

## Executive Summary

### Revenue from sales

NR Instant Produce Public Company Limited (NRF) (the “Company”) reported revenue from sales for Q3 2022 of THB 579.3 million increased from the previous quarter by 6.1% mainly due to an increase in sales from ethnic food and pet food businesses, even though there was a slightly decreased in sales from e-commerce business. Revenue from sales increased 12.3% compared to the same quarter last year, mainly driven by an increase in revenue recognition from e-commerce business.

### Gross profit and gross profit margin

Gross profit in the third quarter of 2022 was at THB 270.7 million, increased by 13.1% from the previous quarter due to Thai baht depreciation of 6% offsetting an increase in raw material price. Moreover, an increase in gross profit of 27.6% from the third quarter of 2021 was witnessed as there were Thai baht depreciation and a rising revenue in e-commerce business which has high gross margin.

### Net Profit from normal operation

Net profit from normal operation in Q3/2022 was at THB 71.8 million, increased by 205.9% from the previous quarter which had net profit of THB 23.5 million. Moreover, Q3/2022 net profit from normal operation increased by 55.5% from the same quarter in 2021 which had net profit of THB 46.2 million due mainly to an improvement in gross profit margin and a lower loss sharing from Plant And Bean Ltd even selling and administration expenses grew from the previous quarter.

### Net profit and net profit margin

In Q3/2022 NRF reported net profit of THB 172.6 million, increased by 365.0% from the same period in 2021 and by 165.3% from the third quarter of 2021 (YoY). This is because there was higher gross profit, the recognition of sales of investment in Golden Triangle Health Company Limited (“GTH”) and Nove Eats Company Limited (“Nove Eats”).

## Summary of Financial Performance

Operating Highlight	Q3/21	Q2/22	Q3/22	Change		9M 2021	9M 2022	Change
Unit: THB million				%YoY	%QoQ			%YoY
<b>Operating Revenue</b>	<b>515.8</b>	<b>546.0</b>	<b>579.3</b>	<b>12.3%</b>	<b>6.10%</b>	<b>1,435.7</b>	<b>1,729.0</b>	<b>20.4%</b>
Gross Profit	212.2	239.3	270.7	27.6%	13.1%	537.0	782.9	45.8%
EBITDA	118.3	118.5	256.9	117.1%	116.7%	260.0	452.5	74.1%
<b>Net Profit from normal operations</b>	<b>46.2</b>	<b>23.5</b>	<b>71.8</b>	<b>55.5%</b>	<b>205.9%</b>	<b>90.1</b>	<b>131.2</b>	<b>45.7%</b>
<b>Net Profit</b>	<b>65.1</b>	<b>37.1</b>	<b>172.6</b>	<b>165.3%</b>	<b>365.0%</b>	<b>98.6</b>	<b>235.3</b>	<b>138.8%</b>
<b>Net Profit Attributable to NRF's equity holders</b>	<b>59.7</b>	<b>39.5</b>	<b>178.3</b>	<b>198.7%</b>	<b>351.3%</b>	<b>85.6</b>	<b>246.7</b>	<b>188.2%</b>
Gross profit margin (%)	41.1%	43.8%	46.7%	5.6%	2.9%	37.4%	45.3%	7.9%
EBITDA margin (%)	21.1%	21.4%	42.3%	21.2%	20.8%	17.4%	23.7%	6.2%
Net profit margin (%)	11.6%	6.1%	22.9%	11.3%	16.8%	6.5%	11.8%	5.3%

### Stock Information

#### Share price (11/11/2022)

Historical Closing Price	
52-week high	THB 9.25
52-week low	THB 4.98
No. of shares:	1,417.6 m
Par value:	THB 1.00
Market Cap.	THB 10,065 m
Average value trade per day (YTD)	THB 33.35 m

#### Major shareholders (29/04/2022)

Asian Food Corporation Limited	29.1%
DP Partners Limited	12.5%
Asian Food Corporation Limited (Headquarter)	9.7%
DPA Fund S Limited	8.1%
DLN 2017 Limited (Headquarter)	3.2%

#### Key developments

- NRF plan to expand alt.Eatery to cover Bangkok via capital Increase in NRPT
- NRPT partnered with OR to develop Plant-based food through retail and gas stations
- NRF launched Botany Petcare factory which its factory has completed construction and installation
- Divestment of investment in Nove Eats and GTH
- NRF invested in Frontline BioEnergy LLC

## Key Development in Q3/2022

### NRF plan to expand alt.Eatery to cover Bangkok via capital Increase in NRPT

In July 2022, NRPT Board of Director meeting approved to increase capital for business expansion through the rollout of alt.Eatery outlet covering key areas of Bangkok to serve customer demand, increase alt.Eatery brand awareness as well as create community for people who are interested plant-based food

### NRF partnered with OR to develop Plant-based food through retail and gas stations

On September 28, 2022, Nutra Regenerative Protein Company Ltd (“NRPT”) and Innobic (Asia) Company Ltd entered into a memorandum of understanding (MOU) together with PTT Oil and Retail Business PLC (“OR”) to study on feasibility of Plant-based protein and future food, focusing on product development and plant-based protein retails that are suitable for retail shops and gas stations of OR. This is to fulfill consumer demand, leading to convenience for Thai people and alternative options of health and environmentally friendly foods. This partnership will develop special menus to be sold on Amazon café within this year and will open Flagship store on OR gas station Vibhavadi branch in 2023. The partnership between NRPT, the developer, and OR, the retail expert in gas stations, has a target to develop and expand retail business of plant-based protein, leading to capability and specialization of partnership, fulfilment of consumer demand who have health consciousness and build experience for consumer. This is another step to better quality of Thai people and build society that sustainable in accordance with both organization’s intention.

### NRF launched Botany Petcare factory which its factory has completed construction and installation. It is expected to export the products within the fourth quarter of 2022

Botany Petcare factory is located on 9 rai at Ratchaburi province. It manufactures pet foods and completes its construction in September 2022. The factory received GMP and HACCP standard. The Company expects to export pet food within the fourth quarter of 2022. Moreover, having pet food factory increase Botany Petcare Co., Ltd capability to be Original Equipment Manufacturer or OEM domestically and internationally.

### Divestment of investment in Nove Eats and GTH

In September 2022, the Company disposed investment in Nove Eats Company Limited (Nove Eats) to Mr. Sew Hai Chiene Hester Arthur, co-founder of Nove Eats. The divestiture of shares in Nove Eats will reduce the Company’s ownership from 51.0% to 8.0% as part of the Company’s restructuring effort to focus on developing manufacturing capability through its the new plant-based manufacturing plant and expanding alt.Eatery in Thailand. Nove Foods will continue to support, assist, and collaborate with Nove Eats on manufacturing and product development. Furthermore, as a continuing shareholder, Nove Foods shall continue to provide strategic support to Nove Eats’ expansion plan into the United States.

In addition, the Company divested 65% of shares in Golden Triangle Heath Company Limited (“GTH”) because the Company expects that the legalized hemp business tends to expand continuously. GTH knowledge and expertise would help the Company to develop and apply hemp on NRF’s products, expanding and adding value to the Company’s. However, after the announcement of Ministry of Public Health to remove marijuana and hemp from the Category 5 narcotics list, the demand may shift from hemp to marijuana

which is not in line with the Company's core business and strategy. Moreover, there is still uncertainty about the regulations. Hence, the Company decided to divest the investment in GTH for the best benefits of the Company and its shareholders.

### **NRF invested in Frontline BioEnergy LLC to support Decarbonization business**

In July 2022, the Company invested in Frontline BioEnergy LLC at 7.5%. Frontline BioEnergy LLC offers process design and machine development for clean energy. The Company realizes the importance of decarbonization by entering into the Carbon Capturing Industry and remaining as a carbon neutral company. In addition, the Company aims to be a Clean Food Tech company in accordance with the Company's vision.

## **Key Events**

Ukraine-Russia war continuously affected surges in raw material price and energy prices resulting in stagflation in the United States and Europe which negatively impacted consumer demands.

## **Sustainability Management**

### **Environment**

- NRF was certified Carbon Neutral factory by Thailand Greenhouse Gas Management Organization (Public Organization) for 3 consecutive years
- City Food Ltd as NRF's subsidiary company was certified Carbon Neutral factory by Thailand Greenhouse Gas Management Organization (Public Organization)
- CEO was selected to be council board and sub-committee member on technology and innovation for Thailand Carbon Neutral Network (TCNN) by Thailand Greenhouse Gas Management (Public Organization)

### **Social**

- NRF donated rice to Grow Home Foundation for children in Chiang Rai which could be 19,200 meals, reduce rice expense, and help children and caretakers for 34 people.
- NRF partnered with Scholars of Sustenance Thailand, a non-profit foundation dedicated to helping support and creating positive change. NRF provided 103,726 meals of ready-to-eat curry sauces.
- NRF organized "Waste Wait!!" project which was the initiative that focuses on turning waste into valuable resources in order to reduce environmental problem that brought benefits to both inside and outside our organization with the activities such as "NRF Big Cleaning Day" which is a cleaning project for factory and space around, "NRF x God farmer Agribusiness" which helps reduce fertilizer cost for farmers by donating vegetables waste from production process and collecting PET bottles for making PPE suits.

### **Good Governance**

- NRF published annual report (56-1 One Report) that disclose our performance on Environment, Social and Good Governance in 2021

## Progress Update

### Plant-based food

<b>Company</b>	Nutra Regenerative Protein Company Limited (NRPT)
<b>NRF Shareholding</b>	50%
<b>Project / Investment</b>	Plant and Bean (Thailand) Limited
<b>Status</b>	Design completed Started Equipment procurement Target commissioning 1H/2023



### Specialty food

<b>Company</b>	NR Instant Produce Public Company Limited (NRF)
<b>NRF Shareholding</b>	100% / THB 200 million budget
<b>Project / Investment</b>	Automated sauce manufacturing facility
<b>Status</b>	Designing phase, target completion date 1H/2023



<b>Company</b>	Botany Petcare Company Limited
<b>NRF Shareholding</b>	67%
<b>Project / Investment</b>	Dry pet food factory in Ratchaburi province
<b>Status</b>	Construction completed and expected to export in Q4/2022

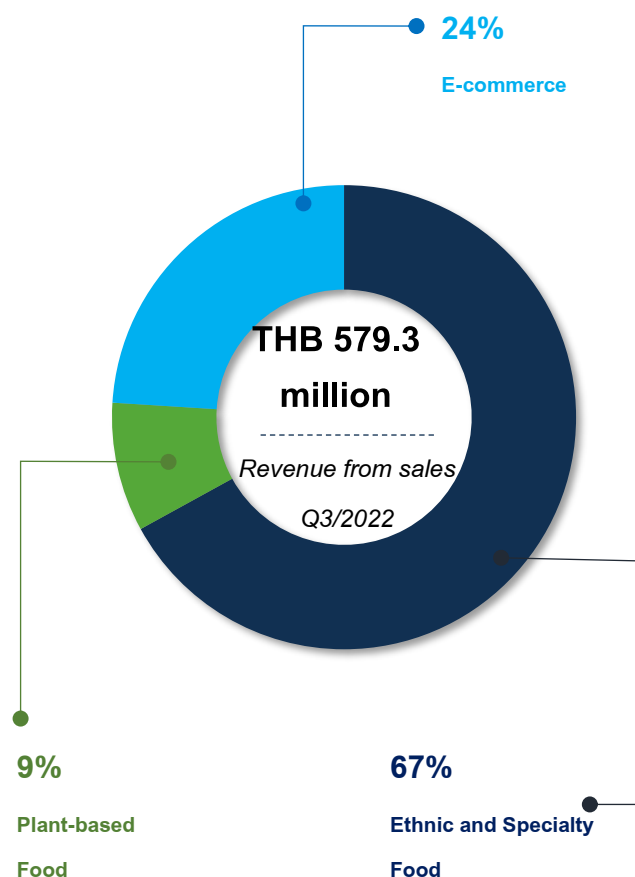


## Operating Results

Operating Results	Q3/21	Q2/22	Q3/65	Change		9M 2564	9M 2565	Change
				+/-				
Unit: THB Million				%YoY	%QoQ			%YoY
<b>Operating Revenue</b>	<b>515.8</b>	<b>546.0</b>	<b>579.3</b>	<b>12.3%</b>	<b>6.1%</b>	<b>1,435.7</b>	<b>1,729.0</b>	<b>20.4%</b>
Cost of Goods Sold	(303.7)	(306.7)	(308.6)	1.6%	0.6%	(898.7)	(946.0)	5.3%
<b>Gross Profit</b>	<b>212.2</b>	<b>239.3</b>	<b>270.7</b>	<b>27.6%</b>	<b>13.1%</b>	<b>537.0</b>	<b>782.9</b>	<b>45.8%</b>
Foreign exchange gains	10.5	-	-	(100.0%)	n/a	28.4	-	(100.0%)
The gain from changing the value of a financial asset is defined as measuring its fair value through gain or loss.	-	47.3	7.7	n/a	(83.8%)	-	77.7	n/a
Other income*	35.1	12.9	167.0	376.4%	1194.2%	48.8	183.8	277.0%
Sales and distribution costs	(71.1)	(98.3)	(91.6)	28.9%	(6.8%)	(146.9)	(306.3)	108.5%
Administrative expenses	(82.6)	(110.4)	(131.5)	59.2%	19.1%	(246.8)	(353.0)	43.0%
Financial income	1.8	7.2	8.5	358.1%	17.0%	5.3	20.4	281.6%
Financial costs	(17.1)	(18.5)	(21.4)	25.1%	15.6%	(44.0)	(57.4)	30.6%
Exchange rate losses	-	(5.8)	(8.4)	n/a	45.2%	-	(20.1)	n/a
Profit (loss) from associated companies	(17.1)	(16.3)	(12.9)	(24.4%)	(21.1%)	(49.3)	(45.4)	(7.9%)
<b>EBT</b>	<b>71.7</b>	<b>57.4</b>	<b>188.1</b>	<b>162.2%</b>	<b>227.8%</b>	<b>132.6</b>	<b>282.6</b>	<b>113.2%</b>
Income tax expenses	(6.7)	(20.2)	(15.4)	131.3%	(23.8%)	(34.0)	(47.2)	38.9%
<b>Net Profit from normal operation</b>	<b>46.2</b>	<b>23.5</b>	<b>71.8</b>	<b>55.5%</b>	<b>205.9%</b>	<b>90.1</b>	<b>131.2</b>	<b>45.7%</b>
<b>Net profit</b>	<b>65.1</b>	<b>37.1</b>	<b>172.6</b>	<b>165.3%</b>	<b>365.0%</b>	<b>98.6</b>	<b>235.3</b>	<b>138.8%</b>
<b>Profit attributable to the company's shareholders</b>	<b>59.7</b>	<b>39.5</b>	<b>178.3</b>	<b>198.7%</b>	<b>351.3%</b>	<b>85.6</b>	<b>246.7</b>	<b>188.2%</b>

## 1. Operating Revenue

### REVENUE STRUCTURE Q2/2022



### ETHNIC AND SPECIALTY FOOD

Over 2,000 SKUs and 500 recipes for both Own brand and OEM products

- Own Brand: Por Kwan, Sabzu, Lee brand, Thai Delight, Shanggie and DeDe, and Classic Thai (City Food branded)
- OEM Business: Food Manufacturing based on customer's demand
- Botany Petcare: markets and distributes pet food products in Thailand

### PLANT-BASED FOOD

- OEM Business: mainly includes young jackfruit and konjac products. Excludes results from joint ventures

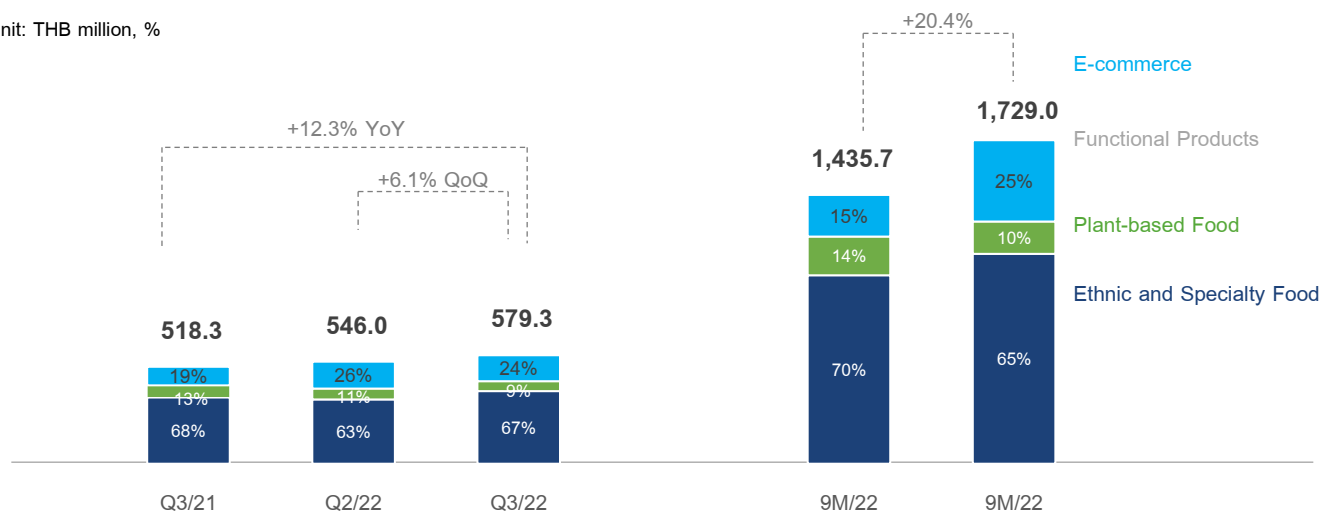
### E-COMMERCE

- Revenue consolidated from BOOSTED NRF Corp., which focuses on building E-commerce platforms and acquiring product category leaders on Amazon.com
- Revenue from Indeem Group Co., Ltd.

### BUSINESS OVERVIEW BY CATEGORY

Revenue	Q3/64	Q2/65	Q3/65	Change		9M 2564	9M 2565	Change
				+/-	+/-			
Unit: THB million				%YoY	%QoQ			%YoY
Ethnic and Specialty Food	353.8	344.2	387.7	9.6%	12.7%	1,006.5	1,122.0	11.5%
Plant-based Food	62.7	57.7	53.7	(14.3%)	(6.9%)	206.9	171.9	(16.9%)
E-commerce	99.3	144.1	137.9	38.9%	(4.3%)	222.4	435.0	95.7%
<b>Total Operating Revenue</b>	<b>515.8</b>	<b>546.0</b>	<b>579.3</b>	<b>12.3%</b>	<b>6.1%</b>	<b>1,435.7</b>	<b>1,729.0</b>	<b>20.4%</b>

Unit: THB million, %



**YoY** Q3/2022 vs Q3/2021 In Q3/2022 the Company reported total operating revenue of THB 579.3 million increased by THB 63.5 million or 12.3% from Q3/2021 due to the followings:

- **Ethnic and Specialty Food:** revenue from sales increased by 9.6%, revenue increased in the United States and Oceania regions, Ready-To-Eat product group, and revenue recognition from pet food business (Botany Petcare Co., Ltd.)
- **Plant-based Food:** decrease in revenue of 14.3% mainly from the drop in young jackfruit and konjac orders from major customers.
- **E-commerce:** increase in revenue of 38.9% driven by revenue consolidated from BOOSTED NRF Corp. brands including sales of Prime Labs, SOL Trading and WellPath. In Q3/2022, the Company reported revenue recognition from Prime Labs and SOL Trading only and revenue from Indeem Group company limited has been reported since Q1/2022.

**QoQ** Q3/2022 vs Q2/2022 In Q2/2022 the Company reported total operating revenue of THB 579.3 million increased by THB 33.4 million or 6.1% from Q2/2022 due to the followings:

- **Ethnic and Specialty Food:** Ethnic and Specialty Food revenue increased by 12.7% from sales from all regions except for the United States, Ready-To-Eat product group, and pet food business.
- **Plant-based Food:** Revenue from Plant-based Food decreased by 6.9% due mainly to a drop in orders from major customers of jackfruit and konjac.
- **E-commerce:** revenue from E-commerce decreased by 4.3% due to the slowdown of E-commerce business.

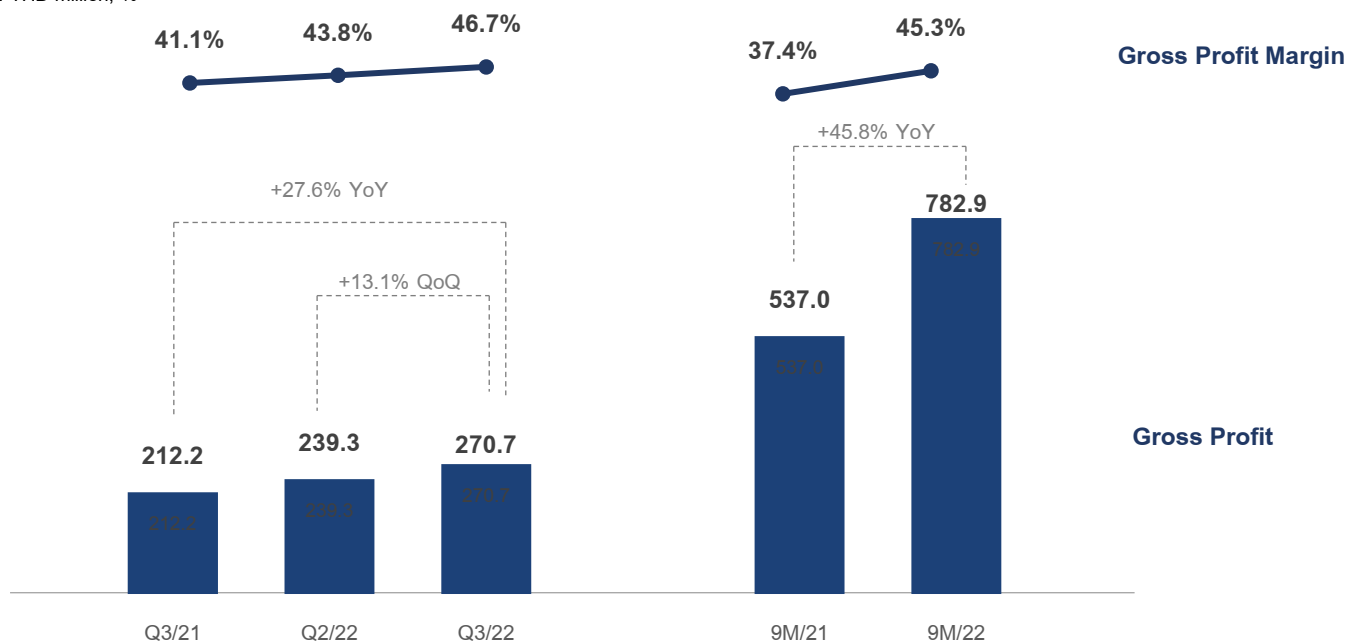
**YTD** 9M/2022 vs 9M/2021 In 9M/2022 the Company reported total operating revenue of THB 1,729.0 million increased by THB 293.3 million or 20.4% from 9M/2022 due to the followings:

- **Ethnic and Specialty Food:** Ethnic and Specialty Food revenue increased by 11.5% from sales from all regions except for Europe, recipe mix product and basic seasoning product group, and revenue recognition from pet food business (Botany Petcare Co., Ltd)
- **Plant-based Food:** revenue from Plant-based Food decreased by 16.9% mainly as a result of a decrease in orders from major customers of jackfruit and konjac.

- E-commerce:** revenue from E-commerce business increased by 95.7% from revenue cognition of BOOSTED NRF Corp. Under Prime Labs, SOL Trading, and WellPath brands. In Q3/2021, there were only revenue from products under Prime Labs and SOL Trading only and there has been a revenue recognition from Indeem Group Co., Ltd since Q1/2022.

## 2. Gross Profit and Gross Profit Margin

Unit: THB million, %



### YoY Q3/2022 vs Q3/2021

**In Q3/2022, the Company reported gross profit of THB 270.7 million** increased by THB 58.6 million or 27.6% mainly due to an increase in sales, Thai baht depreciated, benefits from the rising revenue from E-commerce business from products under the Prime Labs, SOL Trading and WellPath brands, and revenue recognition from Indeem Group Co., Ltd, which has high gross profit margin.

Business Category	Q3/21	Q2/22	Q3/22
<b>Ethnic and Specialty Food</b>	31%	30%	32%
<b>E-commerce</b>			
Amazon.com products	86%	78%	82%
Non-Amazon.com products	n/a	89%	90%

**Gross profit margin** improved from 41.1% in Q3/2021 to 46.7% in Q3/2022 mainly due to an increase in sales, and Thai baht depreciation in Q3/2022 even though a high raw material cost was witnessed. In addition, the Company benefited from the rising revenue from e-commerce business from products under the Prime Labs, SOL Trading, and WellPath brands, and the recognition of revenue from Indeem Group Co., Ltd which has a high gross profit margin.

### QoQ Q3/2022 vs Q2/2022

**In Q3/2022, the Company has gross profit of THB 270.7 million** increased by THB 31.4 million or 13.1% due mainly to Thai baht depreciation offsetting higher cost of raw materials and sales from pet food products.



**Gross profit margin** improved from 43.8% in Q2/2022 to 46.7% in Q3/2022 due mainly to Thai baht depreciation which offset a higher cost of raw materials.

#### YTD 9M/2022 vs 9M/2021

In 9M/2022, the Company has gross profit of THB 782.9 million increased by 245.9 million or 45.8% mainly due to higher sales, benefits from e-commerce business from products under Prime Lans, SOL Trading, and WellPath brands, revenue recognition from Indeem Group Co., Ltd which has high gross profit margin, and Thai baht depreciation.

**Gross profit margin** improved from 37.4% in 9M/2021 to 45.3% in 9M/2022 due to higher sales, benefits from e-commerce business from products under Prime Labs, SOL Trading, and WellPath brands, and revenue recognition from Indeem Group Co., Ltd which has high gross profit margin.

### 3. LOSS ON EXCHANGE RATES

#### YoY Q3/2022 vs Q3/2021

In Q3/2022, the Company loss on exchange rates with an amount of THB 8.4 million in comparison with gain on exchange rates of THB 10.5 million in Q3/2021 mainly due to mark to market of loan to Plant and Bean Ltd in pound sterling as of end of Q3/2022 which appreciated when compared to the rate as of end of Q3/2021 compared to the exchange rate in the same quarter of 2021 when pound sterling depreciated compared to the rate as of end of 2020.

Accounting Average Exchange Rate	Q3/21	Q2/22	Q3/22
US Dollar	33.92	35.30	37.91
Euro	39.36	36.87	37.20
Singapore Dollar	23.87	24.65	25.73
Pound sterling	45.61	42.82	42.21

#### QoQ Q3/2022 vs Q2/2022

In Q3/2022, the Company recorded loss on exchange rate of THB 8.4 million rose from loss of THB 5.8 million in Q2/2022 mainly due to mark to market of loan to Plant And Bean Ltd in pound sterling as of end of Q3/2022 which appreciated when compared to the exchange rate as of Q2/2022

#### YTD 9M/2022 vs 9M/2021

In 9M/2022, the Company recorded loss on exchange rate of THB 20.1 million reduced from gain on exchange rate of THB 28.4 million in 9M/2021 due to mark to market of loan to Plant And Bean Ltd in pound sterling as of end of 9M/2022 which pound sterling appreciated when compared to exchange rate as of end of Q3/2021

## 4. GAIN ON CHANGES IN VALUE OF FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

**YoY** Q3/2022 vs Q3/2021

In Q3/2022, the Company recorded gain on changes in value of financial assets designated at fair value through profit or loss of THB 7.7 million mainly from Cross Currency Swap between US dollar and Thai baht for long-term loan from financial institution and Thai baht depreciation.

**QoQ** Q3/2022 vs Q2/2022

In Q3/2022, the Company recorded gain on changes in value of financial assets designated at fair value through profit or loss of THB 7.7 million decreased by THB 39.6 million or 83.8% compared to Q2/2022 as the Company invests in preferred shares of Nove Eats via ausa.cn shares. Hence, the Company shall not report fair value of that financial asset in the third quarter of 2022 as well as Cross Currency Swap for long-term loan.

**YTD** 9M/2022 vs 9M/2021

During 9M/2022, the Company recorded gain on changes in value of financial assets designated at fair value through profit or loss of THB 77.7 million increased by THB 77.7 million from 9M/2021. This is because there was a gain on partial divestment of Boosted Ecommerce in Q1/2022 and Cross Currency Swap for long-term loan even the Company invests in preferred shares of Nove Eats via ausa.cn shares and hence shall not report the fair value of that financial asset in Q3/2022.

## 5. OTHER INCOME

**YoY** Q3/2022 vs Q3/2021

In Q3/2022, the Company reported other income of THB 36.7 million increased by THB 1.6 million or 4.6% from that in Q3/2021 mainly because of revenue recognition of Indeem Group Co., Ltd (“Indeem Group”) which is a subsidiary of the Company in Q4/2021.

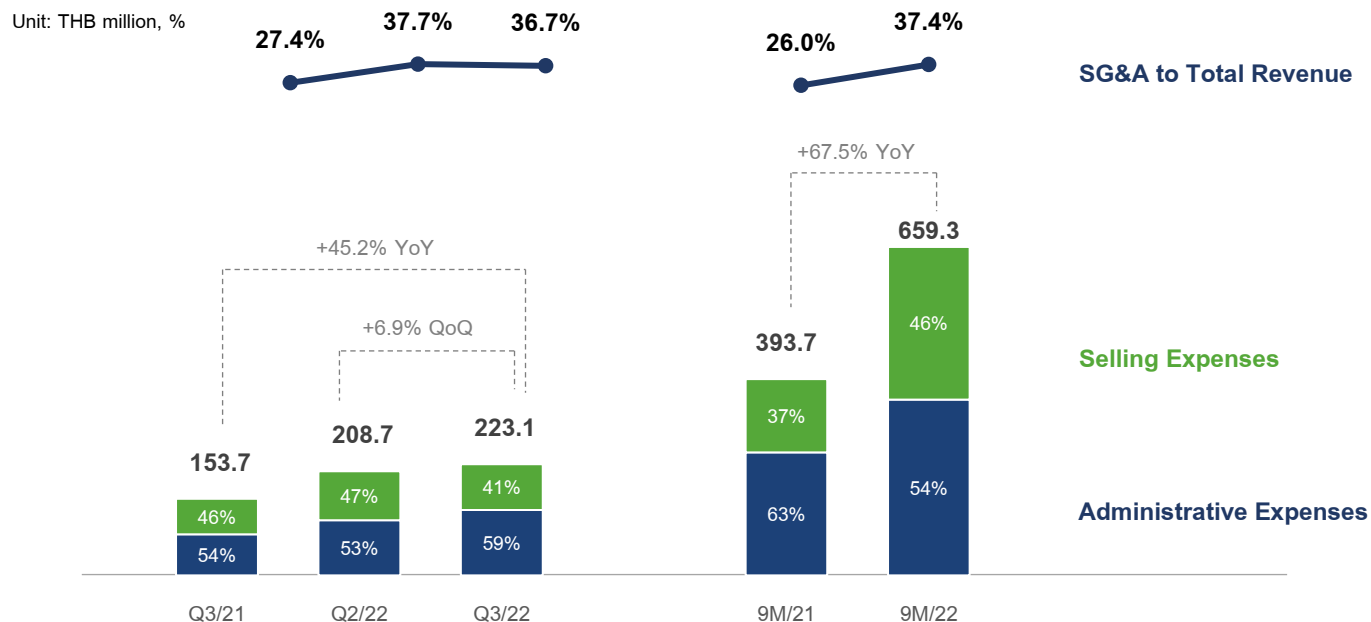
**QoQ** Q3/2022 vs Q2/2022

In Q3/2022, the Company reported other income of THB 36.7 million increased by THB 23.8 million or 184.1% from that in Q2/2022 mainly because of sale of Plant-based product recipes to Nove Eats.

**YTD** 9M/2022 vs 9M/2021

During 9M/2022, the Company reported other income of THB 53.4 million increased by THB 4.7 million or 9.6% from that in 9M/2021 mainly because of the service revenue of Indeem Group Co., Ltd which has been a subsidiary of the Company since Q4/2021.

## 6. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES



### YoY Q3/2022 vs Q3/2021

**Selling Expenses:** In Q3/2022, the Company recorded selling expenses of THB 91.6 million increased by THB 20.6 million or 28.9% mainly due to an increase in costs associated with sales in the E-commerce business.

**Administrative Expenses:** In Q3/2022, the Company recorded administrative expenses of THB 131.5 million increased by THB 48.9 million or 59.2% primarily due to the increase in salary expenses in accordance with the increase in a number of employees and the increase in administrative expenses in E-commerce business including amortization of trade names which was not recorded in 2021 in spite of decrease in professional and legal fees related to investment activities compared to the same quarter in 2021

**SG&A to Total Revenue:** SG&A expense to Total revenue ratio was 29.6% in Q3/2022 increased from 27.4% in Q2/2021, mainly due to an increase in expenses in E-commerce business at a higher rate than increase in revenue from selling products on Amazon.com platform.

### QoQ Q3/2022 vs Q2/2022

**Selling Expenses:** In Q3/2022, the Company recorded selling expenses of THB 91.6 million decreased by THB 6.6 million or 6.8% mainly due to a decrease in selling expenses in the E-commerce Business in accordance with lower sales in E-commerce business.

**Administrative Expenses:** In Q3/2022, the Company recorded administrative expenses of THB 131.5 million increased by THB 21.1 million or 19.1%, primarily due to rises in expenses of E-commerce and pet food businesses.

**SG&A to Total Revenue:** SG&A expense to Total revenue ratio was 29.6% in Q3/2022 slightly decreased from 34.4% in Q2/2022, largely because a growth in sales of products in E-commerce business was higher than a growth in expenses of products in E-commerce business.

**YTD** 9M/2022 vs 9M/2021

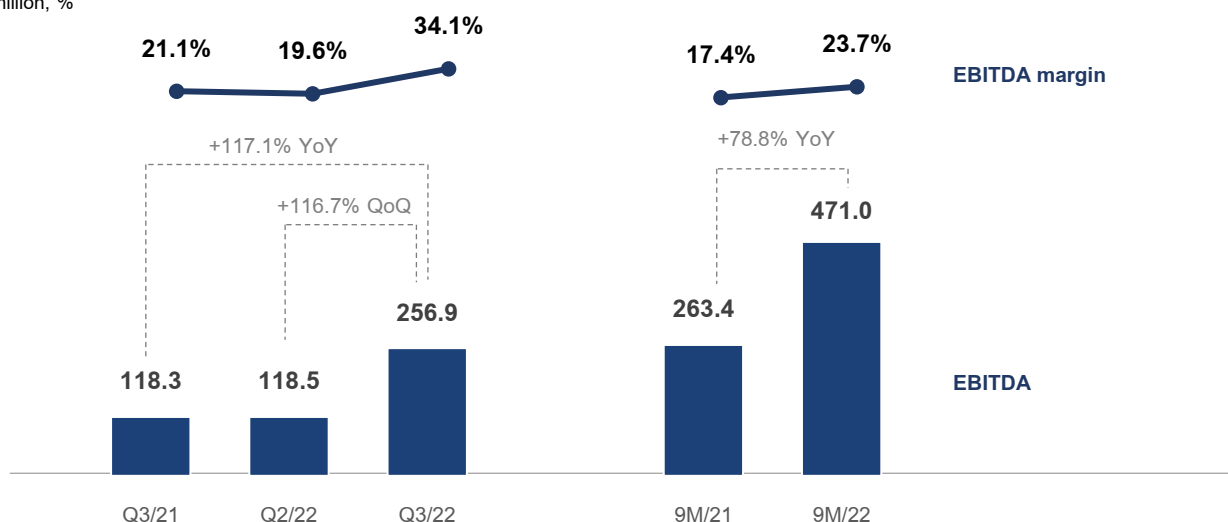
**Selling Expenses:** During 9M/2022, the Company recorded selling expenses of THB 306.3 million increased by THB 159.4 million or 108.5% mainly due to increase in cost associated with sale of products in E-commerce business which include selling expenses under brand SOL Trading and WellPath brands on Amazon.com and selling expenses in Indeem Group while 9M/2021 reported selling expenses did not include sale of products under WellPath brand and Indeem Group.

**Administrative Expenses:** During 9M/2022, the Company recorded administrative expenses of THB 353.0 million increased by THB 106.2 million or 43.0% primarily due to the increase in salary expenses in accordance with the increase in a number of employees and the increase in administrative expenses in E-commerce business together with amortization of trade names in addition to the reported expenses during 9M/2021 despite decrease in legal fees and expenses related to investment activities compared to that during 9M/2021.

**SG&A to Total Revenue:** SG&A expense to Total revenue ratio was 33.1% in 9M/2022, increased from 26.0% in 9M/2021, mainly because a growth in sales of products in E-commerce business was higher than a growth in expenses of products in E-commerce business.

## 7. EBITDA AND EBITDA MARGIN

Unit: THB million, %



**YoY** Q3/2022 vs Q2/2021

**EBITDA:** In Q3/2022, the Company reported EBITDA of THB 256.9 million increased by THB 138.6 million or 117.1% primarily due to higher operating revenue, improvement in gross margin, decrease in investment-related expenses, recorded profit from divestment

of GTH and Nove Eats, gain on changes in value of financial assets designated at fair value through profit or loss, and a decrease in loss sharing from Plant And Bean Ltd. although the Company reported higher SG&A in E-commerce business and salary expenses.

**EBITDA margin:** In Q3/2022, EBITDA margin was 34.1% improved from 21.1% in Q3/2021.

### QoQ Q3/2022 vs Q2/2022

**EBITDA:** In Q3/2022, the Company reported EBITDA of THB 256.9 million increased by THB 138.3 million or 116.7% due to higher operating profit and recorded profit from divestments of GTH and Nove Eats.

**EBITDA margin:** increased from 19.6 in Q2/2022 to 34.1% in Q3/2022

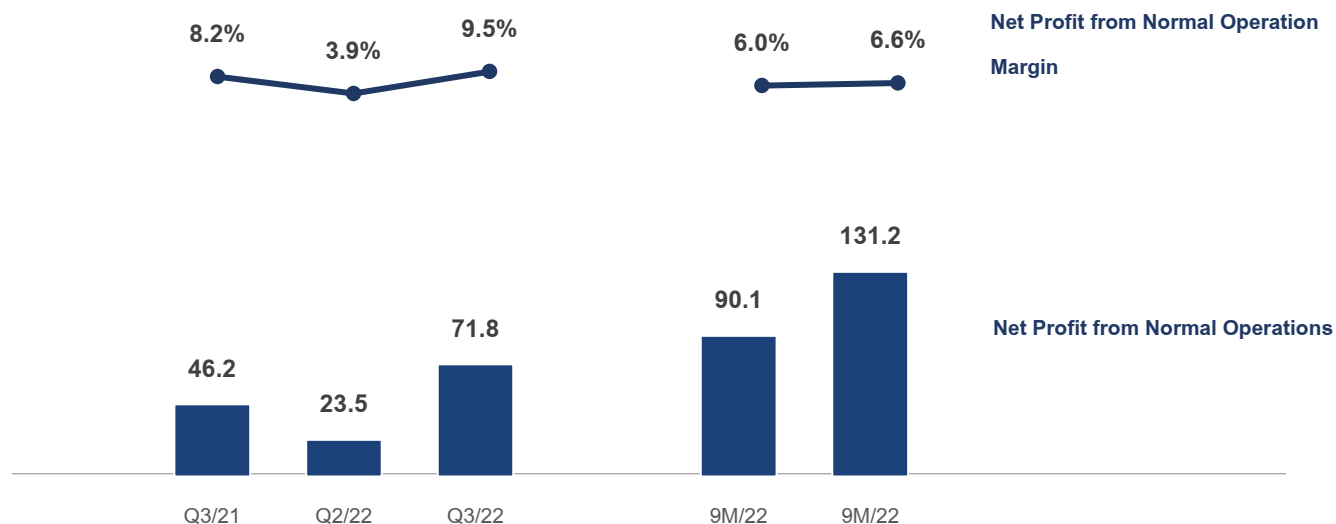
### YTD 9M/2022 vs 9M/2021

**EBITDA:** During 9M/2022, the Company reported EBITDA of THB 471.0 million increased by THB 207.5 million of 78.8% primarily due to higher operating profit and recorded profit from divestments of GTH and Nove Eats.

**EBITDA margin:** increased from 17.4% in 9M/2021 to 23.7% in 9M/2022

## 8. Net Profit from Normal Operations

Unit: THB million, %



### YoY Q3/2022 vs Q2/2021

Net profit from normal operations: in Q3/2022, the Company has net profit from normal operations of THB 71.8 million, increased by THB 25.6 million or 55.5% from the same quarter in last year mainly from depreciation of Thai baht, increase in product sales of E-commerce business, and decrease in share of loss from Plant And Bean Ltd. despite increase in selling, general and administrative expenses. Net profit from normal operation margin increased from 8.2% in Q3/2021 to 9.5% in Q3/2022.

**QoQ** Q3/2022 vs Q2/2022

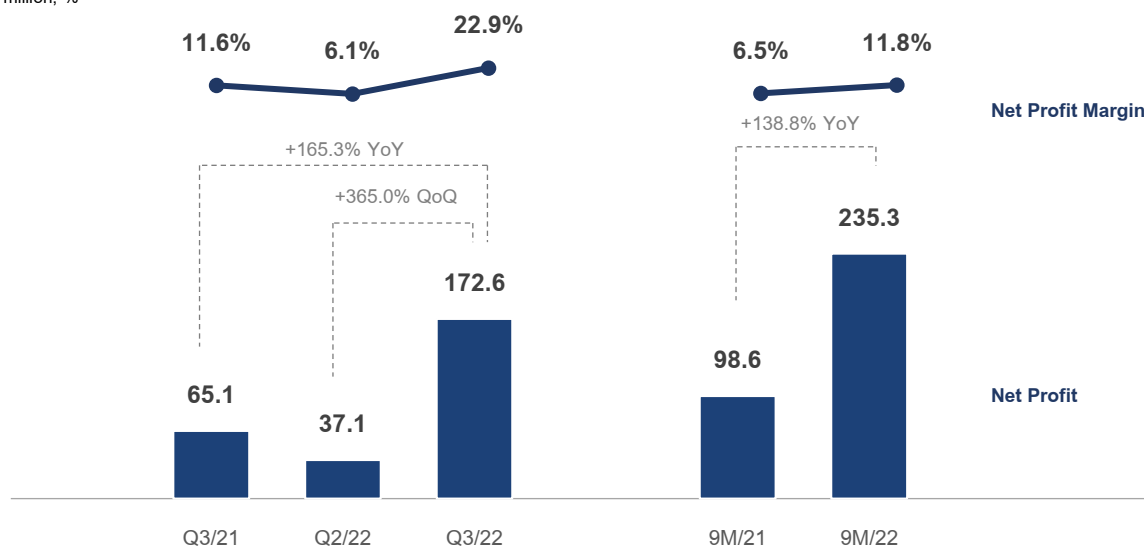
Net profit from normal operations: in Q3/2022, the Company has net profit from normal operations of THB 71.8 million, increased by THB 48.3 million or 205.9% compared to Q2/2022 mainly from increase in revenue from pet food products, gross profit and other income despite increase in selling, general and administrative expenses. Net profit from normal operation margin increased from 3.9% in Q2/2022 to 9.5% in Q3/2022.

**YTD** 9M/2022 vs 9M/2021

Net profit from normal operations: in 9M/2022, the Company has net profit from normal operations of THB 131.2 million, increased by THB 41.1 million or 45.7% compared to 9M/2021 mainly from depreciation of Thai baht resulting in higher revenue from ethnic food business, revenue recognition of pet food business in 2022, increase in revenue from selling E-commerce business products under WellPath brand and Indeem Group Company Limited and decrease in share of loss from Plant And Bean Ltd. As a result, net profit from normal operation margin increased from 6.0% in 9M/2021 to 6.6% in 9M/2022.

## 9. NET PROFIT AND NET PROFIT MARGIN

Unit: THB million, %


**YoY** Q3/2022 vs Q3/2021

**Net profit:** In Q3/2022, the Company reported a net profit of THB 172.6 million, an increase of THB 107.6 million or 165.3% from the same quarter of last year mainly due to increase in net profit from normal operations and realized gains on divestment of GTH and Nove Eats. As a result, net profit margin increased from 11.6% in Q2/2021 to 22.9% in Q3/2022.

**Net profit attributable to NRF's equity holders:** the Company reported a net profit of THB 178.3 million increased by THB 118.6 million or 198.7% from Q3/2021 as net profit of the Company in Q3/2022 increased by THB 107.6 million compared to Q3/2021 and the share of loss attributable to non-controlling interests of the subsidiary amounting to THB 5.7 million in the Q3/2022, while, in Q3/2021, there was a share of the profit belonging to the non-controlling interests of the subsidiary of THB 5.4 million.

**QoQ** Q3/2022 vs Q2/2022

**Net Profit:** In Q3/2022, the Company reported a net profit of THB 172.6 million decreased by THB 135.5 million or 365.0% mainly due to increase in net profit from normal operations and realized gains on divestment of GTH and Nove Eats resulting in increased net profit margin from 6.1% in Q2/2021 to 22.9% in Q3/2022.

**Net profit attributable to NRF's equity holders:** the Company reported a net profit of THB 178.3 million increased by THB 138.8 million or 351.3% from Q2/2022 as net profit of the Company in Q3/2022 increased by THB 135.5 million compared to Q2/2022 and the share of loss attributable to non-controlling interests of the subsidiary amounting to THB 5.7 million in the Q3/2022, while, in Q2/2022, there was a share of the loss attributable to the non-controlling interests of the subsidiary of THB 2.4 million.

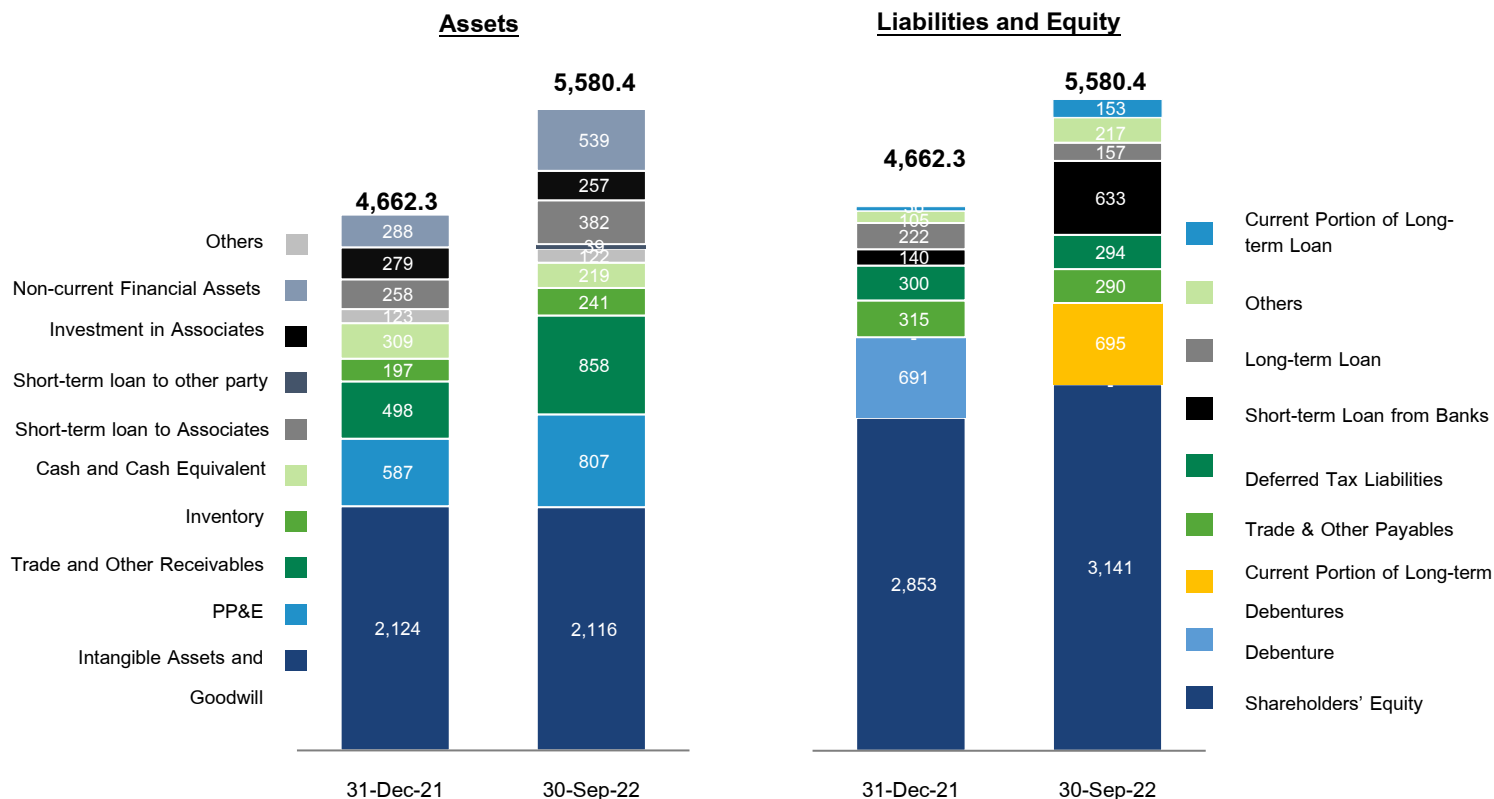
**YTD** 9M/2022 vs 9M/2021

**Net profit:** For the 9 months of 2022, the Company reported a net profit of THB 235.3 million, an increase of THB 136.8 million baht or 138.8% mainly due to increase in net profit from normal operations and recognized gain on divestment of GTH and Nove Eats. As a result, net profit margin of the Company increased from 6.5% in 9M/2021 to 11.8% in 9M/2022.

**Net profit attributable to NRF's equity holders:** during 9M/2022, the Company reported a net profit of THB 246.7 million increased by THB 161.1 million or 188.2% from 9M/2021 as net profit of the Company in 9M/2022 increased by THB 136.8 million compared to 9M/2021 and the share of loss attributable to non-controlling interests of the subsidiary amounting to THB 11.4 million in the 9M/2022, while, in 9M/2021, there was a share of the profit belonging to the non-controlling interests of the subsidiary of THB 12.9 million.

## BALANCE SHEET

Unit: THB million, %



## TOTAL ASSETS

As of 30 September 2022, the total asset of the Company was THB 5,580.4 million, increased by THB 918.1 million or 19.7% from 31 December 2021. The significant changes are as follows:

**Current assets** increased by THB 478.4 million or 37.3% mainly from

- **Cash and cash equivalent** decreased by THB 90.0 million
- **Accounts receivables and Other receivables** increased by THB 359.3 million. Most of them were accrued interest from Plant And Bean Ltd. and the disposal of partial investment in Boosted Ecommerce.
- **Short-term Loan to Other Parties** increased by THB 38.9 million from Konscious Foods, Inc. shareholder agreement in which Konscious Foods, Inc. shall repay to shareholders when Konscious Foods, Inc. successfully raises fund.
- **Short-term Loan to Associate** increased by THB 123.9 million due to loans given to Plant And Bean Ltd. for working capital
- **Inventory** increase of THB 44.2 million, mainly from the Ecommerce business and the Company's raw materials.
- **Other current assets** increased by THB 2.1 million



**Non-current assets** increased by THB 439.7 million or 13.0% mainly from

- **Non-Current Financial Assets** increased by THB 251.7 million due to additional investment in Unovis NCAP II, Big Idea Venture and New Protein Fund as well as recognition of investment in GTH and Nove Eats. However, the Company recognized loss on change in fair value of non-current financial assets.
- **Property, Plant and Equipment** Increased by THB 220.1 million, most of them were from the construction and installation of the pet food factory and machinery (Botany Petcare Co., Ltd.) as well as investment in crypto-mining machines of eKold Limited, a subsidiary of the Company.
- **Investment in Associate** decreased by THB 128.7 million from the recognition of loss from operations
- **Investment in Joint Venture** Increased by THB 107.1 million from additional investment and recognition of operating loss.
- **Intangible Assets and Goodwill** A decrease of THB 7.6 million due to amortization of intangible assets of the Company and Boosted NRF Corp.

## LIABILITIES

As of 30 September 2022, the Company had total liabilities of THB 2,438.9 million, an increase of THB 629.7 million or 34.8% from 31 December 2021. The details of the major changes are as follows:

**Current liabilities** increased by THB 1,367.5 million or 241.2% mainly due to

- **Trades and Other Payables** decreased by THB 24.9 million
- **Short-term Loan from Financial Institutions** increased by THB 492.7 million
- **Short-term Loan from related parties** increased by THB 123.9 million
- **Current Portion of Long-term Loan** increased by THB 116.5 million
- **Current Portion of Long-term Debenture** increased by THB 695.5 million in which the maturity date is in July 2023.
- **Income Tax Payable** decreased by THB 41.4 million

**Non-current liabilities** decreased by THB 737.8 million or 59.4% mainly due to

- **Long-term Loan** decreased by THB 65.3 million due to principal repayment
- **Long-term Debenture** decreased by THB 691.3 million which is recorded in the current portion of long-term debenture.

## SHAREHOLDERS' EQUITY

As of 30 September 2022, the Company had shareholders' equity of THB 3,141.5 million, an increase of THB 288.4 million or 10.1% from 31 December 2021, mainly due to an increase in net profit of the Company, changes in value of equity investments designated at fair value through other comprehensive income, exchange differences on translation of financial statements in foreign currency and non-controlling interests of the subsidiaries.

**STATEMENT OF COMPREHENSIVE INCOME**

	Q3/21	Q2/22	Q3/22	Change	+/-	9M 2021	9M 2022	Change
Unit: Million Baht				%YoY	%QoQ			%YoY
<b>Sales</b>	<b>515.8</b>	<b>546.0</b>	<b>579.3</b>	<b>12.3%</b>	<b>6.1%</b>	<b>1,435.7</b>	<b>1,729.0</b>	<b>20.4%</b>
Cost of sales	(303.7)	(306.7)	(308.6)	1.6%	0.6%	(898.7)	(946.0)	5.3%
<b>Gross Profit</b>	<b>212.2</b>	<b>239.3</b>	<b>270.7</b>	<b>27.6%</b>	<b>13.1%</b>	<b>537.0</b>	<b>782.9</b>	<b>45.8%</b>
Gain on exchange rate	10.5	-	-	(100.0%)	n/a	28.4	-	(100.0%)
Gain on change in value of financial assets designated at fair value through profit or loss	-	47.3	7.7	n/a	(83.8%)	-	77.7	n/a
Other income	35.1	12.9	167.0	376.4%	1194.2%	48.8	183.8	277.0%
Selling expense	(71.1)	(98.3)	(91.6)	28.9%	(6.8%)	(146.9)	(306.3)	108.5%
Administrative expense	(82.6)	(110.4)	(131.5)	59.2%	19.1%	(246.8)	(353.0)	43.0%
Loss on exchange rate	-	(5.8)	(8.4)	n/a	45.2%	-	(20.1)	n/a
<b>EBIT</b>	<b>104.1</b>	<b>85.0</b>	<b>213.9</b>	<b>105.5%</b>	<b>151.6%</b>	<b>220.5</b>	<b>365.0</b>	<b>65.6%</b>
Gain / (loss) from investment in associate and Joint Venture	(17.1)	(16.3)	(12.9)	(24.4%)	(21.1%)	(49.3)	(45.4)	(7.9%)
Finance income	1.8	7.2	8.5	358.1%	17.0%	5.3	20.4	281.6%
Finance cost	(17.1)	(18.5)	(21.4)	25.1%	15.6%	(44.0)	(57.4)	30.6%
<b>EBT</b>	<b>71.7</b>	<b>57.4</b>	<b>188.1</b>	<b>162.2%</b>	<b>227.8%</b>	<b>132.6</b>	<b>282.6</b>	<b>113.2%</b>
Income tax expense	(6.7)	(20.2)	(15.4)	131.3%	(23.8%)	(34.0)	(47.2)	38.9%
<b>Net profit</b>	<b>65.1</b>	<b>37.1</b>	<b>172.6</b>	<b>165.3%</b>	<b>365.0%</b>	<b>98.6</b>	<b>235.3</b>	<b>138.8%</b>
<b>Net profit attributable to NRF's equity holders</b>	<b>59.7</b>	<b>39.5</b>	<b>178.3</b>	<b>198.7%</b>	<b>351.3%</b>	<b>85.6</b>	<b>246.7</b>	<b>188.2%</b>
<b>Total comprehensive income for the period</b>	<b>129.6</b>	<b>68.9</b>	<b>251.2</b>	<b>93.8%</b>	<b>264.7%</b>	<b>198.7</b>	<b>342.1</b>	<b>72.2%</b>
<b>Basic earnings per share (THB)</b>	<b>0.04</b>	<b>0.03</b>	<b>0.13</b>	<b>198.7%</b>	<b>351.3%</b>	<b>0.06</b>	<b>0.17</b>	<b>188.2%</b>

**STATEMENT OF FINANCIAL POSITION**

Unit: Million Baht	31 Dec 21	% to Total Assets	30 Sep 22	% to Total Assets	Change (%)
Cash and Cash Equivalents	309.5	6.6%	219.5	3.9%	(29.1%)
Trade and Other Receivables	498.3	10.7%	857.6	15.4%	72.1%
Inventories	196.9	4.2%	38.9	0.7%	n/a
Other Current Assets	19.2	0.4%	381.6	6.8%	48.1%
Short-term Loans to Other Parties	-	0.0%	241.1	4.3%	22.4%
Short-term Loans to Associates	257.7	5.5%	21.4	0.4%	11.0%
<b>Total Current Assets</b>	<b>1,281.6</b>	<b>27.5%</b>	<b>1,760.1</b>	<b>31.5%</b>	<b>28.4%</b>
Non-Current Financial Asset	287.7	6.2%	539.4	9.7%	87.5%
Investment in Associates	241.8	5.2%	113.1	2.0%	(53.2%)
Investment in Joint Venture	36.7	0.8%	143.8	2.6%	291.7%
Property, Plant and Equipment	587.2	12.6%	807.3	14.5%	37.5%
Intangible Assets and Goodwill	2,123.5	45.5%	2,116.0	37.9%	(0.4%)
Other Non-Current Assets	103.7	2.2%	100.8	1.8%	(2.8%)
<b>Total Non-Current Assets</b>	<b>3,380.6</b>	<b>72.5%</b>	<b>3,820.3</b>	<b>68.5%</b>	<b>13.0%</b>
<b>Total Asset</b>	<b>4,662.3</b>	<b>100.0%</b>	<b>5,580.4</b>	<b>100.0%</b>	<b>19.7%</b>
Short-term Loans from Financial Institutions	140.0	3.0%	632.7	11.3%	351.9%
Trade and Other Payables	314.6	6.7%	289.8	5.2%	(7.9%)
Current portion of Long-term Loans	36.3	0.8%	152.8	2.7%	321.4%
Short-term loans from a related parties	-	0.0%	123.9	2.2%	n/a
Current portion of long-term debentures	-	0.0%	695.5	12.5%	n/a
Other current liabilities	76.1	1.6%	39.9	0.7%	(47.5%)
<b>Total Current Liabilities</b>	<b>567.0</b>	<b>12.2%</b>	<b>1,934.5</b>	<b>34.7%</b>	<b>241.2%</b>
Long-term Loans	222.3	4.8%	157.0	2.8%	(29.4%)
Debentures	691.3	14.8%	-	0.0%	(100.0%)
Long-term loan from a related party	-	0.0%	22.0	0.4%	n/a
Other Non-Current Liabilities	328.6	7.0%	325.5	5.8%	(1.0%)
<b>Total Non-Current Liabilities</b>	<b>1,242.2</b>	<b>26.6%</b>	<b>504.4</b>	<b>9.0%</b>	<b>(59.4%)</b>
<b>Total Liabilities</b>	<b>1,809.2</b>	<b>38.8%</b>	<b>2,438.9</b>	<b>43.7%</b>	<b>34.8%</b>
<b>Total Shareholders' Equity</b>	<b>2,853.1</b>	<b>61.2%</b>	<b>3,141.5</b>	<b>56.3%</b>	<b>10.1%</b>

## CASH FLOW STATEMENT

Unit: Million Baht	9M/21	9M/22	Change %YoY	
Profit before Tax	132.6	282.6	150.0	113.2%
Adjustments for Depreciation and Amortization	86.9	131.0	44.1	50.7%
Other Adjustments	69.7	(83.0)	(152.8)	(219.0%)
Changes in Operating Assets and Liabilities	19.8	(87.9)	(107.7)	(542.8%)
<b>Cash Flows from Operating Activities</b>	<b>309.1</b>	<b>242.7</b>	<b>(66.4)</b>	<b>(21.5%)</b>
Cash paid for interest expenses	(40.1)	(53.6)	(13.5)	33.6%
Cash paid for corporate income tax	(61.5)	(99.5)	(38.1)	61.9%
<b>Net Cash Flows from Operating Activities</b>	<b>207.5</b>	<b>89.5</b>	<b>(118.0)</b>	<b>(56.9%)</b>
<b>Net Cash Flows from Investing Activities</b>	<b>(736.2)</b>	<b>(792.7)</b>	<b>(56.5)</b>	<b>7.7%</b>
<b>Net Cash Flows from Financing Activities</b>	<b>772.4</b>	<b>603.0</b>	<b>(169.5)</b>	<b>(21.9%)</b>
Unrealized Exchange Gain (Loss) on Cash and Cash Equivalents	0.1	0.2	0.0	22.6%
Increase (Decrease) in Exchange Differences on Translation of Financial Statements to Foreign Currency	45.8	10.0	(35.8)	(78.1%)
Net Increase (Decrease) in Cash and Cash Equivalents	289.7	(90.0)	(379.7)	(131.1%)
Cash and Cash Equivalents - Beginning Balance	224.4	309.5	85.1	37.9%
<b>Cash and Cash Equivalents - Ending Balance</b>	<b>514.0</b>	<b>219.5</b>	<b>(294.6)</b>	<b>(57.3%)</b>

## KEY FINANCIAL RATIOS



**Inventory Holding Period** = 365 / Inventory Turnover

**Payment Period** = 365 / Account Payable Turnover

**Collection Period** = 365 / Account Receivable Turnover

**Current Ratio** = Current Assets / Current Liabilities

**Return on Equity (ROE)** = Net Profit / Shareholders' Equity (Average)

**Return on Assets (ROA)** = Net Profit / Total Assets (Average)

**Debt-to-Equity Ratio (D/E Ratio)** = Total Debt / Shareholders' Equity

**Net Debt/Equity Ratio** = Net Debt / Shareholders' Equity

**Net Debt/EBITDA Ratio** = Net Debt / EBITDA

**Disclaimer:**

*The information contained herein is intended to represent the Company's operating and financial position at a given point in time and may also contain forward looking information which only reflects expectations based on the prevailing geo-political, economic and non-controllable factors. Such information has been obtained from sources believed to be most reliable and the means in analyzing and preparation of such information for disclosure are based on approve practices and principles in the investment industry. The views are based on assumption subject to various risks and uncertainties and no assurance is made as to whether such future events will occur. No assurance is made as to the accuracy or completeness of information presented in this document.*

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