with the provisions of the Corporate Governance Manual.

(b) Measures for Compliance

The Company complies with its Corporate Governance Manual which contains relevant provisions of the Code of Corporate Governance. RRHI submitted the following documents in compliance with the rules and regulation of the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE):

Document	**Submitted to**	**Date of Submission**
2013 Annual Corporate Governance Report (ACGR)	Securities and Exchange Commission (SEC)	May 30, 2014

2014 Annual Corporate Governance Report (ACGR)	Securities and Exchange Commission (SEC)	January 20, 2015 (uploaded in the Company website)
2014 Corporate Governance Guidelines Disclosure Survey	The Philippine Stock Exchange, Inc. (PSE)	March 27, 2015
Revised Corporate Governance Manual	Securities and Exchange Commission (SEC)	July 16, 2015
2015 Annual Corporate Governance Report (ACGR)	Securities and Exchange Commission (SEC)	January 31, 2016 (uploaded in the Company website)
2015 Corporate Governance Guidelines Disclosure Survey	The Philippine Stock Exchange, Inc. (PSE)	March 31, 2016
2016 Annual Corporate Governance Report (ACGR)	Securities and Exchange Commission (SEC)	January 10, 2017 (uploaded in the Company website)
2016 Corporate Governance Guidelines Disclosure Survey	The Philippine Stock Exchange, Inc. (PSE)	March 31, 2017
Revised Corporate Governance Manual	Securities and Exchange Commission (SEC)	May 31, 2017
2017 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 30,2018
2018 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 30, 2019
2019 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	June 1, 2020
2020 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	June 23, 2021
Revised Corporate Governance Manual	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 14, 2021
Revised Corporate Governance Manual	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	August 13, 2021

SEC Memorandum Circular No. 15, Series of 2017 mandates all listed companies to submit an Integrated Annual Corporate Governance Report (I-ACGR) on May 30 of the following year for every year that such companies remain listed in the PSE, subject to such extension of the date of submission as may be allowed by the SEC. Beginning 2018, the I-ACGR replaced the ACGR and the PSE's Corporate Governance Disclosure Report.

In compliance with SEC Memorandum Circular No. 15 Series of 2017, RRHI submitted its I -ACGR (formerly known as the Annual Corporate Governance Report or the ACGR) for the year 2020 with the SEC and PSE on June 23, 2021 since the SEC extended the deadline for the submission of the I-ACGR.

(c) Deviation from Corporate Governance Manual

The Compliance Officer of the Company is not aware of any material deviation from the Corporate Governance Manual.

(d) Plans to Improve Corporate Governance

Continuous improvement and monitoring of governance and management policies have been undertaken to ensure that RRHI observes good governance and management practices. This is to assure the shareholders that RRHI conducts its business with the highest level of integrity, transparency and accountability.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

List of Corporate Disclosures / Replies to SEC letters
Under SEC Form 17-C
January 1, 2021 to December 31, 2021

Date of Disclosure	Description
Jan. 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28 and 29, 2021	Share Buy-back Transactions
Feb. 1, 2, 3, 4, 5, 8, 9, 10, and 11, 2021	Share Buy-back Transactions
Feb. 15, 2021	Changes in the Shareholdings of Mr. Lance Y. Gokongwei and Ms. Robina Gokongwei Pe as Directors and Principal Officers of RRHI Share Buy-back Transactions Press release – "Statement on the Disposition by Mr. Lance Y. Gokongwei of Shares of Robinsons Retail Holdings, Inc."
Feb. 16, 2021	Press release entitled "GoRobinsons.ph adds Handyman and No Brand to E-commerce Portfolio" Share Buy-back Transactions
Feb. 17, 18, 19, 22, 23, and 24, 2021	Share Buy-back Transactions
Feb. 26, 2021	Extension of the Share Buyback Program for an additional Two Billion Pesos (Php 2,000,000,000.00) Press release entitled "Robinsons Retail Net Sales Hits Php151 billion in 2020 as E-commerce Sales Rise" Share Buy-back Transactions
March 1, 2, 3, 4 and 5, 2021	Share Buy-back Transactions

March 8, 2021	Press release entitled “Robinsons Retail Holdings, Inc. (RRHI) to buback additional P2.0 billion worth of shares” Share Buy-back Transactions
March 9, 10, 11, 12, 15, 16,17, 18, and 19, 2021	Share Buyback
March 22, 2021	Notice of Annual Meeting of Stockholders Share Buy-back Transactions
March 23, 24, 25, 26, 29, 30, and 31 2021	Share Buy-back Transactions
April 5, 6, 7, 8, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, and 26 2021	Share Buy-back Transactions
April 27, 2021	Declaration of a regular cash dividend and a special cash dividend Share Buy-back Transactions
April 17, 20, 21, 22, 23, 24, 27, and 28 2021	Share Buyback Transactions
April 28, 2021	Share Buy-back Transactions
April 29, 2021	Press release entitled “Robinsons Retail Net Income Reaches P945m in 1Q2021; E-commerce Sales Continues to Grow” Share Buy-back Transactions
April 30, 2021	Share Buy-back Transactions
May 3, 4, 5, 6, 7, 10, 11 and 12, 2021	Share Buy-back Transactions
May 14, 2021	Results of Annual Meeting of Stockholders Results of Organizational Meeting of the Board of Directors Share Buyback Approval of the revisions to the Corporate Governance Manual and adoption of such Corporate Governance Manual, as revised Share Buy-back Transactions
June 17, 18, 21, 23, 24, 25, 28 29, and 30 , 2021	Share Buy-back Transactions
July 2, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 19, 21, 22, 23, 26, 27, and 28, 2021	Share Buy-back Transactions
July 30, 2021	Election of a Director and Appointment of a member of the Audit Committee
Aug. 4, 2021	Press release entitled “Robinsons Retail Registers Sales and Net Income Improvement in 2Q2021”
Aug. 9, 10, 11, and 12, 2021	Share Buy-back Transactions
Aug. 13, 2021	Creation of the Audit and Risk Oversight Committee Approval of the revisions to the Corporate Governance Manual and adoption of such Corporate Governance Manual, as revised Share Buy-back Transactions
Aug. 16, 17, 19, 20, 23, 24, 25, 26, 27 and 31, 2021	Share Buy-back Transactions

Sept. 1, 2, 3, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 2021	Share Buy-back Transactions
Sept. 20, 2021	Press release entitled "Robinsons Retail Opens 870th Drugstore" Share Buy-back Transactions
Sept. 21 and 22 2021	Share Buy-back Transactions
Sept. 23, 2021	Press release entitled "Robinsons Retail Appoints New Managing Director for Supermarket Segment" Share Buy-back Transactions
Sept. 24, 27, 28, 29, and 30, 2021	Share Buy-back Transactions
Oct. 1, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28, and 29 2021	Share Buy-back Transactions
Nov. 2, and 3 2021	Share Buy-back Transactions
Nov. 4, 2021	Press release entitled "Robinsons Retail Net Income up 38.7% in 3Q2021"
Nov. 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26 and 29, 2021	Share Buy-back Transactions
Dec. 1, 2, 3, 6, 7, 9, 10 and 13, 2021	Share Buy-back Transactions
Dec. 14, 2021	Dissolution of Non Operating Subsidiaries of Robinsons Retail Holdings, Inc. Share Buy-back Transactions
Dec. 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29 and 31, 2021	Share Buy-back Transactions